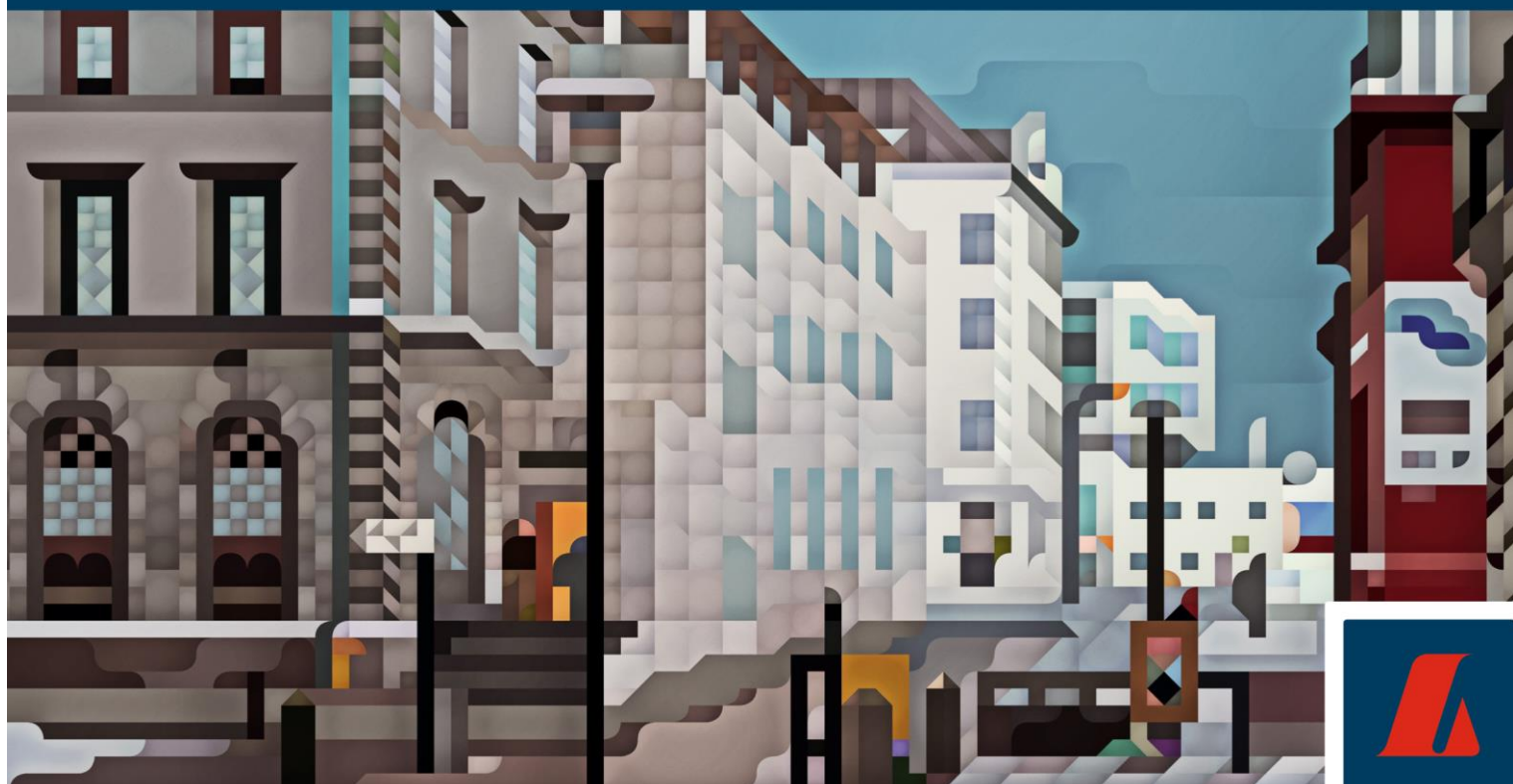

Cover Pool Information

31.8.2017

Covered Bond



Landsbankinn Covered Bonds report



Report date: 31.08.2017

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	54.526	30.574	85.100
Average Loan Balance	18	14	17
No. of Loans	2.994	2.130	5.124
No. of Borrowers	2.925	2.072	4.997
No. of Properties	2.929	2.092	5.021
WA LTV	57%	46%	53%
WA Seasoning (Years)	5,30	3,78	4,75
WA Remaining terms (Years)	31,68	29,17	30,78
WA Interest Rate	3,89%	6,52%	4,83%

*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	2.678	3%	358	7%
20-30	5.943	7%	515	10%
30-40	10.331	12%	744	15%
40-50	13.225	16%	789	15%
50-60	18.301	22%	998	19%
60-70	24.306	29%	1.228	24%
70-80	10.316	12%	492	10%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	85.100	100%	5.124	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	37.697	44%	2.205	43%
Höfuðborgarsvæðið	31.232	37%	1.702	33%
Norðurland eystra	4.071	5%	289	6%
Suðurland	3.947	5%	304	6%
Suðurnes	4.388	5%	315	6%
Vesturland	2.104	2%	160	3%
Vestfirðir	345	0%	35	1%
Austurland	982	1%	88	2%
Norðurland vestra	334	0%	26	1%
Total	85.100	100%	5.124	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	84.914	100%	5.113	100%
Other	186	0%	11	0%
Total	85.100	100%	5.124	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	83.760	98%	5.056	99%
1-30	783	1%	40	1%
31-60	467	1%	22	0%
61-90	89	0%	6	0%
More than 90	0	0%	0	0%
Total	85.100	100%	5.124	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	40.324	47%	2.263	44%
3-6	25.949	30%	1.695	33%
6-9	1.022	1%	63	1%
9-12	9.690	11%	627	12%
more than 12	8.116	10%	476	9%
Total	85.100	100%	5.124	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	66	0%	16	0%
5-10	602	1%	81	2%
10-20	8.875	10%	754	15%
20-30	29.761	35%	1.773	35%
more than 30	45.795	54%	2.500	49%
Total	85.100	100%	5.124	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	72.956	86%	4.791	94%
30-60	12.062	14%	332	6%
60-90	81	0%	1	0%
more than 90	0	0%	0	0%
Total	85.100	100%	5.124	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.857	2%	132	3%
5Y interest reset	5.361	6%	390	8%
Fixed	32.487	38%	1.868	36%
Floating	45.395	53%	2.734	53%
Total	85.100	100%	5.124	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	85.100
Cover Pool Eligible for Calculation - Number of Mortgages	5.124
Cash account linked to Cover Pool	748
Total Issuance	68.879
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	84.784	65.700	100,00%	100,00%	19.084
Base	89.311	68.879	105,34%	104,84%	20.432
Risk free interest rate - downward shift	91.415	72.106	107,82%	109,75%	19.309
Risk free interest rate - upward shift	87.442	65.892	103,13%	100,29%	21.549
Adverse behavior	85.120	68.879	100,40%	104,84%	16.241
Consumer Price index - downward shift	89.022	68.666	105,00%	104,51%	20.356
Consumer Price index - upward shift	89.601	69.093	105,68%	105,16%	20.508

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

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