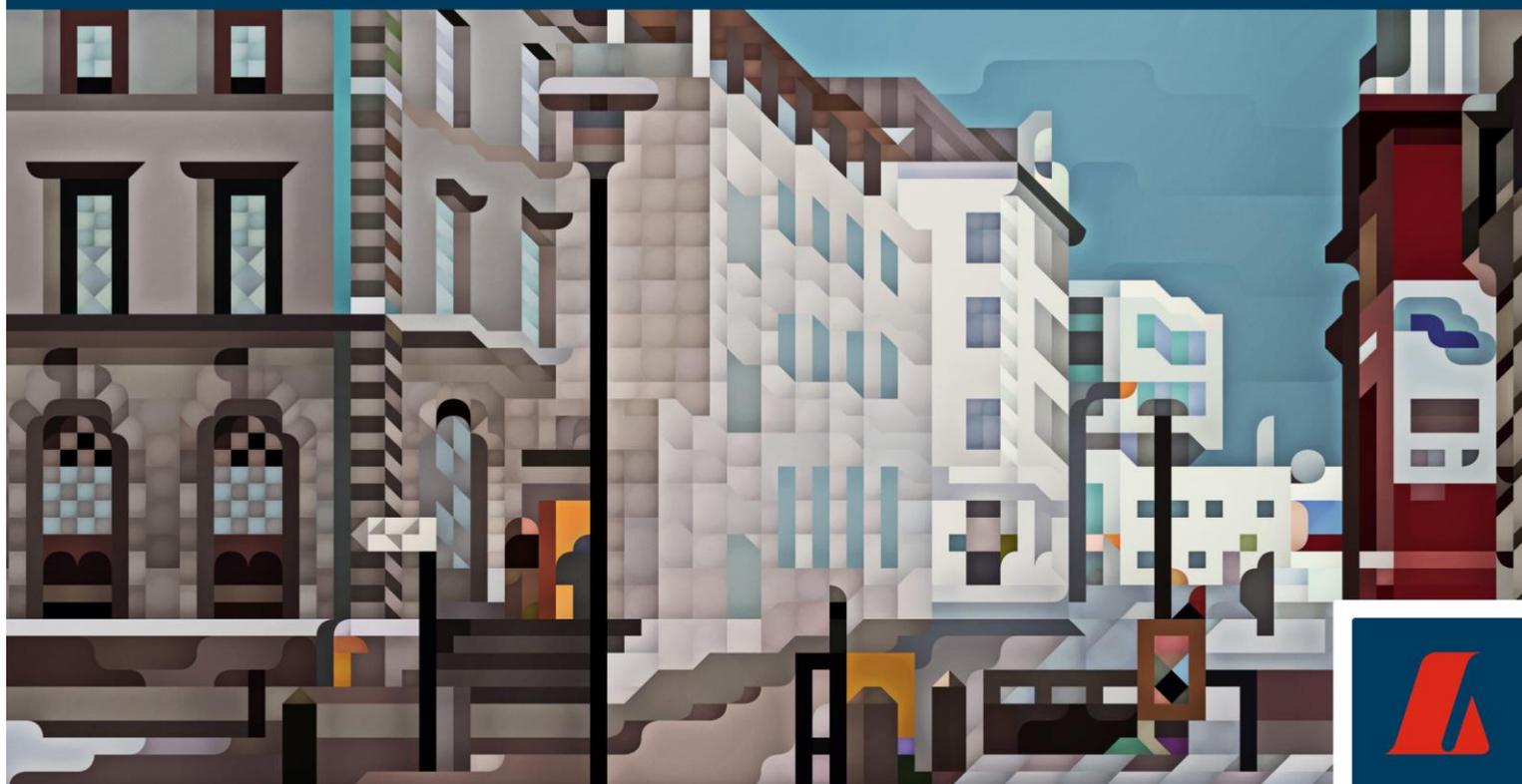

Cover Pool Information

30.11.2016

Covered Bond



Landsbankinn Covered Bonds report



Report date: 30.11.2016

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	28.859	22.005	50.864
Average Loan Balance	18	16	17
No. Of Loans	1.595	1.354	2.949
No. Of Borrowers	1.568	1.311	2.879
No. Of Properties	1.577	1.320	2.897
WA LTV	56%	50%	53%
WA Seasoning (Years)	5,22	3,35	4,41
WA Remaining terms (Years)	31,39	30,14	30,85
WA Interest Rate	3,91%	6,97%	5,23%

*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	1.167	2%	123	4%
20-30	2.925	6%	227	8%
30-40	6.283	12%	415	14%
40-50	8.752	17%	525	18%
50-60	11.962	24%	650	22%
60-70	13.793	27%	716	24%
70-80	5.983	12%	293	10%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	50.864	100%	2.949	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	22.853	45%	1318	45%
Höfuðborgarsvæðið	19.267	38%	1032	35%
Norðurland eystra	2.606	5%	170	6%
Suðurland	2.057	4%	147	5%
Suðurnes	2.108	4%	142	5%
Vesturland	1.124	2%	79	3%
Vestfirðir	90	0%	8	0%
Austurland	583	1%	42	1%
Norðurland vestra	176	0%	11	0%
Total	50.864	100%	2.949	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	50.732	100%	2.942	100%
Other	133	0%	7	0%
Total	50.864	100%	2.949	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	50.438	99%	2928	99%
1-30	373	1%	18	1%
31-60	0	0%	0	0%
61-90	54	0%	3	0%
More than 90	0	0%	0	0%
Total	50.864	100%	2.949	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	26.317	52%	1439	49%
3-6	13.373	26%	811	28%
6-9	702	1%	48	2%
9-12	10.230	20%	637	22%
more than 12	242	0%	14	0%
Total	50.864	100%	2.949	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	19	0%	3	0%
5-10	249	0%	22	1%
10-20	5.276	10%	376	13%
20-30	16.486	32%	976	33%
more than 30	28.835	57%	1572	53%
Total	50.864	100%	2.949	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	44.957	88%	2788	95%
30-60	5.700	11%	158	5%
60-90	208	0%	3	0%
more than 90	0	0%	0	0%
Total	50.864	100%	2.949	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.633	3%	98	3%
5Y interest reset	6.538	13%	419	14%
Fixed	18.537	36%	1071	36%
Floating	24.156	47%	1361	46%
Total	50.864	100%	2.949	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	50.864
Cover Pool Eligible for Calculation - Number of Mortgages	2.949
Cash account linked to Cover Pool	6
Total Issuance	40.915
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	50.702	39.800	100,00%	100,00%	10.902
Base	52.863	40.915	104,26%	102,80%	11.947
Risk free interest rate - downward shift	54.135	42.562	106,77%	106,94%	11.572
Risk free interest rate - upward shift	51.733	39.366	102,03%	98,91%	12.366
Adverse behavior	50.635	40.915	99,87%	102,80%	9.720
Consumer Price index - downward shift	52.711	40.807	103,96%	102,53%	11.904
Consumer Price index - upward shift	53.014	41.024	104,56%	103,08%	11.990

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

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