

---

# Cover Pool Information

---

12.10.2015

Covered Bond



# Landsbankinn Covered Bonds report



Report date: 12.10.2015

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	13.636	6.689	20.324
Average Loan Balance	17	15	17
No. Of Loans	780	432	1.212
No. Of Borrowers	775	429	1.204
No. Of Properties	776	428	1.204
WA LTV	54%	48%	52%
WA Seasoning (Years)	5,86	3,50	5,08
WA Remaining terms (Years)	30,32	29,84	30,16
WA Interest Rate	4,01%	6,92%	4,97%

\*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	395	2%	41	3%
20-30	1.098	5%	82	7%
30-40	2.675	13%	181	15%
40-50	3.917	19%	237	20%
50-60	4.937	24%	277	23%
60-70	6.641	33%	359	30%
70-80	662	3%	35	3%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>20.324</b>	<b>100%</b>	<b>1.212</b>	<b>100%</b>

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	9.310	46%	551	45%
Höfuðborgarsvæðið	7.352	36%	403	33%
Norðurland eystra	1.096	5%	75	6%
Suðurland	818	4%	58	5%
Suðurnes	780	4%	54	4%
Vesturland	552	3%	39	3%
Vestfirðir	71	0%	6	0%
Austurland	294	1%	22	2%
Norðurland vestra	52	0%	4	0%
<b>Total</b>	<b>20.324</b>	<b>100%</b>	<b>1212</b>	<b>100%</b>

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	20.282	100%	1.209	100%
Other	42	0%	3	0%
<b>Total</b>	<b>20.324</b>	<b>100%</b>	<b>1.212</b>	<b>100%</b>

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	19.681	97%	1180	97%
1-30	592	3%	30	2%
31-60	51	0%	2	0%
61-90	0	0%	0	0%
More than 90	0	0%	0	0%
<b>Total</b>	<b>20.324</b>	<b>100%</b>	<b>1.212</b>	<b>100%</b>

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	8.421	41%	474	39%
3-6	4.399	22%	279	23%
6-9	1.522	7%	99	8%
9-12	5.982	29%	360	30%
more than 12	0	0%	0	0%
<b>Total</b>	<b>20.324</b>	<b>100%</b>	<b>1212</b>	<b>100%</b>

Remaing (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	13	0%	1	0%
5-10	79	0%	8	1%
10-20	3.086	15%	206	17%
20-30	6.499	32%	383	32%
more than 30	10.646	52%	614	51%
<b>Total</b>	<b>20.324</b>	<b>100%</b>	<b>1.212</b>	<b>100%</b>

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	18.456	91%	1160	96%
30-60	1.787	9%	51	4%
60-90	81	0%	1	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>20.324</b>	<b>100%</b>	<b>1212</b>	<b>100%</b>

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	538	3%	34	3%
5Y interest reset	3.362	17%	215	18%
Fixed	7.778	38%	466	38%
Floating	8.647	43%	497	41%
<b>Total</b>	<b>20.324</b>	<b>100%</b>	<b>1212</b>	<b>100%</b>

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	20.324
Cover Pool Eligible for Calculation - Number of Mortgages	1.212
Cash account linked to Cover Pool	282
Total Issuance	16.707
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	23,3%

#### 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	16.799	16.320	100,00%	100,00%	479
Base	18.312	16.707	109,01%	102,37%	1.605
Risk free interest rate - downward shift	18.989	17.351	113,04%	106,32%	1.638
Risk free interest rate - upward shift	17.721	16.101	105,49%	98,66%	1.621
Adverse behavior	17.222	16.707	102,52%	102,37%	515
Consumer Price index - downward shift	18.254	16.667	108,66%	102,13%	1.587
Consumer Price index - upward shift	18.369	16.747	109,35%	102,61%	1.622

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

Landsbankinn is regulated by the Icelandic Financial Supervisory Authority ([www.fme.is](http://www.fme.is)).

This report has been automatically generated by Landsbankinn's Risk Management. The information within are obtained from different sources, not all of which are controlled by Landsbankinn, but which Landsbankinn deems to be reliable. Whilst reasonable care has been taken to ensure that the contents of this publication are not untrue or misleading, no representation is made as to its accuracy or completeness and no liability is accepted for any loss arising from reliance on it. Landsbankinn endeavours to ensure that the information is accurate and up-to-date, and reserves the right to make corrections to the content at any time, without prior notice.

The report shall under no circumstances be used or considered as an investment advice or investment research, or an offer to sell, or a solicitation of any offer to buy any securities. It does not have regard to the specific investment objectives, financial situation or the particular needs of any person who may receive the report. Landsbankinn accepts no liability whatsoever for any direct or consequential loss arising from the use of this publication or its contents

Contact:

Investor Relations: [ir\[at\]landsbankinn.is](mailto:ir@landsbankinn.is)