



Landshypotek Bank

# Cover Pool Statistics

Landshypotek Bank

As per September 30, 2023

# Cover Pool - mortgages

Type of collateral	Lending volume (MSEK)	Number of properties	Number of loans	Average loan size	Weighted average LTV
Residential - single family houses	26 729	13 724	30 787	868 197	46,98%
Residential - forest & agriculture	28 768	17 616	49 306	583 455	37,33%
Commercial - forest & agriculture	45 143	9 177	27 214	1 658 802	46,45%
<b>Total</b>	<b>100 640</b>	<b>40 517</b>	<b>107 307</b>	<b>937 867</b>	<b>43,98%</b>

# Cover Pool - mortgages

Type of collateral	Interest rate		Amortising (property level)	Amortisation plans (loan level)	
	Floating	Fixed		Planned amortisation	IO and bullet
Residential - single family houses	83%	17%	67%	98%	2%
Residential - forest & agriculture	67%	33%	71%	98%	2%
Commercial - forest & agriculture	65%	35%	70%	98%	2%
<b>Total</b>	<b>70%</b>	<b>30%</b>	<b>69%</b>	<b>98%</b>	<b>2%</b>

## Cover Pool - mortgages

Concentration	Volume (MSEK)	% of total volume
Top 5 borrowers	1 066	1,06%
Top 10 borrowers	1 885	1,87%
Top 20 borrowers	3 265	3,24%
Seasoning	Years	Months
Loan level	5,65	68
Customer level	13,94	167
Property level	20,08	241

## Cover Pool – other assets

Type of asset	Nominal (MSEK)
Credit institutions – Swedish Covered Bonds, AAA-rated	1 200
Credit institutions – derivatives	0
Public exposure – municipalities	1 563
<b>Total</b>	<b>2 763</b>

# Cover Pool Maturity

Maturity Bucket	Assets (MSEK)	Bonds (MSEK)
6M	80 617	-7 610
12M	4 120	-8 800
2Y	6 598	-11 550
3Y	4 880	-20 425
4Y	3 879	-17 439
5Y	2 074	-8 240
> 5Y	1 235	-3 130
	<b>103 403</b>	<b>-77 194</b>

## Cover Pool Summary

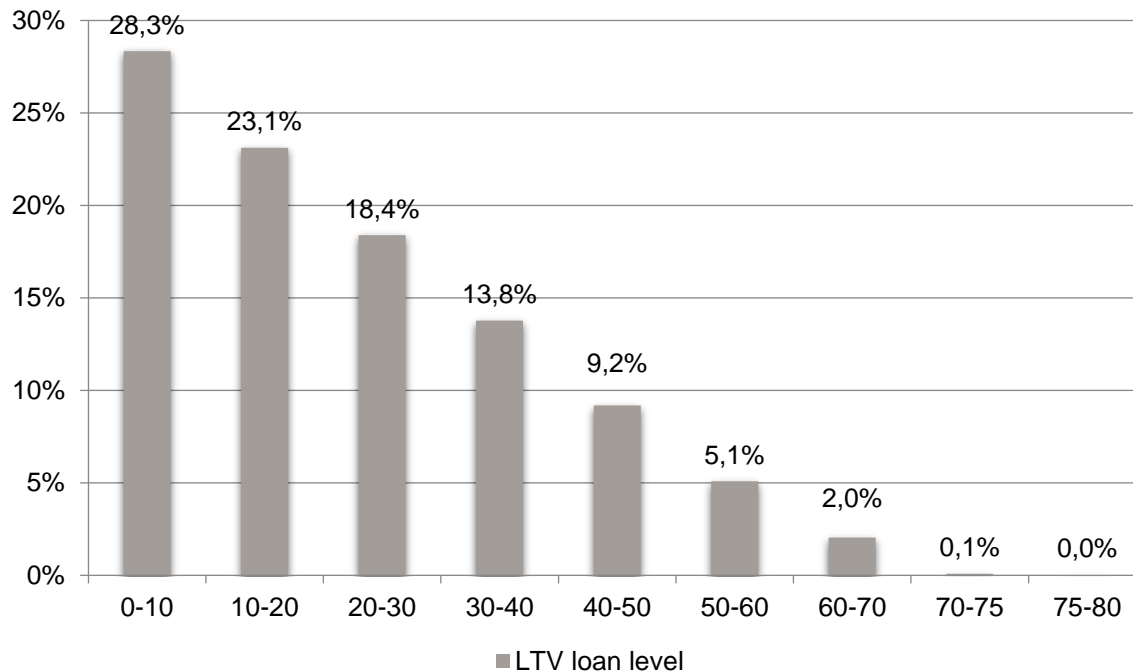
Mortgages	100 640 MSEK	
Credit institutions	1 200 MSEK	
Public exposure	1 563 MSEK	
<hr/>		
Cover Bonds	-77 194 MSEK	
Cost for winding up	-111 MSEK	
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Over Collateral	26 098 MSEK	33,81%

# Cover Pool Summary

Substitute assets eligible for liquidity buffer	2 763 MSEK
Maximum cumulative net liquidity outflow over the next 180 days for cover bonds issued under the new regulation.	89 MSEK

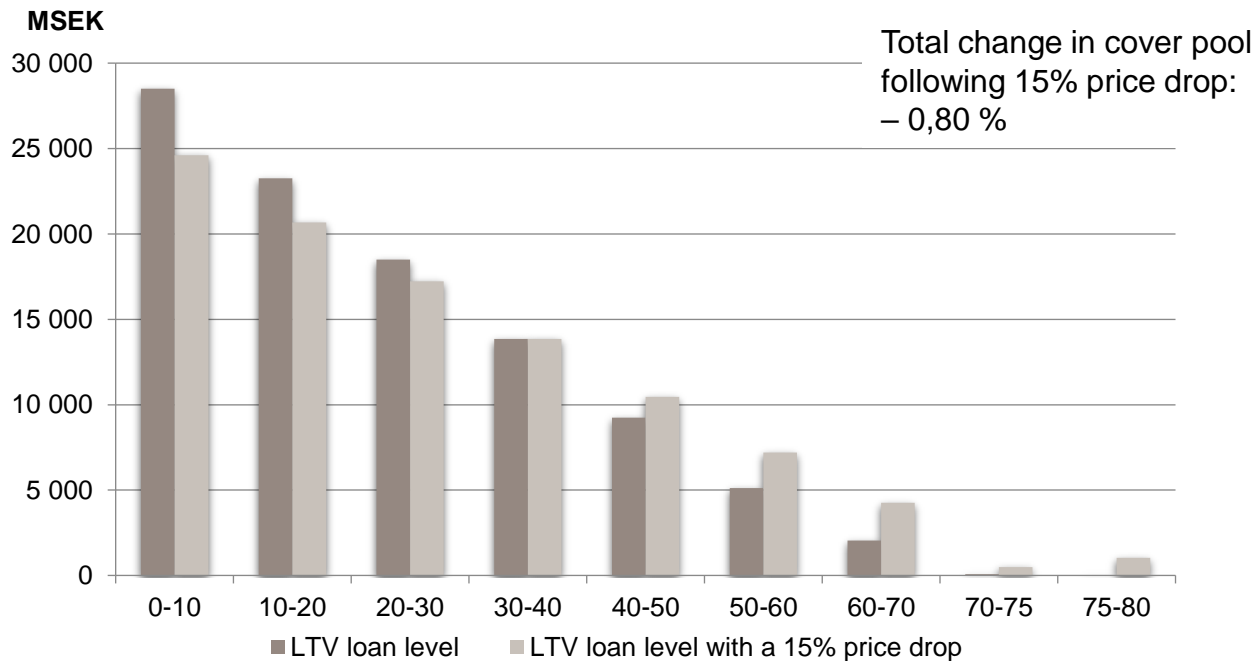


## Loan amount by LTV bucket



# Cover Pool - mortgages

## Stress test LTV -> 15% price drop



## Geographical distribution

County	% of total Volume
Skåne	15%
Västra Götaland	14%
Stockholm	10%
Östergötland	10%
Örebro	6%
Södermanland	5%
Värmland	4%
Halland	4%
Jönköping	4%
Kalmar	4%
Uppsala	4%

County	% of total volume
Gotland	3%
Kronoberg	3%
Gävleborg	2%
Jämtland	2%
Västerbotten	2%
Västernorrland	2%
Västmanland	2%
Dalarna	2%
Blekinge	1%
Norrbottn	1%



## Description of covered bonds

Below follows a short description of covered bonds (Sw. säkerställda obligationer) issued by Landshypotek Bank and certain aspects of matters related thereto. The description is not exhaustive and anyone contemplating investing in covered bonds issued by Landshypotek Bank should read the applicable prospectus and in addition consult its own financial, tax, legal and other advisers.

Covered bonds are secured debt obligations of Landshypotek Bank (as the issuer). The majority of the collateral in the cover pool consists of secured mortgage loans granted by Landshypotek Bank to its borrowers but the cover pool also includes supplemental assets e.g. covered bonds issued by other Swedish banks and notes and bonds issued by Swedish municipalities (cf. "Cover Pool Statistics"). Covered bonds are regulated by Swedish law and by regulations issued by the Swedish Financial Supervisory Authority ("SFSA"). Laws and regulations set strict rules as to what collateral may be included in the cover pool and how the cover pool shall be managed and monitored. Swedish law also provides that covered bondholders shall have a preferred right to the assets in the cover pool in case of the issuer's insolvency. Only institutions which have been granted a licence by the SFSA to issue covered bonds may issue Swedish covered bonds.



Landshypotek Bank enters into derivative contracts in order to hedge currency and interest rate risks. Landshypotek applies a diversified method to its derivative transactions, meaning that it has a number of derivatives counterparties and consequently is not dependent on only a few. All counterparties are highly rated by credit rating agencies and they are unrelated to Landshypotek Bank. Under Swedish law, derivative contracts relating to covered bonds benefit from a priority in the cover pool (the payment flows from Landshypotek Bank) and are assets in the cover pool (the payment flows from the counterparty).

Information on issued covered bonds, assets in the cover pool and relevant derivative contracts must be entered into a special register (the “Register”), maintained by Landshypotek Bank. It is the actual registration of the covered bonds and the related derivatives contracts in the Register which confers the priority right in the cover pool to the covered bondholders and the derivatives counterparties and only assets entered on the Register are included in the cover pool. The Register is updated on a daily basis.



Landshypotek Bank regularly monitors the value of the collateral in the cover pool (including the value of the underlying collateral; i.e. the agricultural or residential property serving as collateral for the secured loans to Landshypotek's borrowers. Those secured loans are in their turn collateral in the cover pool.). If the value of an item of collateral falls below a certain threshold it may no longer be included in the cover pool (or may only be partly included) and has to be replaced by other, "better" collateral. An independent monitor (*Sw. oberoende granskare*) appointed by the SFSA monitors that Landshypotek Bank maintains the Register and the cover pool in accordance with Swedish laws and regulations.

Payment flows in respect of issued covered bonds, derivative contracts relating thereto, the loans constituting collateral and other assets in the cover pool are matched to ensure that interest payments and repayments of covered bonds can be timely made.

In order to ensure that the assets in the cover pool suffice to service the covered bonds the value of the assets in the cover pool exceed the notional value of the issued covered bonds ("overcollateralization").



Covered bonds may be rated by rating agencies. In deciding upon the rating for covered bonds, a rating agency takes a variety of matters into account: the legislation applicable to the covered bonds, the financial strength of the issuer, the agreements between the issuer and its counterparties and a plethora of other factors.

Covered bonds issued by Landshypotek are rated by Standard & Poor's Credit Market Services Europe Limited ("S&P"); currently (27 November 2022) AAA.

In order to maintain that rating, Landshypotek must adhere to criteria set by S&P from time to time (for current criteria please see "Counterparty Risk Analysis In Covered Bonds", issued by S&P on 21 Dec 2015) relating to various matters, including the issuer rating of the bank(s) with which Landshypotek maintains bank account(s) into which money payable on assets in the cover pool is paid.



Currently, Landshypotek maintains the relevant bank account (a daily collection and cash-flow account) with a Swedish bank (the “Bank”) with a rating comfortably above the threshold set by S&P for bank account providers to which Landshypotek has “minimal exposure” (as defined by the S&P Counterparty Criteria).

Under the contractual arrangements with the Bank Landshypotek would be free to start using a collection and cash-flow account with another bank for any reason and no reason.

Landshypotek is committed to replacing the Bank within the time period stipulated by S&P (thirty (30) calendar days under the currently applicable criteria), with another bank which would qualify as an eligible counterparty according to S&P criteria were the Bank to be rated below BBB by S&P (or below A if Landshypotek’s exposure to the Bank were to increase so as to be “limited” rather than “minimal” though it is Landshypotek’s intention to keep the exposure “minimal”).





Landshypotek Bank does not expect to encounter any difficulties in ensuring that the money is indeed paid into the new bank account. The relevant assets in the cover pool are mortgage loans and consequently it is the payments of Landshypotek's customers, the borrowers, which shall be directed to the new bank account.

The borrowers direct their payments to a "bank giro account number" belonging to the lender/Landshypotek. The "bank giro account number" is tied to an ordinary bank account of the lender; in Landshypotek's case the afore-mentioned account with the Bank. It is therefore not necessary to notify the borrowers that they should pay into a new account. It would suffice to tie the "bank giro account number" to a new bank account with another bank. This could be done quickly; within a few business days.

Simplified, the "bank giro account" system is a technical system to route monies through the payment system. The money does not stay on the "bank giro account"; it is transferred from the relevant borrowers' banks in the daily clearing to Landshypotek's account with the Bank (or such other bank account which Landshypotek may tie to the "bank giro account").

The money is not left in the account with the Bank awaiting covered bonds maturity but is placed in short-term highly rated assets; such as treasury bills. Such "short term highly rated assets" are typically not included in the cover pool. They are however of such quality that they could be included if required .