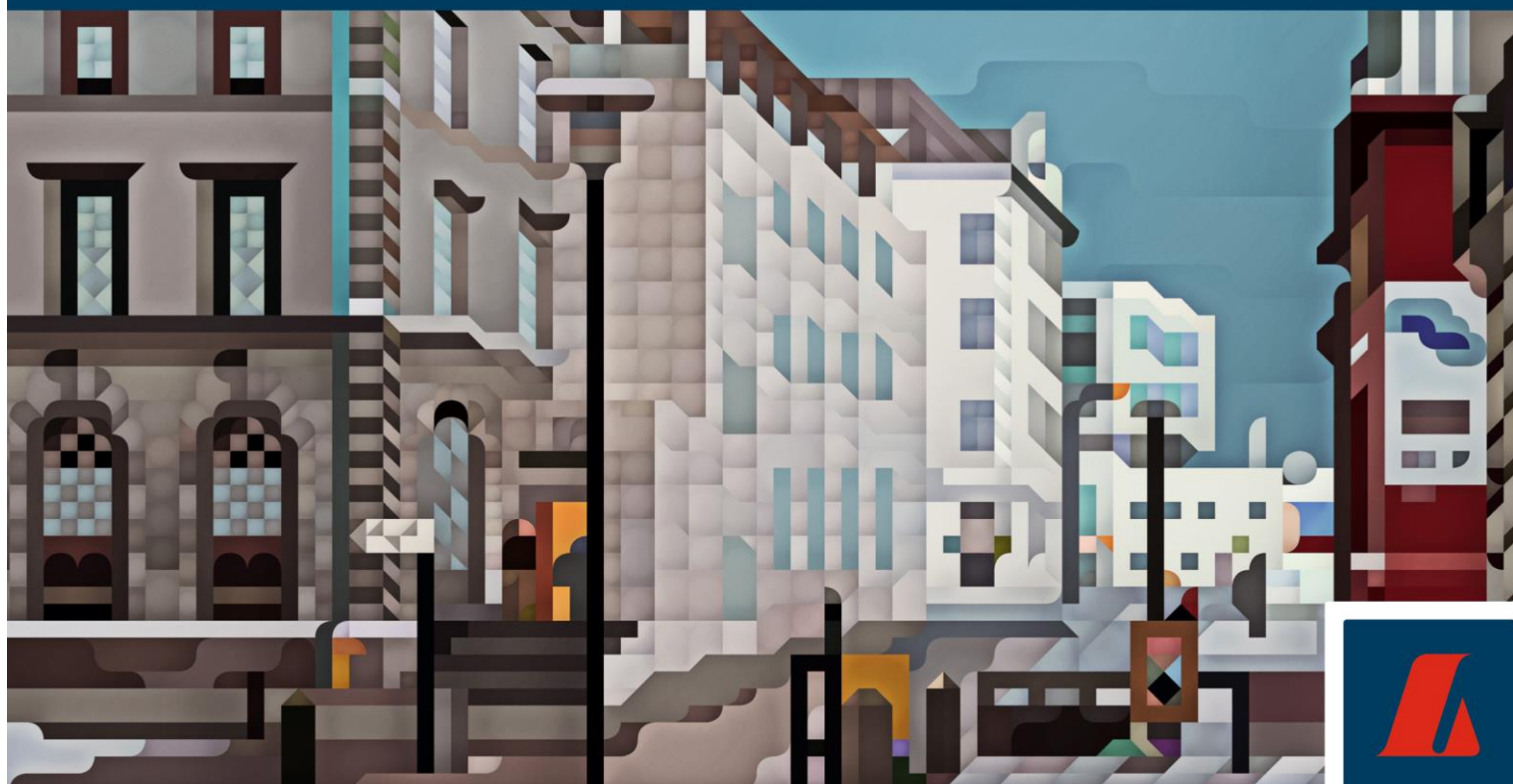

Cover Pool Information

31.5.2017

Covered Bond



Landsbankinn Covered Bonds report



Report date: 31.05.2017

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	38.661	28.785	67.446
Average Loan Balance	19	17	18
No. Of Loans	2.076	1.744	3.820
No. Of Borrowers	2.055	1.700	3.755
No. Of Properties	2.061	1.707	3.768
WA LTV	54%	48%	52%
WA Seasoning (Years)	5,57	3,47	4,68
WA Remaining terms (Years)	31,41	30,06	30,83
WA Interest Rate	3,90%	6,81%	5,14%

*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	1.630	2%	175	5%
20-30	4.493	7%	334	9%
30-40	8.683	13%	582	15%
40-50	12.086	18%	684	18%
50-60	16.704	25%	887	23%
60-70	19.039	28%	931	24%
70-80	4.811	7%	227	6%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	67.446	100%	3.820	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	30.241	45%	1.698	44%
Höfuðborgarsvæðið	25.231	37%	1.318	35%
Norðurland eystra	3.250	5%	210	5%
Suðurland	2.660	4%	189	5%
Suðurnes	3.308	5%	215	6%
Vesturland	1.567	2%	105	3%
Vestfirðir	201	0%	15	0%
Austurland	692	1%	50	1%
Norðurland vestra	297	0%	20	1%
Total	67.446	100%	3.820	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	67.283	100%	3.811	100%
Other	163	0%	9	0%
Total	67.446	100%	3.820	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	66.717	99%	3.784	99%
1-30	550	1%	26	1%
31-60	163	0%	9	0%
61-90	15	0%	1	0%
More than 90	0	0%	0	0%
Total	67.446	100%	3.820	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	32.810	49%	1.748	46%
3-6	19.874	29%	1.197	31%
6-9	590	1%	34	1%
9-12	11.089	16%	672	18%
more than 12	3.083	5%	169	4%
Total	67.446	100%	3.820	100%

Remaing (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	20	0%	4	0%
5-10	295	0%	29	1%
10-20	6.805	10%	469	12%
20-30	24.170	36%	1.394	36%
more than 30	36.156	54%	1.924	50%
Total	67.446	100%	3.820	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	58.604	87%	3.577	94%
30-60	8.841	13%	243	6%
60-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	67.446	100%	3.820	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	2.077	3%	128	3%
5Y interest reset	6.013	9%	384	10%
Fixed	25.886	38%	1.438	38%
Floating	33.470	50%	1.870	49%
Total	67.446	100%	3.820	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	67.446
Cover Pool Eligible for Calculation - Number of Mortgages	3.820
Cash account linked to Cover Pool	1538
Total Issuance	55.724
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20%
Over Collateralisation	24%

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	67.222	53.600	100,00%	100,00%	13.622
Base	70.645	55.724	105,09%	103,96%	14.922
Risk free interest rate - downward shift	72.378	58.041	107,67%	108,29%	14.337
Risk free interest rate - upward shift	69.113	53.559	102,81%	99,92%	15.554
Adverse behavior	67.402	55.724	100,27%	103,96%	11.679
Consumer Price index - downward shift	70.440	55.574	104,79%	103,68%	14.866
Consumer Price index - upward shift	70.851	55.874	105,40%	104,24%	14.977

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

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