

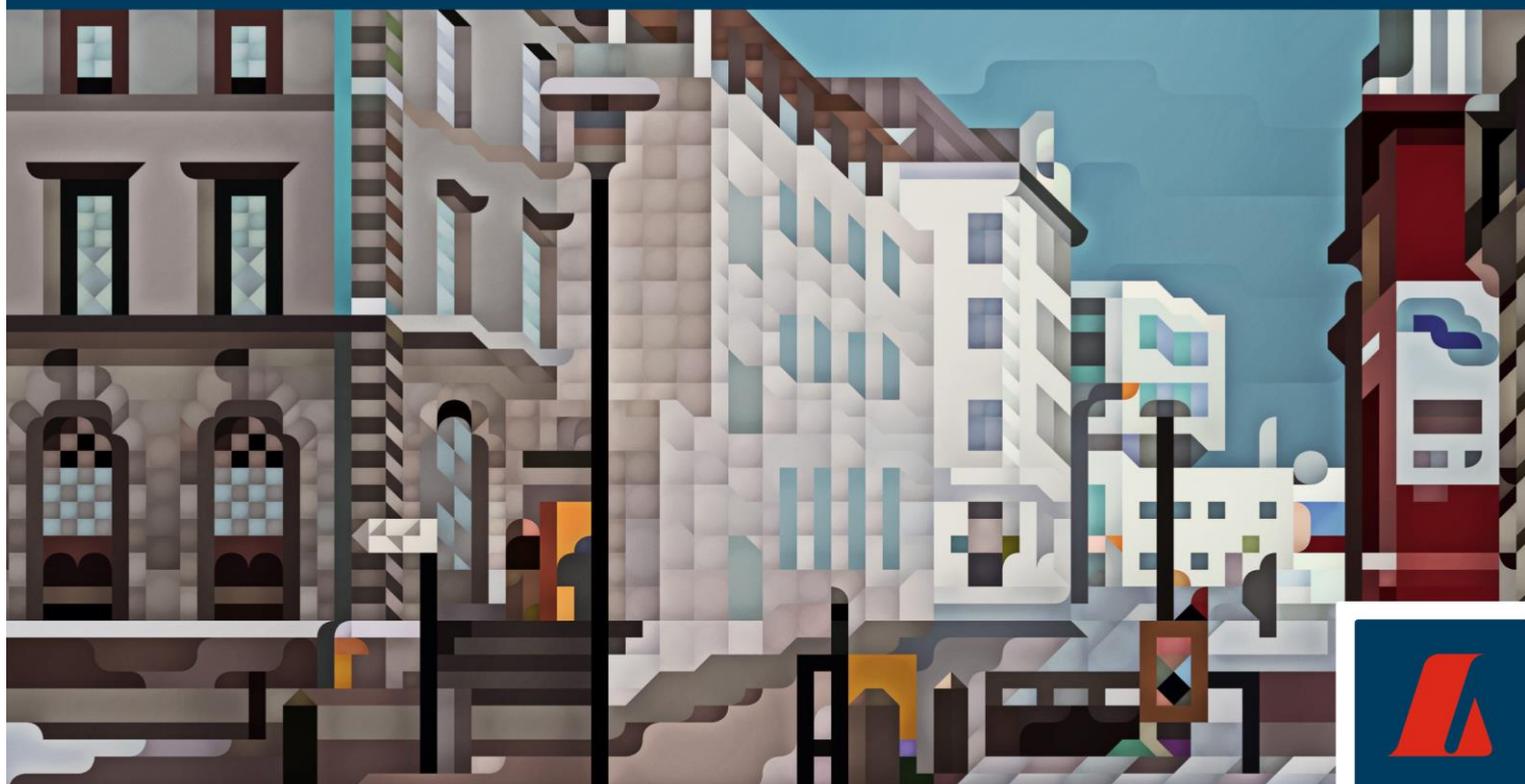
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# Cover Pool Information

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31.3.2017

Covered Bond



# Landsbankinn Covered Bonds report



Report date: 31.03.2017

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	37.289	25.511	62.800
Average Loan Balance	18	16	17
No. Of Loans	2.038	1.558	3.596
No. Of Borrowers	2.005	1.513	3.518
No. Of Properties	2.015	1.519	3.534
WA LTV	53%	47%	50%
WA Seasoning (Years)	5,46	3,49	4,66
WA Remaining terms (Years)	31,26	30,14	30,81
WA Interest Rate	3,91%	6,86%	5,11%

\*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	1.620	3%	169	5%
20-30	4.668	7%	347	10%
30-40	8.733	14%	587	16%
40-50	11.936	19%	686	19%
50-60	16.769	27%	893	25%
60-70	16.618	26%	803	22%
70-80	2.457	4%	111	3%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>62.800</b>	<b>100%</b>	<b>3.596</b>	<b>100%</b>

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	28.495	45%	1.614	45%
Höfuðborgarsvæðið	23.072	37%	1.223	34%
Norðurland eystra	3.334	5%	213	6%
Suðurland	2.567	4%	180	5%
Suðurnes	2.787	4%	188	5%
Vesturland	1.410	2%	98	3%
Vestfirðir	141	0%	11	0%
Austurland	725	1%	51	1%
Norðurland vestra	268	0%	18	1%
<b>Total</b>	<b>62.800</b>	<b>100%</b>	<b>3.596</b>	<b>100%</b>

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	62.658	100%	3.588	100%
Other	142	0%	8	0%
<b>Total</b>	<b>62.800</b>	<b>100%</b>	<b>3.596</b>	<b>100%</b>

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	62.129	99%	3.564	99%
1-30	430	1%	21	1%
31-60	241	0%	11	0%
61-90	0	0%	0	0%
More than 90	0	0%	0	0%
<b>Total</b>	<b>62.800</b>	<b>100%</b>	<b>3.596</b>	<b>100%</b>

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	30.949	49%	1.666	46%
3-6	17.394	28%	1.051	29%
6-9	580	1%	33	1%
9-12	12.397	20%	765	21%
more than 12	1.481	2%	81	2%
<b>Total</b>	<b>62.800</b>	<b>100%</b>	<b>3.596</b>	<b>100%</b>

Remaing (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	17	0%	4	0%
5-10	254	0%	24	1%
10-20	6.638	11%	465	13%
20-30	22.370	36%	1.304	36%
more than 30	33.521	53%	1.799	50%
<b>Total</b>	<b>62.800</b>	<b>100%</b>	<b>3.596</b>	<b>100%</b>

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	54.633	87%	3.374	94%
30-60	8.013	13%	220	6%
60-90	153	0%	2	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>62.800</b>	<b>100%</b>	<b>3.596</b>	<b>100%</b>

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.769	3%	110	3%
5Y interest reset	6.370	10%	408	11%
Fixed	23.670	38%	1.348	37%
Floating	30.990	49%	1.730	48%
<b>Total</b>	<b>62.800</b>	<b>100%</b>	<b>3.596</b>	<b>100%</b>

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	62.800
Cover Pool Eligible for Calculation - Number of Mortgages	3.596
Cash account linked to Cover Pool	1.093
Total Issuance	51.171
Substitution - Cash	0
Substitution - Government Bond	0
Minimum Over Collateralisation	20%
Over Collateralisation	25%

### 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	62.593	49.080	100,00%	100,00%	13.513
Base	65.422	51.171	104,52%	104,26%	14.251
Risk free interest rate - downward shift	67.012	53.221	107,06%	108,44%	13.792
Risk free interest rate - upward shift	64.013	49.251	102,27%	100,35%	14.762
Adverse behavior	62.506	51.171	99,86%	104,26%	11.336
Consumer Price index - downward shift	65.226	51.042	104,21%	104,00%	14.184
Consumer Price index - upward shift	65.618	51.300	104,83%	104,52%	14.318

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

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