

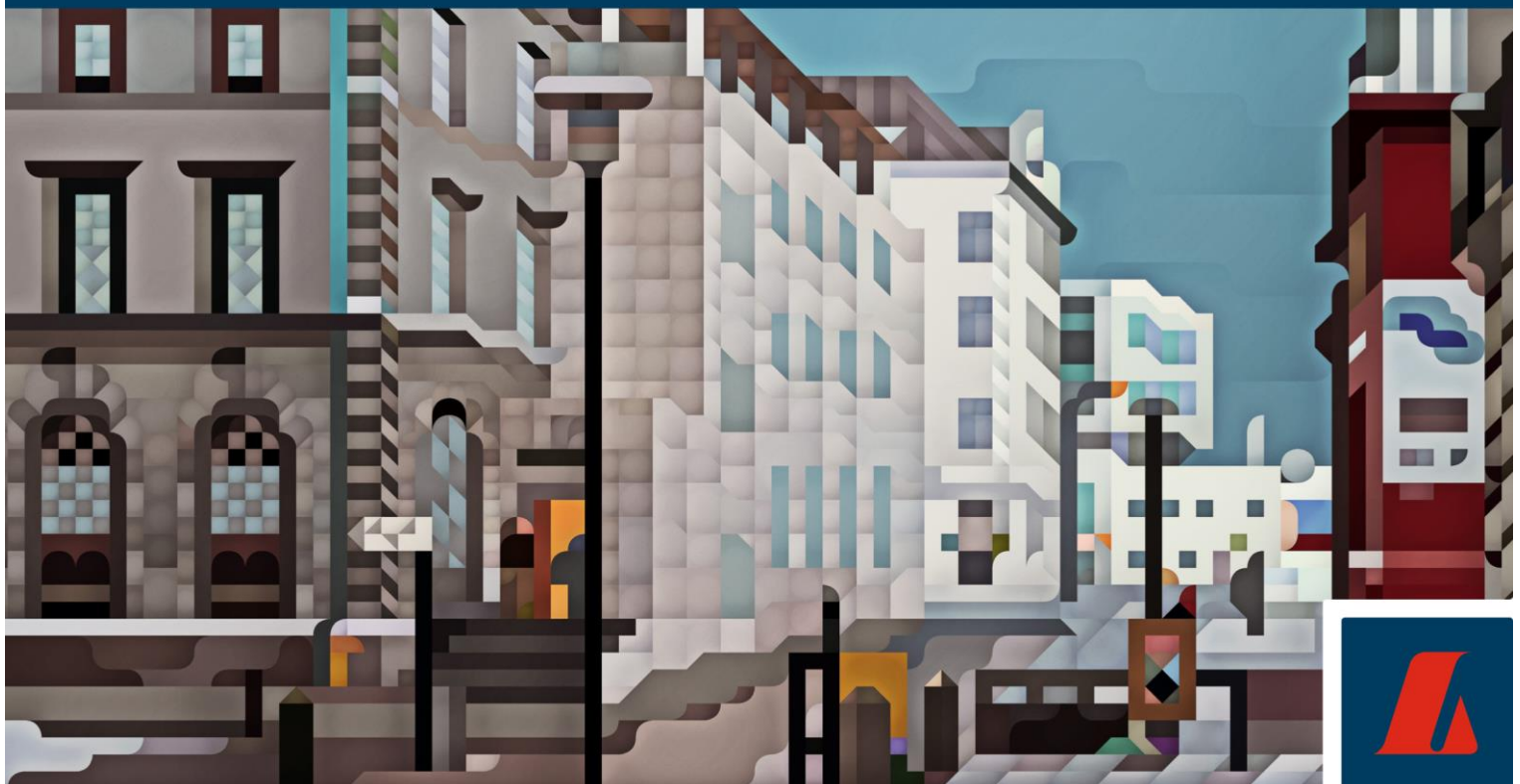
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# Cover Pool Information

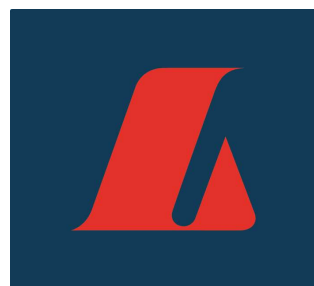
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31.5.2018

Covered Bond



# Landsbankinn Covered Bonds report



Report date: 31.05.2018

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	82.238	26.787	109.025
Average Loan Balance	17	13	16
No. of Loans	4.760	2.102	6.862
No. of Borrowers	4.657	2.059	6.716
No. of Properties	4.664	2.067	6.731
WA LTV	50%	38%	47%
WA Seasoning (Years)	5,04	4,35	4,87
WA Remaining terms (Years)	31,56	28,48	30,80
WA Interest Rate	3,85%	6,18%	4,42%

\*Indexed mortgage linked to the consumer price index in Iceland as published by statistic Iceland (Hagstofa Íslands: [www.hagstofa.is](http://www.hagstofa.is)).

LTV %	Exposure (ISK)	Percentage	No. Loans	Percentage
0-20	5.907	5%	879	13%
20-30	11.479	11%	991	14%
30-40	16.385	15%	1.128	16%
40-50	21.262	20%	1.241	18%
50-60	29.497	27%	1.514	22%
60-70	20.923	19%	967	14%
70-80	3.572	3%	142	2%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>109.025</b>	<b>100%</b>	<b>6.862</b>	<b>100%</b>

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	46.735	43%	2.768	40%
Höfuðborgarsvæðið	37.144	34%	2.029	30%
Norðurland eystra	6.492	6%	500	7%
Suðurland	6.312	6%	514	7%
Suðurnes	6.252	6%	490	7%
Vesturland	3.007	3%	243	4%
Vestfirðir	669	1%	81	1%
Austurland	1.756	2%	175	3%
Norðurland vestra	658	1%	62	1%
<b>Total</b>	<b>109.025</b>	<b>100%</b>	<b>6.862</b>	<b>100%</b>

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	108.866	100%	6.852	100%
Other	159	0%	10	0%
<b>Total</b>	<b>109.025</b>	<b>100%</b>	<b>6.862</b>	<b>100%</b>

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	107.245	98%	6.769	99%
1-30	1.067	1%	55	1%
31-60	594	1%	30	0%
61-90	120	0%	8	0%
More than 90	0	0%	0	0%
<b>Total</b>	<b>109.025</b>	<b>100%</b>	<b>6.862</b>	<b>100%</b>

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	46.748	43%	2.661	39%
3-6	36.622	34%	2.396	35%
6-9	4.697	4%	374	5%
9-12	4.496	4%	333	5%
more than 12	16.462	15%	1.098	16%
<b>Total</b>	<b>109.025</b>	<b>100%</b>	<b>6.862</b>	<b>100%</b>

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	141	0%	39	1%
5-10	772	1%	132	2%
10-20	11.628	11%	1.069	16%
20-30	35.337	32%	2.232	33%
more than 30	61.147	56%	3.390	49%
<b>Total</b>	<b>109.025</b>	<b>100%</b>	<b>6.862</b>	<b>100%</b>

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	91.524	84%	6.389	93%
30-60	17.034	16%	466	7%
60-90	467	0%	7	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>109.025</b>	<b>100%</b>	<b>6.862</b>	<b>100%</b>

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.294	1%	101	1%
5Y interest reset	3.809	3%	316	5%
Fixed	38.589	35%	2.378	35%
Floating	65.334	60%	4.067	59%
<b>Total</b>	<b>109.025</b>	<b>100%</b>	<b>6.862</b>	<b>100%</b>

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	109.025
Cover Pool Eligible for Calculation - Number of Mortgages	6.862
Cash account linked to Cover Pool	1390
Total Issuance	88.574
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	108.692	84.200	100,00%	100,00%	24.492
Base	116.635	88.574	107,31%	105,19%	28.061
Risk free interest rate - downward shift	120.495	93.113	110,86%	110,59%	27.382
Risk free interest rate - upward shift	113.321	84.382	104,26%	100,22%	28.939
Adverse behavior	111.806	88.574	102,87%	105,19%	23.232
Consumer Price index - downward shift	116.189	88.252	106,90%	104,81%	27.937
Consumer Price index - upward shift	117.082	88.896	107,72%	105,58%	28.185

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

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