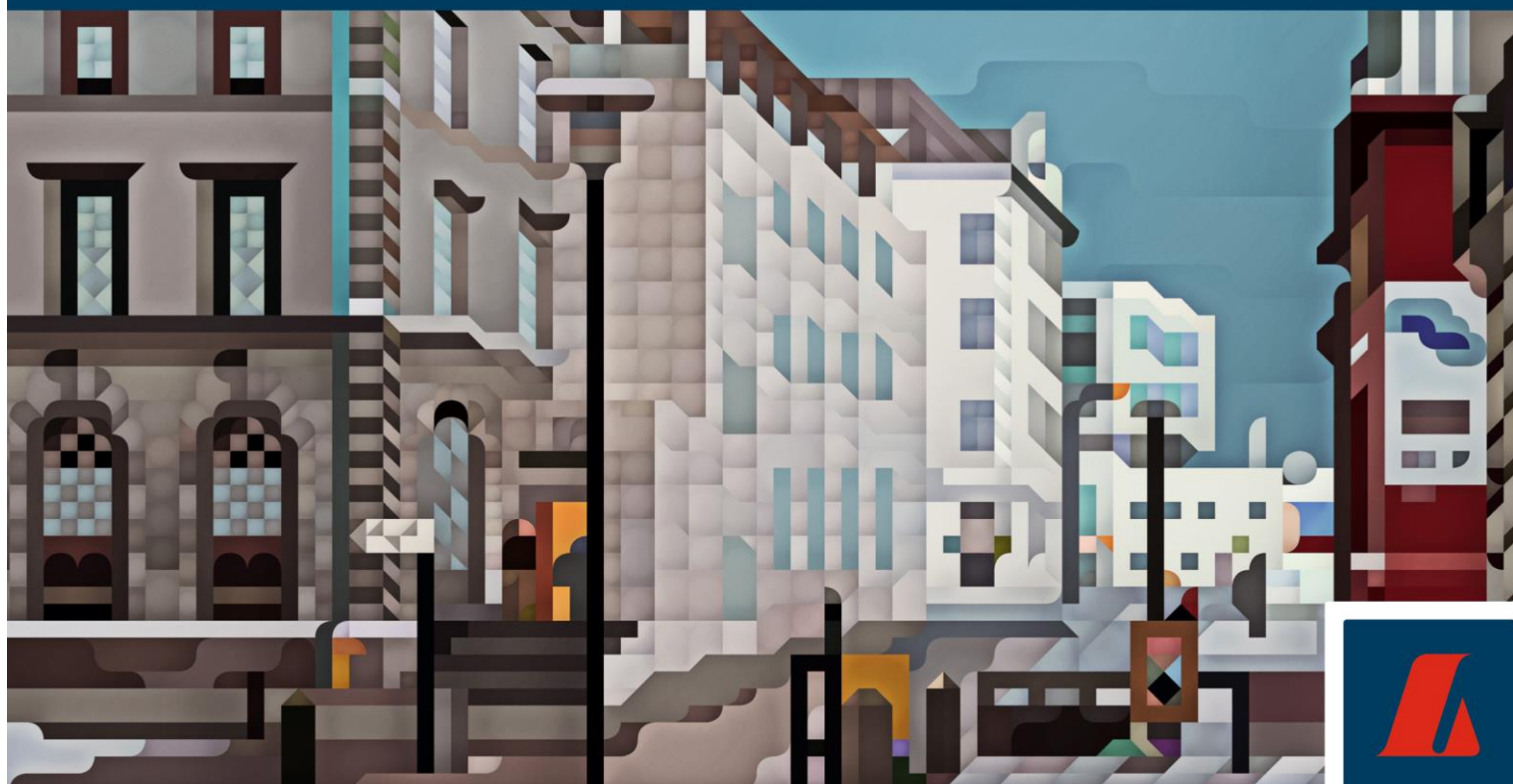

Cover Pool Information

31.1.2019

Covered Bond



Landsbankinn Covered Bonds report



Report date: 31.01.2019

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	105,168	34,694	139,862
Average Loan Balance	18	13	16
No. of Loans	5,919	2,615	8,534
No. of Borrowers	5,554	2,539	8,093
No. of Properties	5,540	2,544	8,084
WA LTV	49%	39%	47%
WA Seasoning (Years)	4.68	3.70	4.44
WA Remaining terms (Years)	31.91	28.29	31.01
WA Interest Rate	3.75%	6.18%	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	8,081	6%	1,187	14%
20-30	13,776	10%	1,151	13%
30-40	22,150	16%	1,447	17%
40-50	27,394	20%	1,546	18%
50-60	38,174	27%	1,905	22%
60-70	29,350	21%	1,261	15%
70-80	935	1%	37	0%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	139,862	100%	8,534	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	58,385	42%	3,321	39%
Höfuðborgarsvæðið	46,780	33%	2,479	29%
Norðurland eystra	9,309	7%	692	8%
Suðurland	8,529	6%	656	8%
Suðurnes	8,167	6%	615	7%
Vesturland	4,640	3%	345	4%
Vestfirðir	923	1%	118	1%
Austurland	2,050	1%	218	3%
Norðurland vestra	1,078	1%	90	1%
Total	139,862	100%	8,534	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	139,763	100%	8,526	100%
Other	98	0%	8	0%
Total	139,862	100%	8,534	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	136,747	98%	8,389	98%
1-30	1,239	1%	58	1%
31-60	1,427	1%	70	1%
61-90	449	0%	17	0%
More than 90	0	0%	0	0%
Total	139,862	100%	8,534	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	67,959	49%	3,655	43%
3-6	42,993	31%	2,808	33%
6-9	8,064	6%	652	8%
9-12	3,622	3%	272	3%
more than 12	17,224	12%	1,147	13%
Total	139,862	100%	8,534	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	234	0%	63	1%
5-10	1,227	1%	186	2%
10-20	14,185	10%	1,351	16%
20-30	42,307	30%	2,611	31%
more than 30	81,908	59%	4,323	51%
Total	139,862	100%	8,534	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	111,380	80%	7,787	91%
30-60	27,662	20%	735	9%
60-90	820	1%	12	0%
more than 90	0	0%	0	0%
Total	139,862	100%	8,534	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1,366	1%	103	1%
5Y interest reset	4,671	3%	361	4%
Fixed	44,308	32%	2,681	31%
Floating	89,516	64%	5,389	63%
Total	139,862	100%	8,534	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	139,862
Cover Pool Eligible for Calculation - Number of Mortgages	8,534
Cash account linked to Cover Pool	4317
Total Issuance	115,613
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20%
Over Collateralisation	25%

Comments from Risk Management
<p>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.</p> <p>"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.</p>

Stress Test: Interest Rate Sensitivity

Risk factor	NPV		NPV ratio		Diff
	Assets	Liabilities	Assets	Liabilities	
Nominal	139,413	108,700	100.00%	100.00%	30,713
Base	149,373	115,613	107.14%	106.36%	33,760
Risk free interest rate - downward shift	153,390	121,305	110.03%	111.60%	32,085
Risk free interest rate - upward shift	145,889	110,336	104.64%	101.51%	35,552
Adverse behavior	141,271	115,613	101.33%	106.36%	25,659
Consumer Price index - downward shift	148,803	115,169	106.74%	105.95%	33,634
Consumer Price index - upward shift	149,943	116,056	107.55%	106.77%	33,886

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