



Sustainable Finance Allocation Report

February 2024



Overview and allocation of proceeds

In February and November 2021, Landsbankinn issued two EUR 300m green, senior unsecured and senior preferred bonds and, in September 2023, the Bank again issued bonds, EUR 300m green, senior preferred, with the intention to use the proceeds to finance eligible loans under its [Sustainable Finance Framework](#).

Proceeds from the [first issuance](#) have been fully allocated to eligible loans to 19 companies under Landsbankinn's Sustainable Finance Framework. Proceeds from the second issuance have been fully allocated as eligible loans to 24 companies and proceeds from the third issuance have been fully allocated as eligible loans to 21 companies under the same Framework.

Proceeds from the February issuance were used to refinance eligible loans issued in 2018-2021 to investments and expenditures related to catching, production and processing of Marine Stewardship Council (MSC) certified fish and seafood. Proceeds from the November issuance were used to refinance eligible loans issued in 2018-2022 to investments and expenditures related to (i) catching, production and processing of MSC, Aquaculture Stewardship Council (ASC) or Iceland Responsible Certified seafood products, (ii) sustainable water and wastewater management, (iii) renewable energy, (iv) green buildings and (v) energy efficiency. Proceeds from the September issuance were used to refinance eligible loans issued in 2021-2023 to investments and expenditures related to (i) catching, production and processing of MSC, ASC or Iceland Responsible Certified seafood products, (ii) sustainable water and wastewater management, and (iii) eco-efficient and/or circular economy adapted products, production technologies and processes, (iv) green buildings and (v) renewable energy.

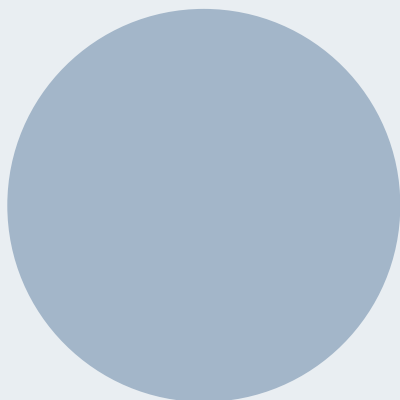
Euro exchange rates are the same as in the Bank's consolidated financial statements for 2023, the exchange rate as at 31 December 2023, 150.09 ISK/EUR.

Initially, verification of the allocation eligibility of the February issuance was conducted by Sustainalytics. At the publication of this report, Deloitte has verified both the November and September issuances, as well as the February issuance, and the auditors report is attached as an appendix.

Bond information

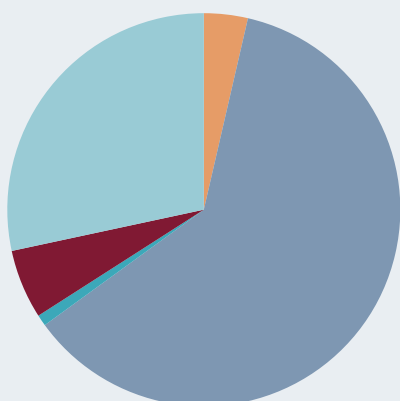
Bond information	Issue date	25 February 2021	25 November 2021	12 September 2023
	Issuer	Landsbankinn hf.	Landsbankinn hf.	Landsbankinn hf.
	Bond type	Green, Senior Unsecured	Green, Senior preferred	Green, Senior preferred
	ISIN	xs2306621934	xs2411726438	xs2679765037
	Bloomberg	LANBNN 0 3/8 05/23/25	LANBNN 0 3/4 05/25/26	LANBNN 6 3/8 03/12/27
	Amount (€m)	300	300	300
	Maturity date	23 May 2025	25 May 2026	12 March 2027
	Currency	Euro	Euro	Euro
	Place of listing	Euronext, Dublin	Euronext, Dublin	Euronext, Dublin
	Outstanding debt as of 2023/12/31 (€m)	300	300	300
Allocation information	Allocated proceeds as of 2023/12/31	100%	100%	100%
	Allocated proceeds to loans issued in 2018 (€m)	153.7	35.7	0.0
	Allocated proceeds to loans issued in 2019 (€m)	58.5	125.9	0.0
	Allocated proceeds to loans issued in 2020 (€m)	83.1	8.2	0.0
	Allocated proceeds to loans issued in 2021 (€m)	4.8	106.5	63.1
	Allocated proceeds to loans issued in 2022 (€m)	0.0	23.7	107.2
	Allocated proceeds to loans issued in 2023 (€m)	0.0	0.0	129.7
	Remaining balance of unallocated proceeds (€m)	0.0	0.0	0.0
	Refinance	98.4%	56.6%	56.8%
	New-finance	1.6%	43.4%	43.2%
	Allocation category 1	Environmentally sustainable management of living resources and land use	Environmentally sustainable management of living resources and land use	Environmentally sustainable management of living resources and land use
	Amount allocated to category 1 (€m)	300.0	184.2	246.3
	Criteria for category 1	Investments and expenditures related to catching, production and processing of MSC (Marine Stewardship Council), ASC (Aquaculture Stewardship Council, fully certified) or Iceland Responsible Fisheries Certified fish products. Small companies catching species listed under "MSC Certified Fisheries", using qualified methods, by Icelandic Sustainable Fisheries are eligible if >90% of revenue come from such fishing activities.	Investments and expenditures related to catching, production and processing of MSC (Marine Stewardship Council), ASC (Aquaculture Stewardship Council, fully certified) or Iceland Responsible Fisheries Certified fish products. Small companies catching species listed under "MSC Certified Fisheries", using qualified methods, by Icelandic Sustainable Fisheries are eligible if >90% of revenue come from such fishing activities.	Investments and expenditures related to catching, production and processing of MSC (Marine Stewardship Council), ASC (Aquaculture Stewardship Council, fully certified) or Iceland Responsible Fisheries Certified fish products. Small companies catching species listed under "MSC Certified Fisheries", using qualified methods, by Icelandic Sustainable Fisheries are eligible if >90% of revenue come from such fishing activities.
	Allocation category 2	-	Sustainable water and wastewater management	Sustainable water and wastewater management
	Amount allocated to category 2 (€m)	0.0	85.1	18.8
	Criteria for category 2	-	Development, construction and operation of wastewater treatment (including collection and wastewater treatment plants).	Development, construction and operation of wastewater treatment (including collection and wastewater treatment plants).
	Allocation category 3	-	Green buildings	Green buildings
	Amount allocated to category 3 (€m)	0.0	2.8	2.6
	Criteria for category 3	-	Construction of new, or refurbished of public, commercial and private buildings are required to achieve certain certification.	Construction of new, or refurbished of public, commercial and private buildings are required to achieve certain certification.
	Allocation category 4	-	Renewable Energy	Renewable Energy
	Amount allocated to category 4 (€m)	0.0	17.1	7.4
	Criteria for category 4	-	Development, construction and operation of facilities using renewable energy for electricity and heating with carbon intensity <100 gCO ₂ e/kWh considering life-cycle emissions.	Development, construction and operation of facilities using renewable energy for electricity and heating with carbon intensity <100 gCO ₂ e/kWh considering life-cycle emissions.
	Allocation category 5	-	Energy efficiency	Eco-efficient and/or circular economy adapted products, production technologies and processes
	Amount allocated to category 5 (€m)	0.0	10.8	25.0
	Criteria for category 5	-	Development, manufacture, distribution and/or installation of products or services that increase the energy efficiency of industrial processes. These cannot include efficiency of fossil fuel production or distribution	Development and production of products which are intended to achieve, or have already received a credible, industry specific environmental certification, such as the Nordic Swan Ecolabel, the EU Ecolabel or equivalent.

GB February 2021



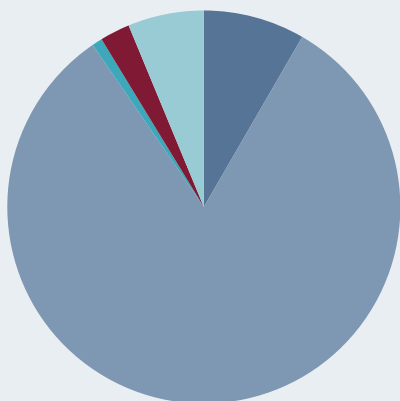
- Eco-efficient and/or circular economy adapted products, production technologies and processes
- Energy efficiency
- Environmentally sustainable management of living resources and land use
- Green buildings
- Renewable energy
- Sustainable water and wastewater management

GB November 2021



- Eco-efficient and/or circular economy adapted products, production technologies and processes
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GB September 2023

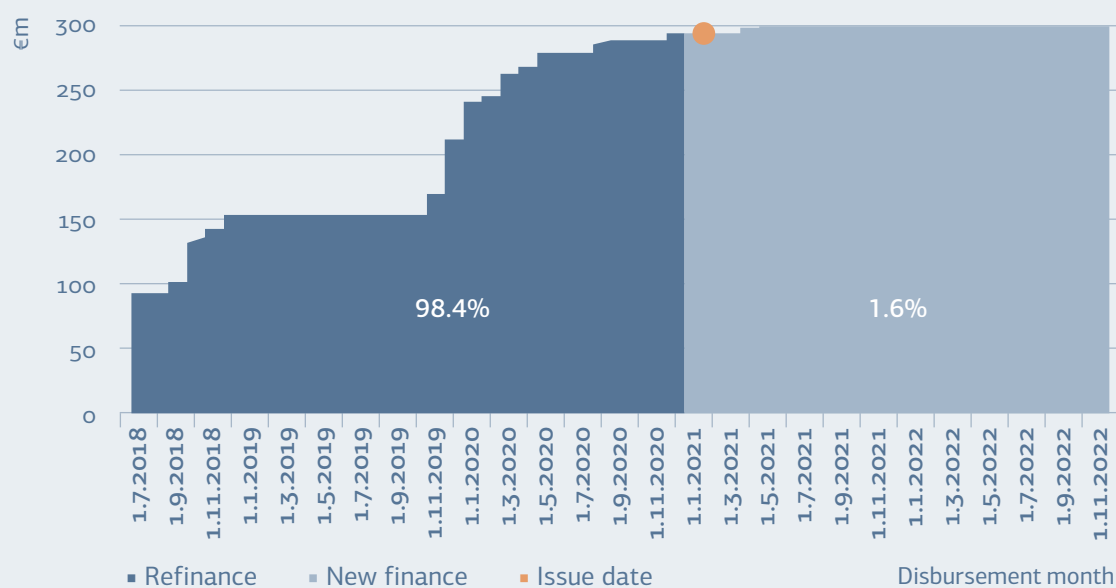


- Eco-efficient and/or circular economy adapted products, production technologies and processes
- Energy efficiency
- Environmentally sustainable management of living resources and land use
- Green buildings
- Renewable energy
- Sustainable water and wastewater management

Bond information cont. (February 2021 issuance)

Allocated amount (€m)					
	2018	2019	2020	2021	Total
MSC Cert. Comp. 1	64.2	-	-	-	64.2
MSC Cert. Comp. 2	-	42.2	-	-	42.2
MSC Cert. Comp. 3	40.8	16.2	-	-	57.0
MSC Cert. Comp. 4	0.1	0.1	-	-	0.2
MSC Cert. Comp. 5	5.4	-	-	-	5.4
MSC Cert. Comp. 6	30.5	-	-	-	30.5
MSC Cert. Comp. 7	-	-	17.1	-	17.1
MSC Cert. Comp. 8	-	-	-	4.0	4.0
MSC Cert. Comp. 9	9.7	-	-	0.7	10.5
MSC Cert. Comp. 10	-	-	6.4	-	6.4
MSC Cert. Comp. 11	-	-	11.1	-	11.1
MSC Cert. Comp. 12	2.9	-	-	-	2.9
MSC Cert. Comp. 13	-	-	7.2	-	7.2
MSC Cert. Comp. 14	-	-	17.6	-	17.6
MSC Cert. Comp. 15	-	-	2.7	-	2.7
MSC Cert. Comp. 16	-	-	6.3	-	6.3
MSC Cert. Comp. 17	-	-	4.3	-	4.3
MSC Cert. Comp. 18	-	-	5.3	-	5.3
MSC Cert. Comp. 19	-	-	5.0	-	5.0
Total	153.7	58.5	83.1	4.8	300.0

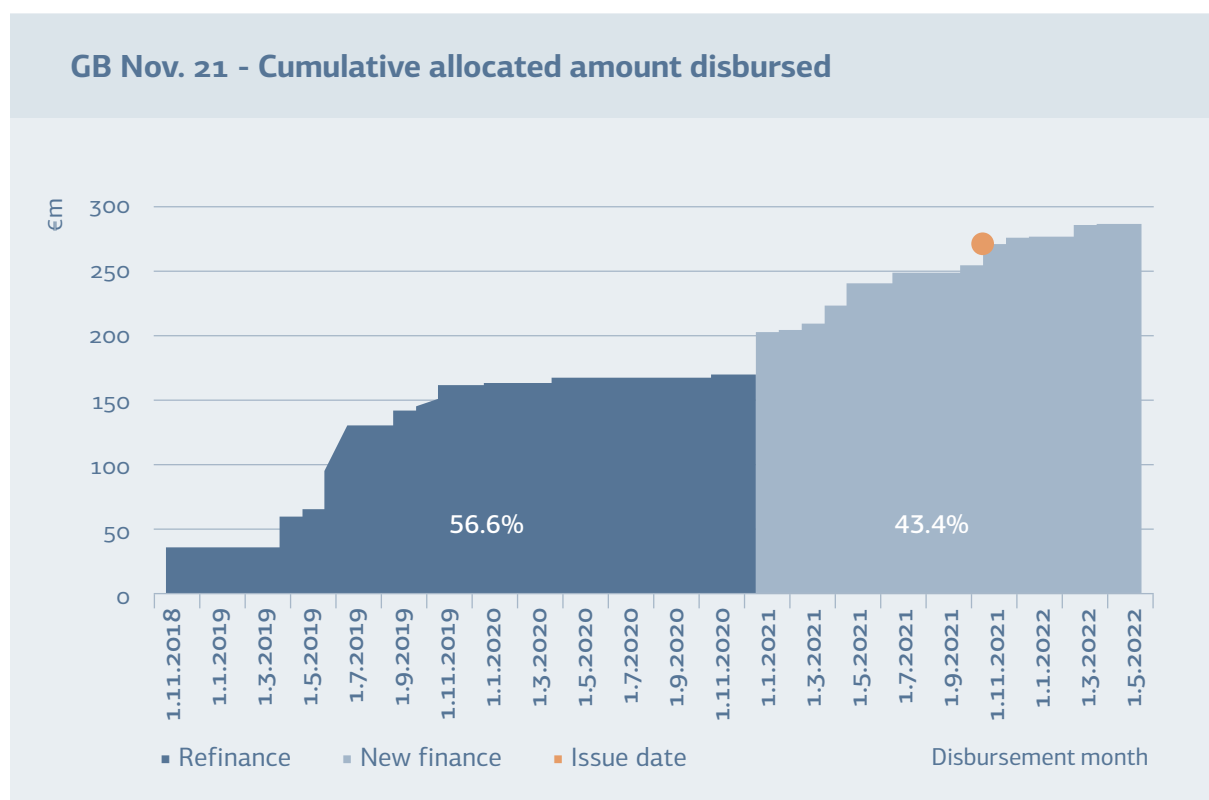
GB Feb. 21 - Cumulative allocated amount disbursed



Bond information cont. (November 2021 issuance)

Allocated amount (€m)						
	2018	2019	2020	2021	2022	Total
Energy efficiency Comp. 1	-	-	-	10.8	-	10.8
Green buildings Comp. 1	-	-	0.4	1.4	1.0	2.8
MSC Cert. Comp. 1	-	10.6	-	13.5	-	24.1
MSC Cert. Comp. 2	-	11.7	-	-	-	11.7
MSC Cert. Comp. 3	-	-	-	8.8	-	8.8
MSC Cert. Comp. 4	-	20.1	-	-	-	20.1
MSC Cert. Comp. 5	-	-	-	8.6	-	8.6
MSC Cert. Comp. 6	-	9.3	-	-	-	9.3
MSC Cert. Comp. 7	-	-	-	16.9	-	16.9
MSC Cert. Comp. 8	-	18.9	-	-	-	18.9
MSC Cert. Comp. 9	-	9.5	-	-	-	9.5
MSC Cert. Comp. 10	-	4.4	-	-	-	4.4
MSC Cert. Comp. 11	-	-	-	14.3	-	14.3
MSC Cert. Comp. 12	-	-	-	1.4	-	1.4
MSC Cert. Comp. 13	-	-	-	1.2	-	1.2
MSC Cert. Comp. 14	-	6.0	-	-	-	6.0
MSC Cert. Comp. 15	-	-	-	3.2	-	3.2
MSC Cert. Comp. 16	-	-	-	5.4	-	5.4
MSC Cert. Comp. 17	-	-	1.2	-	-	1.2
MSC Cert. Comp. 18	-	-	-	19.0	-	19.0
Renewable energy Comp. 1	-	-	4.1	-	-	4.1
Renewable energy Comp. 2	-	-	-	-	13.0	13.0
SWWM* Comp. 1	35.7	35.4	-	-	-	71.1
SWWM* Comp. 2	-	-	2.5	1.8	9.7	14.0
Total	35.7	125.9	8.2	106.5	23.7	300.0

*Sustainable water and wastewater management



Bond information cont. (September 2023 issuance)

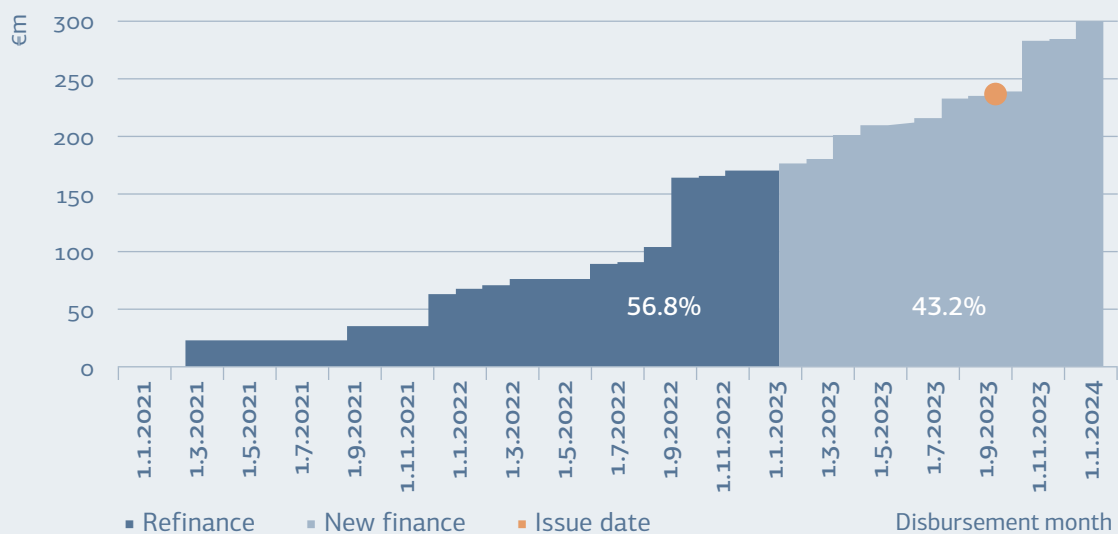
	Allocated amount (€m)			
	2021	2022	2023	Total
Eco-efficient and/or circular economy** Comp. 1	-	-	25.0	25.0
Green buildings Comp. 1	-	1.8	0.8	2.6
IRFC*** Comp. 1	-	4.0	0.5	4.4
IRFC*** Comp. 2	-	17.1	43.5	60.6
IRFC*** Comp. 3	-	4.2	-	4.2
MSC Cert. Comp. 1	28.0	-	-	28.0
MSC Cert. Comp. 2	-	-	19.3	19.3
MSC Cert. Comp. 3	-	5.0	-	5.0
MSC Cert. Comp. 4	-	-	4.2	4.2
MSC Cert. Comp. 5	22.7	-	-	22.7
MSC Cert. Comp. 6	-	43.4	-	43.4
MSC Cert. Comp. 7	-	-	0.8	0.8
MSC Cert. Comp. 8	12.5	-	-	12.5
MSC Cert. Comp. 9	-	-	3.9	3.9
MSC Cert. Comp. 10	-	3.4	-	3.4
MSC Cert. Comp. 11	-	9.9	1.3	11.2
MSC Cert. Comp. 12	-	12.8	5.2	18.0
MSC Cert. Comp. 13	-	2.9	1.8	4.7
Renewable energy Comp. 1	-	-	7.4	7.4
SWWM* Comp. 1	-	-	15.9	15.9
SWWM* Comp. 2	-	2.6	0.2	2.9
Total	63.1	107.2	129.7	300.0

*Sustainable water and wastewater management

**Eco-efficient and/or circular economy adapted products, production technologies and processes

***Iceland Responsible Fisheries certified fish products

GB Sep. 23 - Cumulative allocated amount disbursed



Impact

General overview of the sustainability of Icelandic fisheries.

- Greenhouse gas (GHG) emissions from the Icelandic fishing sector has decreased by 38% since 1996, from 883 ktCO₂e to 546 ktCO₂e in 2022.¹
- This reduction in GHG emissions has been achieved through fleet upgrades, technological development and a reduction in the number of fishing vessels alongside growth of the value of marine products.
- In 2020, the number of fishing vessels under the quota system had decreased by 40% from 2008.²
- The sector is taking steps towards electrification. Neskaupstaður, in East Iceland, was the first port to provide ships with electricity during layovers. According to the government's climate action plan from 2020, every port in Iceland shall provide such facilities in the future.

MSC/ASC certification and Iceland Responsible Fisheries certified fish products

MSC certification is only applied to wild fish or seafood products from fisheries that have received certification according to the MSC Fisheries Standard, a set of requirements for sustainable fishing.

MSC certified fish and seafood derive from fisheries which have been independently assessed for impact on wild fish populations and the ecosystems to which they belong.

MSC certified products are distinguished from non-certified products throughout the entire supply chain. They are visibly labelled and traceable to a certified sustainable source.

The ASC is the world's leading certification scheme for farmed seafood – known as aquaculture – and the ASC label only appears on food from farms that have been independently assessed and certified as being environmentally and socially responsible.

Iceland Responsible Fisheries certification is a robust, practical and cost-effective approach that allows Icelandic fisheries to meet the Food and Agriculture Organization's criteria for credible certification.

Sustainable water and wastewater management

Development, construction and operation of wastewater treatment (including collection and wastewater treatment plants).

Eco-efficient and circular economy

Eco-efficient and/or circular economy adapted products, production technologies and processes are divided into four categories:

- Development and production of products which are intended to achieve, or have already received a credible, industry specific environmental certification such as the Nordic Swan Ecolabel, the EU Ecolabel or equivalent.
- Research, development and operation of systems, products or technologies that increase energy efficiency, and/or mitigate the GHG emissions of Landsbankinn's customers and/or network users (without any reliance on non-renewable energy sources), such as 5G or other high-speed mobile network infrastructure.
- Internet of Things ("IoT") products and solutions.
- Cloud and analytics products and solutions, including data centres using renewable energy.

¹ Iceland statistics. Table UMH31110 using Eurostat air emission accounts for fisheries and fish farming (A03).

² "Græn skref í sjávarútvegi", 2021. Figure 5, p. 16.

Energy efficiency

- Development, manufacture, distribution and/or installation of products or services that increase the energy efficiency of industrial processes. These cannot include efficiency of fossil fuel production or distribution.
- Energy-efficiency improvements involving changes to processes, reduction of heat loss or increased waste heat recovery. This includes the installation of renewable-powered cogeneration plants with carbon intensity below 100 gCO₂/kW.
- Installation and operation of fibre and high-speed mobile networks intended to replace copper-based communication networks.

Green buildings

Construction of new, or refurbishment of public, commercial and private buildings is required to achieve one of the following, or equivalent, certification:³

- LEED “Gold”
- BREEAM (or BREEAM In-use) “Very good”
- Nordic Swan Ecolabel
- And/or additional criteria detailed in the most recent EU Taxonomy at the time of financing

Renewable energy

Development, construction and operation of facilities using renewable energy for electricity and heating with carbon intensity <100 gCO₂e/kWh considering life-cycle emissions. Such facilities must have implemented relevant solutions that reduce the most important physical climate risks that are material to that activity.⁴

These facilities include:

- Solar energy
- Wind energy
- Hydropower
- Bio energy such as biomass, biogas, biofuels and landfill gas⁵
- Ocean energy
- Geothermal energy
- Hydrogen

³ Buildings may not be dedicated to the extraction, storage, transport or manufacture of fossil fuels.

⁴ For energy projects, life-cycle assessments (LCA) or environmental-impact assessments (EIA) should be provided assessing relevant impact categories as defined by the EU Taxonomy.

⁵ For Bioenergy: 1. Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive. 2. The GHG savings from the use of biomass in cogeneration installations are at least 80 % in relation to the GHG emission saving methodology and fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001. Non-waste feedstock is excluded. Landfill gas only from decommissioned sites.

Independent Auditor's Assurance Report

To the Management and the stakeholders of Landsbankinn hf.

We have been engaged by Landsbankinn hf. to provide limited assurance on the allocation of net proceeds from Green Bonds as disclosed in Sustainable Finance Allocation Report 2023. The allocation is made according to Landsbankinn's Sustainable Financing Framework which is based on IC-MA's guidelines and the EU taxonomy for sustainable financing.

Our engagement was performed in order to evaluate:

- Allocation of net proceeds from Green Bonds are used to finance projects that meet the criteria of the Bank's Sustainable Financing Framework from the year 2021.

We express a conclusion providing limited assurance.

Management's responsibility

The Management of Landsbankinn is responsible for collecting, analysing, aggregating, and presenting the information in the report, ensuring that the information is free from material misstatement, whether due to fraud or error.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants (IESBA Code), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Deloitte ehf. is subject to International Standard on Quality Management (ISQM) 1 and, accordingly, applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the allocation based on the Sustainable Financing Framework, presented in the Sustainable Finance Allocation report for 2023. We have conducted our work in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, to obtain limited assurance about our conclusion. In accordance with the standard, we have planned and performed our work to obtain limited assurance about whether Allocation information is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Considering the risk of material misstatement, we planned and performed our work to obtain all information and explanations necessary to support our conclusion.

We performed reviews of data, reviews of the underlying data processes as well as interviews with those responsible for producing the data. Our work has included interviews with key functions in Landsbankinn, inquiries regarding procedures and methods to ensure that the allocation of funding is in accordance with the guidelines within Landsbankinn's Sustainable Financing Framework. We have assessed processes, systems, and controls for gathering, consolidating and aggregating the data at Landsbankinn, and performed analytical review procedures and tested data prepared against underlying documentation.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that allocation of net proceeds from Green Bonds in Landsbankinn's Sustainable Finance Allocation report for the year 2023 is not prepared, in all material respects, in accordance with the Sustainable Finance Framework.

Kópavogi, 23 February 2024

Deloitte ehf.



Birna María Sigurðardóttir
State-Authorised Public Accountant