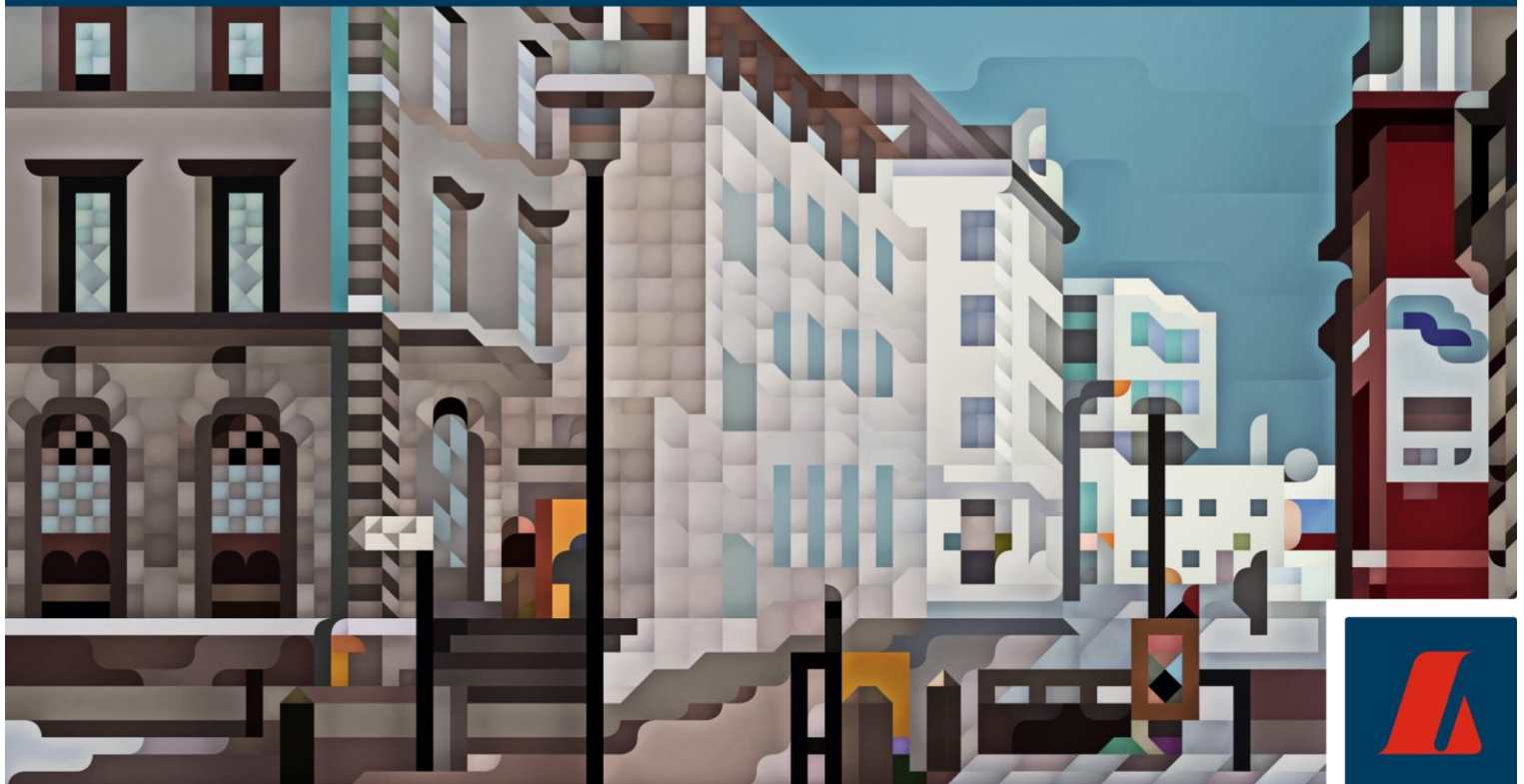
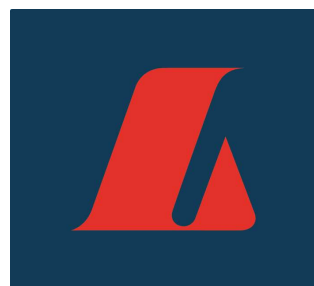

Cover Pool Information

31.8.2018

Covered Bond



Landsbankinn Covered Bonds report



Report date: 31.08.2018

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	91.710	28.340	120.049
Average Loan Balance	18	13	16
No. of Loans	5.138	2.199	7.337
No. of Borrowers	5.040	2.157	7.197
No. of Properties	5.044	2.160	7.204
WA LTV	53%	40%	50%
WA Seasoning (Years)	4,87	4,18	4,71
WA Remaining terms (Years)	31,86	28,50	31,07
WA Interest Rate	3,83%	6,11%	4,37%

*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	5.892	5%	908	12%
20-30	11.114	9%	970	13%
30-40	16.243	14%	1.121	15%
40-50	21.137	18%	1.237	17%
50-60	27.682	23%	1.423	19%
60-70	27.317	23%	1.248	17%
70-80	10.665	9%	430	6%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	120.049	100%	7.337	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	50.548	42%	2.899	40%
Höfuðborgarsvæðið	40.591	34%	2.137	29%
Norðurland eystra	7.552	6%	563	8%
Suðurland	7.112	6%	558	8%
Suðurnes	7.028	6%	534	7%
Vesturland	3.722	3%	286	4%
Vestfirðir	744	1%	91	1%
Austurland	1.885	2%	194	3%
Norðurland vestra	867	1%	75	1%
Total	120.049	100%	7.337	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	119.941	100%	7.329	100%
Other	108	0%	8	0%
Total	120.049	100%	7.337	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	118.478	99%	7.258	99%
1-30	884	1%	45	1%
31-60	549	0%	27	0%
61-90	139	0%	7	0%
More than 90	0	0%	0	0%
Total	120.049	100%	7.337	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	53.433	45%	2.890	39%
3-6	39.218	33%	2.519	34%
6-9	6.381	5%	511	7%
9-12	4.125	3%	306	4%
more than 12	16.892	14%	1.111	15%
Total	120.049	100%	7.337	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	161	0%	47	1%
5-10	837	1%	143	2%
10-20	11.919	10%	1.090	15%
20-30	37.587	31%	2.331	32%
more than 30	69.545	58%	3.726	51%
Total	120.049	100%	7.337	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	98.828	82%	6.769	92%
30-60	20.691	17%	560	8%
60-90	531	0%	8	0%
more than 90	0	0%	0	0%
Total	120.049	100%	7.337	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.225	1%	93	1%
5Y interest reset	3.969	3%	325	4%
Fixed	39.366	33%	2.376	32%
Floating	75.489	63%	4.543	62%
Total	120.049	100%	7.337	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	120.049
Cover Pool Eligible for Calculation - Number of Mortgages	7.337
Cash account linked to Cover Pool	1106
Total Issuance	97.237
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	119.722	91.200	100,00%	100,00%	28.522
Base	128.486	97.237	107,32%	106,62%	31.249
Risk free interest rate - downward shift	132.352	102.074	110,55%	111,92%	30.278
Risk free interest rate - upward shift	125.150	92.763	104,53%	101,71%	32.388
Adverse behavior	120.911	97.237	100,99%	106,62%	23.675
Consumer Price index - downward shift	127.988	96.874	106,90%	106,22%	31.113
Consumer Price index - upward shift	128.984	97.599	107,74%	107,02%	31.384

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

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