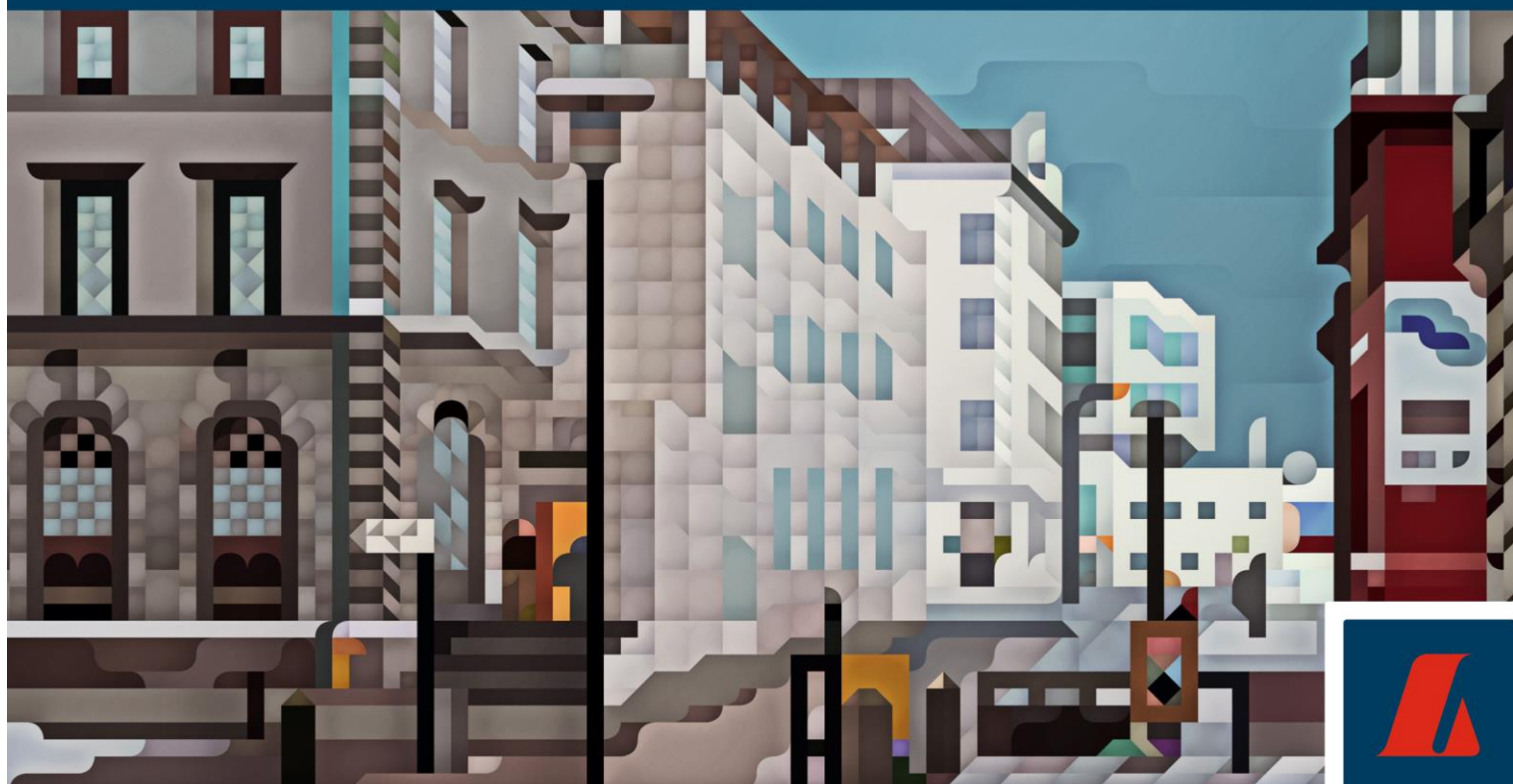

Cover Pool Information

31.7.2017

Covered Bond



Landsbankinn Covered Bonds report



Report date: 31.07.2017

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	45.685	29.098	74.783
Average Loan Balance	19	15	17
No. of Loans	2.463	1.879	4.342
No. of Borrowers	2.429	1.832	4.261
No. of Properties	2.437	1.843	4.280
WA LTV	56%	47%	53%
WA Seasoning (Years)	5,31	3,58	4,64
WA Remaining terms (Years)	31,71	29,67	30,91
WA Interest Rate	3,89%	6,56%	4,93%

*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	2.008	3%	237	5%
20-30	4.937	7%	395	9%
30-40	9.265	12%	645	15%
40-50	12.177	16%	710	16%
50-60	17.019	23%	927	21%
60-70	21.459	29%	1.060	24%
70-80	7.919	11%	368	8%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	74.783	100%	4.342	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	32.898	44%	1.875	43%
Höfuðborgarsvæðið	28.058	38%	1.483	34%
Norðurland eystra	3.554	5%	237	5%
Suðurland	3.270	4%	238	5%
Suðurnes	3.863	5%	270	6%
Vesturland	1.766	2%	125	3%
Vestfirðir	271	0%	25	1%
Austurland	780	1%	65	1%
Norðurland vestra	323	0%	24	1%
Total	74.783	100%	4.342	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	74.596	100%	4.331	100%
Other	188	0%	11	0%
Total	74.783	100%	4.342	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	73.959	99%	4.300	99%
1-30	468	1%	25	1%
31-60	270	0%	13	0%
61-90	87	0%	4	0%
More than 90	0	0%	0	0%
Total	74.783	100%	4.342	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	36.740	49%	2.033	47%
3-6	21.965	29%	1.326	31%
6-9	734	1%	42	1%
9-12	9.481	13%	600	14%
more than 12	5.864	8%	341	8%
Total	74.783	100%	4.342	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	56	0%	10	0%
5-10	422	1%	48	1%
10-20	7.561	10%	566	13%
20-30	26.144	35%	1.543	36%
more than 30	40.602	54%	2.175	50%
Total	74.783	100%	4.342	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	64.505	86%	4.059	93%
30-60	10.279	14%	283	7%
60-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	74.783	100%	4.342	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.944	3%	125	3%
5Y interest reset	5.068	7%	338	8%
Fixed	28.523	38%	1.631	38%
Floating	39.248	52%	2.248	52%
Total	74.783	100%	4.342	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	74.783
Cover Pool Eligible for Calculation - Number of Mortgages	4.342
Cash account linked to Cover Pool	1056
Total Issuance	61.571
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20%
Over Collateralisation	23%

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	74.503	58.800	100,00%	100,00%	15.703
Base	78.144	61.571	104,89%	104,71%	16.573
Risk free interest rate - downward shift	79.976	64.286	107,35%	109,33%	15.690
Risk free interest rate - upward shift	76.520	59.049	102,71%	100,42%	17.470
Adverse behavior	74.461	61.571	99,94%	104,71%	12.891
Consumer Price index - downward shift	77.903	61.393	104,56%	104,41%	16.510
Consumer Price index - upward shift	78.386	61.749	105,21%	105,01%	16.637

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

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