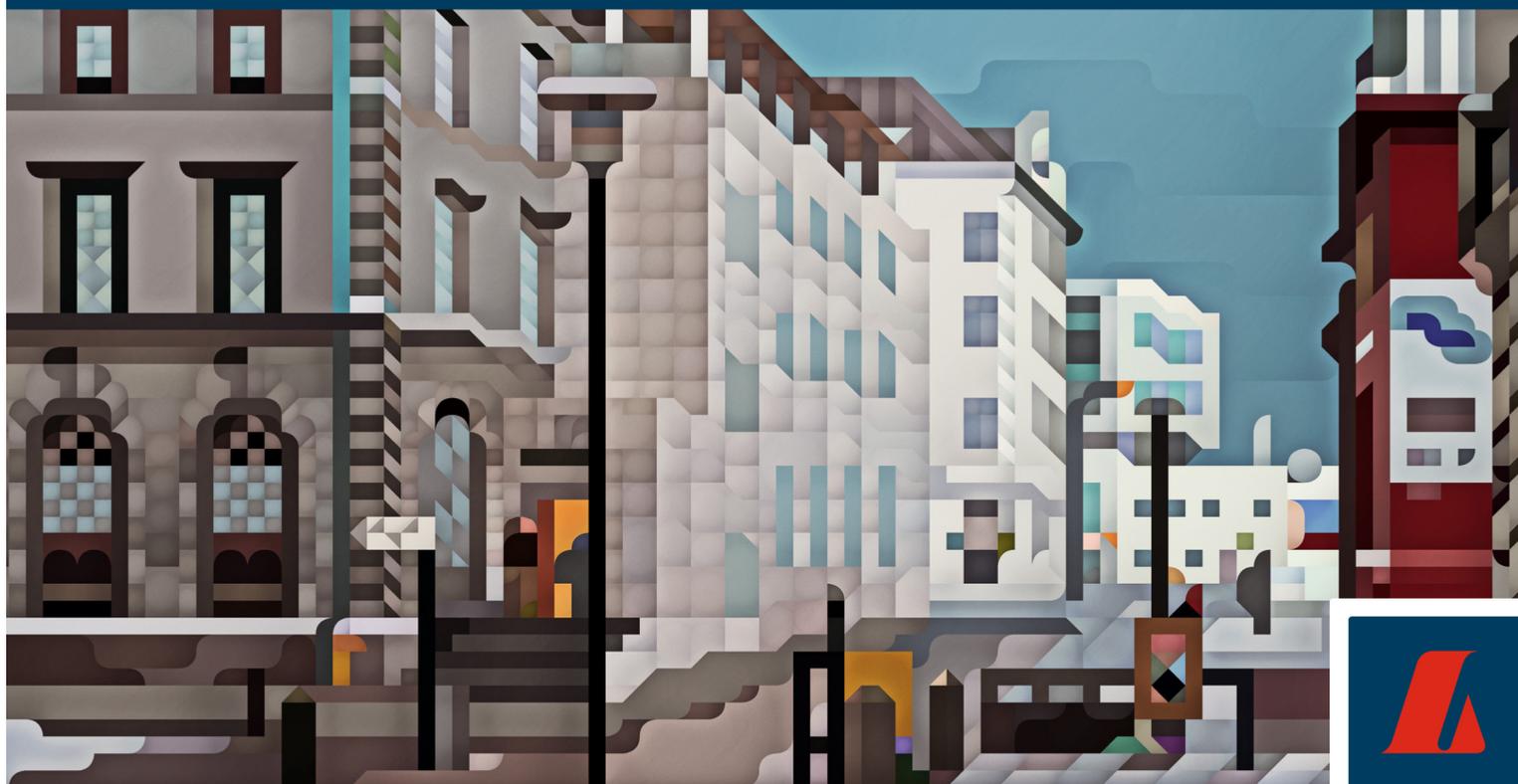

Cover Pool Information

22.6.2016

Covered Bond



Landsbankinn Covered Bonds report



Report date: 22.06.2016

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	19.682	17.330	37.012
Average Loan Balance	18	16	17
No. Of Loans	1.118	1.069	2.187
No. Of Borrowers	1.102	1.045	2.147
No. Of Properties	1.106	1.053	2.159
WA LTV	52%	48%	50%
WA Seasoning (Years)	5,63	3,18	4,48
WA Remaining terms (Years)	30,85	30,11	30,50
WA Interest Rate	3,95%	7,15%	5,45%

*Indexed mortgage linked to the consumer price index in iceland as published by statistic iceland (Hagstofa Íslands: www.hagstofa.is).

LTV %	Exposure (ISK)	Percentage	No. Loans	Percentage
0-20	930	3%	101	5%
20-30	2.601	7%	197	9%
30-40	5.496	15%	363	17%
40-50	7.344	20%	437	20%
50-60	9.450	26%	521	24%
60-70	9.144	25%	467	21%
70-80	2.048	6%	101	5%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	37.012	100%	2.187	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	16.798	45%	991	45%
Höfuðborgarsvæðið	13.910	38%	760	35%
Norðurland eystra	1.828	5%	121	6%
Suðurland	1.544	4%	111	5%
Suðurnes	1.603	4%	106	5%
Vesturland	717	2%	51	2%
Vestfirðir	71	0%	6	0%
Austurland	384	1%	30	1%
Norðurland vestra	157	0%	11	1%
Total	37.012	100%	2.187	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	36.967	100%	2.184	100%
Other	45	0%	3	0%
Total	37.012	100%	2.187	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	36.514	99%	2160	99%
1-30	475	1%	25	1%
31-60	23	0%	2	0%
61-90	0	0%	0	0%
More than 90	0	0%	0	0%
Total	37.012	100%	2.187	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	18.460	50%	1026	47%
3-6	9.345	25%	581	27%
6-9	976	3%	67	3%
9-12	8.230	22%	513	23%
more than 12	0	0%	0	0%
Total	37.012	100%	2.187	100%

Remaing (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	45	0%	4	0%
5-10	171	0%	15	1%
10-20	4.428	12%	311	14%
20-30	12.258	33%	732	33%
more than 30	20.110	54%	1125	51%
Total	37.012	100%	2.187	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	33.453	90%	2091	96%
30-60	3.410	9%	94	4%
60-90	148	0%	2	0%
more than 90	0	0%	0	0%
Total	37.012	100%	2.187	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.396	4%	85	4%
5Y interest reset	5.787	16%	372	17%
Fixed	12.785	35%	760	35%
Floating	17.043	46%	970	44%
Total	37.012	100%	2.187	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	37.012
Cover Pool Eligible for Calculation - Number of Mortgages	2.187
Cash account linked to Cover Pool	709
Total Issuance	29.979
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	25,8%

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	36.933	32.320	100,00%	100,00%	4.613
Base	38.483	29.979	104,20%	92,76%	8.504
Risk free interest rate - downward shift	39.461	31.176	106,85%	96,46%	8.285
Risk free interest rate - upward shift	37.617	28.846	101,85%	89,25%	8.772
Adverse behavior	36.949	29.979	100,04%	92,76%	6.970
Consumer Price index - downward shift	38.378	29.899	103,91%	92,51%	8.478
Consumer Price index - upward shift	38.588	30.058	104,48%	93,00%	8.529

Planned frequency for updates of this summary: 4 times a year.
Landsbankinn is regulated by the Icelandic Financial Supervisory Authority (www.fme.is).

This report has been automatically generated by Landsbankinn's Risk Management. The information within are obtained from different sources, not all of which are controlled by Landsbankinn, but which Landsbankinn deems to be reliable. Whilst reasonable care has been taken to ensure that the contents of this publication are not untrue or misleading, no representation is made as to its accuracy or completeness and no liability is accepted for any loss arising from reliance on it. Landsbankinn endeavours to ensure that the information is accurate and up-to-date, and reserves the right to make corrections to the content at any time, without prior notice.

The report shall under no circumstances be used or considered as an investment advice or investment research, or an offer to sell, or a solicitation of any offer to buy any securities. It does not have regard to the specific investment objectives, financial situation or the particular needs of any person who may receive the report. Landsbankinn accepts no liability whatsoever for any direct or consequential loss arising from the use of this publication or its contents

Contact:
Investor Relations: [ir\[at\]landsbankinn.is](mailto:ir@landsbankinn.is)