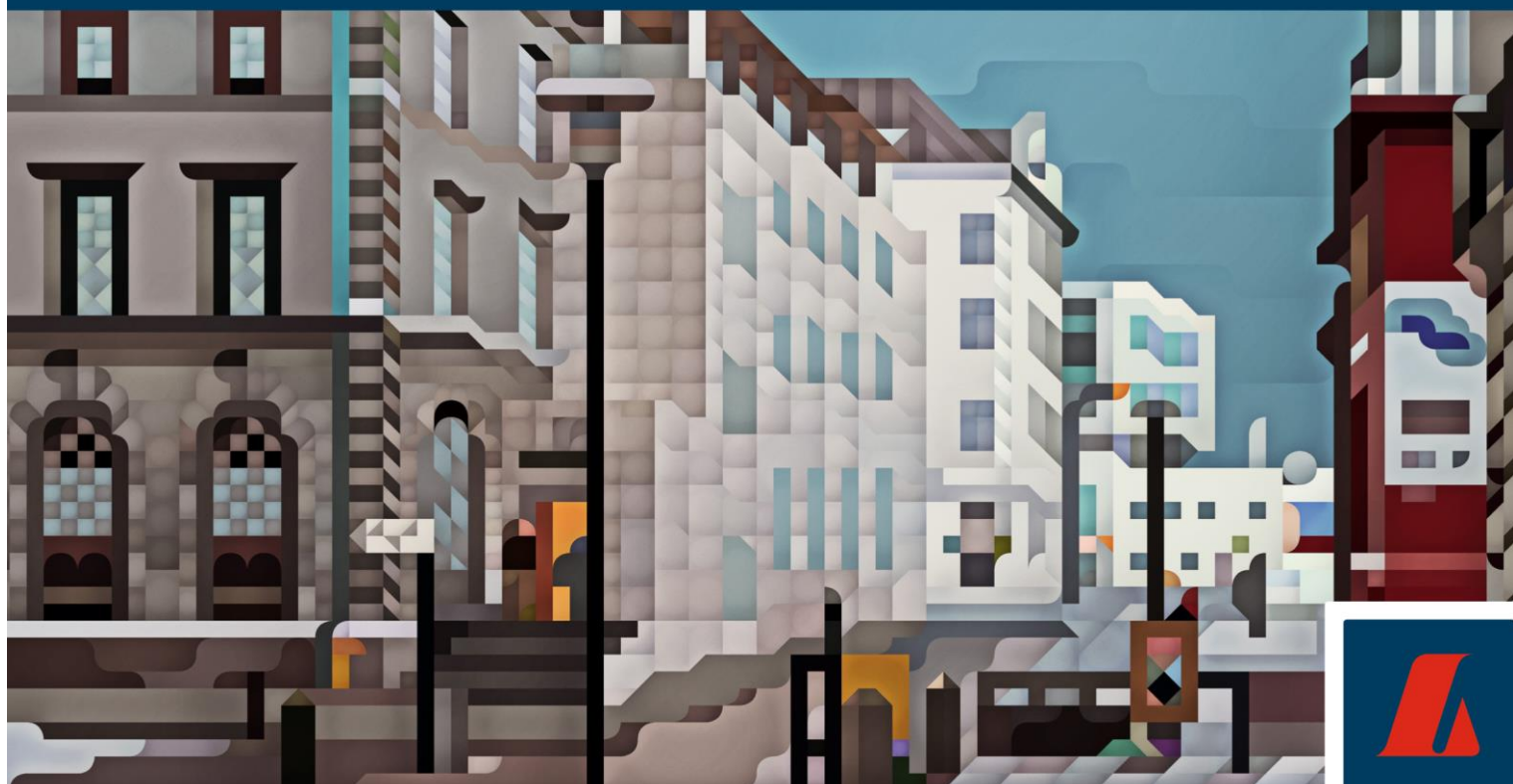

Cover Pool Information

31.10.2017

Covered Bond



Landsbankinn Covered Bonds report



Report date: 31.10.2017

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	62.498	26.005	88.503
Average Loan Balance	18	14	17
No. of Loans	3.441	1.854	5.295
No. of Borrowers	3.362	1.814	5.176
No. of Properties	3.370	1.829	5.199
WA LTV	57%	45%	54%
WA Seasoning (Years)	5,22	3,95	4,85
WA Remaining terms (Years)	31,72	28,93	30,90
WA Interest Rate	3,88%	6,36%	4,61%

*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	2.669	3%	369	7%
20-30	5.761	7%	509	10%
30-40	10.315	12%	744	14%
40-50	12.815	14%	767	14%
50-60	18.716	21%	1.031	19%
60-70	25.391	29%	1.278	24%
70-80	12.836	15%	597	11%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	88.503	100%	5.295	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	39.431	45%	2.281	43%
Höfuðborgarsvæðið	31.977	36%	1.720	32%
Norðurland eystra	4.318	5%	308	6%
Suðurland	4.344	5%	332	6%
Suðurnes	4.403	5%	323	6%
Vesturland	2.225	3%	169	3%
Vestfirðir	388	0%	39	1%
Austurland	1.096	1%	97	2%
Norðurland vestra	321	0%	26	0%
Total	88.503	100%	5.295	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	88.340	100%	5.285	100%
Other	164	0%	10	0%
Total	88.503	100%	5.295	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	86.956	98%	5.218	99%
1-30	1.054	1%	53	1%
31-60	438	0%	20	0%
61-90	56	0%	4	0%
More than 90	0	0%	0	0%
Total	88.503	100%	5.295	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	40.311	46%	2.255	43%
3-6	28.081	32%	1.788	34%
6-9	1.248	1%	81	2%
9-12	7.779	9%	509	10%
more than 12	11.085	13%	662	13%
Total	88.503	100%	5.295	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	70	0%	17	0%
5-10	580	1%	81	2%
10-20	9.074	10%	773	15%
20-30	30.368	34%	1.809	34%
more than 30	48.411	55%	2.615	49%
Total	88.503	100%	5.295	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	75.864	86%	4.948	93%
30-60	12.498	14%	345	7%
60-90	141	0%	2	0%
more than 90	0	0%	0	0%
Total	88.503	100%	5.295	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.532	2%	110	2%
5Y interest reset	4.232	5%	318	6%
Fixed	34.147	39%	1.966	37%
Floating	48.592	55%	2.901	55%
Total	88.503	100%	5.295	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	88.503
Cover Pool Eligible for Calculation - Number of Mortgages	5.295
Cash account linked to Cover Pool	612
Total Issuance	71.340
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	88.221	69.160	100,00%	100,00%	19.061
Base	96.004	71.340	108,82%	103,15%	24.664
Risk free interest rate - downward shift	99.847	75.046	113,18%	108,51%	24.801
Risk free interest rate - upward shift	92.733	67.917	105,11%	98,20%	24.816
Adverse behavior	91.734	71.340	103,98%	103,15%	20.394
Consumer Price index - downward shift	95.657	71.094	108,43%	102,80%	24.563
Consumer Price index - upward shift	96.351	71.585	109,21%	103,51%	24.765

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

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