

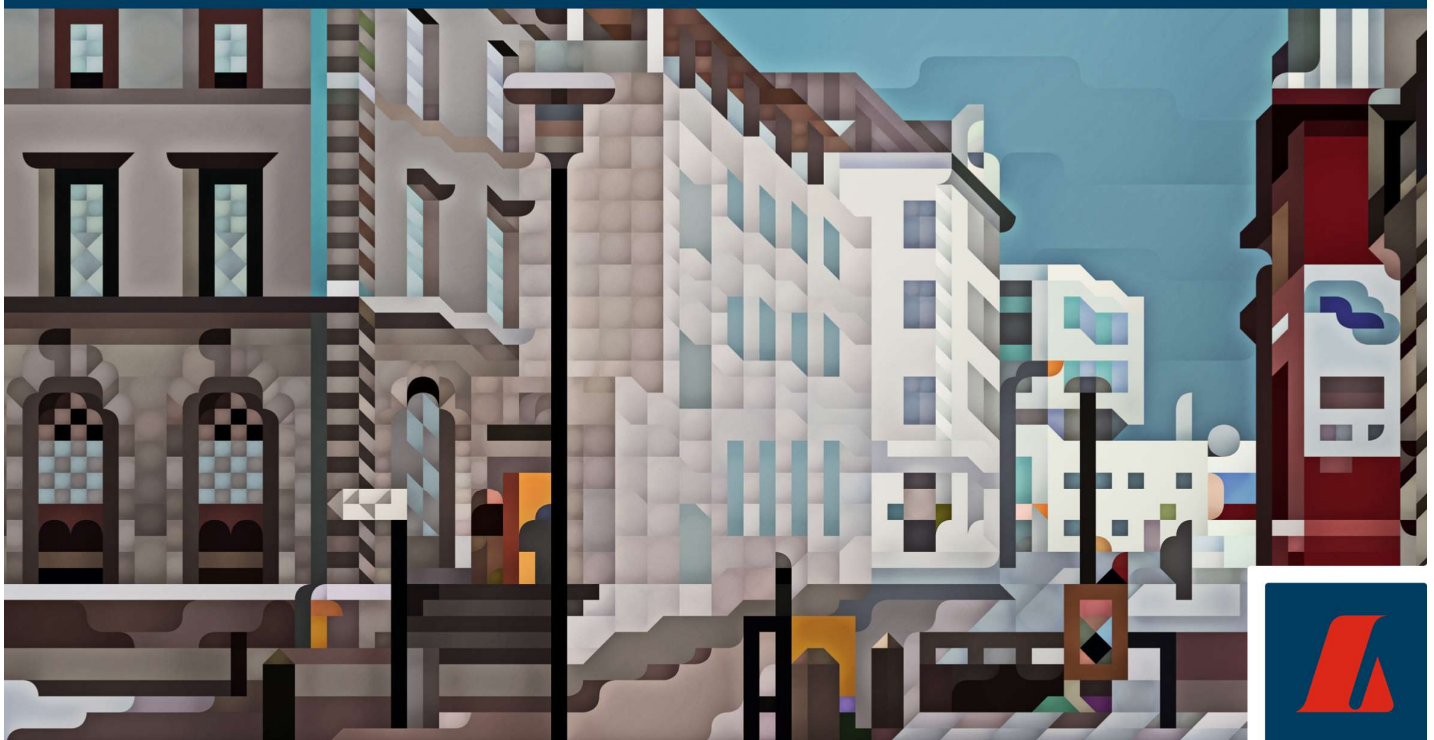
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# Cover Pool Information

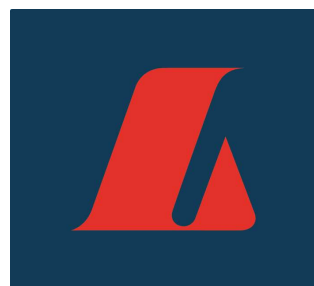
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30.11.2017

Covered Bond



# Landsbankinn Covered Bonds report



Report date: 30.11.2017

Portfolio Characteristics	Indexed*	Non-Indexed	Total
Total Cover Pool Balance	65.063	25.925	90.988
Average Loan Balance	18	14	16
No. of Loans	3.631	1.896	5.527
No. of Borrowers	3.546	1.855	5.401
No. of Properties	3.557	1.869	5.426
WA LTV	57%	45%	54%
WA Seasoning (Years)	5,22	4,01	4,88
WA Remaining terms (Years)	31,63	28,76	30,81
WA Interest Rate	3,88%	6,28%	4,56%

\*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	2.983	3%	426	8%
20-30	6.032	7%	546	10%
30-40	10.712	12%	786	14%
40-50	13.291	15%	804	15%
50-60	18.721	21%	1.036	19%
60-70	25.352	28%	1.279	23%
70-80	13.897	15%	650	12%
80-90	0	0%	0	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>90.988</b>	<b>100%</b>	<b>5.527</b>	<b>100%</b>

Area	Exposure (ISK)	Percentage	No. Loans	Percentage
Reykjavík	40.230	44%	2.345	42%
Höfuðborgarsvæðið	32.545	36%	1.765	32%
Norðurland eystra	4.594	5%	339	6%
Suðurland	4.634	5%	358	6%
Suðurnes	4.727	5%	356	6%
Vesturland	2.252	2%	174	3%
Vestfirðir	450	0%	47	1%
Austurland	1.208	1%	112	2%
Norðurland vestra	348	0%	31	1%
<b>Total</b>	<b>90.988</b>	<b>100%</b>	<b>5.527</b>	<b>100%</b>

Payment frequency	Exposure (ISK)	Percentage	No. Loans	Percentage
Monthly	90.824	100%	5.517	100%
Other	164	0%	10	0%
<b>Total</b>	<b>90.988</b>	<b>100%</b>	<b>5.527</b>	<b>100%</b>

Days in arrears	Exposure (ISK)	Percentage	No. Loans	Percentage
Not in arrears	89.398	98%	5.451	99%
1-30	1.365	2%	64	1%
31-60	153	0%	7	0%
61-90	71	0%	5	0%
More than 90	0	0%	0	0%
<b>Total</b>	<b>90.988</b>	<b>100%</b>	<b>5.527</b>	<b>100%</b>

Seasoning (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-3	41.035	45%	2.337	42%
3-6	28.894	32%	1.848	33%
6-9	1.723	2%	123	2%
9-12	6.819	7%	451	8%
more than 12	12.516	14%	768	14%
<b>Total</b>	<b>90.988</b>	<b>100%</b>	<b>5.527</b>	<b>100%</b>

Remaining (Years)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-5	84	0%	22	0%
5-10	586	1%	88	2%
10-20	9.608	11%	823	15%
20-30	31.204	34%	1.885	34%
more than 30	49.506	54%	2.709	49%
<b>Total</b>	<b>90.988</b>	<b>100%</b>	<b>5.527</b>	<b>100%</b>

Loan Balance (m.)	Exposure (ISK)	Percentage	No. Loans	Percentage
0-30	78.036	86%	5.172	94%
30-60	12.810	14%	353	6%
60-90	142	0%	2	0%
more than 90	0	0%	0	0%
<b>Total</b>	<b>90.988</b>	<b>100%</b>	<b>5.527</b>	<b>100%</b>

Interest type	Exposure (ISK)	Percentage	No. Loans	Percentage
3Y interest reset	1.422	2%	106	2%
5Y interest reset	4.125	5%	316	6%
Fixed	35.021	38%	2.046	37%
Floating	50.419	55%	3.059	55%
<b>Total</b>	<b>90.988</b>	<b>100%</b>	<b>5.527</b>	<b>100%</b>

Issuance	Amount
Cover Pool Eligible for Calculation - Exposure ISK	90.988
Cover Pool Eligible for Calculation - Number of Mortgages	5.527
Cash account linked to Cover Pool	1502
Total Issuance	74.163
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	90.760	71.840	100,00%	100,00%	18.920
Base	98.260	74.163	108,26%	103,23%	24.097
Risk free interest rate - downward shift	101.570	78.025	111,91%	108,61%	23.546
Risk free interest rate - upward shift	95.403	70.597	105,12%	98,27%	24.806
Adverse behavior	93.731	74.163	103,27%	103,23%	19.568
Consumer Price index - downward shift	97.902	73.909	107,87%	102,88%	23.993
Consumer Price index - upward shift	98.618	74.418	108,66%	103,59%	24.200

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

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