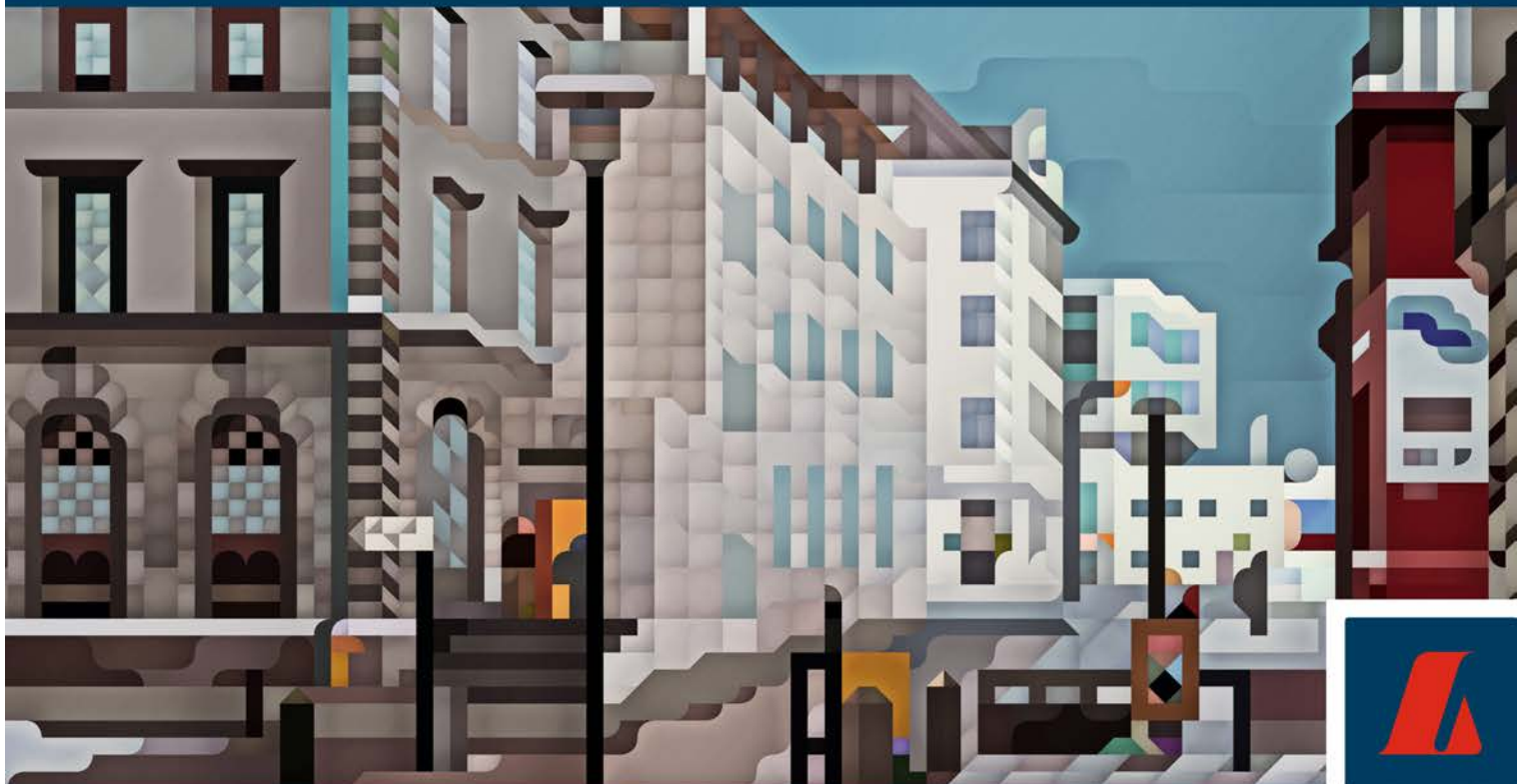

Cover Pool Information

31.07.2018

Covered Bond



Landsbankinn Covered Bonds report



Report date: 31.07.2018

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	87.642	27.640	115.281
Average Loan Balance	18	13	16
No. of Loans	4.968	2.167	7.135
No. of Borrowers	4.869	2.124	6.993
No. of Properties	4.875	2.129	7.004
WA LTV	52%	39%	49%
WA Seasoning (Years)	4,92	4,25	4,76
WA Remaining terms (Years)	31,79	28,41	30,98
WA Interest Rate	3,84%	6,14%	4,39%

*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	5.931	5%	902	13%
20-30	11.270	10%	984	14%
30-40	16.135	14%	1.112	16%
40-50	21.148	18%	1.239	17%
50-60	28.035	24%	1.439	20%
60-70	24.631	21%	1.131	16%
70-80	8.131	7%	328	5%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	115.281	100%	7.135	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	48.849	42%	2.837	40%
Höfuðborgarsvæðið	39.107	34%	2.086	29%
Norðurland eystra	7.084	6%	536	8%
Suðurland	6.869	6%	546	8%
Suðurnes	6.660	6%	517	7%
Vesturland	3.386	3%	265	4%
Vestfirðir	728	1%	89	1%
Austurland	1.820	2%	189	3%
Norðurland vestra	778	1%	70	1%
Total	115.281	100%	7.135	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	115.174	100%	7.127	100%
Other	108	0%	8	0%
Total	115.281	100%	7.135	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	113.633	99%	7.048	99%
1-30	883	1%	46	1%
31-60	666	1%	33	0%
61-90	99	0%	8	0%
More than 90	0	0%	0	0%
Total	115.281	100%	7.135	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	49.993	43%	2.739	38%
3-6	38.777	34%	2.520	35%
6-9	5.833	5%	465	7%
9-12	4.187	4%	315	4%
more than 12	16.491	14%	1.096	15%
Total	115.281	100%	7.135	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	154	0%	44	1%
5-10	810	1%	139	2%
10-20	11.861	10%	1.086	15%
20-30	36.192	31%	2.279	32%
more than 30	66.264	57%	3.587	50%
Total	115.281	100%	7.135	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	95.568	83%	6.606	93%
30-60	19.183	17%	521	7%
60-90	530	0%	8	0%
more than 90	0	0%	0	0%
Total	115.281	100%	7.135	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.256	1%	97	1%
5Y interest reset	3.952	3%	324	5%
Fixed	38.747	34%	2.364	33%
Floating	71.325	62%	4.350	61%
Total	115.281	100%	7.135	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	115.281
Cover Pool Eligible for Calculation - Number of Mortgages	7.135
Cash account linked to Cover Pool	2708
Total Issuance	94.853
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	114.916	89.260	100,00%	100,00%	25.656
Base	123.173	94.853	107,19%	106,27%	28.321
Risk free interest rate - downward shift	126.915	99.643	110,44%	111,63%	27.272
Risk free interest rate - upward shift	119.948	90.425	104,38%	101,31%	29.523
Adverse behavior	116.080	94.853	101,01%	106,27%	21.228
Consumer Price index - downward shift	122.698	94.501	106,77%	105,87%	28.197
Consumer Price index - upward shift	123.648	95.204	107,60%	106,66%	28.445

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

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