

5 September 2018

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “MiFID II”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in EU Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (as amended, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Amounts payable under the Notes will be calculated by reference to the mid-swap rate for Euro swaps with a term of 5 years which appears on the Reuters screen “ICESWAP2” as of 11:00 am (Central European Time) on such Reset Determination Date which is provided by ICE Benchmark Administration or by reference to EURIBOR which is provided by the European Monetary Markets Institute. As at the date of these Final Terms, ICE Benchmark Administration and the European Monetary Markets Institute do not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011 (the “Benchmarks Regulation”).

As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply such that the European Monetary Markets Institute is not currently required to obtain authorisation or registration (or, if located outside the EU, recognition, endorsement or equivalence).

## LANDSBANKINN HF.

### Issue of EUR 100,000,000 3.125% Callable Resetable Notes due 2028

#### under the €2,000,000,000

#### Euro Medium Term Note Programme

#### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 6 April 2018 and the supplements thereto dated 30 May 2018 and 22 August 2018 which together constitute a base prospectus for the purposes of the Prospectus Directive (the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Bank and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at [www.centralbank.ie](http://www.centralbank.ie).

1	(a) Series Number:	11
	(b) Tranche Number:	1
	(c) Date on which the Notes will be consolidated and form a single Series:	Not Applicable
2	Specified Currency or Currencies:	Euro (“ <b>EUR</b> ”)
3	Aggregate Nominal Amount:	
	(a) Series:	EUR 100,000,000
	(b) Tranche:	EUR 100,000,000
4	Issue Price:	99.918 per cent. of the Aggregate Nominal Amount
5	(a) Specified Denominations:	EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Notes in definitive form will be issued with a denomination above EUR 199,000
	(b) Calculation Amount:	EUR 1,000
6	(a) Issue Date:	6 September 2018
	(b) Interest Commencement Date:	Issue Date
7	Maturity Date:	6 September 2028
8	Interest Basis:	Reset Notes (see paragraph 15 below)
9	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
10	Change of Interest Basis:	Not Applicable
11	Put/Call Options:	Issuer Call (see paragraph 17 below)

12	Status of the Notes:	Subordinated
	(i) Redemption upon occurrence of Capital Event:	Applicable – Condition 5.3 applies
	(ii) Substitution or variation:	Applicable – Condition 5.9 applies

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

13	Fixed Rate Note Provisions:	Not Applicable
14	Floating Rate Note Provisions:	Not Applicable
15	Reset Note Provisions	Applicable
	(a) Initial Rate of Interest:	3.125 per cent. per annum payable in arrear on each Interest Payment Date
	(b) Initial Mid-Swap Rate:	0.293 per cent.
	(c) First Reset Margin:	+ 2.850 per cent. per annum
	(d) Subsequent Reset Margin:	Not Applicable
	(e) Interest Payment Date(s):	6 September in each year up to and including the Maturity Date
	(f) Fixed Coupon Amount up to (but excluding) the First Reset Date: <i>(Applicable to Notes in definitive form)</i>	EUR 31.25 per Calculation Amount
	(g) Broken Amount(s) up to (but excluding) the First Reset Date: <i>(Applicable to Notes in definitive form)</i>	Not Applicable
	(h) Reset Reference Rate:	Mid-Swaps
	(i) First Reset Date:	6 September 2023
	(j) Second Reset Date:	Not Applicable
	(k) Subsequent Reset Date(s):	Not Applicable
	(l) Relevant Screen Page:	Reuters page “ICESWAP2”
	(m) Mid-Swap Rate:	Single Mid-Swap Rate
	(n) Mid-Swap Rate Conversion:	Not Applicable
	(o) Mid-Swap Floating Leg Maturity:	6 months
	(p) Reference Bond Reset Rate Time:	Not Applicable
	(q) Reference Bond Price in respect of the first Reset Determination Date:	Not Applicable
	(r) Reset Determination Date(s):	The second day on which the TARGET2 System is open prior to the First Reset Date.
	(s) Relevant Time:	11:00 a.m. (Central European time)

(t) Day Count Fraction:	Actual/Actual (ICMA)
(u) Determination Date(s):	6 September in each year
(v) Relevant Financial Centre	Not Applicable
16 Zero Coupon Note Provisions:	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

17 Issuer Call:	Applicable
(a) Optional Redemption Date(s):	6 September 2023
(b) Optional Redemption Amount:	EUR 1,000 per Calculation Amount
(c) If redeemable in part:	
(i) Minimum Redemption Amount:	EUR 100,000,000
(ii) Maximum Redemption Amount:	EUR 100,000,000
(d) Notice periods:	Minimum period: 30 days Maximum period: 60 days
18 Final Redemption Amount:	EUR 1,000 per Calculation Amount
19 Early Redemption Amount payable on redemption for taxation reasons, upon the occurrence of a Capital Event or on an event of default:	EUR 1,000 per Calculation Amount

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20 Form of Notes:	
(a) Form:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event
(b) New Global Note:	Yes
21 Additional Financial Centre(s):	Not Applicable
22 Talons for future Coupons to be attached to Definitive Notes:	No

Signed on behalf of **LANDSBANKINN HF.**

By:   
*Duly authorised*

By:   
*Duly authorised*

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: Application has been made by the Bank (or on its behalf) to Euronext Dublin for the Notes to be admitted to the Official List and trading on the Main Securities Market with effect from 6 September 2018
- (ii) Estimate of total expenses related to admission to trading: EUR 600

### 2 RATINGS

- Ratings: The Notes to be issued have been rated:  
BBB- by Standard & Poor's Credit Market Services Europe Limited.  
Standard & Poor's Credit Market Services Europe Limited is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**").

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Bank is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Bank and its affiliates in the ordinary course of business.

### 4 YIELD

- Indication of yield: 3.143 per cent. per annum.  
The yield is calculated at the Issue Date on the basis of the Issue Price and based on the period up to (but excluding) the First Reset Date. It is not an indication of future yield.

### 5 OPERATIONAL INFORMATION

- (i) ISIN: XS1876547420
- (ii) Common Code: 187654742
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
- (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: Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

## **6 DISTRIBUTION**

- (i) Method of distribution: Syndicated
- (ii) If syndicated, names of Managers: Citigroup Global Markets Limited and J.P. Morgan Securities plc
- (iii) Stabilisation Manager(s) (if any): Not Applicable
- (iv) If non-syndicated, name of relevant Dealer: Not Applicable
- (v) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D