

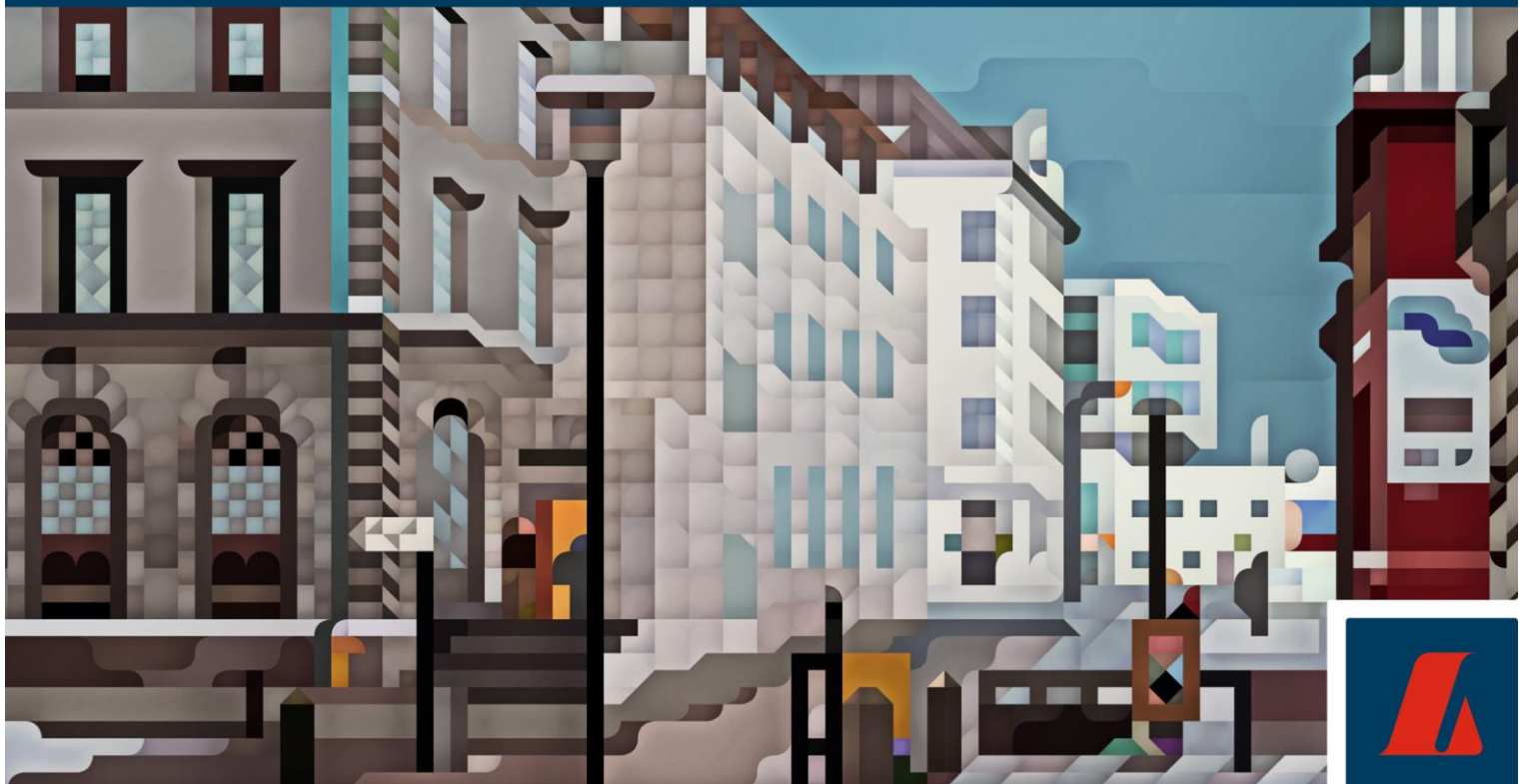
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# Cover Pool Information

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31.1.2017

Covered Bond





# Landsbankinn Covered Bonds report



Report date: 31.01.2017

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	32.088	22.734	54.822
Average Loan Balance	18	16	17
No. Of Loans	1.758	1.403	3.161
No. Of Borrowers	1.725	1.360	3.012
No. Of Properties	1.734	1.368	3.032
WA LTV	52%	46%	50%
WA Seasoning (Years)	5,11	3,47	4,43
WA Remaining terms (Years)	31,37	30,01	30,81
WA Interest Rate	3,90%	6,86%	5,13%

\*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	1.460	3%	154	5%
20-30	4.096	7%	310	10%
30-40	8.013	15%	535	17%
40-50	11.244	21%	644	20%
50-60	15.238	28%	805	25%
60-70	13.687	25%	666	21%
70-80	1.085	2%	47	1%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>54.822</b>	<b>100%</b>	<b>3.161</b>	<b>100%</b>

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	24.461	45%	1400	44%
Höfuðborgarsvæðið	20.546	37%	1096	35%
Norðurland eystra	2.939	5%	189	6%
Suðurland	2.316	4%	163	5%
Suðurnes	2.392	4%	161	5%
Vesturland	1.218	2%	84	3%
Vestfirðir	105	0%	9	0%
Austurland	630	1%	45	1%
Norðurland vestra	216	0%	14	0%
<b>Total</b>	<b>54.822</b>	<b>100%</b>	<b>3.161</b>	<b>100%</b>

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	54.678	100%	3.153	100%
Other	144	0%	8	0%
<b>Total</b>	<b>54.822</b>	<b>100%</b>	<b>3.161</b>	<b>100%</b>

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	54.254	99%	3131	99%
1-30	346	1%	17	1%
31-60	181	0%	11	0%
61-90	41	0%	2	0%
More than 90	0	0%	0	0%
<b>Total</b>	<b>54.822</b>	<b>100%</b>	<b>3.161</b>	<b>100%</b>

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	28.375	52%	1536	49%
3-6	14.774	27%	897	28%
6-9	603	1%	37	1%
9-12	10.579	19%	664	21%
more than 12	492	1%	27	1%
<b>Total</b>	<b>54.822</b>	<b>100%</b>	<b>3.161</b>	<b>100%</b>

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	16	0%	3	0%
5-10	281	1%	25	1%
10-20	5.787	11%	413	13%
20-30	17.609	32%	1032	33%
more than 30	31.129	57%	1688	53%
<b>Total</b>	<b>54.822</b>	<b>100%</b>	<b>3.161</b>	<b>100%</b>

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	47.868	87%	2974	94%
30-60	6.675	12%	183	6%
60-90	280	1%	4	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>54.822</b>	<b>100%</b>	<b>3.161</b>	<b>100%</b>

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.739	3%	106	3%
5Y interest reset	6.263	11%	403	13%
Fixed	20.060	37%	1152	36%
Floating	26.761	49%	1500	47%
<b>Total</b>	<b>54.822</b>	<b>100%</b>	<b>3.161</b>	<b>100%</b>

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	54.822
Cover Pool Eligible for Calculation - Number of Mortgages	3.161
Cash account linked to Cover Pool	53
Total Issuance	44.618
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20,0%
Over Collateralisation	23,0%

### 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	54.624	43.080	100,00%	100,00%	11.544
Base	56.855	44.618	104,08%	103,57%	12.238
Risk free interest rate - downward shift	58.156	46.424	106,46%	107,76%	11.731
Risk free interest rate - upward shift	55.698	42.923	101,97%	99,64%	12.775
Adverse behavior	54.772	44.618	100,27%	103,57%	10.154
Consumer Price index - downward shift	56.688	44.497	103,78%	103,29%	12.191
Consumer Price index - upward shift	57.023	44.739	104,39%	103,85%	12.285

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

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