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# Cover Pool Information

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10.6.2013

Covered Bond



# Landsbankinn Covered Bonds report



Report date: 10.06.2013

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	558	911	1.469
Average Loan Balance	17	18	18
No. Of Loans	32	51	83
No. Of Borrowers	32	51	83
No. Of Properties	32	51	83
WA LTV	0,54	0,56	0,55
WA Seasoning (Years)	5,69	0,04	2,18
WA Remaining terms (Years)	28,99	30,18	29,73
WA Interest Rate	4.30%	6.94%	5.94%

\*Indexed mortgage linked to the consumer price index in Iceland as published by statistic Iceland (Hagstofa Íslands: [www.hagstofa.is](http://www.hagstofa.is)). Non Indexed are fixed rate mortgages

LTV %	Exposure (ISK)	Percentage	No. Loans	Percentage
0-20	25	2%	1	1%
20-30	75	4%	5	5%
30-40	88	7%	7	8%
40-50	281	19%	16	20%
50-60	380	27%	21	26%
60-70	459	31%	24	30%
70-80	162	11%	9	10%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>1.469</b>	<b>100%</b>	<b>83</b>	<b>100%</b>

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	784	50%	41	48%
Höfuðborgarsvæðið	443	35%	26	34%
Norðurland eystra	62	5%	4	6%
Suðurland	48	3%	3	4%
Suðurnes	35	3%	3	4%
Vesturland	53	2%	3	2%
Vestfirðir	28	1%	2	2%
Austurland	17	1%	1	1%
Norðurland vestra	0	0%	0	1%
<b>Total</b>	<b>1.469</b>	<b>100%</b>	<b>83</b>	<b>100%</b>

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	1.469	100%	83	100%
Other	0	0%	0	0%
<b>Total</b>	<b>1.469</b>	<b>100%</b>	<b>83</b>	<b>100%</b>

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	1.426	97%	81	98%
1-30	44	3%	2	2%
31-60	0	0%	0	0%
31-90	0	0%	0	0%
More than 90	0	0%	0	0%
<b>Total</b>	<b>1.469</b>	<b>100%</b>	<b>83</b>	<b>100%</b>

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	977	65%	54	64%
3-6	87	4%	5	4%
6-9	406	30%	24	32%
9-12	0	0%	0	0%
more than 12	0	0%	0	0%
<b>Total</b>	<b>1.469</b>	<b>100%</b>	<b>83</b>	<b>100%</b>

Remaing (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	17	1%	1	1%
5-10	23	1%	2	1%
10-20	316	19%	18	20%
20-30	404	22%	21	21%
more than 30	709	58%	41	57%
<b>Total</b>	<b>1.469</b>	<b>100%</b>	<b>83</b>	<b>100%</b>

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	1.402	95%	81	98%
30-60	67	5%	2	2%
60-90	0	0%	0	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>1.469</b>	<b>100%</b>	<b>83</b>	<b>100%</b>

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	219	15%	12	14%
5Y interest reset	843	57%	49	59%
Fixed	294	20%	17	20%
Floating	113	8%	5	6%
<b>Total</b>	<b>1.469</b>	<b>100%</b>	<b>83</b>	<b>100%</b>

Issuance	Amount
Cover Pool Eligable for Calculation - Exposure ISK	1.469
Cover Pool Eligable for Calculation - Number of Mortgages	83
Total Issuance	1.220
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	20,4%

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	1.469	1.220	100,00%	100,00%	249
Base	1.469	1.220	100,00%	100,00%	249
Risk free interest rate - downward shift	1.529	1.253	104,08%	102,71%	276
Risk free interest rate - upward shift	1.409	1.188	95,93%	97,39%	221
Adverse behavior	1.359	1.220	92,51%	100,00%	139
Consumer Price index - downward shift	1.487	1.220	101,21%	100,00%	267
Consumer Price index - upward shift	1.452	1.220	98,86%	100,00%	232

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