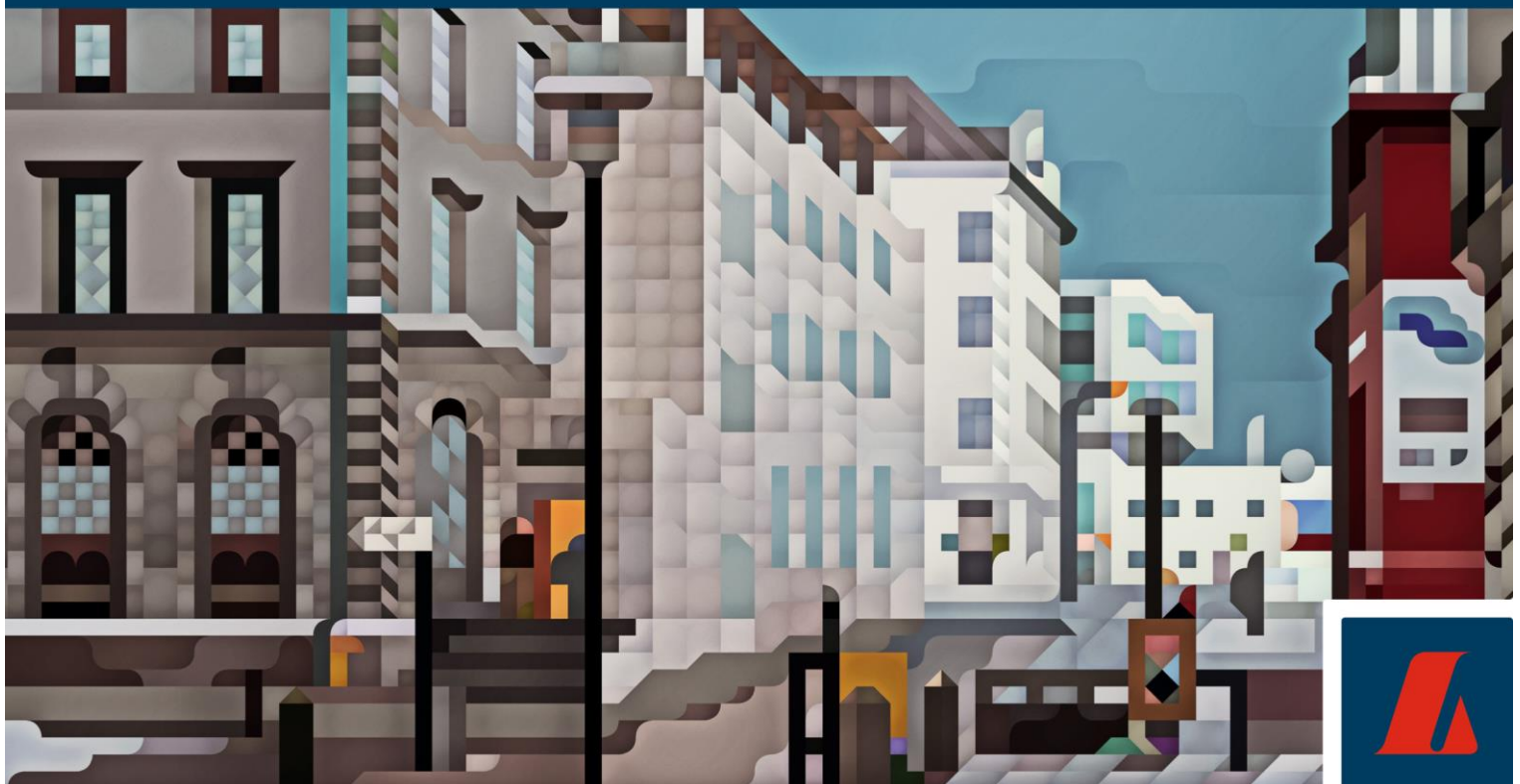

Cover Pool Information

30.09.2019

Covered Bond



Landsbankinn Covered Bonds report



Report date: 30/09/2019

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	123,619	43,681	167,300
Average Loan Balance	15	12	14
No. of Loans	8,015	3,570	11,585
No. of Borrowers	6,507	3,179	9,686
No. of Properties	6,443	3,159	9,602
WA LTV	54%	47%	52%
WA Seasoning (Years)	4.60	2.92	4.16
WA Remaining terms (Years)	31.66	29.05	30.98
WA Interest Rate	3.53%	5.78%	4.12%

*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	7,567	5%	1,364	12%
20-30	12,687	8%	1,184	10%
30-40	20,509	12%	1,499	13%
40-50	25,326	15%	1,724	15%
50-60	36,248	22%	2,287	20%
60-70	41,936	25%	2,374	20%
70-80	23,027	14%	1,153	10%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	167,300	100%	11,585	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	63,993	38%	4,055	35%
Höfuðborgarsvæðið	53,572	32%	3,151	27%
Norðurland eystra	13,175	8%	1,079	9%
Suðurland	11,203	7%	1,000	9%
Suðurnes	13,839	8%	1,071	9%
Vesturland	5,817	3%	515	4%
Vestfirðir	1,385	1%	220	2%
Austurland	2,916	2%	349	3%
Norðurland vestra	1,399	1%	145	1%
Total	167,300	100%	11,585	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	167,194	100%	11,570	100%
Other	107	0%	15	0%
Total	167,300	100%	11,585	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	163,968	98%	11,414	99%
1-30	2,630	2%	134	1%
31-60	236	0%	13	0%
61-90	467	0%	24	0%
More than 90	0	0%	0	0%
Total	167,300	100%	11,585	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	89,733	54%	5,198	45%
3-6	48,548	29%	3,934	34%
6-9	8,761	5%	828	7%
9-12	830	0%	81	1%
more than 12	19,428	12%	1,544	13%
Total	167,300	100%	11,585	100%

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	402	0%	225	2%
5-10	2,124	1%	585	5%
10-20	17,757	11%	2,671	23%
20-30	46,264	28%	2,909	25%
more than 30	100,753	60%	5,195	45%
Total	167,300	100%	11,585	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	127,395	76%	10,553	91%
30-60	38,694	23%	1,014	9%
60-90	1,211	1%	18	0%
more than 90	0	0%	0	0%
Total	167,300	100%	11,585	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	785	0%	66	1%
5Y interest reset	3,357	2%	298	3%
Fixed	53,423	32%	3,422	30%
Floating	109,736	66%	7,799	67%
Total	167,300	100%	11,585	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	167,300
Cover Pool Eligible for Calculation - Number of Mortgages	11,585
Cash account linked to Cover Pool	2,824
Total Issuance	136,868
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20%
Over Collateralisation	24%

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	166,883	125,060	100.00%	100.00%	41,823
Base	179,888	136,868	107.79%	109.44%	43,020
Risk free interest rate - downward shift	184,306	144,058	110.44%	115.19%	40,247
Risk free interest rate - upward shift	176,035	130,190	105.48%	104.10%	45,845
Adverse behavior	165,129	136,868	98.95%	109.44%	28,261
Consumer Price index - downward shift	179,217	136,291	107.39%	108.98%	42,926
Consumer Price index - upward shift	180,559	137,444	108.19%	109.90%	43,114

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