

**SUPPLEMENT TO THE BASE PROSPECTUS DATED 22 MAY 2020
THE DATE OF THIS SUPPLEMENT IS 4 SEPTEMBER 2020**



LANDSBANKINN HF.

(incorporated with limited liability in Iceland)

€2,000,000,000

Euro Medium Term Note Programme

This supplement (the “Supplement”) to the base prospectus dated 22 May 2020 (the “**Base Prospectus**”), constitutes a supplement for the purposes of Article 23 of Prospectus Regulation EU 2017/1129 (the “**Prospectus Regulation**”), as implemented in the Republic of Ireland by the Prospectus Regulations, and is prepared in relation to the €2,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) of Landsbankinn hf. (the “**Bank**” or the “**Issuer**”).

This Supplement has been approved by the Central Bank of Ireland as a competent authority under the Prospectus Regulation. The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes that are subject of this Supplement. Investors should make their own assessment as to the suitability of investing in the Notes.

Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”) or which are to be offered to the public in any Member State of the European Economic Area (the “**EEA**”) or in the United Kingdom

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus, and all documents which are incorporated herein or therein by reference.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into this Supplement and (b) any statement in or incorporated by reference in the Base Prospectus, the statements referred to in (a) will prevail.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement is and will be available on the website of Euronext Dublin at www.ise.ie for a period of 12 months from the date of the Base Prospectus. This Supplement and the documents incorporated by reference may be obtained on written request and without charge from the registered office of the Issuer at Austurstræti 11, 155 Reykjavík, Iceland.

Purpose of this Supplement

The purpose of this Supplement is to:

- (i) correct the disclosure of the credit rating of the Bank found on the front cover of the Base Prospectus, and section entitled “*Overview of the Programme- Rating,*” on page 13 of the Base Prospectus;
- (ii) incorporate by reference into the Base Prospectus in the section entitled “*Documents Incorporated by Reference*” on page v of the Base Prospectus, the Bank’s Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2020, together with the auditor’s report of the Board of Directors and the CEO;
- (iii) confirm that there has been no significant change in the financial or trading position of the Group since 30 June 2020 and that there has been no material adverse change in the prospects of the Bank since 31 December 2019, subject to the carveouts specified in paragraph (iii) of this Supplement below; and
- (iv) update the section entitled “*General Information – Litigation*” in the Base Prospectus on page 148 of the Base Prospectus.

(i) Credit rating outlook

In April 2020, S&P Global Ratings lowered the long-term rating of the Bank to BBB/A-2, with a stable outlook.

The following wording shall replace the eleventh paragraph on the front cover of the Base Prospectus:

“The Bank has been rated BBB by S&P Global Ratings (“**Standard & Poor’s**”). The Programme has been rated BBB by Standard & Poor’s. Standard & Poor’s is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). As such Standard & Poor’s is included in the list of credit rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Notes issued under the Programme may be rated or unrated by the rating agency referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by Standard & Poor’s. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.”

In addition, the following wording shall replace the first paragraph in sub-section entitled “*Rating*” in the section entitled “*Overview of the Programme*” on page 13 of the Base Prospectus:

“The Programme has been rated BBB by Standard & Poor’s. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.”

(ii) Documents incorporated by reference

By virtue of this Supplement, the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 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, (together, the "**Q2 2020 Interim Financial Statements**") (<https://corporate.landsbankinn.com/uploads/documents/arsskyrsluroguppjor/Consolidated-Financial-Report-H1-2020-EN.pdf>), which have previously been published on the website of the Issuer and have been filed with the Central Bank of Ireland, shall be incorporated in, and form part of, the Base Prospectus, at the section entitled "*Documents Incorporated by Reference*" on page v of the Base Prospectus.

(iii) Significant change

Save for the impact of the COVID-19 pandemic referred to in the sections headed "*Recent Developments*", "*The Icelandic Economy*", "*Although economic growth has been robust in recent years, the Bank is vulnerable to a range of economic risks that face the Icelandic banking system*" and in the Q2 2020 Interim Financial Statements of the Bank on page 99, page 130, page 16 and page v of this Base Prospectus respectively, and in particular, the impact that COVID-19 may have had on the value of the Bank's loans to customers, which cannot be reliably estimated at this time, there has been no significant change in the financial position or financial performance of the Group since 30 June 2020.

Save for the impact of the COVID-19 pandemic referred to in the sections headed "*Recent Developments*", "*The Icelandic Economy*" and "*Although economic growth has been robust in recent years, the Bank is vulnerable to a range of economic risks that face the Icelandic banking system*" and in the Q2 2020 Interim Financial Statements of the Bank on page 99, page 130, page 16 and page v of this Base Prospectus respectively, and in particular, the impact that COVID-19 may have had on the value of the Bank's loans to customers, which cannot be reliably estimated at this time, there has been no material adverse change in the prospects of the Bank since 31 December 2019.

(iv) Litigation

The following wording shall replace the paragraph in the section entitled "*General Information – Litigation*" on page 148 of the Base Prospectus:

"Except as disclosed in the section entitled "*Description of the Bank – Litigation*" on pages 123 to 125 (inclusive) of this Base Prospectus and updated in "*Note 35- Litigation*" on pages 32 and 33 of the Q2 2020 Interim Financial Statements, neither the Bank nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), in the 12 months preceding the date of this document which may have or have in such period had significant effect on the financial position or profitability of the Bank or the Group."