
Cover Pool Information

14.7.2016

Covered Bond



Landsbankinn Covered Bonds report



Report date: 14.07.2016

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	20.649	17.030	37.679
Average Loan Balance	18	16	17
No. Of Loans	1.166	1.058	2.224
No. Of Borrowers	1.150	1.034	2.184
No. Of Properties	1.154	1.042	2.196
WA LTV	53%	48%	51%
WA Seasoning (Years)	5,62	3,23	4,54
WA Remaining terms (Years)	30,83	30,01	30,46
WA Interest Rate	3,95%	7,16%	5,40%

*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	984	3%	104	5%
20-30	2.578	7%	199	9%
30-40	5.470	15%	361	16%
40-50	7.561	20%	451	20%
50-60	9.365	25%	512	23%
60-70	9.322	25%	477	21%
70-80	2.400	6%	120	5%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
Total	37.679	100%	2.224	100%

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	17.032	45%	1005	45%
Höfuðborgarsvæðið	14.138	38%	771	35%
Norðurland eystra	1.860	5%	121	5%
Suðurland	1.588	4%	113	5%
Suðurnes	1.635	4%	109	5%
Vesturland	779	2%	55	2%
Vestfirðir	71	0%	6	0%
Austurland	427	1%	33	1%
Norðurland vestra	149	0%	11	0%
Total	37.679	100%	2.224	100%

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	37.634	100%	2.221	100%
Other	45	0%	3	0%
Total	37.679	100%	2.224	100%

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	37.421	99%	2208	99%
1-30	219	1%	13	1%
31-60	39	0%	3	0%
61-90	0	0%	0	0%
More than 90	0	0%	0	0%
Total	37.679	100%	2.224	100%

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	18.598	49%	1031	46%
3-6	9.583	25%	598	27%
6-9	865	2%	61	3%
9-12	8.633	23%	534	24%
more than 12	0	0%	0	0%
Total	37.679	100%	2.224	100%

Remaing (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	44	0%	4	0%
5-10	169	0%	15	1%
10-20	4.489	12%	316	14%
20-30	12.556	33%	747	34%
more than 30	20.422	54%	1142	51%
Total	37.679	100%	2.224	100%

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	33.984	90%	2124	96%
30-60	3.548	9%	98	4%
60-90	148	0%	2	0%
more than 90	0	0%	0	0%
Total	37.679	100%	2.224	100%

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.331	4%	81	4%
5Y interest reset	5.690	15%	368	17%
Fixed	13.303	35%	785	35%
Floating	17.355	46%	990	45%
Total	37.679	100%	2.224	100%

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	37.679
Cover Pool Eligible for Calculation - Number of Mortgages	2.224
Cash account linked to Cover Pool	320
Total Issuance	30.751
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	23,6%

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	37.615	29.540	100,00%	100,00%	8.075
Base	38.927	30.751	103,49%	104,10%	8.176
Risk free interest rate - downward shift	39.901	31.972	106,08%	108,23%	7.929
Risk free interest rate - upward shift	38.064	29.596	101,19%	100,19%	8.469
Adverse behavior	37.226	30.751	98,97%	104,10%	6.475
Consumer Price index - downward shift	38.819	30.668	103,20%	103,82%	8.151
Consumer Price index - upward shift	39.036	30.834	103,78%	104,38%	8.201

Planned frequency for updates of this summary: 4 times a year.
Landsbankinn is regulated by the Icelandic Financial Supervisory Authority (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)