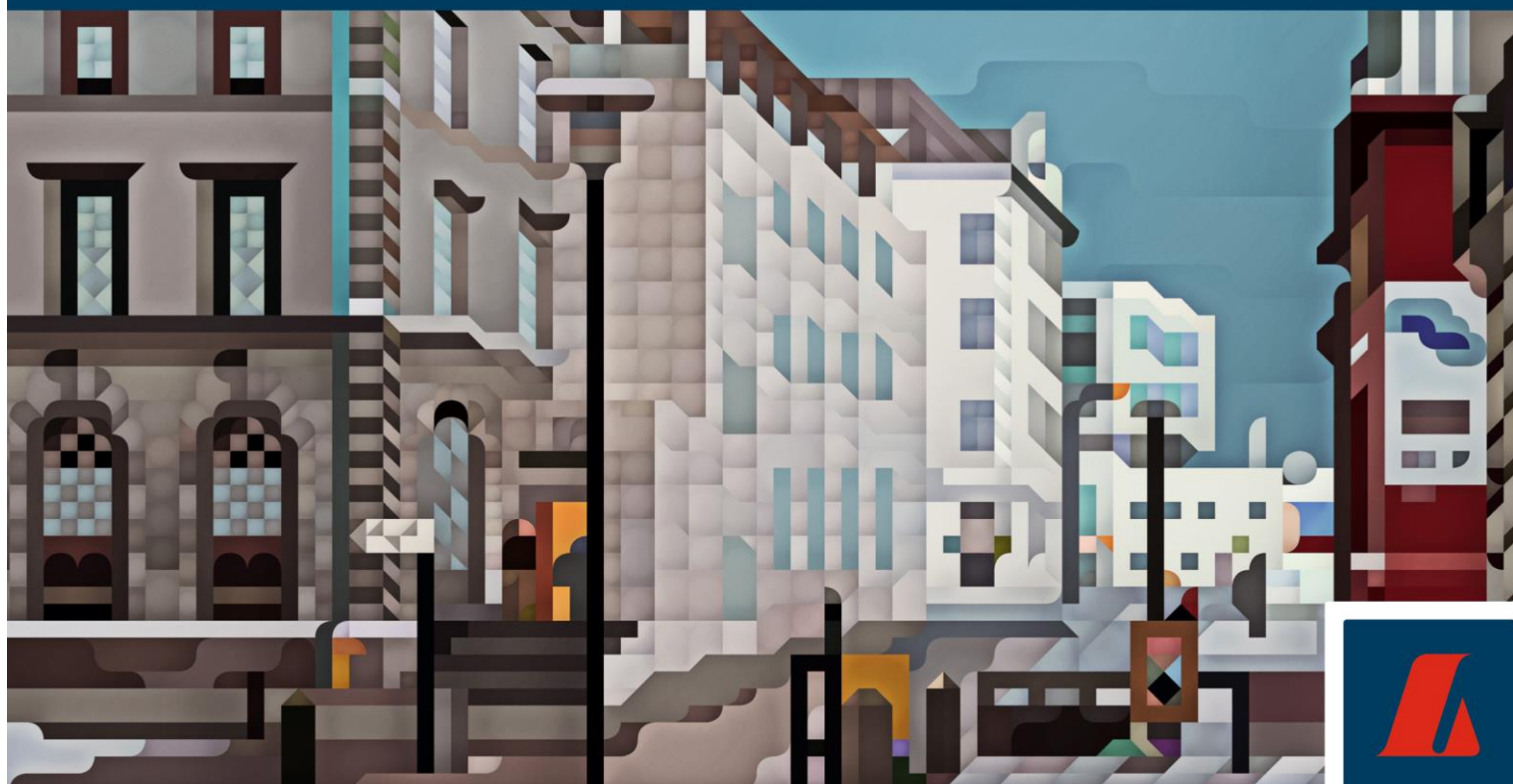

Cover Pool Information

23.8.2016

Covered Bond



Landsbankinn Covered Bonds report



Report date: 23.08.2016

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	22.018	17.283	39.301
Average Loan Balance	18	16	17
No. Of Loans	1.236	1.079	2.315
No. Of Borrowers	1.219	1.055	2.274
No. Of Properties	1.223	1.063	2.286
WA LTV	53%	48%	51%
WA Seasoning (Years)	5,55	3,31	4,56
WA Remaining terms (Years)	31,00	29,97	30,55
WA Interest Rate	3,94%	7,17%	5,36%

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

LTV %	Exposure (ISK)	Percentage	No. Loans	Percentage
0-20	982	2%	105	5%
20-30	2.714	7%	208	9%
30-40	5.573	14%	369	16%
40-50	7.626	19%	456	20%
50-60	9.610	24%	526	23%
60-70	10.045	26%	515	22%
70-80	2.752	7%	136	6%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	39.301	100%	2.315	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	17.731	45%	1045	45%
Höfuðborgarsvæðið	14.814	38%	804	35%
Norðurland eystra	1.939	5%	127	5%
Suðurland	1.633	4%	117	5%
Suðurnes	1.722	4%	114	5%
Vesturland	800	2%	57	2%
Vestfirðir	81	0%	7	0%
Austurland	432	1%	33	1%
Norðurland vestra	148	0%	11	0%
Total	39.301	100%	2.315	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	39.256	100%	2.312	100%
Other	45	0%	3	0%
Total	39.301	100%	2.315	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	38.470	98%	2272	98%
1-30	727	2%	37	2%
31-60	84	0%	5	0%
61-90	21	0%	1	0%
More than 90	0	0%	0	0%
Total	39.301	100%	2.315	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	19.512	50%	1077	47%
3-6	10.013	25%	626	27%
6-9	790	2%	56	2%
9-12	8.987	23%	556	24%
more than 12	0	0%	0	0%
Total	39.301	100%	2.315	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	22	0%	3	0%
5-10	178	0%	16	1%
10-20	4.506	11%	320	14%
20-30	13.109	33%	780	34%
more than 30	21.486	55%	1196	52%
Total	39.301	100%	2.315	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	35.455	90%	2211	96%
30-60	3.699	9%	102	4%
60-90	147	0%	2	0%
more than 90	0	0%	0	0%
Total	39.301	100%	2.315	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.329	3%	81	3%
5Y interest reset	5.638	14%	368	16%
Fixed	13.991	36%	823	36%
Floating	18.343	47%	1043	45%
Total	39.301	100%	2.315	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	39.301
Cover Pool Eligible for Calculation - Number of Mortgages	2.315
Cash account linked to Cover Pool	1
Total Issuance	31.619
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	24,3%

Comments from Risk Management

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.

"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.

Stress Test: Interest Rate Sensitivity

Risk factor	NPV		NPV ratio		Diff
	Assets	Liabilities	Assets	Liabilities	
Nominal	39.357	30.260	100,00%	100,00%	9.097
Base	40.870	31.619	103,84%	104,49%	9.250
Risk free interest rate - downward shift	41.916	32.852	106,50%	108,56%	9.064
Risk free interest rate - upward shift	39.946	30.453	101,50%	100,64%	9.494
Adverse behavior	39.326	31.619	99,92%	104,49%	7.706
Consumer Price index - downward shift	40.753	31.532	103,55%	104,21%	9.221
Consumer Price index - upward shift	40.986	31.706	104,14%	104,78%	9.280

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

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