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# Cover Pool Information

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30.6.2017

Covered Bond





# Landsbankinn Covered Bonds report



Report date: 30.06.2017

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	43.292	27.980	71.272
Average Loan Balance	18	16	17
No. Of Loans	2.353	1.720	4.073
No. Of Borrowers	2.322	1.677	3.999
No. Of Properties	2.328	1.685	4.013
WA LTV	55%	48%	52%
WA Seasoning (Years)	5,38	3,64	4,69
WA Remaining terms (Years)	31,61	29,90	30,94
WA Interest Rate	3,89%	6,66%	4,98%

\*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	1.820	3%	202	5%
20-30	4.639	7%	357	9%
30-40	8.897	12%	603	15%
40-50	12.140	17%	696	17%
50-60	17.107	24%	918	23%
60-70	20.360	29%	1.000	25%
70-80	6.310	9%	297	7%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>71.272</b>	<b>100%</b>	<b>4.073</b>	<b>100%</b>

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	31.700	44%	1.794	44%
Höfuðborgarsvæðið	26.803	38%	1.404	34%
Norðurland eystra	3.443	5%	228	6%
Suðurland	2.921	4%	210	5%
Suðurnes	3.512	5%	232	6%
Vesturland	1.663	2%	114	3%
Vestfirðir	221	0%	17	0%
Austurland	710	1%	53	1%
Norðurland vestra	298	0%	21	1%
<b>Total</b>	<b>71.272</b>	<b>100%</b>	<b>4.073</b>	<b>100%</b>

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	71.105	100%	4.063	100%
Other	167	0%	10	0%
<b>Total</b>	<b>71.272</b>	<b>100%</b>	<b>4.073</b>	<b>100%</b>

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	70.560	99%	4.042	99%
1-30	666	1%	29	1%
31-60	46	0%	2	0%
61-90	0	0%	0	0%
More than 90	0	0%	0	0%
<b>Total</b>	<b>71.272</b>	<b>100%</b>	<b>4.073</b>	<b>100%</b>

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	34.447	48%	1.835	45%
3-6	21.112	30%	1.270	31%
6-9	646	1%	39	1%
9-12	10.727	15%	673	17%
more than 12	4.341	6%	256	6%
<b>Total</b>	<b>71.272</b>	<b>100%</b>	<b>4.073</b>	<b>100%</b>

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	27	0%	5	0%
5-10	298	0%	30	1%
10-20	7.141	10%	517	13%
20-30	25.175	35%	1.468	36%
more than 30	38.631	54%	2.053	50%
<b>Total</b>	<b>71.272</b>	<b>100%</b>	<b>4.073</b>	<b>100%</b>

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	61.611	86%	3.807	93%
30-60	9.601	13%	265	7%
60-90	60	0%	1	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>71.272</b>	<b>100%</b>	<b>4.073</b>	<b>100%</b>

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.890	3%	117	3%
5Y interest reset	5.367	8%	344	8%
Fixed	27.075	38%	1.521	37%
Floating	36.940	52%	2.091	51%
<b>Total</b>	<b>71.272</b>	<b>100%</b>	<b>4.073</b>	<b>100%</b>

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	71.272
Cover Pool Eligible for Calculation - Number of Mortgages	4.073
Cash account linked to Cover Pool	602
Total Issuance	57.396
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	71.050	54.980	100,00%	100,00%	16.070
Base	74.516	57.396	104,88%	104,39%	17.119
Risk free interest rate - downward shift	76.293	59.790	107,38%	108,75%	16.504
Risk free interest rate - upward shift	72.943	55.163	102,66%	100,33%	17.780
Adverse behavior	70.152	57.396	98,74%	104,39%	12.756
Consumer Price index - downward shift	74.287	57.239	104,56%	104,11%	17.048
Consumer Price index - upward shift	74.744	57.554	105,20%	104,68%	17.191

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

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