



**Íslandsbanki hf.**

*(incorporated with limited liability in Iceland)*

**U.S.\$2,500,000,000**

**Global Medium Term Note Programme**

This second supplement (the **Supplement**) to the Base Prospectus dated 30 April 2018, as supplemented by the supplement dated 22 November 2018, (the **Base Prospectus**) which together comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in a relevant Member State of the European Economic Area (for the purposes of this Supplement, the **Prospectus Directive**), constitutes a supplement for the purposes of Article 16 of the Prospectus Directive and is prepared in connection with the U.S.\$2,500,000,000 Global Medium Term Note Programme (the **Programme**) under which Íslandsbanki hf. (the **Issuer**) may from time to time issue notes (the **Notes**). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

The purpose of this Supplement is to (i) incorporate by reference into the Base Prospectus the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2018 (the **2018 Financial Statements**); (ii) incorporate updates to the senior management of the Issuer; (iii) update the “Significant or Material Change” statement and (iv) update the legal adviser to the Issuer as to English and United States law. This Supplement has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive. The Central Bank of Ireland approves this Supplement as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive.

This Supplement is supplemental to, and shall be read in conjunction with, the Base Prospectus. To the extent that there is any inconsistency between any statement in, or incorporated by reference in, this Supplement and any other statement in, or incorporated by reference in, the Base Prospectus, the statements in, or incorporated by reference in, this Supplement will prevail.

The Issuer accepts responsibility for the information contained in this Supplement. To the Issuer's best knowledge and belief (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.

**Incorporation by Reference**

The 2018 Financial Statements which have previously been published and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, the Base Prospectus. The 2018 Financial Statements can be viewed online at:

[https://islandsbanki-res.cloudinary.com/image/upload/v1/documents/2019.2.13\\_ISB\\_Consolidated\\_Financial\\_Statements\\_2018\\_ENG.pdf](https://islandsbanki-res.cloudinary.com/image/upload/v1/documents/2019.2.13_ISB_Consolidated_Financial_Statements_2018_ENG.pdf)

All references to the Annual Financial Statements (as defined in the Base prospectus), whether by use of the defined term or where otherwise collectively identified, in the Base Prospectus shall be deemed to include the 2018 Financial Statements.

**Organisational Structure**

The “Corporate & Investment Banking” box in the chart on page 120 of the Base Prospectus, under the section “Organisational Structure” beginning on page 119, is amended such that the name “Vilhelm Már Thorsteinsson” shall be deemed deleted and replaced by the name “Ásmundur Tryggvason”.

The “CEO Office” box in the chart on page 120 of the Base Prospectus, under the section “Organisational Structure” beginning on page 119, shall be deemed deleted and replaced by a box that shall read:

“CEO Office: Human Resources – Hafsteinn Bragason, Marketing and PR – Edda Hermannsdóttir, Strategy – Kristrún Tinna Gunnarsdóttir, Legal – Tómas Sigurðsson”.

### **Senior Management**

The name “Ms. Helga Valfell” where it appears in the list of the Issuer’s Board of Directors on page 121 under the section “Board of Directors” beginning on page 120, shall be deemed deleted and replaced by the name “Mr. Tómas Már Sigurðsson”.

The sub-heading “*Ms. Helga Valfell (Member of the Board of Directors)*” and the immediately succeeding paragraph below such sub-heading on page 122 of the Base Prospectus, under the section “Board of Directors” beginning on page 120, shall be deemed deleted and replaced with the following:

“Mr. Tómas Már Sigurðsson (Member of the Board of Directors)

Tómas Már Sigurðsson was elected to the Board of Directors at the AGM in 2019. Tómas is the Senior Vice President, Strategic Alliances for Alcoa Corporation, Pittsburgh, USA. Prior to that, Tómas was CEO of Alcoa Fjarðaál and Alcoa in Iceland, but moved to Geneva in the year 2011 where he became the President of Alcoa Europe. From 2014 to year end 2018 Tómas was the Executive Vice President and Chief Operating Officer for Alcoa Corporation. He was the chairman of the Iceland Chamber of Commerce from 2009- 2012 and served as a member of the Federation of Icelandic Industries since 2005-2011. He was also a member of the Executive Committees of the European Aluminium Association, Eurometaux, and the American Chamber of Commerce to the European Union from 2012-2014. Tómas sits on a number of boards for Alcoa Corporation and is a member of the Executive Committee of Europe Aluminium and Business Europe.

Mr. Sigurðsson holds a bachelor’s degree in civil and environmental engineering from the University of Iceland and a master’s degree in planning in 1995 from Cornell University, in the United States.”

The sub-heading “*Mr. Vilhelm Már Thorsteinsson, Managing Director Corporate and Investment Banking*” and the two immediately succeeding paragraphs below such sub-heading on page 124 of the Base Prospectus, under the section “Senior Management” beginning on page 122, shall be deemed deleted and replaced with the following:

“*Mr. Ásmundur Tryggvason, Managing Director Corporate and Investment Banking*

Ásmundur Tryggvason was Executive Director of the Bank’s Corporate Finance department from 2012 to 2019. Mr. Tryggvason has also worked in the Bank’s Research department, on bond issues, and in business banking. He has also served on the boards of various financial, technology, industrial, telephone and publishing companies.

Mr. Tryggvason holds a law degree from the Faculty of Law of the University of Iceland, is a District Court Attorney and has completed a degree in securities trading.”

### **Significant or Material Change**

The paragraph under the heading “Significant or Material Change” on page 150 of the Base Prospectus shall be deemed deleted and replaced with the following:

“There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2018 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2018.”

## Legal Advisers

The reference to “Morrison & Foerster LLP” and accompanying address information appearing under the heading “To the Issuer as to English and United States law” appearing on the back outside cover of the Base Prospectus, is hereby deemed to be deleted and replaced with the following:

**“Mayer Brown LLP**  
1221 Avenue of the Americas  
New York, NY 10020  
United States.”

Statements contained in this Supplement (or contained in any document incorporated by reference herein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in the Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Base Prospectus or this Supplement. Except as specifically incorporated by reference in this Supplement, information on any website referenced in this Supplement is not part of the Base Prospectus or this Supplement.

Copies of documents incorporated by reference in this Supplement can also be obtained from the registered office of the Issuer at Hagasmári 3, 201 Kópavogur, Iceland and from the office of the Principal Paying Agent, Citibank, N.A., London Branch, at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Supplement shall not form part of the Base Prospectus or this Supplement.

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Base Prospectus or this Supplement.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus or this Supplement which is capable of affecting the assessment of any Notes, prepare a new supplement to the Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of Notes.