

Supplement dated 11 May 2020
to the Base Prospectus dated 17 April 2020

Landsbankinn hf.
(incorporated in Iceland as a limited liability company)
ISK 250,000,000,000
Covered Bond Programme

This supplement (the “Supplement”) to the base prospectus dated 17 April 2020 (the “Base Prospectus”) constitutes a supplement for the purposes of Article 23 of Prospectus Regulation EU 2017/1129 (the “Prospectus Regulation”), which has been implemented into Icelandic law with Act. No. 14/2020 (the “**Act on Prospectus for Public Offering or Admission to Trading on a Regulated Market**”) and the Supplement is prepared in accordance with Article 23 of the Prospectus Regulation. This Supplement is supplemental to, forms part of and must be read and construed in conjunction with, the Base Prospectus dated 17 April 2020.

The Base Prospectus has been issued by Landsbankinn hf. (the “Issuer”) in respect of an ISK 250,000,000,000 Covered Bond Programme (the “Programme”) and is dated 17 April 2020.

The Supplement and the Base Prospectus are available on the Issuer’s website, www.landsbankinn.is (<http://www.landsbankinn.is/sertryggd-skuldabref>). Investors can request printed copies of the Base Prospectus and any supplements free of charge at the Issuer’s registered office at Austurstræti 11, 155 Reykjavík, Iceland.

Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. To the extent that there is any inconsistency between a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and b) any other statement in or incorporated by reference into the Base Prospectus, the statements referred to in a) above shall prevail.

The Financial Supervisory Authority of the Central Bank of Iceland (the “FSA”) in its capacity as competent authority under the Act on Prospectus for Public Offering or Admission to Trading on a Regulated Market has scrutinised and approved this Supplement, which is published in English only.



Landsbankinn hf.
This Supplement is dated 11 May 2020

1. ISSUER'S STATEMENT

Chief Executive Officer and Chief Financial Officer of Landsbankinn hf., Reg. No. 471008-0280, registered office at Austurstræti 11, 155 Reykjavík, Iceland, on behalf of the Issuer, hereby declare, that having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Reykjavík, 11 May 2020

On behalf of Landsbankinn hf.,

Lilja Björk Einarsdóttir

Chief Executive Officer

Hreiðar Bjarnason

Chief Financial Officer

2. CREDIT RATING LOWERED TO BBB WITH STABLE OUTLOOK

On 24 April 2020, Standard & Poors (“S&P”) announced a lowering of Landsbankinn’s long-term rating. The credit rating of the Issuer was lowered to BBB/A-2, with stable outlook.

The following wording shall replace the fourth paragraph in the section “Overview” under the section entitled “Description of the Issuer” on page 123 in the Base Prospectus dated 17 April 2020.

In April 2020, the international rating agency Standard & Poor’s (“S&P”) lowered the long-term rating of the Issuer as BBB/A-2, with stable outlook. The previous rating was from July 2019, where S&P affirmed the long-term and short-term rating of the Issuer as BBB+/A-2 but revised its outlook from “stable” to “negative outlook”.

3. INCORPORATION BY REFERENCE

The following wording shall be inserted after the first paragraph into section entitled “*Documents Incorporated by Reference*” under the section entitled “*Important Information*” on pages 46-47 in the Base Prospectus dated 17 April 2020

- i) The Condensed Consolidated Interim Financial Statements of the Issuer for the three months ended 31 March 2020 together with the auditor’s report on review of Condensed Consolidated Interim Financial Statements and the report of the Board of Directors and the CEO.

The Condensed Consolidated Interim Financial Statements for the first three months ended 31 March 2020 are available for viewing on the Issuer’s website, <https://www.landsbankinn.is>

(<https://corporate.landsbankinn.com/uploads/documents/arsskyrsluroguppjor/Consolidated-Financial-Report-Q1-2020-EN.pdf>)

4. ANNUAL GENERAL MEETING (AGM) OF THE ISSUER HELD 22 APRIL 2020

The Issuer's AGM held 22 April 2020, elected a statutory auditor for the year 2020. The meeting approved the Issuer's financial statements for 2019, together with the auditor's report. The AGM elected the same board of directors and alternates to sit on the board of the Issuer, until its next AGM. Furthermore, a new remuneration policy was approved and the remuneration to directors of the board for the next term of office is to remain unchanged. In addition, an unchanged dividend policy was approved, but it was approved that no dividend be paid for the accounting year 2019.

The result of the Issuer's AGM held 22 April requires an update on the following sections and pages in the Issuer's Base Prospectus dated 17 April 2020; "*Statutory Auditor*," on page 46, and "*Shareholder, Share Capital and Dividend Policy*" on page 126.

The following paragraphs in the section entitled "*Statutory Auditor*", shall replace the second paragraph in the section on page 46 of the Base Prospectus dated 17 April 2020:

The Issuer's Annual General Meeting approved to elect the National Audit Office as the Issuer's statutory auditor for the financial year 2020 to PricewaterhouseCoopers ehf., ("**PwC**") registered office at Skógarhlíð 12, 105 Reykjavík, Iceland. Arna Guðrún Tryggvadóttir is appointed the auditor on behalf of PwC. She is a member of the Institute of State Authorized Public Accountants in Iceland.

The following paragraphs in the section entitled "*Shareholder, Share Capital and Dividend Policy*" shall replace the third paragraph in the subsection entitled "*Dividend Policy*", on page 126 of the Base Prospectus dated 17 April 2020:

The Board of Directors had intended to propose to the AGM, which was scheduled to be held on the 27 March 2020, but was postponed until 22 April, due to the current COVID-19 pandemic, that a dividend of ISK 0.40 per share should be paid to shareholders for the operating year 2019, in two equal payments in 2020. The total dividend of ISK 9,450 million corresponds to 52 per cent. of the consolidated profit in 2019. Considering the current economic uncertainty caused by the pandemic of COVID-19, the Board of Directors proposed to the AGM that no dividend be paid for the accounting year 2019. The proposal was approved.