

Supplement dated 18 April 2016
to the Base Prospectus dated 9 December 2015

Landsbankinn hf.
(incorporated in Iceland as a limited liability company)
ISK 100,000,000,000
Covered Bond Programme

This supplement (“Supplement”) to the base prospectus dated 9 December 2015 (“Base Prospectus”) constitutes a supplement for the purposes of Article 16 of Directive No. 2003/71/EC of the European Parliament and the Council of 4 November 2003 (“Prospectus Directive”) as amended. The Prospectus Directive has been implemented into Icelandic law and the Supplement is prepared in accordance with Article 46 of the Securities Transactions Act No. 108/2007 (“Act on Securities Transactions”). This supplement is supplemental to, forms part of and must be read and construed in conjunction with, the Base Prospectus dated 9 December 2015, and a supplement to the Base Prospectus dated 2 March 2016.

The Base Prospectus has been issued by Landsbankinn hf. (“Issuer”) in respect of an ISK 100,000,000,000 Covered Bond Programme (“Programme”) and is dated 9 December 2015.

The Supplement and the Base Prospectus are available on the Issuer’s website, www.landsbankinn.is (<http://www.landsbankinn.is/sertryggd-skuldabref>). 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, Iceland (“FME”) in its capacity as competent authority under the Act on Securities Transactions has scrutinised and approved this Supplement, which is published in English only.



Landsbankinn hf.
This Supplement is dated 18 April 2016

1 ISSUER'S STATEMENT

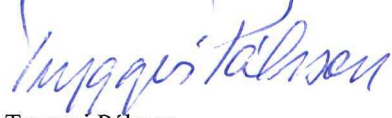
There have been no significant changes in the future prospects of the Issuer that could have a negative impact on the Issuer, since the last audited financial statements of the Issuer for the year 2015, published 25 February 2016.

There have been no significant changes in the financial position of the Issuer since the end of the last financial period for the year 2015, published 25 February 2016.

The Board of Directors and Chief Executive 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, 18 April 2016

On behalf of the Board of Directors,



Tryggvi Pálsson

Chairman of the Board of Directors

On behalf of Landsbankinn hf.,



Steinþór Pálsson

Chief Executive Officer

2 ANNUAL GENERAL MEETING (AGM) OF THE ISSUER HELD 14 APRIL 2016.

The Issuer's AGM, held 14 April 2016, elected a statutory auditor for the year 2016, authorised the Issuer to buy its own shares and authorised payment of dividend and disposition of profit for the 2015 financial year. The meeting approved the Issuer's financial statements for 2015, together with the Auditor's Report and the Report of the Board of Directors and CEO. The meeting also agreed that the Remuneration Policy and consideration paid to directors remained unchanged from that of the previous year. Furthermore the meeting approved a motion entrusting the Board of Directors to add to its protocols provision on the competitive independence of the Issuer towards other state-owned commercial banks.

The election of the Issuer's Board of Directors was postponed as a list presented of candidates for directors and alternates of the Issuer's Board of Directors was withdrawn. Another list was submitted by Icelandic State Financial Investments. The meeting chairman considered this proposal to have been submitted too late and decided to postpone elections to the Board of Directors to a follow-up meeting. The incumbent Board of Directors was entrusted with advertising a special follow-up AGM, to be held on Friday, 22 April 2016, at 1:00 pm at Austurstræti 11, Reykjavík. The incumbent Board of Directors will therefore continue until a new Board is elected at that meeting.

The results of the Issuer's AGM require an update on the following sections and pages in the Issuer's Base Prospectus dated 9 December 2015: *Statutory Auditor* on page 41, *Shareholders and Share Capital* on pages 108-109 and *Competition* on page 108.

Statutory Auditors

The following paragraph shall replace the wording of the second paragraph under the section *Statutory Auditor* on page 41 in the Base Prospectus dated 9 December 2015:

The Issuer's AGM held on 14 April 2016 elected The National Audit Office as the Issuer's statutory auditor for the financial year 2016. The National Audit Office has outsourced the audit of the Issuer for the financial year 2015 to Grant Thornton endurskoðun ehf, Suðurlandsbraut 20, 108 Reykjavík. Davíð Arnar Einarsson and Sturla Jónsson are the auditors on behalf of Grant Thornton endurskoðun ehf. They are members of the Institute of State Authorized Public Accountants in Iceland.

Shareholders and Share capital

The following paragraph in section *Shareholders and Share Capital* shall replace the wording of the fifth paragraph in the subsection *Share Capital* on page 109 of the Base Prospectus dated 9 December 2015:

The Issuer's AGM held 14 April 2016 authorized the Issuer, in accordance with Art. 55 of the Act on Public Limited liability Companies, No. 2/1995, to acquire own shares, up to 10% of nominal value. The minimum and maximum amounts the Issuer is authorised to pay for each share shall be equivalent to the ratio of equity held by the Issuer's shareholders to share capital as disclosed in the most recent annual or interim financial statement published before the purchase of own shares takes place. This authorisation is valid until the Annual General Meeting of the Issuer in 2017. Allocation by the Issuer of own shares purchased based on this authorisation is subject to approval of a shareholders' meeting.

The following paragraph in section *Shareholders and Share Capital* shall be inserted after the last paragraph in the subsection *Share Capital* on page 109 of the Base Prospectus dated 9 December 2015:

The Issuer's AGM held in 2016 approved the motion of the Board of Directors to pay shareholders a dividend amounting to ISK 1.20 per share for the accounting year 2015 or around ISK 28.5 billion. Payment of the dividend is to be made in two equal distributions, with the former date of payment 20 April 2016 and the latter 21 September 2016. The payment date for the latter distribution will be based on the record date 14 April 2016, unless the Issuer receives notification that the dividend has been assigned with the assignment of shares. The dividend payment is equivalent to around 78% of the Issuer's 2015 profit.

Competition

The following paragraph shall be inserted after the second paragraph in section *Competition* on page 128 in the Base Prospectus dated 9 December 2015:

The AGM of the Issuer, which was held 14 April 2016, entrusted the Board of Directors to add to its protocols provisions on the competitive independence of the Issuer towards other state- owned commercial banks.