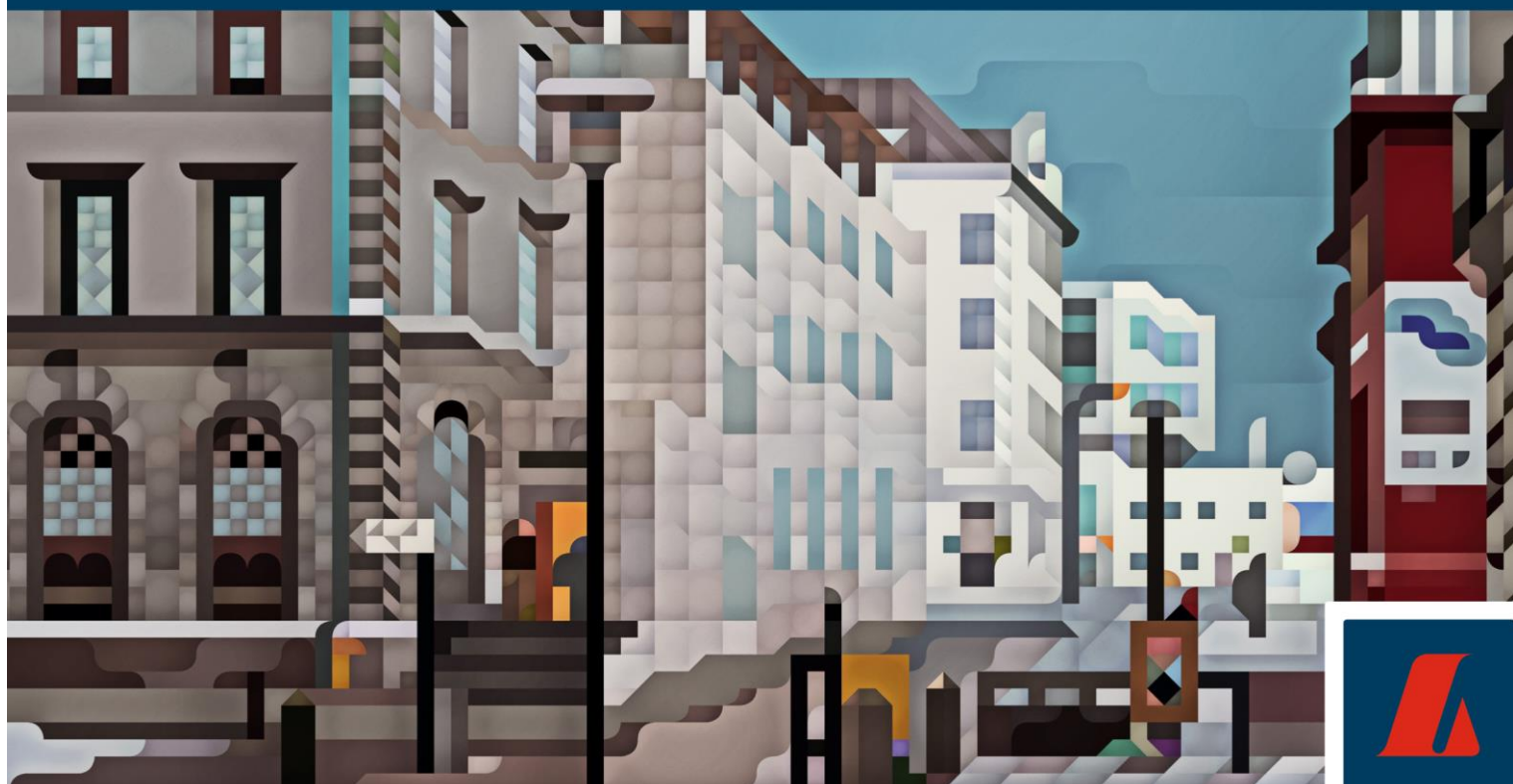

Cover Pool Information

31.10.2018

Covered Bond



Landsbankinn Covered Bonds report



Report date: 31.10.2018

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	95.688	29.079	124.767
Average Loan Balance	18	13	17
No. of Loans	5.268	2.229	7.497
No. of Borrowers	5.170	2.187	7.357
No. of Properties	5.178	2.190	7.368
WA LTV	54%	41%	51%
WA Seasoning (Years)	4,79	4,11	4,63
WA Remaining terms (Years)	31,98	28,40	31,15
WA Interest Rate	3,82%	6,07%	4,35%

*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	5.897	5%	913	12%
20-30	10.819	9%	954	13%
30-40	16.094	13%	1.110	15%
40-50	20.472	16%	1.193	16%
50-60	26.847	22%	1.373	18%
60-70	29.780	24%	1.344	18%
70-80	14.858	12%	610	8%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	124.767	100%	7.497	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	52.354	42%	2.933	39%
Höfuðborgarsvæðið	41.531	33%	2.147	29%
Norðurland eystra	8.272	7%	605	8%
Suðurland	7.613	6%	585	8%
Suðurnes	7.231	6%	544	7%
Vesturland	4.139	3%	303	4%
Vestfirðir	813	1%	103	1%
Austurland	1.859	1%	198	3%
Norðurland vestra	954	1%	79	1%
Total	124.767	100%	7.497	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	124.660	100%	7.489	100%
Other	107	0%	8	0%
Total	124.767	100%	7.497	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	122.830	98%	7.401	99%
1-30	876	1%	47	1%
31-60	915	1%	40	1%
61-90	146	0%	9	0%
More than 90	0	0%	0	0%
Total	124.767	100%	7.497	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	56.663	45%	2.982	40%
3-6	40.322	32%	2.569	34%
6-9	7.085	6%	562	7%
9-12	3.857	3%	277	4%
more than 12	16.840	13%	1.107	15%
Total	124.767	100%	7.497	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	179	0%	50	1%
5-10	845	1%	143	2%
10-20	12.158	10%	1.102	15%
20-30	38.335	31%	2.350	31%
more than 30	73.251	59%	3.852	51%
Total	124.767	100%	7.497	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	100.898	81%	6.864	92%
30-60	23.206	19%	623	8%
60-90	663	1%	10	0%
more than 90	0	0%	0	0%
Total	124.767	100%	7.497	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.257	1%	94	1%
5Y interest reset	4.266	3%	337	4%
Fixed	39.733	32%	2.370	32%
Floating	79.512	64%	4.696	63%
Total	124.767	100%	7.497	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	124.767
Cover Pool Eligible for Calculation - Number of Mortgages	7.497
Cash account linked to Cover Pool	1653
Total Issuance	101.584
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	124.398	96.320	100,00%	100,00%	28.078
Base	133.723	101.584	107,50%	105,47%	32.139
Risk free interest rate - downward shift	137.526	106.632	110,55%	110,71%	30.894
Risk free interest rate - upward shift	130.428	96.911	104,85%	100,61%	33.516
Adverse behavior	126.270	101.584	101,51%	105,47%	24.686
Consumer Price index - downward shift	133.202	101.198	107,08%	105,06%	32.005
Consumer Price index - upward shift	134.244	101.972	107,92%	105,87%	32.273

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

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Contact:

Investor Relations: ir@landsbankinn.is