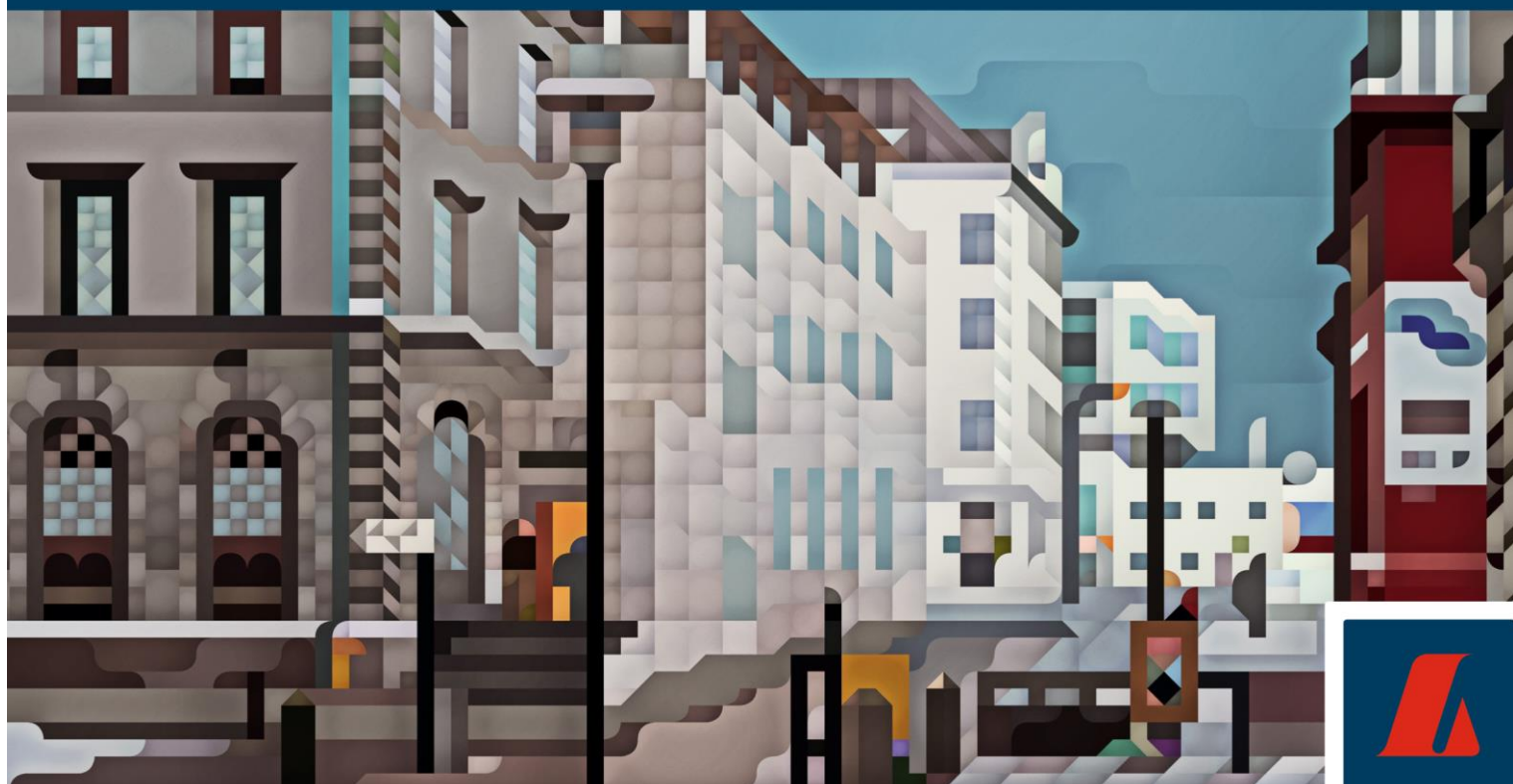

Cover Pool Information

4.10.2016

Covered Bond



Landsbankinn Covered Bonds report



Report date: 04.10.2016

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	25.329	20.121	45.450
Average Loan Balance	18	16	17
No. Of Loans	1.423	1.252	2.675
No. Of Borrowers	1.402	1.215	2.617
No. Of Properties	1.408	1.223	2.631
WA LTV	54%	49%	52%
WA Seasoning (Years)	5,39	3,25	4,44
WA Remaining terms (Years)	31,13	30,15	30,70
WA Interest Rate	3,93%	6,96%	5,27%

*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	1.114	2%	118	4%
20-30	2.907	6%	226	8%
30-40	6.076	13%	401	15%
40-50	8.251	18%	505	19%
50-60	11.006	24%	604	23%
60-70	12.101	27%	624	23%
70-80	3.994	9%	197	7%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	45.450	100%	2.675	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	20.820	46%	1214	45%
Höfuðborgarsvæðið	16.827	37%	920	34%
Norðurland eystra	2.219	5%	146	5%
Suðurland	1.858	4%	133	5%
Suðurnes	1.995	4%	135	5%
Vesturland	985	2%	69	3%
Vestfirðir	91	0%	8	0%
Austurland	517	1%	39	1%
Norðurland vestra	139	0%	11	0%
Total	45.450	100%	2.675	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	45.405	100%	2.672	100%
Other	45	0%	3	0%
Total	45.450	100%	2.675	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	42.627	94%	2526	94%
1-30	2.657	6%	138	5%
31-60	132	0%	8	0%
61-90	34	0%	3	0%
More than 90	0	0%	0	0%
Total	45.450	100%	2.675	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	23.244	51%	1284	48%
3-6	11.799	26%	734	27%
6-9	675	1%	48	2%
9-12	9.628	21%	602	23%
more than 12	104	0%	7	0%
Total	45.450	100%	2.675	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	21	0%	3	0%
5-10	255	1%	21	1%
10-20	4.864	11%	350	13%
20-30	15.124	33%	902	34%
more than 30	25.186	55%	1399	52%
Total	45.450	100%	2.675	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	40.677	89%	2546	95%
30-60	4.626	10%	127	5%
60-90	147	0%	2	0%
more than 90	0	0%	0	0%
Total	45.450	100%	2.675	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.616	4%	99	4%
5Y interest reset	6.308	14%	409	15%
Fixed	16.462	36%	967	36%
Floating	21.065	46%	1200	45%
Total	45.450	100%	2.675	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	45.450
Cover Pool Eligible for Calculation - Number of Mortgages	2.675
Cash account linked to Cover Pool	785
Total Issuance	36.804
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	25,6%

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	45.489	35.880	100,00%	100,00%	9.609
Base	47.709	36.804	104,88%	102,58%	10.905
Risk free interest rate - downward shift	48.927	38.323	107,56%	106,81%	10.604
Risk free interest rate - upward shift	46.631	35.378	102,51%	98,60%	11.254
Adverse behavior	45.721	36.804	100,51%	102,58%	8.916
Consumer Price index - downward shift	47.574	36.702	104,58%	102,29%	10.872
Consumer Price index - upward shift	47.845	36.907	105,18%	102,86%	10.938

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

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