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# Cover Pool Information

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21.12.2015

Covered Bond



# Landsbankinn Covered Bonds report



Report date: 21.12.2015

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	18.089	9.711	27.799
Average Loan Balance	18	16	17
No. Of Loans	1.026	616	1.642
No. Of Borrowers	1.019	610	1.629
No. Of Properties	1.022	609	1.631
WA LTV	55%	49%	53%
WA Seasoning (Years)	5,67	3,43	4,89
WA Remaining terms (Years)	30,80	29,75	30,43
WA Interest Rate	3,98%	7,10%	5,07%

\*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	425	2%	46	3%
20-30	1.602	6%	118	7%
30-40	3.482	13%	234	14%
40-50	4.960	18%	303	18%
50-60	6.416	23%	362	22%
60-70	8.818	32%	468	29%
70-80	2.096	8%	111	7%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>27.799</b>	<b>100%</b>	<b>1.642</b>	<b>100%</b>

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	12.469	45%	726	44%
Höfuðborgarsvæðið	10.264	37%	566	34%
Norðurland eystra	1.576	6%	106	6%
Suðurland	1.201	4%	84	5%
Suðurnes	1.075	4%	72	4%
Vesturland	708	3%	50	3%
Vestfirðir	86	0%	7	0%
Austurland	323	1%	24	1%
Norðurland vestra	99	0%	7	0%
<b>Total</b>	<b>27.799</b>	<b>100%</b>	<b>1.642</b>	<b>100%</b>

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	27.745	100%	1.638	100%
Other	54	0%	4	0%
<b>Total</b>	<b>27.799</b>	<b>100%</b>	<b>1.642</b>	<b>100%</b>

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	26.742	96%	1585	97%
1-30	935	3%	51	3%
31-60	122	0%	6	0%
61-90	0	0%	0	0%
More than 90	0	0%	0	0%
<b>Total</b>	<b>27.799</b>	<b>100%</b>	<b>1.642</b>	<b>100%</b>

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	12.175	44%	681	41%
3-6	6.280	23%	387	24%
6-9	1.726	6%	113	7%
9-12	7.618	27%	461	28%
more than 12	0	0%	0	0%
<b>Total</b>	<b>27.799</b>	<b>100%</b>	<b>1.642</b>	<b>100%</b>

Remaing (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	13	0%	1	0%
5-10	94	0%	9	1%
10-20	3.958	14%	266	16%
20-30	8.796	32%	526	32%
more than 30	14.938	54%	840	51%
<b>Total</b>	<b>27.799</b>	<b>100%</b>	<b>1.642</b>	<b>100%</b>

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	25.097	90%	1569	96%
30-60	2.558	9%	71	4%
60-90	145	1%	2	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>27.799</b>	<b>100%</b>	<b>1.642</b>	<b>100%</b>

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	705	3%	48	3%
5Y interest reset	4.208	15%	270	16%
Fixed	10.466	38%	621	38%
Floating	12.420	45%	703	43%
<b>Total</b>	<b>27.799</b>	<b>100%</b>	<b>1.642</b>	<b>100%</b>

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	27.799
Cover Pool Eligible for Calculation - Number of Mortgages	1.642
Cash account linked to Cover Pool	241
Total Issuance	22.623
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	24,0%

#### 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	27.728	22.080	100,00%	100,00%	5.648
Base	29.508	22.623	106,42%	102,46%	6.885
Risk free interest rate - downward shift	30.687	23.466	110,67%	106,28%	7.221
Risk free interest rate - upward shift	28.493	21.827	102,76%	98,85%	6.667
Adverse behavior	27.936	22.623	100,75%	102,46%	5.314
Consumer Price index - downward shift	29.410	22.573	106,06%	102,23%	6.836
Consumer Price index - upward shift	29.606	22.672	106,77%	102,68%	6.934

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

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