

Supplement dated 23 February 2023
to the Base Prospectus dated 7 April 2022

Landsbankinn hf.
(incorporated in Iceland as a limited liability company)
ISK 50,000,000,000
Debt Issuance Programme

This supplement (the “**Supplement**”) to the base prospectus dated 7 April 2022, as supplemented by a supplement dated 26 July 2022 (the “**Base Prospectus**”) constitutes a supplement for the purposes of Article 23 of Prospectus Regulation EU 2017/1129 (the “**Prospectus Regulation**”), which has been implemented into Icelandic law with Act. No. 14/2020 (the “**Act on Prospectus for Public Offering or Admission to Trading on a Regulated Market**”) and is prepared in relation to the ISK 50,000,000,000 Debt Issuance Programme (the “**Programme**”) of Landsbankinn hf. (the “**Issuer**”). This Supplement is supplemental to, forms part of and must be read and construed in conjunction with, the Base Prospectus.

The Supplement and the Base Prospectus are available on the Issuer’s website, www.landsbankinn.is (<http://www.landsbankinn.is/vixlar>). 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 of the Central Bank of Iceland (the “**FSA**”) in its capacity as competent authority under the Act on Prospectus for Public Offering or Admission to Trading on a Regulated Market has scrutinised and approved this Supplement, which is published in English only.



Landsbankinn hf.
This Supplement is dated 23 February 2023

1. ISSUER'S STATEMENT

Chief Executive Officer and Chief Financial 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, 23 February 2023

On behalf of Landsbankinn hf.,

Lilja Björk Einarsdóttir
Chief Executive Officer

Hreiðar Bjarnason
Chief Financial Officer

2. INCORPORATION BY REFERENCE

The following wording shall be inserted after the first paragraph into sub-section entitled “*Documents Incorporated by Reference*” under the section entitled “*Important Information*” on pages 47-50 in the Base Prospectus,

- i) The Condensed Consolidated Financial Statements of the Issuer for the year ended 31 December 2022, together with the Independent auditor’s report on review of Condensed Consolidated Financial Statements and the report of the Board of Directors and the CEO;

<https://www.landsbankinn.is/uploads/documents/arsskyrsluoguppgjor/Consolidated-Financial-Report-2022-EN.pdf>

3. LITIGATION

The following wording shall be inserted and replace the sixth and seventh paragraph in section entitled “*Description of the Issuer - Litigation*” on page 183 of the Base Prospectus:

“In January 2022, an individual commenced litigation against the Issuer claiming that a provision in a mortgage credit agreement issued in 2006 be deemed illegal and void as it allegedly does not specify under which conditions changes are made to the interest rate, as provided for in the Consumer Credit Act No. 121/1994, applicable at the time. The plaintiff demands, furthermore, an acknowledgement by the Court that interests be recalculated in accordance with Article 4 of the Act on Interest and Indexation and that the debt remaining in November 2020 amounted to an overpayment of around ISK 26.5 million. Alternatively, the plaintiff demanded an acknowledgement that interests be recalculated in accordance with the initial interest rate of the credit agreement and that the debt remaining in November 2020 amounted to an overpayment of around ISK 2 million. The Issuer delivered its written statement in April 2022 claiming dismissal of certain aspects of the plaintiff’s claims and rejection of other claims, alternatively all claims. On 21 November 2022, the District Court dismissed the case.

In December 2022, the case was again brought before the District Court. The timing of a final judgment is uncertain, whether it will have a financial impact on the Issuer and what its legal precedent will be.

In December 2021, two individuals commenced litigation against the Issuer claiming that an interest rate provision in two credit agreements, issued in 2006, should be deemed illegal and void since the provision allegedly does not stipulate under which circumstances the interest rate changes, as provided for in the Consumer Credit Act No. 121/1994, applicable at the time. The plaintiffs demand that interests be recalculated in accordance with Article 4 of the Act on Interest and Indexation, and that the Issuer repays the plaintiffs around ISK 3.5 million plus interest. As a last resort, the plaintiffs demand that interests be recalculated in accordance with the initial contractual interest rate. In February 2022, the Issuer submitted its written statement claiming that all claims by the plaintiffs should be rejected. The case was heard by the District Court on 17 January 2023. On 7 February 2023 the District Court delivered its judgment, recognising the individuals' last resort claim of payment of around ISK 230,000 plus interest. It is expected that the judgment will be appealed to the Appeal Court. A final judgment may set a precedent for other consumer credit agreements containing the same contractual provision. It is the Issuer's current preliminary assessment that an adverse outcome of a final judgment could have a financial impact on the Issuer in the amount of less than ISK 200 million.

In December 2021, two individuals commenced litigation against the Issuer claiming that an interest rate provision in a mortgage credit agreement, issued in 2019, should be deemed illegal and void since the provision allegedly does not stipulate conditions and procedure for interest rate changes, as provided for in the Consumer Mortgage Act No. 118/2016. The plaintiffs demand that interests be recalculated in accordance with Article 4 of the Act on Interest and Indexation, and that the repays the plaintiffs around ISK 83,000 plus interest. In February 2022 the Issuer submitted its written statement claiming that all claims by the plaintiffs should be rejected. In March 2022 the plaintiffs submitted a claim that an advisory opinion by the EFTA Court should be requested on the interpretation of certain provisions in directives incorporated into the EEA Agreement. On 23 June 2022, the District Court rejected the request of the plaintiffs. In the case, however, the Court decided on own initiative to request an advisory opinion from the EFTA Court on certain issues. On 31 October 2022, the Appeal Court confirmed the decision of the District Court. The timing of a final judgment is uncertain, whether it will have a financial impact on the Issuer and what its legal precedent will be.

One possible unfavourable outcome of the above-mentioned cases concerning consumer and mortgage credit agreements could be that the credit agreements concerned should bear the initial fixed rate of interest set out in the contracts instead of a variable interest rate. This outcome, which the Issuer believes is unlikely, would significantly raise the Issuer's interest rate risk which could lead to a significant financial loss in the event of adverse developments of interest rates in the capital markets."

Undirritunarsíða

F.h. Landsbankans hf.
Hreiðar Bjarnason

F.h. Landsbankans hf.
Lilja Björk Einarsdóttir