

# FINAL TERMS

5 December 2019

## LANDSBANKINN HF.

### Issue of ISK 5,520,000,000 Fixed Rate Inflation-Linked Subordinated Bonds under the ISK 50,000,000,000 Debt Issuance Programme

#### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Debt Securities set forth in the Base Prospectus dated 8 November 2019 and any supplements if applicable. This document constitutes the Final Terms of the Debt Securities described herein for the purposes of Article 5(4) of the Prospectus Directive, as amended (which includes the amendments made by Directive 2010/73/EU) and Article 45 of Act on Securities Transactions and must be read in conjunction with the Base Prospectus and any supplements, if applicable, which constitute a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Debt Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus and any supplements, if applicable. A copy of said Base Prospectus and any supplements are available for viewing at the issuer's website, [www.landsbankinn.is](http://www.landsbankinn.is).

1. **Issuer:** Landsbankinn hf.
2.
  - i. Series Number: 40
  - ii. Tranche Number: 1
3. **Specified Currency or Currencies:** ISK
4. **Aggregate Nominal Amount:**
  - i. Series: ISK 5,520,000,000
  - ii. Tranche: ISK 5,520,000,000
5. **Issue Price:** 100 per cent. of the Aggregate Nominal Amount
6. **Specified Denominations:**
  - i. Specified Denominations: 20,000,000
  - ii. Calculation Amount: 20,000,000
7.
  - i. Issue Date: 11 December 2019
  - ii. Interest Commencement Date: Issue Date
8. **Maturity Date:** 11 December 2029
9. **Interest Basis:** 3.85 per cent. Fixed Rate  
(see paragraph 19 below)

<b>10. Redemption/Payment basis:</b>	Subject to any purchase or cancellation or early redemption, the Debt Securities will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
<b>11. Change of interest basis or redemption/Payment basis:</b>	Not Applicable
<b>12. Investor Put/Issuer Call:</b>	Issuer Call
<b>13. Status of the Debt Securities:</b>	Subordinated
i. Redemption upon occurrence of Capital Event:	Applicable-Condition 7.13 applies
ii. Substitution or variation:	Applicable-Condition 7.14 applies
<b>14. Approval for Issuance of the Debt Securities:</b>	Date of Board approval for issuance of Debt Securities obtained:  24 October 2019
<b>15. Method of Distribution:</b>	Non-syndicated
<b>16. Calculation Agent:</b>	Issuer

#### **PROVISIONS RELATING TO INFLATION LINKED ANNUITY BONDS**

<b>17. Inflation Linked Annuity Bonds:</b>	Not Applicable
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#### **PROVISIONS RELATING TO INFLATION LINKED EQUAL PRINCIPAL PAYMENT BONDS INCLUDING BONDS WITH ONE PAYMENT OF PRINCIPAL ON MATURITY DATE**

<b>18. Inflation Linked Equal Principal Payment Bonds:</b>	Applicable
i. Rate(s) of Interest:	3.85 per cent. per annum payable annually in arrears
ii. Number of Interest Payment Dates:	10
iii. Interest Payment Date(s):	The 11th day in the month of December in each year up to and including the Maturity Date. First Interest Payment Date being 11 December 2020.
iv. Number of Principal Payment Dates:	1
v. Principal Payment Date(s):	Maturity Date
vi. Day Count Fraction:	30/360
vii. Base Index:	means 472.4, being the value of the CPI on 11 December 2019

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

<b>19. Fixed Rate Bond Provisions:</b>	Applicable
i. Rate(s) of Interest:	3.85 per cent. per annum payable annually in arrears
ii. Interest Payment Date(s):	The 11th day in the month of December in each year up to and including the Maturity Date. First Interest Payment Date being 11 December 2020.
iii. Fixed Coupon Amount(s):	Not Applicable
iv. Broken Amount (s):	Not Applicable
v. Day Count Fraction:	30/360
vi. Determination Date(s):	Not Applicable
vii. Other terms relating to the method of calculating interest for Fixed Rate Bonds:	None
<b>20. Floating Rate Bond Provisions:</b>	Not Applicable
<b>21. Zero Coupon Bond Provisions:</b>	Not Applicable
<b>22. Commercial Paper Provisions:</b>	Not Applicable

## PROVISIONS RELATING TO REDEMPTION

<b>23. Issuer Call:</b>	Applicable
i. Optional Redemption Date(s):	11 December 2024
ii. Optional Redemption Amount of each Debt Securities and method, if any, of calculation of such amount(s):	ISK 20,000,000 per Debt Security of 20,000,000 Specified Denomination
iii. If redeemable in part:	Not Applicable
iv. Notice period:	Minimum period: 30 days Maximum period: 60 days
<b>24. Investor Put:</b>	Not Applicable
<b>25. Final Redemption Amount of each Debt Security:</b>	ISK 20,000,000 per Calculation Amount
<b>26. Early Redemption Amount of each Debt Security payable on redemption and/or the method of calculating the same (if required or if different from that set out in Condition 7.8 (a):</b>	As set out in condition 7.8 (a)

## GENERAL PROVISIONS APPLICABLE TO THE DEBT SECURITIES

- |  |                               |
|--|-------------------------------|
| <b>27. New Global Note:</b>  | No                            |
| <b>28. Form of Debt Securities:</b>  | NCS D System Debt Securities  |
| <b>29. Additional Financial Centre(s) or other special provisions relating to Payment Days:</b>  | Not Applicable                |
| <b>30. Talons for future Coupons or Receipts to be Attached to Definitive Bonds</b> (and dates on which such Talons mature):   | No                            |
| <b>31. Details relating to Partly Paid Debt Securities:</b> amount of each payment comprising the Issue Price and date on which each payment is to be made and consequence of failure to pay, including any right of the Issuer to forfeit the Debt Securities and interest due on late Payment: | Not Applicable                |
| <b>32. Details relating to Instalment Bonds:</b>   |                               |
| i. Instalment Amount(s):   | Not Applicable                |
| ii. Instalment Date(s):  | Not Applicable                |
| <b>33. Redenomination applicable:</b>  | Redenomination not applicable |
| <b>34. Other final terms:</b>  | Not Applicable                |

## DISTRIBUTION

- |   |  |
|---|--|
| <b>35.</b>  |  |
| – If syndicated, names of Managers:                   | Not Applicable   |
| – Stabilizing Manager (if any):                       | Not Applicable   |
| <b>36. If non-syndicated, name of relevant Dealer</b> | Landsbankinn hf.                                       |
| <b>37. US. selling restrictions:</b>                  | Reg. S. Compliance Category 2;<br>TEFRA not applicable |
| <b>38. Additional selling restrictions:</b>           | Not Applicable   |

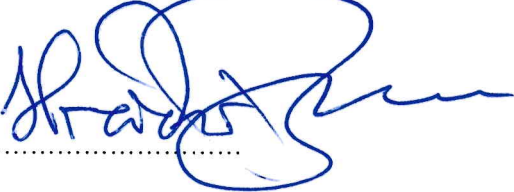
**LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required for the Debt Securities described herein *to be listed and admitted to trading* pursuant to the ISK 50,000,000,000 Debt Securities Programme of Landsbankinn hf.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: Wily B. Svanandottir 

*Duly authorized*

By: .....

*Duly authorized*

## **PART B – OTHER INFORMATION**

### **1. LISTING**

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|---------------------------|---|
| i. Listing:               | Nasdaq Iceland  |
| ii. Admission to trading: | Application has been made for the Debt Securities to be admitted to trading on Nasdaq Iceland |

### **2. RATING**

Not Applicable

### **3. NOTIFICATION**

Not Applicable

### **4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the issue of the Debt Securities has an interest material to the issue.

### **5. USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- |                                |  |
|--------------------------------|--|
| i. Use of proceeds:            | For general funding purposes of the Issuer |
| ii. Estimated net proceeds:    | ISK 5,519,170,000                          |
| iii. Estimated total expenses: | ISK 830,000                                |

### **6. YIELD** (*Fixed Rate Debt Securities only*)

Indication of yield: 3.85 per cent. per annum

*(Note: The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.)*

### **7. HISTORIC INTEREST RATES** (*Floating Rate Bonds Only*)

Not Applicable

### **8. PERFORMANCE OF CPI, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING** (*Inflation Linked Annuity Bonds and Inflation Linked Equal Principal Payment Bonds Only*)

The Debt Securities are inflation-linked and the reference index is the consumer price index in Iceland for indexation of financial obligation (CPI) calculated and published by Statistics Iceland. Information on the CPI index can be found on the Statistics Iceland's website: <http://statice.is/statistics/economy/prices/consumer-price-index/>

The Issuer does not intend to provide post-issuance information.

## 9. OPERATIONAL INFORMATION

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|---|--|
| i. ISIN Code:   | IS0000031649   |
| ii. Common Code:  | LBANK T2I 29   |
| iii. Any Clearing system(s) other than Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme (together with the address of each such clearing system) and the relevant identification number(s): | Nasdaq CSD Iceland<br>Laugavegur 182, 105 Reykjavik, Iceland<br>Reg. No. 500797-3209 |
| iv. Delivery:   | Delivery against payment   |
| v. Names and addresses of additional Paying Agent(s) (if any):  | Not Applicable   |
| vi. Intended to be held in a manner which would allow Eurosystem eligibility:   | No   |