

## Market news

Total lending by the HFF in April 2017 amounted to ISK 415m whereof 210m were mortgages for privately owned homes. In comparison, in March, these loans amounted to ISK 372m. The average amount of mortgages for privately owned homes was ISK 12.3m.

The yield of all classes of HFF bonds declined in April. The yield of HFF24 declined by 26 bp, HFF34 by 20 bp and HFF44 by 22 bp. The total turnover of HFF bonds amounted to ISK 4.5bn this month, compared to ISK 8.7bn in March 2017.

The HFF's payments due to HFF bonds and other liabilities amounted to ISK 9.1bn in April. Prepayments amounted to ISK 3.4bn, compared to 5.3bn last month.

## Development of delinquency

By the end of April, delinquent payments on loans to individuals amounted to ISK 1.3bn, with the underlying loan value around ISK 13bn or approximately 3.1% of HFF's loan portfolio to privately owned homes. There are 742 households currently in arrears. The amount of delinquent payments on loans to legal entities was around ISK 557m with an underlying loan value of ISK 2.1 bn. Thus 1.5% of the Fund's loans to legal entities are more than 90 days past due.

The total delinquent payments amounted to ISK 1.9bn at the end of the month compared to ISK 2.0bn at the end of March. Delinquency is a total of 2.7% of the Fund's loan portfolio. The corresponding percentage in April 2016 was 5.8%.

*Delinquent loans are considered to be loans in arrears for longer than 90 days.*

## Outst. amount in the securities lending facility at the end of Apr

Series	HFF24	HFF34	HFF44
Outstanding amount (NV)	0,0	0,5	0,3

## HFF Auctions, Lending and Payments

Actual figures 2017	Jan-Apr
HFF bond issuance (NV)	0,0
New HFF lending	3,8
HFF total payments	20,5

HFF bond holders	HFF24	HFF34	HFF44
Banks and Savings banks	1,9%	0,1%	0,1%
Individuals	3,0%	1,0%	0,6%
Foreign Investors	0,9%	0,7%	0,5%
Other Corporations	3,8%	1,8%	0,9%
Credit Institutions	3,7%	3,2%	2,1%
Pension Funds	69,2%	80,9%	89,5%
Insurance Companies	2,5%	1,2%	0,7%
Securities and Investm. Funds	12,9%	9,9%	4,4%
Others	2,1%	1,2%	1,2%
Nominal Value	160,4	171,7	269,5

Of the total issuance of the face value, ISK 6 bn in all HFF bonds directly belong to the lending facilitation for HFF bond market makers. All figures are in ISK billion.

## April 2017

### Summary

- Prepayments down from last month
- Nearly 98% of households are performing on their loans
- Underlying loan value in arrears equals 2,7% of loan portfolio
- HFF's apartments numbered 565 whereof 325 apartments are rented out

### HFF Lending Rate

4.20% fixed rate

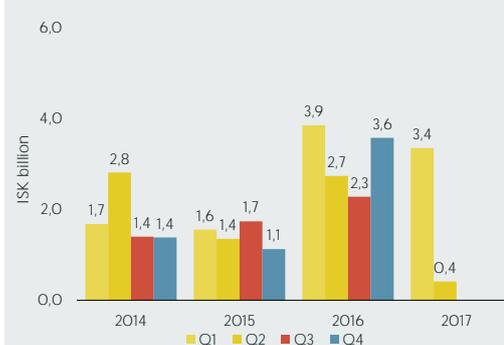
### Yield of HFF Bonds



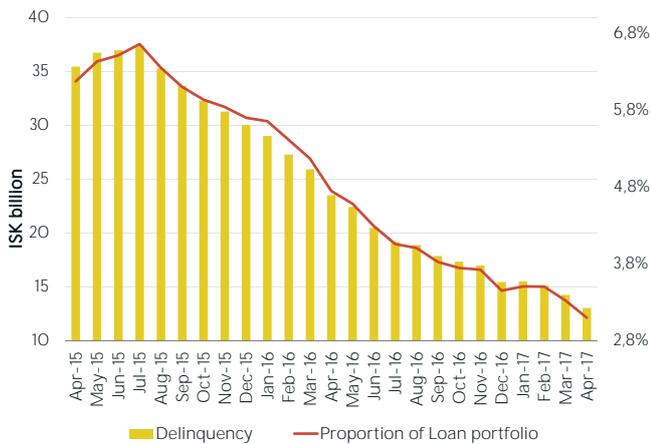
Series	Feb 2016	Mar 2016	Apr 2017	Duration	Face value	Outst.n. value
HFF24	3,01%	3,12%	2,86%	3,5	160,4	70,0
HFF34	2,66%	2,59%	2,39%	8,1	171,7	119,6
HFF44	2,64%	2,60%	2,38%	12,3	269,5	222,9

\*Yield on the last trading day of each month  
Duration (yrs) and class size (BISK) as of end of April'17  
Of the total issuance of the face value, ISK 6 bn in all HFF bonds directly belong to the lending facilitation for HFF bond market makers.

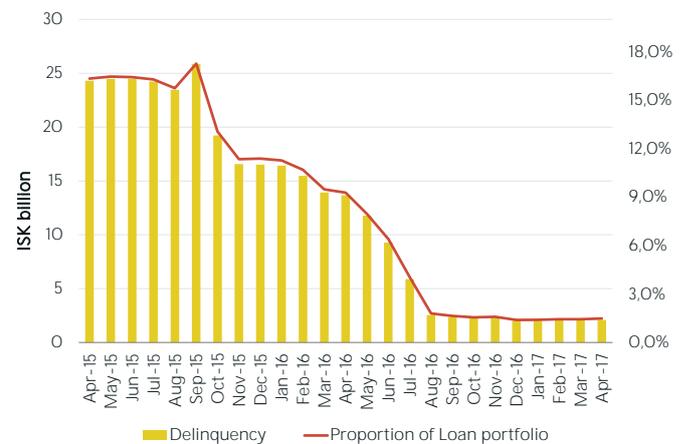
### Total Lending by Quarter



## Individuals - Delinquency



## Legal Entities - Delinquency



## HFF's Apartments held for sale

### Property portfolio

The HFF owned 565 properties throughout Iceland by the end of April. Over the course of the month, the fund sold 21 property and 1 apartment was added to the HFF's portfolio. In addition, purchase offers for 32 properties have been accepted and bidders are currently engaged in financing the purchases.

Undergoing the sales process were 187 properties, most of which are already available for purchase, others are going through sales registration. A number of 325 apartments were rented throughout the country. A majority were rented to families and individuals who resided in the properties when the HFF acquired the properties.

All estate agencies in Iceland may sell the HFF's properties. The HFF has a partnership agreement with the Association of Estate Agents (Félag fasteignasala) as regards to the procedures that must be employed when selling properties owned by the Fund. The Fund's properties are rented at market price, taking into account comparable properties according to location, size, age, etc.

The table to the right contains an overview of the location of properties, categorized according to regions and their use/disposal. At the end of April 535 properties or 95% of the HFF's portfolio have been rented or are undergoing the sales process or other procedures. A further 30 properties await assessment and will they either be rented out or go into sales process.

### HFF's Property According to Regions and Status, 30.04.2017

	For sale	Rented	Empty	In process	Total Apr'17	Total Mar'17
Capital Area	25	61	9	7	102	105
Sth. Peninsula	17	97	2	2	118	122
Western Region	36	46	2	0	84	86
Westfjords	17	11	4	4	36	39
Northw. Region	8	4	0	1	13	13
Northe. Region	22	14	0	3	39	41
Eastern Region	42	30	1	1	74	77
Southern Region	20	62	12	5	99	102
<b>Total</b>	<b>187</b>	<b>325</b>	<b>30</b>	<b>23</b>	<b>565</b>	<b>585</b>

### Sold properties

