

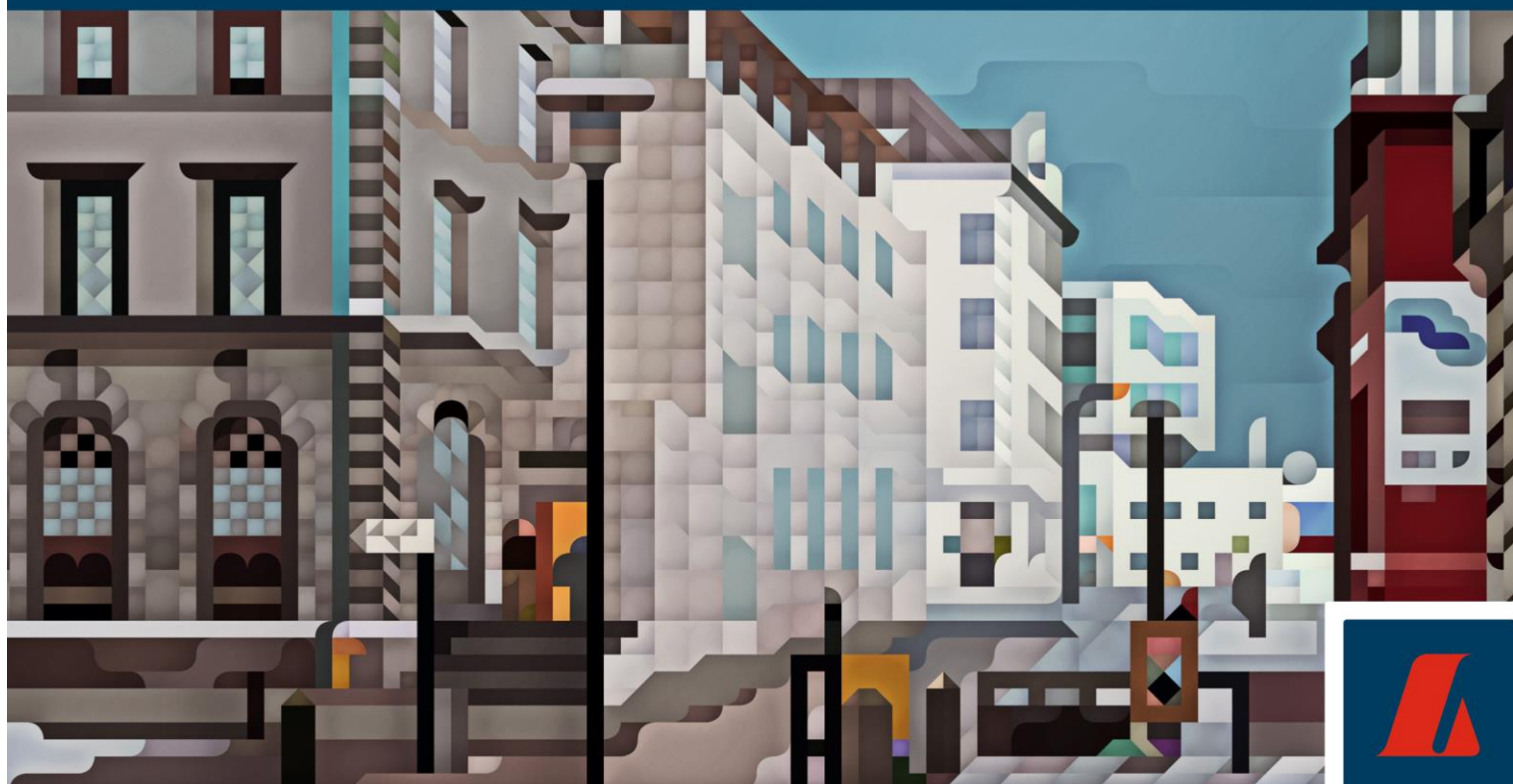
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# Cover Pool Information

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22.12.2016

Covered Bond





# Landsbankinn Covered Bonds report



Report date: 22.12.2016

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	30.554	22.567	53.121
Average Loan Balance	18	16	17
No. Of Loans	1.679	1.392	3.071
No. Of Borrowers	1.648	1.349	2.997
No. Of Properties	1.657	1.357	3.014
WA LTV	56%	50%	53%
WA Seasoning (Years)	5,13	3,40	4,39
WA Remaining terms (Years)	31,41	30,13	30,87
WA Interest Rate	3,90%	6,97%	5,20%

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

LTV %	Exposure (ISK)	Percentage	No. Loans	Percentage
0-20	1.214	2%	130	4%
20-30	3.078	6%	242	8%
30-40	6.495	12%	430	14%
40-50	8.955	17%	536	17%
50-60	12.126	23%	660	21%
60-70	14.594	27%	751	24%
70-80	6.659	13%	322	10%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>53.121</b>	<b>100%</b>	<b>3.071</b>	<b>100%</b>

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	23.961	45%	1378	45%
Höfuðborgarsvæðið	19.900	37%	1062	35%
Norðurland eystra	2.792	5%	180	6%
Suðurland	2.174	4%	155	5%
Suðurnes	2.235	4%	152	5%
Vesturland	1.176	2%	81	3%
Vestfirðir	105	0%	9	0%
Austurland	581	1%	42	1%
Norðurland vestra	197	0%	12	0%
<b>Total</b>	<b>53.121</b>	<b>100%</b>	<b>3.071</b>	<b>100%</b>

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	52.990	100%	3.064	100%
Other	131	0%	7	0%
<b>Total</b>	<b>53.121</b>	<b>100%</b>	<b>3.071</b>	<b>100%</b>

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	52.274	98%	3029	99%
1-30	778	1%	39	1%
31-60	49	0%	2	0%
61-90	21	0%	1	0%
More than 90	0	0%	0	0%
<b>Total</b>	<b>53.121</b>	<b>100%</b>	<b>3.071</b>	<b>100%</b>

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	27.518	52%	1497	49%
3-6	14.118	27%	856	28%
6-9	710	1%	45	1%
9-12	10.339	19%	650	21%
more than 12	437	1%	23	1%
<b>Total</b>	<b>53.121</b>	<b>100%</b>	<b>3.071</b>	<b>100%</b>

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	18	0%	3	0%
5-10	259	0%	23	1%
10-20	5.481	10%	391	13%
20-30	17.157	32%	1013	33%
more than 30	30.206	57%	1641	53%
<b>Total</b>	<b>53.121</b>	<b>100%</b>	<b>3.071</b>	<b>100%</b>

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	46.483	88%	2892	94%
30-60	6.419	12%	176	6%
60-90	219	0%	3	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>53.121</b>	<b>100%</b>	<b>3.071</b>	<b>100%</b>

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.656	3%	100	3%
5Y interest reset	6.374	12%	412	13%
Fixed	19.357	36%	1116	36%
Floating	25.734	48%	1443	47%
<b>Total</b>	<b>53.121</b>	<b>100%</b>	<b>3.071</b>	<b>100%</b>

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	53.121
Cover Pool Eligible for Calculation - Number of Mortgages	3.071
Cash account linked to Cover Pool	625
Total Issuance	42.895
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	25,3%

### 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	53.021	41.640	100,00%	100,00%	11.381
Base	55.120	42.895	103,96%	103,01%	12.225
Risk free interest rate - downward shift	56.399	44.656	106,37%	107,24%	11.744
Risk free interest rate - upward shift	53.982	41.243	101,81%	99,05%	12.739
Adverse behavior	53.043	42.895	100,04%	103,01%	10.148
Consumer Price index - downward shift	54.960	42.779	103,66%	102,74%	12.181
Consumer Price index - upward shift	55.280	43.010	104,26%	103,29%	12.270

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

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