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# Cover Pool Information

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31.5.2016

Covered Bond



# Landsbankinn Covered Bonds report



Report date: 31.05.2016

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	22.687	17.591	40.278
Average Loan Balance	18	16	17
No. Of Loans	1.271	1.078	2.349
No. Of Borrowers	1.255	1.055	2.310
No. Of Properties	1.259	1.062	2.321
WA LTV	53%	49%	51%
WA Seasoning (Years)	5,52	3,12	4,47
WA Remaining terms (Years)	31,10	30,17	30,69
WA Interest Rate	3,95%	7,15%	5,35%

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

LTV %	Exposure (ISK)	Percentage	No. Loans	Percentage
0-20	971	2%	103	4%
20-30	2.579	6%	194	8%
30-40	5.846	15%	385	16%
40-50	7.749	19%	461	20%
50-60	10.599	26%	576	25%
60-70	10.116	25%	511	22%
70-80	2.417	6%	119	5%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>40.278</b>	<b>100%</b>	<b>2.349</b>	<b>100%</b>

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	17.918	44%	1042	44%
Höfuðborgarsvæðið	15.195	38%	819	35%
Norðurland eystra	2.097	5%	137	6%
Suðurland	1.695	4%	120	5%
Suðurnes	1.837	5%	121	5%
Vesturland	863	2%	59	3%
Vestfirðir	72	0%	6	0%
Austurland	432	1%	33	1%
Norðurland vestra	169	0%	12	1%
<b>Total</b>	<b>40.278</b>	<b>100%</b>	<b>2.349</b>	<b>100%</b>

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	40.233	100%	2.346	100%
Other	45	0%	3	0%
<b>Total</b>	<b>40.278</b>	<b>100%</b>	<b>2.349</b>	<b>100%</b>

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	39.320	98%	2305	98%
1-30	527	1%	27	1%
31-60	336	1%	15	1%
61-90	95	0%	2	0%
More than 90	0	0%	0	0%
<b>Total</b>	<b>40.278</b>	<b>100%</b>	<b>2.349</b>	<b>100%</b>

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	20.347	51%	1118	48%
3-6	9.604	24%	590	25%
6-9	1.165	3%	77	3%
9-12	9.163	23%	564	24%
more than 12	0	0%	0	0%
<b>Total</b>	<b>40.278</b>	<b>100%</b>	<b>2.349</b>	<b>100%</b>

Remaing (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	47	0%	4	0%
5-10	173	0%	15	1%
10-20	4.745	12%	328	14%
20-30	12.991	32%	771	33%
more than 30	22.323	55%	1231	52%
<b>Total</b>	<b>40.278</b>	<b>100%</b>	<b>2.349</b>	<b>100%</b>

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	35.988	89%	2232	95%
30-60	4.078	10%	114	5%
60-90	212	1%	3	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>40.278</b>	<b>100%</b>	<b>2.349</b>	<b>100%</b>

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.429	4%	86	4%
5Y interest reset	5.942	15%	378	16%
Fixed	14.294	35%	842	36%
Floating	18.613	46%	1043	44%
<b>Total</b>	<b>40.278</b>	<b>100%</b>	<b>2.349</b>	<b>100%</b>

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	40.278
Cover Pool Eligible for Calculation - Number of Mortgages	2.349
Cash account linked to Cover Pool	334
Total Issuance	32.474
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	25,1%

**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	40.241	31.340	100,00%	100,00%	8.901
Base	42.041	32.474	104,47%	103,62%	9.566
Risk free interest rate - downward shift	43.178	33.635	107,30%	107,32%	9.542
Risk free interest rate - upward shift	41.038	31.376	101,98%	100,11%	9.662
Adverse behavior	39.202	32.474	97,42%	103,62%	6.728
Consumer Price index - downward shift	41.920	32.400	104,17%	103,38%	9.520
Consumer Price index - upward shift	42.161	32.548	104,77%	103,86%	9.612

Planned frequency for updates of this summary: 4 times a year.  
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Contact:  
Investor Relations: [ir\[at\]landsbankinn.is](mailto:ir@landsbankinn.is)