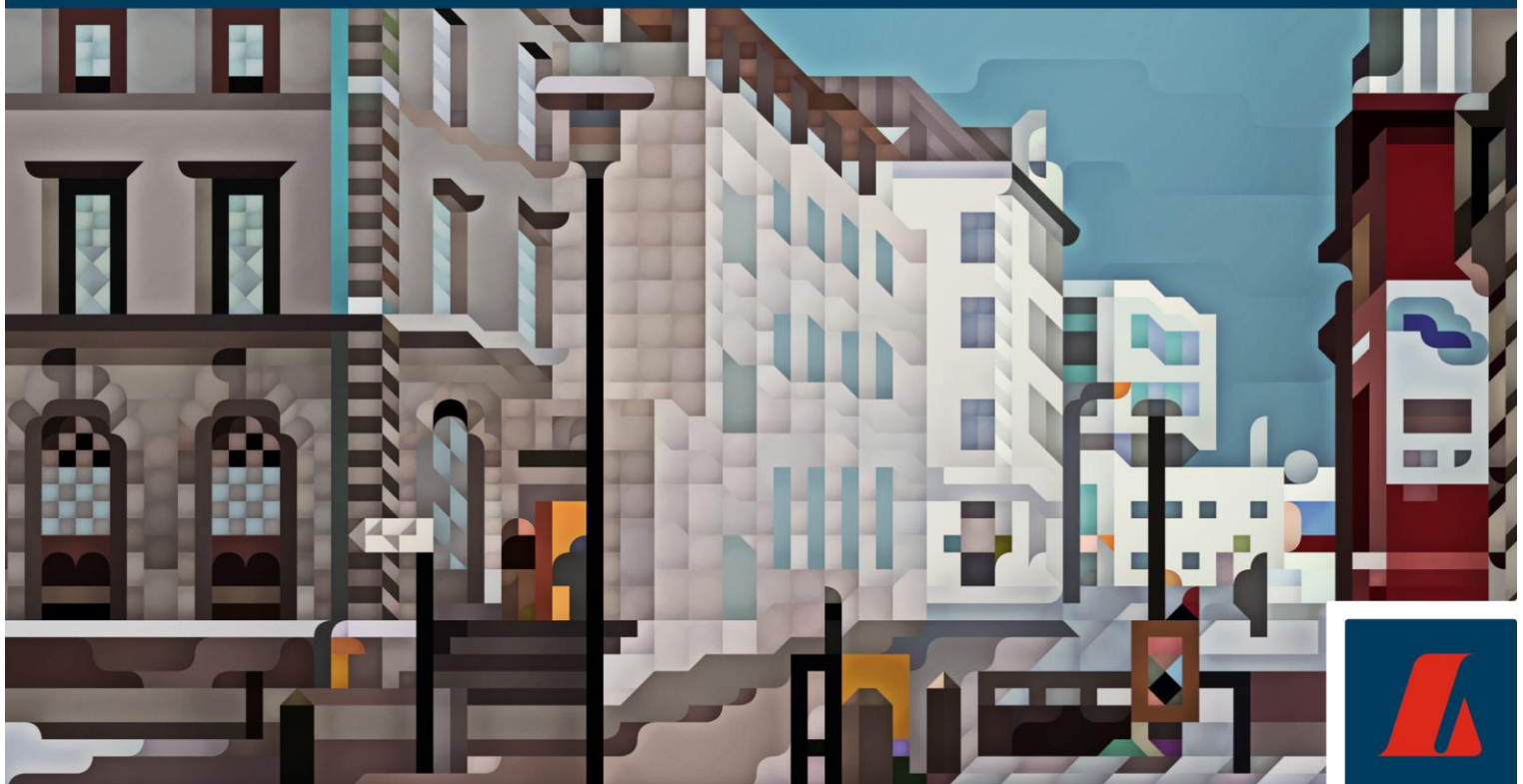

Cover Pool Information

28.2.2017

Covered Bond



Landsbankinn Covered Bonds report



Report date: 28.02.2017

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	35.569	22.753	58.322
Average Loan Balance	18	16	17
No. Of Loans	1.955	1.413	3.368
No. Of Borrowers	1.921	1.370	3.291
No. Of Properties	1.931	1.378	3.309
WA LTV	52%	46%	50%
WA Seasoning (Years)	5,08	3,54	4,48
WA Remaining terms (Years)	31,44	29,98	30,87
WA Interest Rate	3,89%	6,86%	5,05%

*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	1.532	3%	160	5%
20-30	4.274	7%	323	10%
30-40	8.373	14%	561	17%
40-50	11.636	20%	675	20%
50-60	16.326	28%	872	26%
60-70	15.357	26%	740	22%
70-80	823	1%	37	1%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	58.322	100%	3.368	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	25.899	44%	1485	44%
Höfuðborgarsvæðið	21.781	37%	1161	34%
Norðurland eystra	3.189	5%	205	6%
Suðurland	2.510	4%	177	5%
Suðurnes	2.627	5%	177	5%
Vesturland	1.296	2%	90	3%
Vestfirðir	104	0%	9	0%
Austurland	693	1%	49	1%
Norðurland vestra	225	0%	15	0%
Total	58.322	100%	3.368	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	58.179	100%	3.360	100%
Other	143	0%	8	0%
Total	58.322	100%	3.368	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	57.662	99%	3335	99%
1-30	600	1%	29	1%
31-60	44	0%	3	0%
61-90	16	0%	1	0%
More than 90	0	0%	0	0%
Total	58.322	100%	3.368	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	29.941	51%	1624	48%
3-6	15.810	27%	960	29%
6-9	442	1%	27	1%
9-12	11.302	19%	713	21%
more than 12	826	1%	44	1%
Total	58.322	100%	3.368	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	18	0%	4	0%
5-10	239	0%	22	1%
10-20	6.091	10%	434	13%
20-30	18.680	32%	1098	33%
more than 30	33.293	57%	1810	54%
Total	58.322	100%	3.368	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	50.993	87%	3170	94%
30-60	7.111	12%	195	6%
60-90	218	0%	3	0%
more than 90	0	0%	0	0%
Total	58.322	100%	3.368	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.775	3%	108	3%
5Y interest reset	6.139	11%	399	12%
Fixed	21.452	37%	1237	37%
Floating	28.955	50%	1624	48%
Total	58.322	100%	3.368	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	58.322
Cover Pool Eligible for Calculation - Number of Mortgages	3.368
Cash account linked to Cover Pool	835
Total Issuance	47.395
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	24,8%

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	58.174	45.760	100,00%	100,00%	12.414
Base	60.333	47.395	103,71%	103,57%	12.937
Risk free interest rate - downward shift	61.720	49.306	106,10%	107,75%	12.413
Risk free interest rate - upward shift	59.098	45.603	101,59%	99,66%	13.495
Adverse behavior	57.854	47.395	99,45%	103,57%	10.459
Consumer Price index - downward shift	60.148	47.270	103,39%	103,30%	12.878
Consumer Price index - upward shift	60.517	47.520	104,03%	103,85%	12.997

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

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