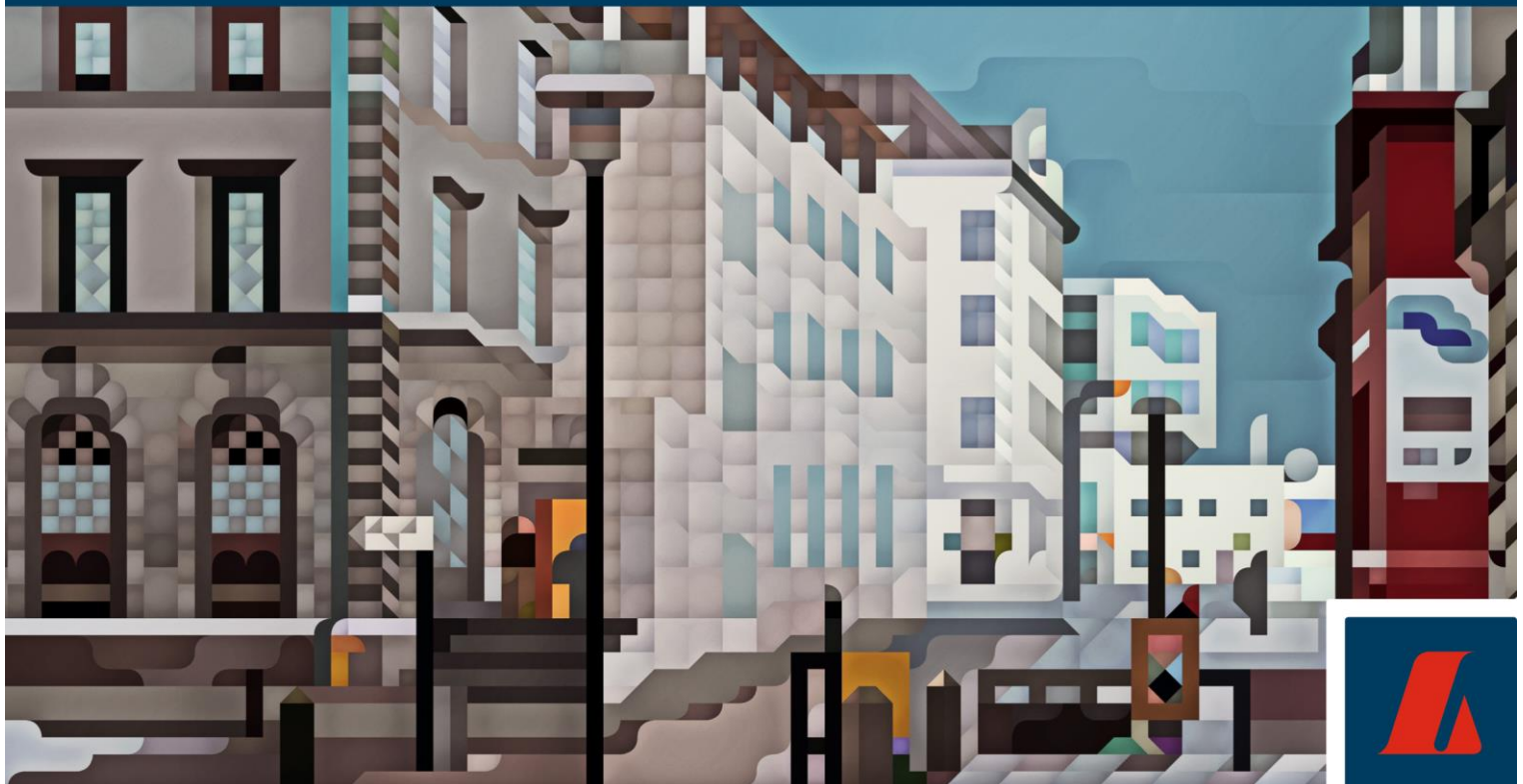

Cover Pool Information

23.10.2014

Covered Bond



Landsbankinn Covered Bonds report



Report date: 23.10.2014

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	2.406	4.417	6.823
Average Loan Balance	18	17	17
No. Of Loans	134	267	401
No. Of Borrowers	134	267	401
No. Of Properties	134	268	402
WA LTV	57%	55%	56%
WA Seasoning (Years)	5,57	2,28	3,44
WA Remaining terms (Years)	29,89	29,68	29,75
WA Interest Rate	4,02%	6,92%	5,90%

*Indexed mortgage linked to the consumer price index in Iceland as published by statistic Iceland (Hagstofa Íslands: www.hagstofa.is). Non Indexed are fixed rate mortgages

LTV %	Exposure (ISK)	Percentage	No. Loans	Percentage
0-20	62	1%	5	1%
20-30	398	6%	29	7%
30-40	695	10%	46	11%
40-50	1.244	18%	74	18%
50-60	1.135	17%	66	16%
60-70	1.862	27%	106	26%
70-80	1.427	21%	75	19%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	6.823	100%	401	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	3.251	48%	193	48%
Höfuðborgarsvæðið	2.380	35%	127	32%
Norðurland eystra	311	5%	22	5%
Suðurland	205	3%	15	4%
Suðurnes	299	4%	18	4%
Vesturland	203	3%	13	3%
Vestfirðir	37	1%	3	1%
Austurland	114	2%	9	2%
Norðurland vestra	24	0%	1	0%
Total	6.823	100%	401	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	6.777	99%	398	99%
Other	46	1%	3	1%
Total	6.823	100%	401	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	6.636	97%	392	98%
1-30	160	2%	8	2%
31-60	28	0%	1	0%
31-90	0	0%	0	0%
More than 90	0	0%	0	0%
Total	6.823	100%	401	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	4.799	70%	280	70%
3-6	703	10%	44	11%
6-9	579	8%	34	8%
9-12	742	11%	43	11%
more than 12	0	0%	0	0%
Total	6.823	100%	401	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	24	0%	2	0%
5-10	64	1%	6	1%
10-20	1.132	17%	70	17%
20-30	1.633	24%	95	24%
more than 30	3.971	58%	228	57%
Total	6.823	100%	401	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	6.421	94%	389	97%
30-60	402	6%	12	3%
60-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	6.823	100%	401	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	730	11%	42	10%
5Y interest reset	2.206	32%	135	34%
Fixed	1.366	20%	79	20%
Floating	2.522	37%	145	36%
Total	6.823	100%	401	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	6.823
Cover Pool Eligible for Calculation - Number of Mortgages	401
Total Issuance	5.489
Substitution - Cash	7
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	24,4%

Comments from Risk Management
<p>The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of financial assets and liabilities to various interest rate scenarios. The following table shows the current results from the net present value test as well as the stress tests that are run weekly on the cover pool. The table shows both the net present value for assets and liabilities as well as the ratio of the net present value to the nominal value of assets and liabilities. All numbers are in ISK millions.</p> <p>"Nominal" is the original value. The net present value test is labelled „Base" while the stress tests, on the interest rate level (100 bp) and consumer price index (50 bp) are labelled by the name of the risk factor that is being changed and the direction in which it is being moved. Risk factor adverse behavior is based on the "Base" net present value test and takes into account any netting possibilities.</p>

Stress Test: Interest Rate Sensitivity

Risk factor	NPV		NPV ratio		Diff
	Assets	Liabilities	Assets	Liabilities	
Nominal	6.504	5.360	100,00%	100,00%	1.144
Base	6.818	5.489	104,83%	102,41%	1.329
Risk free interest rate - downward shift	7.025	5.639	108,00%	105,21%	1.386
Risk free interest rate - upward shift	6.636	5.344	102,03%	99,71%	1.291
Adverse behavior	6.262	5.489	96,28%	102,41%	773
Consumer Price index - downward shift	6.861	5.489	105,49%	102,41%	1.372
Consumer Price index - upward shift	6.734	5.489	103,53%	102,41%	1.245

Planned frequency for updates of this summary: 4 times a year.

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