

**SUPPLEMENT TO THE BASE PROSPECTUS DATED 22 MAY 2020
THE DATE OF THIS SUPPLEMENT IS 10 FEBRUARY 2021**



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 as supplemented by a supplement dated 4 September 2020 and 6 November 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 Supplement 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**”).

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 Bank accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Bank (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) update section “*Overview of the Programme*”;
- (ii) update *Risk Factor* section “*Factors which are material for the purpose of assessing the market risks associated with the Notes*” at the end of the sub-section entitled “*Risks related to the structure of a particular issue of Notes*”;
- (iii) update section “*Applicable Final Terms*” in Part B “*Other Information*”;
- (iv) update section “*Use of Proceeds*” to include reference to potential issues of Sustainable Finance Instruments (as defined below) by the Bank under the Programme.

(i) Overview of the Programme

The following sub-item “*Use of Proceeds*” will be inserted to the section “*Overview of the Programme*” on page 14 of the Base Prospectus, after sub-item “*United States Selling Restrictions*”:

“**Use of Proceeds:** The net proceeds from each issue of Notes or an amount equal to the net proceeds will, as specified in the applicable Final Terms, be:

- a) applied by the Bank for its general corporate purposes, which include making a profit; or
- b) applied by the Bank to finance, refinance and/or invest in part in Eligible Activities and Assets in line with the Bank’s applicable Sustainable Finance Framework, which is available at the Bank’s website; or
- c) used to finance any other particular identified use of proceeds as stated in the applicable Final Terms.”

(ii) Risk factors

The following risk factor will be inserted into section “*Factors which are material for the purpose of assessing the market risks associated with the Notes*” at the end of the sub-section entitled “*Risks related to the structure of a particular issue of Notes*, on page 35 of the Base Prospectus;

There can be no assurance that use of proceeds of Notes issued as Sustainable Finance Instrument will be suitable for an investor’s investment criteria. Any failure to use the net proceeds of any Sustainable Finance Instrument properly, may affect the value and/or trading price and/or may have consequences for certain investors, with portfolio mandates to invest in assets with particular purpose.

The Final Terms relating to any specific Series of Notes may provide that the Notes are intended to be Sustainable Notes (which may include, *inter alia*, sustainable, green, social and/or blue Notes (“**Sustainable Finance Instrument**”)). The Bank intends to allocate an amount equal to the net proceeds from Sustainable

Finance Instruments to finance or refinance, in whole or in part, Eligible Activities and Assets (including loans, investments, expenditures and the Bank's own eligible operations) that meet the eligibility criteria, which may include environmental, green, social and/or blue projects ("**Eligible Activities and Assets**"), in line with any Sustainable Finance Framework that the Bank may publish from time to time. See further section "*Use of Proceeds*" of this Base Prospectus.

No assurance can be given to investors that the use of proceeds from any Sustainable Finance Instrument may satisfy any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable standards, law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Activities and Assets as further described in Sustainable Finance Framework.

In addition, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "environmental" "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "environmental" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Activities and Assets will meet any or all investor expectations regarding such "green", "environmental", "social", "sustainable" or other equivalently-labelled performance objectives (including Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, the so called "EU Taxonomy", once implemented) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Activities and Assets.

In addition, no assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party, (whether or not solicited by the Bank) which may be made available in connection with the issue of any Sustainable Notes and in particular with any Eligible Activities and Assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, and shall not be deemed to be, incorporated in and/or form part of the Base Prospectus. Any such opinion or certification is not, and should not be deemed to be, a recommendation by the Bank or any other person to buy, sell or hold any such Sustainable Finance Instrument. Any such opinion or certification is only current as of the date that opinion was initially issued and currently providers of such opinions or certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in Sustainable Finance Instrument.

Furthermore, there is no guarantee that listing or admission any Sustainable Finance Instrument listed or admitted to trading on any dedicated "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of any stock- exchange or securities market (whether or not regulated), will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Activities and Assets. In addition, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No assurance can be given that aforementioned listing or admission

to trading in respect of any Sustainable Finance Instrument will be obtained or, if obtained, that any such listing or admission to trading will be maintained during the life of the Sustainable Finance Instrument.

It is the intention of the Bank to apply an amount equal to the net proceeds of any Sustainable Finance Instrument in, or substantially in, the manner described in the Sustainable Finance Framework, however there can be no assurance that projects will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such amounts will be totally or partially disbursed for such projects. Nor can there be any assurance that such projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Bank. Any such event or failure will not constitute an Event of Default under the Sustainable Finance Instrument and will not give rise to any claim of the Noteholder against the Bank. Payment of principal and interest (as the case may be) on the Sustainable Finance Instrument shall not depend on the performance of the relevant project and no Dealer will assess, verify, or monitor the proposed use of proceeds of Notes issued under the Programme.

Any of the aforementioned factors, event or failure and/or withdrawal of any opinion or certification, and/or any failure to meet, or to continue to meet, the investment requirements of investors, with respect to such Sustainable Finance Instrument may affect the value and/or trading price of the Sustainable Finance Instruments, and/or may have consequences for certain investors with particular portfolio mandates to invest in green, social, blue or sustainable assets, which may cause one or more of such investors to dispose of the Sustainable Finance Instrument held by them which may affect the value, trading price and/or liquidity of the relevant Sustainable Finance Instrument and/or may result in adverse consequences for certain Noteholders with portfolio mandates to invest in securities with a particular purpose.

Prospective investors should consult with their legal and other advisers before making an investment in any such Sustainable Finance Instrument and must determine for themselves the relevance of such information for the purpose of any investment in such Sustainable Finance Instrument together with any other investigation such investor deems necessary.

(iii) Applicable Final Terms

Sub-item “Reason for the Offer and Estimated Net Proceeds” shall be inserted to the section “Applicable Final Terms” in Part B, “Other Information,” after sub-item 7 “Distribution” on page 58 of the Base Prospectus;

“REASON FOR THE OFFER AND ESTIMATED NET PROCEEDS”

- (i) “Reason for the offer: [General corporate purposes]

[Sustainable Finance Instrument: The Bank intends to apply an amount equal to the net proceeds from this offer of Notes specifically for Eligible Activities and Assets (being [Green] [and/ or/,] [Social] [and/or] [Blue] Project[s]), as further described in the Bank’s applicable Sustainable Finance Framework. See “Use of Proceeds” in the Base Prospectus and the Bank’s Sustainable Finance Framework, available at the Bank’s website.

[Specify other]

(ii) Estimated net proceeds: []”

(iv) Use of Proceeds

The section entitled “*Use of Proceeds*” on page 98 of the Base Prospectus will be updated with the following:

“If "general corporate purposes" is specified in the "Reasons for the Offer" section in Part B of the applicable Final Terms, the net proceeds of the issue of Notes will be used for the Bank's general corporate purposes, which may include making a profit,

If "Sustainable Finance Instrument" is specified in the "Reasons for the Offer" section in Part B of the applicable Final Terms, an amount equal to the net proceeds of the issue of Notes will be used to finance, refinance and/or invest in Eligible Activities and Assets in line with the Bank's Sustainable Finance Framework [(as amended and supplemented from time to time)], which is available at the Bank's website: <https://www.landsbankinn.is/en/the-bank/investor-relations/sustainable-finance>

If, in respect of any particular issue there is a particular identified use of proceeds other than as described above, this will be stated in the relevant section of the Final Terms.”