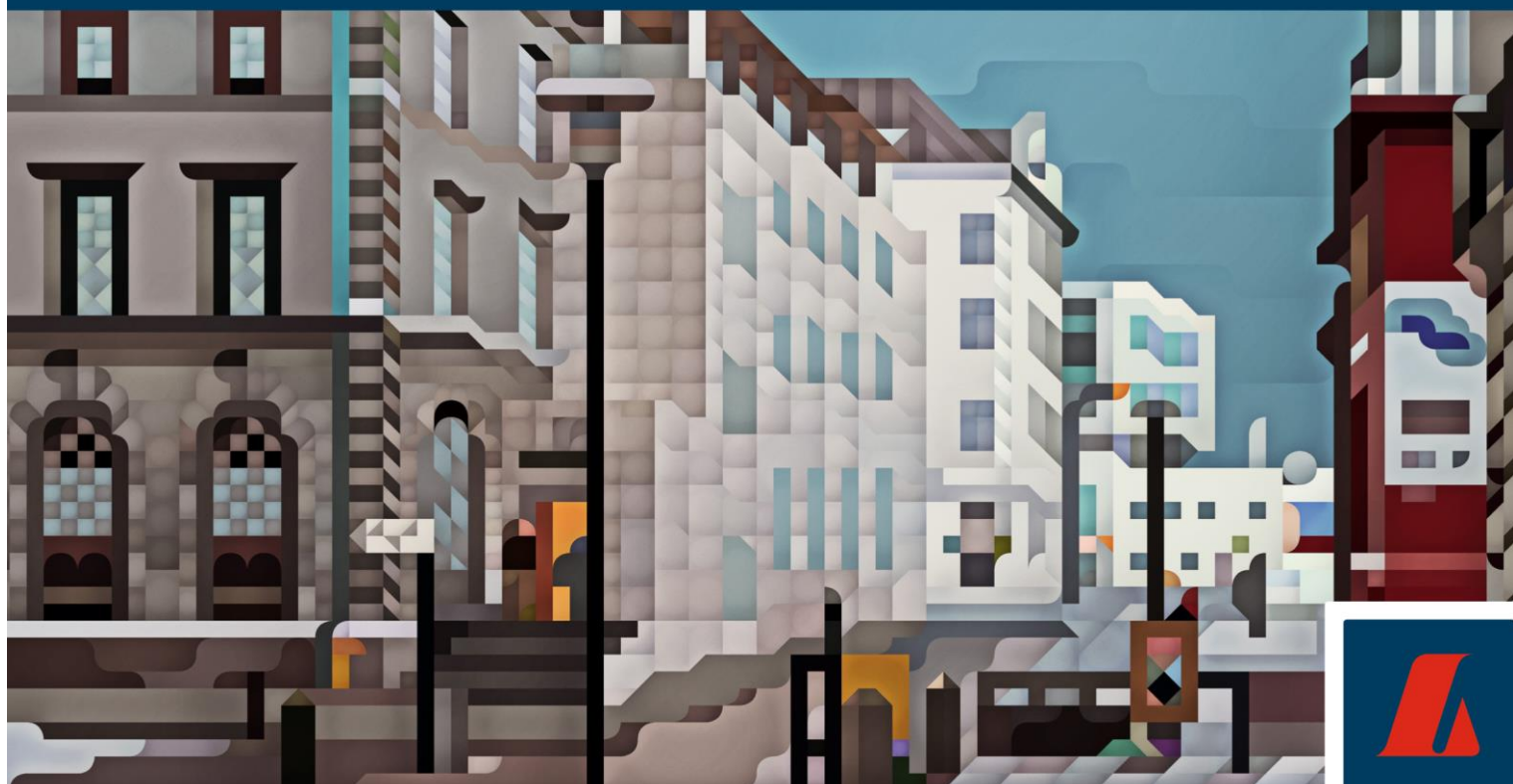

Cover Pool Information

28.4.2017

Covered Bond



Landsbankinn Covered Bonds report



Report date: 28.04.2017

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	35.847	29.884	65.731
Average Loan Balance	18	17	18
No. Of Loans	1.947	1.794	3.741
No. Of Borrowers	1.925	1.749	3.674
No. Of Properties	1.931	1.756	3.687
WA LTV	54%	48%	51%
WA Seasoning (Years)	5,75	3,37	4,67
WA Remaining terms (Years)	31,16	30,18	30,71
WA Interest Rate	3,92%	6,87%	5,26%

*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	1.611	2%	167	4%
20-30	4.575	7%	339	9%
30-40	8.580	13%	576	15%
40-50	12.175	19%	692	18%
50-60	16.874	26%	896	24%
60-70	17.995	27%	886	24%
70-80	3.922	6%	185	5%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	65.731	100%	3.741	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	29.636	45%	1.670	45%
Höfuðborgarsvæðið	24.344	37%	1.278	34%
Norðurland eystra	3.236	5%	210	6%
Suðurland	2.614	4%	187	5%
Suðurnes	3.180	5%	208	6%
Vesturland	1.530	2%	103	3%
Vestfirðir	201	0%	15	0%
Austurland	694	1%	50	1%
Norðurland vestra	297	0%	20	1%
Total	65.731	100%	3.741	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	65.568	100%	3.732	100%
Other	163	0%	9	0%
Total	65.731	100%	3.741	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	65.052	99%	3.710	99%
1-30	580	1%	27	1%
31-60	99	0%	4	0%
61-90	0	0%	0	0%
More than 90	0	0%	0	0%
Total	65.731	100%	3.741	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	31.702	48%	1.707	46%
3-6	19.202	29%	1.154	31%
6-9	576	1%	32	1%
9-12	12.034	18%	730	20%
more than 12	2.217	3%	118	3%
Total	65.731	100%	3.741	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	16	0%	3	0%
5-10	296	0%	28	1%
10-20	6.715	10%	463	12%
20-30	24.310	37%	1.404	38%
more than 30	34.394	52%	1.843	49%
Total	65.731	100%	3.741	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	57.175	87%	3.507	94%
30-60	8.484	13%	233	6%
60-90	72	0%	1	0%
more than 90	0	0%	0	0%
Total	65.731	100%	3.741	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	2.214	3%	135	4%
5Y interest reset	6.720	10%	427	11%
Fixed	24.930	38%	1.399	37%
Floating	31.868	48%	1.780	48%
Total	65.731	100%	3.741	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	65.731
Cover Pool Eligible for Calculation - Number of Mortgages	3.741
Cash account linked to Cover Pool	93
Total Issuance	52.733
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20%
Over Collateralisation	25%

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	65.502	51.000	100,00%	100,00%	14.502
Base	68.770	52.733	104,99%	103,40%	16.037
Risk free interest rate - downward shift	70.518	54.866	107,66%	107,58%	15.652
Risk free interest rate - upward shift	67.226	50.737	102,63%	99,48%	16.490
Adverse behavior	65.821	52.733	100,49%	103,40%	13.088
Consumer Price index - downward shift	68.580	52.598	104,70%	103,13%	15.982
Consumer Price index - upward shift	68.961	52.869	105,28%	103,66%	16.092

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

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