

Supplement dated 6 March 2017  
to the Base Prospectus dated 8 December 2016

**Landsbankinn hf.**  
**(incorporated in Iceland as a limited liability company)**  
**ISK 100,000,000,000**  
**Covered Bond Programme**

This supplement (the “Supplement”) to the base prospectus dated 8 December 2016 (the “Base Prospectus”) constitutes a supplement for the purposes of Article 16 of Directive No. 2003/71/EC of the European Parliament and the Council of 4 November 2003 (the “Prospectus Directive”) as amended. The Prospectus Directive has been implemented into Icelandic law and the Supplement is prepared in accordance with Article 46 of the Securities Transactions Act No. 108/2007 (the “Act on Securities Transactions”). This supplement is supplemental to, forms part of and must be read and construed in conjunction with, the Base Prospectus dated 8 December 2016 and a supplement to the Base Prospectus dated 15 February 2016.

The Base Prospectus has been issued by Landsbankinn hf. (the “Issuer”) in respect of an ISK 100,000,000,000 Covered Bond Programme (the “Programme”) and is dated 8 December 2016.

The Supplement and the Base Prospectus are available on the Issuer’s website, [www.landsbankinn.is](http://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, Iceland (the “FME”) in its capacity as competent authority under the Act on Securities Transactions has scrutinised and approved this Supplement, which is published in English only.



**Landsbankinn hf.**

**This Supplement is dated 6 March 2017**

## 1 ISSUER'S STATEMENT

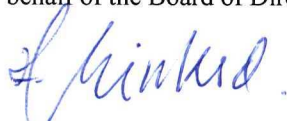
There have been no significant changes in the future prospects of the Issuer that could have a negative impact on the Issuer, since the last audited financial statements of the Issuer for the year 2016, published 9 February 2017.

There have been no significant changes in the financial position of the Issuer since the end of the last financial period for the year 2016, published 9 February 2017.

The Board of Directors and Chief Executive 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, 6 March 2017

On behalf of the Board of Directors,



Helga Björk Eiríksdóttir

Chairman of the Board of Directors

On behalf of Landsbankinn hf.,



Hreiðar Bjarnason

CFO and interim CEO

## 2 THE ISSUER'S LICENCE TO ISSUE COVERED BONDS

On 29 April 2013 the FME granted the Issuer a licence to issue Covered Bonds under the Act on Covered Bonds. Pursuant to the terms of such a licence, the Issuer is able, from time to time, to issue Covered Bonds that entitle the holder to the benefit of a statutory preferred creditor status in respect of the assets contained in the Issuer's Cover Pool in the event of the insolvency of the Issuer.

On 27 February 2017 FME authorised the Issuer to increase the size limit of the Covered Bonds programme from ISK 50,000,000,000 to ISK 75,000,000,000. The result of the increased authorisation from FME requires an update on the following sections and pages in the Issuer's Base Prospectus dated 8 December 2016: Cover page, *Definitions* on page 68, and *The Issuer's Licence to Issue Covered Bonds* on page 105.

The following wording shall replace the wording in the second paragraph of the Cover page on in the Base Prospectus dated 8 December 2016:

The Covered Bonds may be issued in bearer form ("**Bearer Covered Bonds**"), registered form ("**Registered Covered Bonds**"), uncertificated book entry form cleared through the Nasdaq Central Securities Depository Iceland hf. (the "**NCSD**") or any other clearing system as decided by the Issuer ("**VS System Covered Bonds**"). The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed ISK 100,000,000,000 (or its equivalence in other currencies calculated as described herein). The Covered Bonds may be issued on a continuing basis. The Financial Supervisory Authority, Iceland (the "**FME**") granted the Issuer a licence dated 29 April 2013 to issue Covered Bonds. Any increases of the

Programme shall be subject to the FME approval. On 27 February 2017, FME authorised the Issuer to increase the size limit from ISK 50,000,000,000 to ISK 75,000,000,000.

The following wording shall replace the wording in the paragraph “Programme” under the section “*Definitions*” on page 68 in the Base prospectus dated 8 December 2016:

**Programme** ISK 100,000,000,000 (or its equivalence in other currencies calculated as described herein) covered bond programme established by the Issuer on the Issue Date which shall not exceed a limit of ISK 75,000,000,000. Any increases of the Programme shall be subject to the FME approval.

The following paragraph shall replace the wording under the section “*The Issuer’s Licence to Issue Covered Bonds*” on page 105 in the Base Prospectus dated 8 December 2016:

Paragraph (a)

The Programme shall not exceed a limit of ISK 75,000,000,000. Any further increase of the Programme is subject to the approval of the FME.