

# Landshypotek Bank AB

## Interim report Q1 2024

January – March 2024

### Per Lindblad, CEO of Landshypotek Bank comments on the first quarter of 2024

*In line with expectations, weak credit growth in the market set the tone for Q1 2024. During these times, we have noted that many of our customers are pausing their investment decisions. However, our lending volumes remain stable and we are pleased to continue capturing market shares in production agriculture. We continue to generate healthy earnings, our capital position is strong and we are secure in our robust credit quality. In this period of low market growth, we are focusing on customer dialogues and our own development to become even more active and create even better future value for customers. Our long-term growth ambitions remain unchanged.*

### January – March 2024

compared with January – March 2023

- Operating profit amounted to SEK 132 million (162).
- Net interest income amounted to SEK 278 million (312).
- Costs totalled SEK 153 million (151).
- Net credit losses positively impacted earnings with recoveries of SEK 0.5 million (recoveries: 2).
- Loans to the public amounted to SEK 105.1 billion (105.7).
- Deposits from the public amounted to SEK 28.5 billion (27.2).

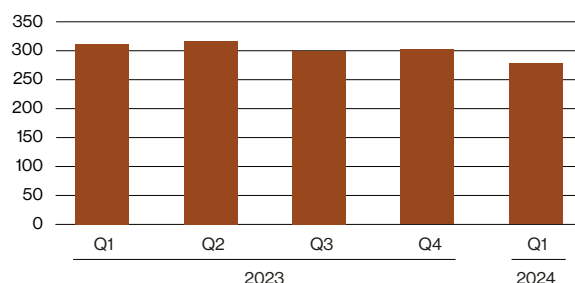
### January – March 2024

compared with October – December 2023

- Operating profit amounted to SEK 132 million (126).
- Net interest income amounted to SEK 278 million (302).
- Costs totalled SEK 153 million (164).
- Net credit losses impacted earnings with SEK 0 million (loss: 1).
- Loans to the public amounted to SEK 105.1 billion (104.8).
- Deposits from the public amounted to SEK 28.5 billion (29.1).

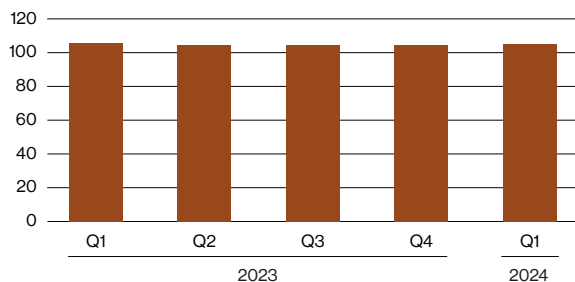
### Net interest income

SEK million



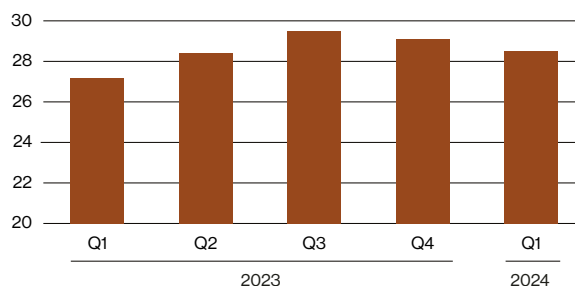
### Lending to the public

SEK billion



### Deposits from the public

SEK billion



# We are mobilising for the future



For some time, we have been living in an economy dominated by uncertainty. The previously low interest rate environment changed rapidly due to counter-inflationary measures by the Riksbank, Sweden's central bank. The stable low interest rate environment quickly switched to a seemingly uncertain high interest rate environment.

Many major financial decisions are being put on hold and costs and economic developments are difficult to project. This wait-and-see approach and the increasingly dire state of household finances are setting their stamp on our markets for lending on agricultural and residential properties, and for household savings. The lack of growth in our lending and savings markets has been challenging for a bank like Landshypotek, which in recent years has grown not only with the market, but faster than the market.

Our momentum was greater in 2023 than 2024, which is reflected in the quarter's financial performance, but this was also expected. Deposits are not providing the same level of reinforcement and margins are under continued pressure in the market. Players whose funding mix comprises a high share of deposits, typically the large banks, have had a competitive advantage in the lending market.

While net interest income weakened year-on-year, operating profit was on a par with last quarter at SEK 132 compared with SEK 126 million. Lending volume increased marginally to SEK 105.1 billion compared with SEK 104.8 billion last quarter.

The weakening was marginal and in comparison to an exceptional year – our best year ever. We are an increasingly stable bank, despite more challenging times, and our growth ambition remains firm. Increasing scale in terms of number of customers and volume is crucial to our development. We are currently experiencing a hiccup in our growth curve, but our presence in the savings and lending markets is for the long term. Therefore, we are making optimal use of the time by maintaining close relationships with our customers, sustaining strong customer offerings and fully focusing on our development to strengthen customer values and the bank in the long term.

Our strength as a leading bank in lending to farmers is reflected in our continued growth and strengthening of our market share. Growth has stalled in the lending market for housing and small agricultural properties, and while we are keeping our lending volumes relatively stable, loan repayments resulted in a slight volume decline. We were at the forefront of improving market savings rates and have grown our deposits rapidly in recent years. However, competition has now intensified and many players have strengthened their offerings. We have helped provide customers, and not just our customers, with increasingly better savings opportunities.

We have now taken the lead in mortgages as well. Market sentiment is that interest rates have peaked and forecasts indicate forthcoming cuts as early as in the first half of the year. We have therefore decided to act by trying to reach more customers in a stagnant market by changing now.

The Association's regional meetings are one of the highlights of the Landshypotek year. I participated in several meetings and talked about future prospects for the bank and agriculture. At the same time, the Association Board presented this year's proposed dividend: SEK 244 million to our agricultural customers!

Many farmers are hopeful about their operations' future. Basically, there is substantial interest in Swedish food and Swedish forest raw materials. The sustainability transition of society also presents opportunities. However, leveraging opportunities requires investment. For too long, too much uncertainty has blocked the necessary investments and fundamental profitability is too low. Again, we look forward to a new era of more stable economic conditions.

We are a player in a large market and we, like others, respond to market opportunities. In this period of low market growth, we are focusing on customers and on our own development to become even more active and to create even better future value for customers, who are largely also our owners.

Per Lindblad  
CEO of Landshypotek Bank

# Events at Landshypotek Bank in the first quarter of 2024

## Action to meet cautious markets

Growth in the markets for household savings and loans is essentially absent. Even Landshypotek's rapid growth has slowed both in lending and in savings. However, the bank continues to grow its lending volume and thereby strengthen its position in the market for larger agricultural businesses. At the end of the quarter, the Riksbank announced its future interest-rate path, which prompted Landshypotek to act by strengthening its mortgage and savings offerings. "We are entering new economic conditions where interest rates will fall in the longer term. When interest rates rose, many mortgage holders waited, but now it is possible to make active choices in the market again," says Catharina Åbjörnsson Lindgren, Chief Commercial Officer Mortgages & Savings.

## Easier to share financial data

The new Bizzdo plus service enables customers to more easily digitally share the financial statement data required for the bank's lending decisions and follow-up. "In addition to making things easier both for our customers and for the bank, the service can also, for example, shorten processing times for new loan applications," says Stefan Malmström, Chief Commercial Officer Farming & Forestry.

## New mortgage payment protection insurance

From Q1, mortgage customers can take out Landshypotek's Låneskydd, a mortgage payment protection insurance that covers mortgage payments in the event of unemployment, illness or accident. "We are constantly evolving to improve for customers and can now offer a much needed protection," says CCO Catharina Åbjörnsson Lindgren.

## Mortgage discounts more widely available

Interest rate discounts are now available to more people when applying for a new mortgage with Landshypotek. During the quarter, Landshypotek raised the interest rate discount on lending up to 75 percent of the property value from the previous ceiling of 70 percent. Landshypotek has transparent mortgage rates and discounts, and criteria for the above is clearly communicated with existing and new customers in the market.

## Almost a quarter of a billion kronor for agricultural Sweden

Following the excellent results for 2023, the Board of Directors of Landshypotek Ekonomisk Förening proposes distribution of SEK 244 million this year to the

bank's owners, its farming and forestry loan customers. The proposal was presented to the Association's regional meetings around the country and a resolution will be taken at the Association Meeting on 7 May. Disbursement will be made in the spring, immediately after the decision.

SEK 244 million is a historically large dividend, which corresponds to 12 percent of each member's financial investment in the association. Over the past decade, Landshypotek has distributed more than SEK 1.5 billion to Swedish farmers.

## Regional meetings – again a great place to talk farming

In March, 1,400 members around the country gathered for the year's major member meetings at Landshypotek. In three regions, the Rural Entrepreneur of the Year was awarded. 13 newly elected representatives were welcomed and members, farming and forestry customers were pleased by the bank's stability and good performance. "The regional meetings are a fantastic gathering place for the bank's employees, elected representatives, specially invited visitors and members to talk farming and farm finances," said Association Chairman Per-Olof Hilmér.

## New partnership against fraud

In March, a new round of the bank-wide information campaign "Become Scamaware" was launched. The information campaign highlights fraud risks and circulates knowledge about how to avoid being deceived. The campaign has been seen on TV, digital platforms, social channels and billboards across the country. Landshypotek is participating in the campaign, which is coordinated by the Swedish Bankers' Association.

## Collaboration developed to simplify sustainability reporting

Landshypotek is joining forces with others to collaborate on further developing the Agrosfär calculation tool for sustainability data. The tool will help meet growing reporting requirements, not least from the EU, and make it easier for farmers themselves to gain knowledge about what they do well today and what they can develop going forward.

## Strong employee engagement around further development

Landshypotek's employees have a clear perception of where Landshypotek is heading, the bank's position



and what makes the bank unique. Engagement is strong and the responses to the classic eNPS question (How likely are you to recommend Landshypotek Bank as an employer to a friend?) provide a very high score. This is shown by the compilation of the most recent employee pulse survey presented in the quarter. In addition, a major staff gathering took place in February to continue to gain consensus on the development, strategy and direction of the bank.

### Farmers' outlook for 2024

Farmers are wrestling with their operations in a period of uncertainty, while society is increasingly recognising the farming's key role in the sustainability transition, for food supply and in meeting consumer demand for locally produced food.

Economic uncertainty worries farmers, but of greater concern are politics, government agency decisions and a lack of understanding of agriculture. These were the findings in the report "Så möter lantbrukarna 2024" (Eng: How farmers are meeting 2024), which is based on survey responses from Swedish farmers.

"We see that while there is uncertainty right now, we also see that farmers are working actively in their businesses to manage the risks in these uncertain times and, moreover, that they believe in their businesses and want to invest in the future," says Per Lindblad, CEO of Landshypotek Bank.

## Summary Landshypotek Bank

SEK million	Q1 2024	Q1 2023	Q4 2023	Full-year 2023
Net interest income	278	312	302	1,230
Operating profit	132	162	126	636
Profit after tax	103	127	98	501
Loans to the public	105,076	105,653	104,751	104,751
Change in loans to the public, %	0.3	0.0	0.1	-0.8
Interest margin, LTM, %	1.16	1.09	1.17	1.17
Deposits from the public	28,533	27,168	29,080	29,080
Change in deposits from the public, %	-1.9	15.6	-1.3	23.8
C/I ratio including financial transactions	0.54	0.49	0.56	0.48
C/I ratio excluding financial transactions	0.55	0.48	0.54	0.48
Credit loss level, % <sup>1)</sup>	–	–	0.01	–
Total capital ratio, %	18.8	16.0	18.5	18.5
Rating, long-term				
Standard & Poor's, Covered bonds	AAA	AAA	AAA	AAA
Standard & Poor's	A	A	A	A
Fitch	A	A	A	A
Average number of employees, LTM	246	235	243	243

<sup>1)</sup> An outcome is only presented in the case of a negative earnings impact.

# Our operating environment

The interest rate hikes have slowed inflation and now everyone is waiting for rate cuts, but the US and European economies differ substantially. The Riksbank's interest-rate path indicates cuts already in the first half of the year. Farmers are managing the uncertainty in the economy, leading some to caution, but concurrently are hopeful for the business year ahead. Interest in Swedish agriculture and agricultural products is increasing, and boosts confidence in the future.

## Developments in the financial markets

The financial markets entered 2024 with high hopes for rapid and fairly sharp interest rate cuts, but expectations have gradually been lowered and resulted in rising fixed interest rates. Economies, in particular the US economy, have outperformed expectations, which has meant that central banks have not needed to rush to cut interest rates and can instead ensure that target inflation levels are reached.

### Inflation continues to fall

Inflationary pressure is declining worldwide. The interest rate hikes had the expected effect and reduced demand in the economy. Reduced household consumption, particularly of goods, has dampened price increases. The consumption of services has not slowed at the same pace and therefore inflation in services remains a concern for central banks.

Core inflation fell to 3.80 percent in the US and 2.90 percent in the eurozone. US inflation is finding it harder to recede due to a much stronger economic performance. Despite the interest rate hikes, the economy is growing at an annual rate of just over 3 percent. The labour market remains strong and salary increases are now above the inflation rate, which strengthens household purchasing power. In Europe, interest rate hikes have had considerably greater impact and growth is absent.

In Sweden, inflation is now down to 3.60 percent. The Riksbank's decision to hedge its foreign exchange reserves, thereby dampening imported inflation, has strengthened the krona. Moreover, growth was negative for three consecutive quarters and demand in the economy has fallen to such low levels that companies are finding it difficult to raise prices.

### Interest rate cuts are coming – the question is when and by how much

Central banks have sent clear signals that the next interest rate change is downward and Switzerland has already implemented a first cut. At its March meeting, the ECB was clear that it is aiming for a rate cut in June if

inflation falls as expected. Most questionable are cuts in the US due to the strength of the economy.

The US was first to hike rates and most analysts believed it would also be the first of the major central banks to lower rates, however now it appears that the ECB will go first. If the US does not lower rates, other central banks will come under pressure to lower too much and risk a weaker currency, which will generate renewed inflationary impetus.

The Riksbank has clearly signalled coming interest rate cuts. As early as its January meeting, the Executive Board said that a rate cut was possible in the first half of the year. This picture was reinforced after the March meeting, where the Riksbank presented an interest-rate path with three cuts in 2024, starting in May or at the latest in June.

### A weak economy, but forecasts point upward

Economic developments remain bifurcated, with the US performing strongly and Europe lagging behind. The US has implemented more generous fiscal policies to protect households and businesses from high inflation. No such budgetary space or political will has applied in Europe. While Sweden has the budgetary space, the government chose not to stimulate to avoid fuelling inflation.

With prospects for inflation brightening and interest rate cuts on the horizon, forward-looking factors are starting to move up. The National Institute of Economic Research's economic tendency survey has risen for three consecutive months and the economy has improved from very weak to weak. In particular, the upturn has been driven by a substantial improvement in households' economic sentiment.

## Market developments for farming and forestry

Many farmers still face financial constraints. Rising interest rates and lower than normal harvests resulted in a challenging past year. Nevertheless, many farmers feel positive at the start of 2024. Falling costs for input goods, hopes of a better arable farming season and good demand for Swedish-produced food contribute to a hopeful and bright outlook for the year.



### Still challenging for arable farmers

Liquidity is squeezed mainly for those entrepreneurs who experienced poorer harvests in 2023 and who have a larger share of arable farming. Increased costs resulted in reduced harvests hitting working capital particularly hard. In recent months, sentiment has improved. Cereal prices have stabilised compared with the end of last year when they fell sharply. Prices are significantly lower year-on-year, but high by historical standards. In addition, the cost of key input goods such as diesel and mineral fertilisers has fallen. The hope is that more normal weather and growing conditions in the coming season will contribute to an economic recovery. Large amounts of precipitation meant that the autumn-sown acreage is below normal, but crops seem to have generally taken well. Locally, we have experienced abundant precipitation in the early part of the year, but it remains too early to tell how this has affected the autumn-sown crops. Farmers have started, or are about to start, this year's spring sowing, but this has been delayed in many areas by rain and cold.

### Brighter performance for livestock farmers

Many livestock farmers experienced a stable or positive trend in the first quarter. Prices for slaughter animals and livestock have changed marginally. The milk price has been increased in stages. The numbers of beef livestock are down year-on-year. Despite the above, milk and beef production has remained on a par with the same

period last year, partly due to lower organic production in favour of conventional and an increase in the share of cows slaughtered. On the other hand, the slaughter of pigs is down. The cost of purchased feed has fallen, which together with lower energy prices, has positively impacted cash flow.

Swedish origin dairy products, pork and beef continue to capture market shares. Consumer purchasing and consumption behaviour has changed due to higher food prices and lower disposable income. The increasing market share indicates the increasing importance of awareness of the origin of the raw material and how it has been produced, all of which benefits Swedish animal production.

### Increased focus on the role of farming and forestry creates opportunities

Following the pandemic, logistical disruptions and recent years' geopolitical turmoil, there has been increased discussion in society about ensuring secure food production. One example of this is the government's initiative to update the Swedish [food strategy](#) with a greater focus on tangible measures that will lead to increased production and improved profitability.

There are other initiatives that will affect farming and forestry. According to the European Commission's Green Deal, a significant increase in carbon removal in EU forests is to be achieved by 2040. Moreover,





initiatives have been taken to create a framework for a voluntary carbon removal certification for landowners. This may lead to compensation for carbon sequestration over time, but it will take time.

#### **Good economy for forest owners**

Economic conditions for forest owners remain favourable as prices of timber, pulp wood and wood chips have risen and are sustained by good demand, lower competition and reduced supply. Sharp price rises for energy products have also positively impacted on payment levels for round timber.

Long-term interest remains strong in owning and managing forest properties, but there is a concurrent concern about political and, not least, government agency decisions and EU policy that could have major consequences for the ownership and management of Swedish forests. There were wide discussions in the early part of the year of the proposed new EU Nature Restoration Law, as well as the interpretation of the Species Protection Ordinance. A risk exists that uncertainty can both complicate and hinder generation shifts and investment for forest owners.

#### **Tentative increase in willingness to invest**

The higher cost of capital and economic challenges have led many farmers to pause major investments. This is concerning since investments are needed to secure

domestic food production and the important role of farming and forestry in the societal transition.

Fewer property purchases have been completed, with buyers and sellers both waiting for improved and more stable interest rates and economic conditions that will make the investment calculation feel more secure and stable.

Landshypotek Bank's report [Så möter Lantbrukarna 2024 \(Eng: How farmers are meeting 2024\)](#) shows that farmers are more positive from a long-term perspective. Demand for goods and services from farming and forestry is expected to rise, thereby boosting confidence and willingness to invest. Farming's importance in the green transition is another factor that makes farmers and foresters see the opportunities to develop their businesses, including through investments. Investment needs are wide-ranging in terms of the increased production of both food and energy, and not least given the interest in and need to prevent vulnerability in their own operations. The investments could be in increased storage facilities or energy production but also in irrigation and similar measures. For many, however, the most pressing need is to restore their working capital after a weak 2023 in many areas.

# Our financial performance

Landshypotek Bank posted an operating profit for the quarter that exceeded the previous quarter's operating profit by SEK 6 million. Lower costs for the bank in the quarter meant that it retained the same level of earnings despite slightly lower net interest income. Lending and deposits were both on a par with the previous quarter. Credit losses remained positive and the bank continued to post extremely good credit quality.

## Q1 2024 compared with Q1 2023

The bank's operating profit amounted to SEK 132 million (162). The change in earnings was primarily attributable to lower net interest income, which was largely explained by lower margins on deposits.

### Net interest income

Net interest income amounted to SEK 278 million (312). Interest income totalled SEK 1,313 million (928), and interest expenses totalled SEK 1,036 million (616). Interest income and interest expenses both increased due to higher interest rates.

### Net result of financial transactions

The net result of financial transactions amounted to a gain of SEK 5.4 million (loss: 0.7), where the unrealised gain amounted to SEK 3.6 million (loss: 5.3) and the realised gain to SEK 1.8 million (4.5).

### Costs

Costs amounted to SEK 153 million (151). Accordingly, costs are in line with last year despite inflation.

### Credit losses and credit loss allowance

Overall the credit losses generated a positive net earnings impact of SEK 0.5 million (2) for the quarter, of which net credit losses for non-credit-impaired assets had a positive

earnings impact of SEK 0.7 million and credit-impaired assets had a negative earnings impact of SEK 0.2 million.

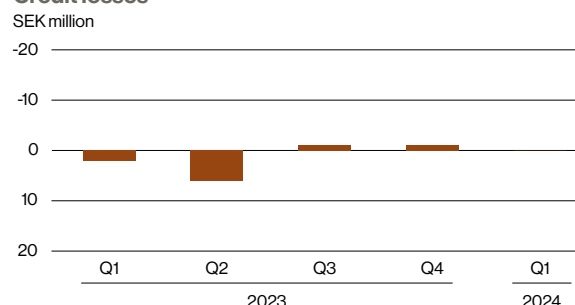
Gross non-credit-impaired assets amounted to SEK 104,189 million and the credit loss allowance to SEK 9 million. Gross credit-impaired assets amounted to SEK 904 million and the credit loss allowance to SEK 8 million. The provisions for credit-impaired assets pertained to individual commitments within varying types of farming and geographic locations.

The bank continued to post extremely good credit quality. For more information, refer to Note 3 and Note 4.

### Other comprehensive income

Other comprehensive income amounted to SEK 10 million (loss: 17), where financial assets at fair value had

### Credit losses



## Operating profit

SEK million	Q1 2024	Q1 2023	Full-year 2023
Net interest income	278	312	1,230
Other operating income	6	0	-10
of which net result of financial transactions	5	-1	-14
Costs	-153	-151	-589
C/I ratio including financial transactions	0.54	0.49	0.48
C/I ratio excluding financial transactions	0.55	0.48	0.48
Net recognised credit losses	0	2	5
Credit loss level, % <sup>1)</sup>	-	-	-
Operating profit	132	162	636
Operating profit excluding the net result of financial transactions	126	163	649

<sup>1)</sup> An outcome is only presented in the case of a negative earnings impact.



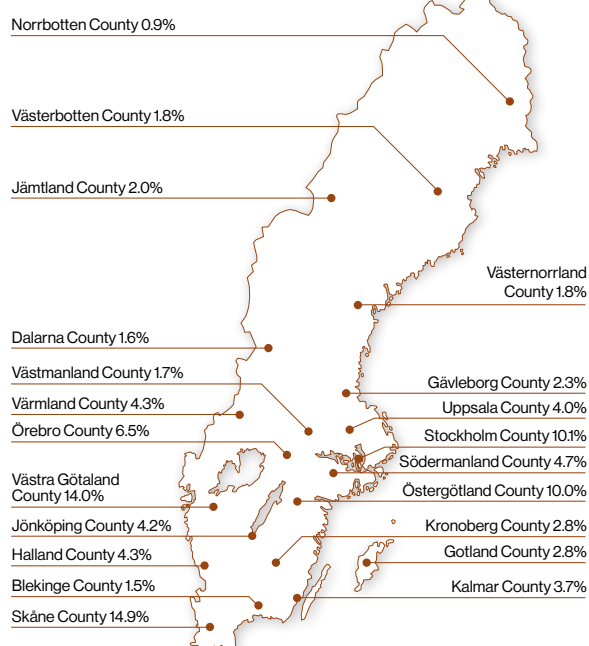
## Balance Sheet

Assets, SEK million	31 Mar 2024
Eligible treasury bills	3,884
Loans to credit institutions	161
Loans to the public	105,076
Bonds and other interest-bearing securities	8,933
Derivatives	1,893
Tangible and intangible assets	45
Other assets	-20
<b>Total assets</b>	<b>119,971</b>

Liabilities and equity, SEK million	31 Mar 2024
Liabilities to credit institutions	1,681
Deposits from the public	28,533
Debt securities issued, etc.	79,728
Derivatives	1,808
Subordinated liabilities	602
Other liabilities	587
Equity	7,031
<b>Total liabilities and equity</b>	<b>119,971</b>

a positive effect of SEK 15 million (negative: 17) as a result of falling credit spreads at the same time as rising cross-currency basis spreads had a negative impact of SEK 5 million (0).

### Geographic distribution of lending



## Assets

The largest asset item in the balance sheet is loans to the public, which amounted to SEK 105.1 billion (104.8). The geographic distribution of lending remains stable over time.

Landshypotek Bank's liquidity portfolio totalled SEK 13.1 billion (12.1). The portfolio comprises Swedish covered bonds with the highest credit rating and bonds issued by Swedish municipalities and regions. The holding of interest-bearing securities functions as a liquidity reserve. The liquidity portfolio was 1.4 times (1.7) larger than refinancing requirements for the next six months. The ratio is affected by the allocation of maturing debt for longer than six months and can, therefore, change between measurement periods.

## Liabilities

### Funding

Landshypotek Bank actively raises funds via the capital markets. Landshypotek Bank as far as possible always strives to meet investors' wishes regarding tenors and interest-rate structures. Investor relations are of major importance as part of ensuring that investors' levels of awareness and interest are maintained in Landshypotek Bank.

## Funding

SEK million	In issue 31 Mar 2024	Limit	In issue 31 Dec 2023
Swedish commercial paper	–	10,000	0
MTN programme <sup>1)</sup>	9,010	60,000 <sup>1)</sup>	11,922
NMTN programme <sup>2)</sup>	68,042	108,776	64,000
Registered covered bonds	2,816		2,775
Subordinated loans	1,000		1,000

<sup>1)</sup> Medium Term Note Programme. No longer an active program for issuing new transactions.

<sup>2)</sup> Nordic Medium Term Note and Covered Bond Programme. The limit is EUR 10,000 million.

The bank's primary source of funding comprises covered bonds, but the bank also issues senior bonds, senior non-preferred and capital instruments. The bank's market funding has an average tenor of 2.8 years.

During the quarter, covered bonds to a nominal value of SEK 7.5 billion were issued. At the same time, covered bonds matured to a nominal value of SEK 3.9 billion. Covered bonds were repurchased to a nominal value of SEK 2.5 billion. No senior bonds were issued or matured during the quarter.

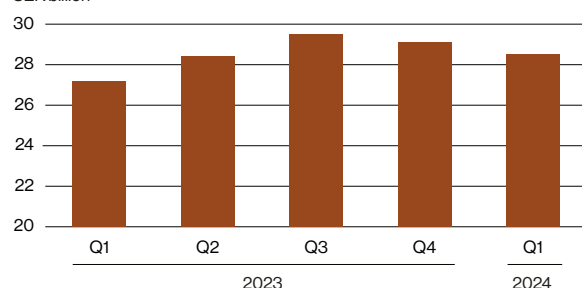
During the quarter, the bank's derivative portfolio increased in value by SEK 86.8 million, however as all derivatives are encompassed by hedge accounting the earnings impact of the change in value was minimal.

### Deposits from the public

Deposits from the public totalled SEK 28.5 billion (29.1).

### Deposits from the public

SEK billion



### Financing and liquidity

The bank continues to have good conditions for funding operations with a net stable funding ratio of 118 percent. Moreover, the bank's short-term liquidity is healthy with a liquidity coverage ratio of 300 percent.

### Capital and capital adequacy

The total capital ratio for the consolidated situation amounted to 18.6 percent (16.0) and the CET1 capital ratio was 16.5 percent (13.9). At Landshypotek Bank AB, the total capital ratio amounted to 18.8 percent (16.0) and the CET1 capital ratio was 16.2 percent (13.6). During the quarter, own funds for the consolidated situation increased a total of SEK 50 million (from SEK 7,045 million to SEK 7,094 million), primarily attributable to the bank's positive performance which contributed to the increase. Refer to Note 1 for further information.

### Q1 2024 compared with Q4 2023

Operating profit amounted to SEK 132 million (126) for the quarter. The increase in operating profit was primarily driven by positive comprehensive income and lower costs than in the previous quarter.

### Rating

Landshypotek Bank has credit ratings from two different rating agencies, Standard & Poor's and Fitch. No changes in the bank's ratings were forthcoming during the year.

Rating	Long	Short
S&P covered bonds	AAA	
S&P	A	A-1
Fitch	A	F1

### Group structure

All farming and forestry borrowers of Landshypotek Bank are also members of Landshypotek Ekonomisk Förening. Landshypotek Ekonomisk Förening owns 100 percent of the shares in Landshypotek Bank. All operations are conducted exclusively in Landshypotek Bank.

### Events after the end of the period

No other significant events have occurred since the balance sheet date.

Stockholm, 2 May 2024

Per Lindblad  
Chief Executive Officer

### Accounting policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting policies, calculation methods and risk management are unchanged compared with the last annual report, refer to Note 1 in the Annual Report for 2023 ([www.landshypotek.se/en/about-landshypotek/investor-relations/financial-reports/](http://www.landshypotek.se/en/about-landshypotek/investor-relations/financial-reports/)).

This interim report has not been reviewed by the company's auditors.

# Income Statement

SEK million	Note	Q1 2024	Q1 2023	Q4 2023	Full-year 2023
Interest income		1,313	928	1,315	4,649
Interest expenses		-1,036	-616	-1,013	-3,419
<b>Net interest income</b>	2	<b>278</b>	<b>312</b>	<b>302</b>	<b>1,230</b>
Net result of financial transactions		5	-1	-12	-14
Other operating income		1	1	2	4
<b>Total operating income</b>		<b>284</b>	<b>312</b>	<b>291</b>	<b>1,220</b>
General administrative expenses		-142	-142	-153	-548
Depreciation, amortisation and impairment of tangible and intangible assets		-11	-10	-12	-42
<b>Total expenses before credit losses</b>		<b>-153</b>	<b>-151</b>	<b>-164</b>	<b>-589</b>
<b>Profit before credit losses</b>		<b>131</b>	<b>161</b>	<b>127</b>	<b>631</b>
Net credit losses	3	0	2	-1	5
<b>Operating profit</b>		<b>132</b>	<b>162</b>	<b>126</b>	<b>636</b>
Tax expense for the period		-29	-35	-28	-135
<b>Net profit for the period</b>		<b>103</b>	<b>127</b>	<b>98</b>	<b>501</b>

# Statement of Comprehensive Income

SEK million	Q1 2024	Q1 2023	Q4 2023	Full-year 2023
<b>Net profit for the period</b>	<b>103</b>	<b>127</b>	<b>98</b>	<b>501</b>
<b>Other comprehensive income</b>				
<b>Items to be reclassified to income statement</b>				
Financial assets at FVTOCI	21	-21	5	8
Cross-currency basis spreads in fair value hedges	-7	0	2	-5
Income tax related to other comprehensive income	-4	4	-1	-1
<b>Total items that will be reclassified</b>	<b>10</b>	<b>-17</b>	<b>5</b>	<b>2</b>
<b>Total other comprehensive income</b>	<b>10</b>	<b>-17</b>	<b>5</b>	<b>2</b>
<b>Comprehensive income for the period</b>	<b>113</b>	<b>110</b>	<b>103</b>	<b>503</b>



# Balance Sheet

SEK million	Note	31 Mar 2024	31 Dec 2023	31 Mar 2023
<b>Assets</b>				
Cash and balances with central banks		270	0	1,185
Eligible treasury bills		3,884	3,881	5,064
Loans to credit institutions		161	218	139
Loans to the public	4	105,076	104,751	105,653
Value change of interest-hedged items in portfolio hedges		-405	-350	-920
Bonds and other interest-bearing securities		8,933	8,009	8,282
Derivatives		1,893	1,847	2,159
Intangible assets		45	47	63
Tangible assets		49	51	9
Other assets		8	8	8
Current tax assets		14	0	0
Prepaid expenses and accrued income		44	51	29
<b>Total assets</b>	5, 6	<b>119,971</b>	<b>118,513</b>	<b>121,670</b>
<b>Liabilities and equity</b>				
Liabilities to credit institutions		1,681	552	359
Deposits from the public		28,533	29,080	27,168
Debt securities issued, etc.		79,728	78,750	83,962
Derivatives		1,808	1,845	2,445
Other liabilities		492	694	327
Tax liabilities		35	28	26
Accrued expenses and prepaid income		60	38	58
Subordinated liabilities		602	602	602
<b>Total liabilities</b>		<b>112,940</b>	<b>111,588</b>	<b>114,946</b>
<b>Total equity</b>		<b>7,031</b>	<b>6,925</b>	<b>6,724</b>
<b>Total liabilities and equity</b>	5, 6	<b>119,971</b>	<b>118,513</b>	<b>121,670</b>

# Statement of cash flow

SEK million	Q1 2024	Q1 2023	Full-year 2023
<b>Opening cash and cash equivalents</b>	<b>218</b>	<b>473</b>	<b>473</b>
Cash flow from operating activities	-52	-29	-70
Cash flow from investment activities	3	0	-
Cash flow from financing activities	-7	-305	-185
<b>Cash flow for the period</b>	<b>-57</b>	<b>-334</b>	<b>-255</b>
<b>Closing cash and cash equivalents</b>	<b>161</b>	<b>139</b>	<b>218</b>

# Statement of changes in equity

January – March 2024 SEK million	Share capital	Tier 1 capital	Other contrib- uted equity	Fair value reserve	Cross-currency basis spreads in fair value hedges	Retained earnings	Total
<b>Opening balance</b>	<b>2,253</b>	<b>400</b>	<b>1,017</b>	<b>-8</b>	<b>-15</b>	<b>3,278</b>	<b>6,925</b>
Comprehensive income for the period				15	-5	103	113
<b>Total change before transactions with owners and holders of Tier 1 capital instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>-5</b>	<b>103</b>	<b>113</b>
Tier 1 capital		-					0
Dividend on Tier 1 capital instruments						-7	-7
<b>Closing balance</b>	<b>2,253</b>	<b>400</b>	<b>1,017</b>	<b>8</b>	<b>-20</b>	<b>3,374</b>	<b>7,031</b>

January – December 2023 SEK million	Share capital	Tier 1 capital	Other contrib- uted equity	Fair value reserve	Cross-currency basis spreads in fair value hedges	Retained earnings	Total
<b>Opening balance</b>	<b>2,253</b>	<b>400</b>	<b>1,017</b>	<b>-14</b>	<b>-10</b>	<b>2,974</b>	<b>6,619</b>
Comprehensive income for the period				6	-4	501	503
<b>Total change before transactions with owners and holders of Tier 1 capital instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-4</b>	<b>501</b>	<b>503</b>
Tier 1 capital		0					0
Dividend on Tier 1 capital instruments						-25	-25
Shareholders' contributions						37	37
Group contributions paid						-264	-264
Tax on Group contributions paid						54	54
<b>Closing balance</b>	<b>2,253</b>	<b>400</b>	<b>1,017</b>	<b>-8</b>	<b>-15</b>	<b>3,278</b>	<b>6,925</b>

# Notes

## Note 1 Risk and capital adequacy

The total capital ratio for the consolidated situation amounted to 18.6 percent compared with 16.0 percent as of 31 March 2024 and the CET1 capital ratio was 16.5 percent (13.9). At Landshypotek Bank AB, the total capital ratio amounted to 18.8 percent (16.0) and the CET1 capital ratio was 16.2 percent (13.6). During the quarter, own funds for the consolidated situation increased a total of SEK 50 million (from SEK 7,045 million to SEK 7,094 million), primarily attributable to the bank's positive performance which contributed to the increase. Quarter-on-quarter, the minimum capital requirement decreased SEK 9 million to SEK 3,054 million mainly as a result of a lower REA for the bank's corporate exposures.

In addition to the minimum capital requirement of 8 percent of the total risk-weighted amount, the combined buffer requirement is 4.5 percent. The combined buffer requirement breaks down as 2.5 percent in the form of the capital conservation buffer and the remaining 2 percent in the form of the countercyclical capital buffer. The combined buffer requirement must be covered by CET1 capital.

The leverage ratio for the consolidated situation amounted to 5.5 percent (5.0).

The internally assessed capital requirement for the consolidated situation was SEK 5.6 billion (5.6) and should be compared with own funds of SEK 7.1 billion. The capital requirement changed marginally quarter-on-quarter.

On 21 June 2022, Finansinspektionen decided on an additional 1 percentage point increase in the countercyclical capital buffer. The countercyclical buffer of 2.0 percent applies from and including 22 June 2023. Pending Finansinspektionen's decision regarding the bank's application for a new LGD model for retail exposures, pursuant to Article 3 extra capital is being maintained corresponding to an REA of SEK 1,149 million.

## EUCC1 – Composition of regulatory own funds

SEK million	Consolidated situation <sup>1)</sup>	
	31 Mar 2024	31 Dec 2023
1 Capital instruments and the related share premium accounts	2,039	2,036
of which: member contributions	2,039	2,036
of which: share capital		
2 Retained earnings <sup>2)</sup>	4,855	4,324
3 Accumulated other comprehensive income (and other reserves)	-31	-42
EU-5a Independently reviewed interim profits net of any foreseeable charge or dividend	-152	375
<b>CET1 capital before regulatory adjustments</b>	<b>6,711</b>	<b>6,693</b>
7 Additional value adjustments	-13	-12
8 Intangible assets (net of related tax liability) (negative amount)	-45	-47
12 Negative amounts resulting from the calculation of expected loss amounts	-340	-390
27a Other regulatory adjustments	-1	-1
<b>28 Total regulatory adjustments to CET1 capital</b>	<b>-398</b>	<b>-450</b>
<b>29 CET1 capital</b>	<b>6,313</b>	<b>6,243</b>
30 Capital instruments and the related share premium accounts	-	-
31 of which: classified as equity under applicable accounting standards	-	-
34 Qualifying Tier I capital included in consolidated AT1 capital issued by subsidiaries and held by third parties	285	293
<b>44 Additional Tier 1 (AT1) capital</b>	<b>285</b>	<b>293</b>
<b>45 Tier 1 capital (T1 = CET1 + AT1)</b>	<b>6,598</b>	<b>6,536</b>
46 Capital instruments and the related share premium accounts		
48 Qualifying own funds instruments included in consolidated Tier 2 capital issued by subsidiaries and held by third parties	497	509
<b>58 Tier 2 (T2) capital</b>	<b>497</b>	<b>509</b>
<b>59 Total capital (TC = T1 + T2)</b>	<b>7,094</b>	<b>7,045</b>
<b>60 Total risk-weighted exposure amount</b>	<b>38,171</b>	<b>38,278</b>
61 CET1 capital ratio (%)	16.5	16.3
62 Tier 1 capital ratio (%)	17.3	17.1
63 Total capital (%)	18.6	18.4
64 Institution CET1 overall capital requirements (%)	10.2	10.1
65 of which: capital conservation buffer requirement (%)	2.5	2.5
66 of which: countercyclical capital buffer requirement (%)	2.0	2.0
EU-67b of which: additional own funds requirements to address risks other than the risk of excessive leverage (%) <sup>3)</sup>	1.2	1.1
68 Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements <sup>4)</sup>	8.5	8.4

<sup>1)</sup> The consolidated situation encompasses Landshypotek Ekonomisk Förening and the Landshypotek Bank AB Group.

<sup>2)</sup> Item includes other contributed equity.

<sup>3)</sup> As of 31 December 2021, Finansinspektionen's assessment of Pillar II capital requirements has been included even though the actual amounts have yet to be formally determined.

<sup>4)</sup> The calculation includes both Pillar I and Pillar II in the minimum capital requirement. Other communication from the bank only encompasses Pillar I.



continued Note 1 Capital requirements

SEK million	Consolidated situation	
	31 Mar 2024	31 Dec 2023
<b>Internally assessed capital requirement<sup>1)</sup></b>		
Pillar I capital requirement	3,054	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	785	702
Percentage of total risk-weighted exposure amount	2.1	1.8
Combined buffer requirement	1,718	1,723
Percentage of total risk-weighted exposure amount	4.5	4.5
Capital requirement, Pillar II guidance	–	–
Percentage of total risk-weighted exposure amount	–	–
<b>Total capital requirement (incl. Pillar II guidance)</b>	<b>5,556</b>	<b>5,487</b>
<b>Percentage of total risk-weighted exposure amount</b>	<b>14.6</b>	<b>14.3</b>
<b>Own funds (Tier 1 capital + Tier 2 capital)</b>	<b>7,094</b>	<b>7,045</b>
<b>Percentage of total risk-weighted exposure amount</b>	<b>18.6</b>	<b>18.4</b>
<b>Capital requirement as assessed by Finansinspektionen<sup>2)</sup></b>		
Pillar I capital requirement	3,054	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	771	773
Percentage of total risk-weighted exposure amount	2.0	2.0
Combined buffer requirement	1,718	1,723
Percentage of total risk-weighted exposure amount	4.5	4.5
Capital requirement, Pillar II guidance	–	–
Percentage of total risk-weighted exposure amount	–	–
<b>Total capital requirement (incl. Pillar II guidance)</b>	<b>5,542</b>	<b>5,558</b>
<b>Percentage of total risk-weighted exposure amount</b>	<b>14.5</b>	<b>14.5</b>
<b>Own funds (Tier 1 capital + Tier 2 capital)</b>	<b>7,094</b>	<b>7,045</b>
<b>Percentage of total risk-weighted exposure amount</b>	<b>18.6</b>	<b>18.4</b>
<b>Leverage ratio requirement<sup>3)</sup></b>		
Leverage ratio requirement	3,570	3,525
Percentage of total exposure amount for the leverage ratio	3.0	3.0
Pillar II capital requirement	–	–
Percentage of total exposure measure for the leverage ratio	–	–
Capital requirement, Pillar II guidance	357	352
Percentage of total exposure measure for the leverage ratio	0.3	0.3
<b>Total capital requirement (incl. Pillar II guidance)</b>	<b>3,927</b>	<b>3,877</b>
<b>Percentage of total exposure measure for the leverage ratio</b>	<b>3.3</b>	<b>3.3</b>
<b>Tier 1 capital</b>	<b>6,598</b>	<b>6,536</b>
<b>Percentage of total exposure amount for the leverage ratio</b>	<b>5.5</b>	<b>5.6</b>

<sup>1)</sup> Pertains to Pillar I capital requirements pursuant to the Capital Requirements Regulation (EU) No 575/2013, Pillar II capital requirements according to the bank's (ICAAP 2022) and the combined buffer requirement pursuant to the Capital Buffers Act (2014:966).

<sup>2)</sup> Pertains to Pillar I capital requirements pursuant to the Capital Requirements Regulation (EU) No 575/2013, Pillar II capital requirements according to Finansinspektionen's (SREP 2021) and the combined buffer requirement pursuant to the Capital Buffers Act (2014:966).

<sup>3)</sup> Pertains to the leverage ratio requirement pursuant to the Capital Requirements Regulation (EU) No 575/2013 and Pillar II capital requirements according to Finansinspektionen's (SREP 2021). The leverage ratio requirement was introduced in June 2021.

continued Note 1 Own funds requirement by risk, approach and exposure class

31 Mar 2024 SEK million	Consolidated situation			
	Exposure value <sup>1)</sup>	Risk-weighted exposure amount <sup>2)</sup>	Own funds requirement <sup>3)</sup>	Average risk weight <sup>4)</sup>
<b>Credit risk – IRB approach</b>	<b>105,390</b>	<b>22,281</b>	<b>1,782</b>	<b>21%</b>
Retail – real estate collateral	63,523	5,219	417	8%
Corporates	41,772	16,967	1,357	41%
Other non-credit-obligation assets	95	95	8	100%
<b>Credit risk – Standardised approach</b>	<b>14,686</b>	<b>1,290</b>	<b>103</b>	<b>9%</b>
Central governments or central banks	309	0	0	0%
Regional governments or local authorities	5,720	0	0	0%
Institutions	1,209	422	34	35%
Corporates	9	9	1	100%
Retail	36	24	2	67%
Secured by mortgage liens on immovable property	304	123	10	40%
Exposures in default	2	3	0	133%
Covered bonds	7,096	710	57	10%
<b>Operational risk – Basic indicator approach</b>		<b>2,039</b>	<b>163</b>	
<b>Credit valuation adjustment risk – Standardised approach</b>	<b>1,048</b>	<b>749</b>	<b>60</b>	<b>72%</b>
<b>Additional risk exposure amount under Article 458 CRR (risk-weight floor)</b>		<b>10,662</b>	<b>853</b>	
<b>Additional stricter prudential requirements based on Article 3 CRR</b>		<b>1,149</b>	<b>92</b>	
<b>Total</b>	<b>121,123</b>	<b>38,171</b>	<b>3,054</b>	

31 Dec 2023 SEK million	Consolidated situation			
	Exposure value <sup>1)</sup>	Risk-weighted exposure amount <sup>2)</sup>	Own funds requirement <sup>3)</sup>	Average risk weight <sup>4)</sup>
<b>Credit risk – IRB approach</b>	<b>105,103</b>	<b>22,701</b>	<b>1,816</b>	<b>22%</b>
Retail – real estate collateral	63,865	5,224	418	8%
Corporates	41,134	17,372	1,390	42%
Other non-credit-obligation assets	104	104	8	100%
<b>Credit risk – Standardised approach</b>	<b>13,379</b>	<b>1,217</b>	<b>97</b>	<b>9%</b>
Central governments or central banks	14	0	0	0%
Regional governments or local authorities	5,024	0	0	0%
Institutions	1,130	370	30	33%
Corporates	9	9	1	100%
Retail	28	20	2	72%
Secured by mortgage liens on immovable property	305	128	10	42%
Exposures in default	2	3	0	131%
Covered bonds	6,866	687	55	10%
<b>Operational risk – Basic indicator approach</b>		<b>1,826</b>	<b>146</b>	
<b>Credit valuation adjustment risk – Standardised approach</b>	<b>911</b>	<b>644</b>	<b>52</b>	<b>71%</b>
<b>Additional risk exposure amount under Article 458 CRR (risk-weight floor)</b>		<b>10,742</b>	<b>859</b>	
<b>Additional stricter prudential requirements based on Article 3 CRR</b>		<b>1,149</b>	<b>92</b>	
<b>Total</b>	<b>119,392</b>	<b>38,278</b>	<b>3,062</b>	

<sup>1)</sup> Exposure value calculated in accordance with the CRR.

<sup>2)</sup> After application of the relevant risk weights. Risk weights for the IRB approach are based on internal risk classification and internal historical data while risk weights as prescribed in the CRR are applied for the standardised approach.

<sup>3)</sup> Calculated by multiplying the risk-weighted exposure amount by 8 percent. Does not include any buffer requirements.

<sup>4)</sup> Calculated by dividing the risk-weighted exposure amounts by exposure value for the respective risk/exposure class.

continued Note 1 EU KM1 – Key metrics template

SEK million	Consolidated situation				
	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
<b>Available own funds (amounts)</b>					
1 CET1 capital	6,313	6,243	6,038	5,965	5,726
2 Tier 1 capital	6,598	6,536	6,335	6,263	6,040
3 Total capital	7,094	7,045	6,849	6,778	6,588
<b>Risk-weighted exposure amount</b>					
4 Total risk-weighted exposure amount	38,171	38,278	38,038	37,919	41,196
<b>Capital ratios (as a percentage of REA)</b>					
5 CET1 capital ratio (%)	16.5	16.3	15.9	15.7	13.9
6 Tier 1 capital ratio (%)	17.3	17.1	16.7	16.5	14.7
7 Total capital ratio (%)	18.6	18.4	18.0	17.9	16.0
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of REA)</b>					
EU 7a Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.0	2.0	2.0	2.0	2.0
EU 7b of which: to be made up of CET1 capital (percentage points)	1.1	1.1	1.1	1.1	1.1
EU 7c of which: to be made up of Tier 1 capital (percentage points)	1.5	1.5	1.5	1.5	1.5
EU 7d Total SREP own funds requirements (%)	10.0	10.0	10.0	10.0	10.0
<b>Combined buffer and overall capital requirements (as a percentage of risk-weighted exposure amount)</b>					
8 Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9 Institution-specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	1.0
11 Combined buffer requirement (%)	4.5	4.5	4.5	4.5	3.5
EU 11a Overall capital requirements (%)	14.5	14.5	14.5	14.5	13.5
12 CET1 available after meeting the total SREP own funds requirements (%)	8.6	8.4	8.0	7.9	6.0
<b>Leverage ratio</b>					
13 Total exposure measure	119,005	117,497	122,066	122,534	120,268
14 Leverage ratio (%)	5.5	5.6	5.2	5.1	5.0
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>					
EU 14a Additional own funds requirements to address the risk of excessive leverage (%)	–	–	–	–	–
EU 14b of which: to be made up of CET1 capital (percentage points)	–	–	–	–	–
EU 14c Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>					
EU 14d Leverage ratio buffer requirement (%)	–	–	–	–	–
EU 14e Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
<b>Liquidity coverage ratio</b>					
15 Total high-quality liquid assets (HQLA) (weighted value – average)	10,592	10,827	12,909	13,493	10,515
EU 16a Cash outflows – total weighted value	3,655	3,598	4,537	3,546	3,791
EU 16b Cash inflows – total weighted value	446	341	197	204	270
16 Total net cash outflows (adjusted value)	3,209	3,257	4,340	3,342	3,521
17 Liquidity coverage ratio (%)	330.0	332.0	297.0	404.0	299.0
<b>Net stable funding ratio</b>					
18 Total available stable funding	100,900	100,848	101,960	106,014	102,368
19 Total required stable funding	85,319	84,915	84,991	85,816	85,900
20 Net stable funding ratio (%)	118.3	118.3	120.0	123.5	119.2

Finansinspektionen's Pillar II capital requirements have been included in the above table even though the actual amounts have yet to be formally determined.



continued Note 1 EU CC1 – Composition of regulatory own funds

SEK million	Landshypotek Bank AB	
	31 Mar 2024	31 Dec 2023
1 Capital instruments and the related share premium accounts	2,253	2,253
of which: member contributions		
of which: share capital	2,253	2,253
2 Retained earnings <sup>1)</sup>	4,287	3,794
3 Accumulated other comprehensive income (and other reserves)	-12	-22
EU-5a Independently reviewed interim profits net of any foreseeable charge or dividend	51	497
<b>6 CET1 capital before regulatory adjustments</b>	<b>6,579</b>	<b>6,521</b>
7 Additional value adjustments	-13	-12
8 Intangible assets (net of related tax liability) (negative amount)	-45	-47
12 Negative amounts resulting from the calculation of expected loss amounts	-340	-390
27a Other regulatory adjustments	-1	-1
<b>28 Total regulatory adjustments to CET1 capital</b>	<b>-398</b>	<b>-450</b>
<b>29 CET1 capital</b>	<b>6,181</b>	<b>6,071</b>
30 Capital instruments and the related share premium accounts	400	400
31 of which: classified as equity under applicable accounting standards	400	400
34 Qualifying Tier 1 capital included in consolidated AT1 capital issued by subsidiaries and held by third parties	–	–
<b>44 Additional Tier 1 (AT1) capital</b>	<b>400</b>	<b>400</b>
<b>45 Tier 1 capital (T1 = CET1 + AT1)</b>	<b>6,581</b>	<b>6,471</b>
46 Capital instruments and the related share premium accounts	600	600
48 Qualifying own funds instruments included in consolidated Tier 2 capital issued by subsidiaries and held by third parties		
<b>58 Tier 2 (T2) capital</b>	<b>600</b>	<b>600</b>
<b>59 Total capital (TC = T1 + T2)</b>	<b>7,181</b>	<b>7,071</b>
<b>60 Total risk-weighted exposure amount</b>	<b>38,171</b>	<b>38,277</b>
61 CET1 capital ratio (%)	16.2	15.9
62 Tier 1 capital ratio (%)	17.2	16.9
63 Total capital (%)	18.8	18.5
64 Institution CET1 overall capital requirements (%)	10.2	10.1
65 of which: capital conservation buffer requirement (%)	2.5	2.5
66 of which: countercyclical capital buffer requirement (%)	2.0	2.0
EU-67b of which: additional own funds requirements to address risks other than the risk of excessive leverage (%) <sup>2)</sup>	1.2	1.1
68 Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements <sup>3)</sup>	8.8	8.5

<sup>1)</sup> Item includes other contributed equity

<sup>2)</sup> As of 31 December 2021, Finansinspektionen's assessment of Pillar II capital requirements has been included even though the actual amounts have yet to be formally determined.

<sup>3)</sup> The calculation includes both Pillar I and Pillar II in the minimum capital requirement. Other communication from the bank only encompasses Pillar I.

continued Note 1 Capital requirements

SEK million	Landshypotek Bank AB	
	31 Mar 2024	31 Dec 2023
<b>Internally assessed capital requirement<sup>1)</sup></b>		
Pillar I capital requirement	3,054	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	785	702
Percentage of total risk-weighted exposure amount	2.1	1.8
Combined buffer requirement	1,718	1,722
Percentage of total risk-weighted exposure amount	4.5	4.5
Capital requirement, Pillar II guidance	–	–
Percentage of total risk-weighted exposure amount	–	–
<b>Total capital requirement (incl. Pillar II guidance)</b>	<b>5,556</b>	<b>5,487</b>
<b>Percentage of total risk-weighted exposure amount</b>	<b>14.6</b>	<b>14.3</b>
<b>Own funds (Tier 1 capital + Tier 2 capital)</b>	<b>7,181</b>	<b>7,071</b>
<b>Percentage of total risk-weighted exposure amount</b>	<b>18.8</b>	<b>18.5</b>
<b>Capital requirement as assessed by Finansinspektionen<sup>2)</sup></b>		
Pillar I capital requirement	3,054	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	771	773
Percentage of total risk-weighted exposure amount	2.0	2.0
Combined buffer requirement	1,718	1,722
Percentage of total risk-weighted exposure amount	4.5	4.5
Capital requirement, Pillar II guidance	–	–
Percentage of total risk-weighted exposure amount	–	–
<b>Total capital requirement (incl. Pillar II guidance)</b>	<b>5,542</b>	<b>5,558</b>
<b>Percentage of total risk-weighted exposure amount</b>	<b>14.5</b>	<b>14.5</b>
<b>Own funds (Tier 1 capital + Tier 2 capital)</b>	<b>7,181</b>	<b>7,071</b>
<b>Percentage of total risk-weighted exposure amount</b>	<b>18.8</b>	<b>18.5</b>
<b>Leverage ratio requirement<sup>3)</sup></b>		
Leverage ratio requirement	3,570	3,525
Percentage of total exposure amount for the leverage ratio	3.0	3.0
Pillar II capital requirement	–	–
Percentage of total exposure measure for the leverage ratio	–	–
Capital requirement, Pillar II guidance	–	–
Percentage of total exposure measure for the leverage ratio	–	–
<b>Total capital requirement (incl. Pillar II guidance)</b>	<b>3,570</b>	<b>3,525</b>
<b>Percentage of total risk-weighted exposure amount</b>	<b>3.0</b>	<b>3.0</b>
<b>Tier 1 capital</b>	<b>6,581</b>	<b>6,471</b>
<b>Percentage of total exposure amount for the leverage ratio</b>	<b>5.5</b>	<b>5.5</b>

<sup>1)</sup> Pertains to Pillar I capital requirements pursuant to the Capital Requirements Regulation (EU) No 575/2013, Pillar II capital requirements according to the bank's (ICAAP 2022) and the combined buffer requirement pursuant to the Capital Buffers Act (2014:966).

<sup>2)</sup> Pertains to Pillar I capital requirements pursuant to the Capital Requirements Regulation (EU) No 575/2013, Pillar II capital requirements according to Finansinspektionen's (SREP 2021) and the combined buffer requirement pursuant to the Capital Buffers Act (2014:966).

<sup>3)</sup> Pertains to the leverage ratio requirement pursuant to the Capital Requirements Regulation (EU) No 575/2013 and Pillar II capital requirements according to Finansinspektionen's (SREP 2021). The leverage ratio requirement was introduced in June 2021.

continued Note 1 Own funds requirement by risk, approach and exposure class

	Landshypotek Bank AB			
31 Mar 2024 SEK million	Exposure value <sup>1)</sup>	Risk-weighted exposure amount <sup>2)</sup>	Own funds requirement <sup>3)</sup>	Average risk weight <sup>4)</sup>
<b>Credit risk – IRB approach</b>	<b>105,389</b>	<b>22,280</b>	<b>1,782</b>	<b>21%</b>
Retail – real estate collateral	63,523	5,219	417	8%
Corporates	41,772	16,967	1,357	41%
Other non-credit-obligation assets	94	94	8	100%
<b>Credit risk – Standardised approach</b>	<b>14,687</b>	<b>1,291</b>	<b>103</b>	<b>9%</b>
Central governments or central banks	309	0	0	0%
Regional governments or local authorities	5,720	0	0	0%
Institutions	1,209	422	34	35%
Corporates	9	9	1	100%
Retail	37	25	2	67%
Secured by mortgage liens on immovable property	304	123	10	40%
Exposures in default	2	3	0	133%
Covered bonds	7,096	710	57	10%
<b>Operational risk – Basic indicator approach</b>		<b>2,039</b>	<b>163</b>	
<b>Credit valuation adjustment risk – Standardised approach</b>	<b>1,048</b>	<b>749</b>	<b>60</b>	<b>72%</b>
<b>Additional risk exposure amount under Article 458 CRR (risk-weight floor)</b>		<b>10,662</b>	<b>853</b>	
<b>Additional stricter prudential requirements based on Article 3 CRR</b>		<b>1,149</b>	<b>92</b>	
<b>Total</b>	<b>121,124</b>	<b>38,171</b>	<b>3,054</b>	

	Landshypotek Bank AB			
31 Dec 2023 SEK million	Exposure value <sup>1)</sup>	Risk-weighted exposure amount <sup>2)</sup>	Own funds requirement <sup>3)</sup>	Average risk weight <sup>4)</sup>
<b>Credit risk – IRB approach</b>	<b>105,101</b>	<b>22,699</b>	<b>1,816</b>	<b>22%</b>
Retail – real estate collateral	63,865	5,224	418	8%
Corporates	41,134	17,372	1,390	42%
Other non-credit-obligation assets	103	103	8	100%
<b>Credit risk – Standardised approach</b>	<b>13,378</b>	<b>1,217</b>	<b>97</b>	<b>9%</b>
Central governments or central banks	14	0	0	0%
Regional governments or local authorities	5,024	0	0	0%
Institutions	1,129	370	30	33%
Corporates	9	9	1	100%
Retail	29	21	2	72%
Secured by mortgage liens on immovable property	305	128	10	42%
Exposures in default	2	3	0	131%
Covered bonds	6,866	687	55	10%
<b>Operational risk – Basic indicator approach</b>		<b>1,826</b>	<b>146</b>	
<b>Credit valuation adjustment risk – Standardised approach</b>	<b>911</b>	<b>644</b>	<b>52</b>	<b>71%</b>
<b>Additional risk exposure amount under Article 458 CRR (risk-weight floor)</b>		<b>10,742</b>	<b>859</b>	
<b>Additional stricter prudential requirements based on Article 3 CRR</b>		<b>1,149</b>	<b>92</b>	
<b>Total</b>	<b>119,390</b>	<b>38,277</b>	<b>3,062</b>	

<sup>1)</sup> Exposure value calculated in accordance with the CRR.

<sup>2)</sup> After application of the relevant risk weights. Risk weights for the IRB approach are based on internal risk classification and internal historical data while risk weights as prescribed in the CRR are applied for the standardised approach.

<sup>3)</sup> Calculated by multiplying the risk-weighted exposure amount by 8 percent. Does not include any buffer requirements.

<sup>4)</sup> Calculated by dividing the risk-weighted exposure amounts by exposure value for the respective risk/exposure class.



continued Note 1 EU KM1 – Key metrics template

		Landshypotek Bank AB				
SEK million		31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
<b>Available own funds (amounts)</b>						
1	CET1 capital	6,181	6,071	5,962	5,906	5,599
2	Tier 1 capital	6,581	6,471	6,362	6,306	5,999
3	Total capital	7,181	7,071	6,962	6,906	6,599
<b>Risk-weighted exposure amount</b>						
4	Total risk-weighted exposure amount	38,171	38,277	38,037	37,919	41,197
<b>Capital ratios (as a percentage of REA)</b>						
5	CET1 capital ratio (%)	16.2	15.9	15.7	15.6	13.6
6	Tier 1 capital ratio (%)	17.2	16.9	16.7	16.6	14.6
7	Total capital ratio (%)	18.8	18.5	18.3	18.2	16.0
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of REA)</b>						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.0	2.0	2.0	2.0	2.0
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.1	1.1	1.1	1.1	1.1
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.5	1.5	1.5	1.5	1.5
EU 7d	Total SREP own funds requirements (%)	10.0	10.0	10.0	10.0	10.0
<b>Combined buffer and overall capital requirements (as a percentage of risk-weighted exposure amount)</b>						
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9	Institution-specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	1.0
11	Combined buffer requirement (%)	4.5	4.5	4.5	4.5	3.5
EU 11a	Overall capital requirements (%)	14.5	14.5	14.5	14.5	13.5
12	CET1 available after meeting the total SREP own funds requirements (%)	8.8	8.5	8.3	8.2	6.0
<b>Leverage ratio</b>						
13	Total exposure measure	119,005	117,494	122,065	122,534	120,267
14	Leverage ratio (%)	5.5	5.5	5.2	5.1	5.0
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	–	–	–	–	–
EU 14b	of which: to be made up of CET1 capital (percentage points)	–	–	–	–	–
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>						
EU 14d	Leverage ratio buffer requirement (%)	–	–	–	–	–
EU 14e	Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
<b>Liquidity coverage ratio</b>						
15	Total high-quality liquid assets (HQLA) (weighted value – average)	10,592	10,827	12,909	13,493	10,515
EU 16a	Cash outflows – total weighted value	3,655	3,598	4,537	3,546	3,791
EU 16b	Cash inflows – total weighted value	446	341	197	204	270
16	Total net cash outflows (adjusted value)	3,209	3,257	4,340	3,342	3,521
17	Liquidity coverage ratio (%)	330.0	332.0	297.0	404.0	299.0
<b>Net stable funding ratio</b>						
18	Total available stable funding	100,571	100,480	101,920	105,976	102,099
19	Total required stable funding	85,320	84,916	84,992	85,818	85,902
20	Net stable funding ratio (%)	117.9	118.3	119.9	123.5	118.9

Finansinspektionen's Pillar II capital requirements have been included in the above table even though the actual amounts have yet to be formally determined.

## Note 2 Net interest income

SEK million	Q1 2024	Q1 2023	Q4 2023	Full-year 2023
<b>Interest income</b>				
Interest income on loans to credit institutions	2	0	0	2
Interest income on loans to the public	1,198	857	1,195	4,200
Interest income on interest-bearing securities	109	67	116	430
Other interest income	4	4	3	18
<b>Total interest income</b>	<b>1,313</b>	<b>928</b>	<b>1,315</b>	<b>4,649</b>
<b>Interest expenses</b>				
Interest expenses for liabilities to credit institutions	-13	-7	-11	-23
Interest expenses for deposits from the public	-272	-154	-275	-882
Interest expenses for interest-bearing securities	-639	-432	-635	-2,251
Interest expenses for subordinated liabilities	-8	-6	-8	-27
Interest expenses for derivative instruments	-88	0	-69	-170
Other interest expenses	-16	-17	-16	-67
<b>Total interest expenses</b>	<b>-1,036</b>	<b>-616</b>	<b>-1,013</b>	<b>-3,419</b>
<b>Total net interest income</b>	<b>278</b>	<b>312</b>	<b>302</b>	<b>1,230</b>

All interest income is attributable to the Swedish market.

## Note 3 Net credit losses

SEK million	Q1 2024	Q1 2023	Q4 2023	Full-year 2023
Change in credit loss allowance, Stage 1	0	-1	0	-1
Change in credit loss allowance, Stage 2	1	0	0	2
<b>Net credit losses, non-credit-impaired lending</b>	<b>1</b>	<b>-1</b>	<b>-1</b>	<b>1</b>
Change in credit loss allowance, Stage 3	-1	4	2	14
Write-off for the period for confirmed losses	0	-2	-4	-12
Recoveries of previously confirmed losses	0	0	1	2
<b>Net credit losses, credit-impaired lending</b>	<b>0</b>	<b>3</b>	<b>-1</b>	<b>4</b>
<b>Total net credit losses</b>	<b>0</b>	<b>2</b>	<b>-1</b>	<b>5</b>

No properties were taken over in foreclosure to protect claims.

### Recognition of loss allowance

The bank recognises expected credit losses for financial assets and off-balance-sheet exposures in the credit portfolio, and for the parts of the liquidity portfolio that are classified as financial assets at FVTOCI.

Each asset is categorised to one of three stages:

- Stage 1 comprises performing assets with no significant increase in credit risk compared with initial recognition;
- Stage 2 comprises performing assets with significant increase in credit risk compared with initial recognition; and
- Stage 3 comprises defaulted loans.

### Establishing significant increase in credit risk

To establish whether a loan asset has a significantly increased credit risk compared with the credit risk on initial recognition, among other actions, the bank measures how the asset's PD risk class has deteriorated since the asset arose. If the risk classification exceeds the bank's limits for increased credit risk, the asset is classified as Stage 2.

The bank's definition of default corresponds with that set out in external capital adequacy rules.

### Individually assessed stage 3 credits

ECLs for Stage 3 assets are estimated mainly through individual and manual valuation of expected losses based on three scenarios. The assessment is based on current information that takes into consideration macro-economic and borrower-specific factors that could impact future cash flows, such as current and expected economic conditions, time until recovery and the value of pledged collateral.

### Measurement

For Stage 1 assets, the loss allowance is calculated at an amount corresponding to 12-months' expected credit losses. For assets in stages 2 and 3, the loss allowance corresponds to the expected credit losses (ECLs) for the assets' remaining term.

The bank's expected credit losses are subject to continual assessment at both individual and collective levels. The estimates are based on internally developed statistical models that take into consideration historical data and probability weighted forward-looking macro-economic scenarios.

The most important input data used to measure ECLs is:

- Probability of Default (PD) – estimates the probability of an agreement entering into default;
- Loss Given Default (LGD) – the assessment of how much of the exposure value that Landshypotek Bank stands to lose in the event of default;
- Exposure At Default (EAD) – an estimated credit exposure at a future default date after taking into account expected changes in credit exposure in the form of, inter alia, limit utilisation, extra capital repayments, early redemption and expected risk of default; and

- The expected maturity matches the term of the agreement, limited to not longer than 30 years.

In the majority of the credit portfolio agreements, PD and LGD are based on internal historical data and utilise the bank's capital adequacy IRB models (see description in Landshypotek Bank's Information regarding capital adequacy and risk management 2023). The estimates have been recalibrated to capture the current financial position. For agreements in the bank's liquidity portfolio, ECLs are estimated based on, inter alia, the default rates in the rating matrices from an international rating agency.

In estimating the future risk, PD and LGD are affected by forecasts for future economic development through macro-economic scenarios.

### Probability weighted macro-economic scenarios

The calculation model weighs together the ECL outcomes based on three macro-economic scenarios (base, improved and deteriorated) for annual expected credit losses over the assets' lifetimes.

In the case of the credit portfolio, one of the bank's scenarios includes the macro parameters for interest, GDP and the property price index. The macro parameters are based on forecasts from reputable, external sources and the assessments of internal experts. Parameter projections are made for the first five years and, thereafter, the scenario returns to a long-term expected trend of up till 30 years for the macro parameters. The bank's three scenarios for future economic developments (base, improved and deteriorated) are weighed together using the likelihood of 45 percent for the base and deteriorated scenarios and 10 percent for the improved scenario.

In general, a deterioration in the future economic trend will lead to increased credit loss allowances based either on the projected macro parameters or on an increase in the likelihood of the deteriorated scenario taking place. In the same way, improvements in the future economic development will lead to lower credit loss allowances.

An example follows of what the bank's credit loss allowance would look like if the respective improved or the deteriorated scenarios were assigned a probability of 100 percent, which would impact the mechanically calculated credit loss allowances (individually assessed stage 3 credits have not been included). For more information, refer to Note 4.

Scenario	Expected credit loss
Current loss allowance (including credit reserves for loan commitments are included in the balance-sheet item Provisions)	SEK 17.7 million
Improved scenario	SEK 18.2 million
Deteriorated scenario	SEK 16.7 million

## Note 4 Loans to the public

SEK million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Loan receivables, stage 1	101,528	99,134	101,118
Loan receivables, stage 2	2,661	5,758	2,694
Loan receivables, stage 3	904	791	957
<b>Gross loan receivables</b>	<b>105,093</b>	<b>105,683</b>	<b>104,769</b>
Less credit loss allowance	-17	-30	-18
<b>Net loan receivables</b>	<b>105,076</b>	<b>105,653</b>	<b>104,751</b>
<b>Disclosures on past due loan receivables, gross</b>			
Loan receivables past due, 5–90 days	15	5	25
Loan receivables past due, more than 90 days	319	254	355
<b>Total past due loan receivables, gross</b>	<b>334</b>	<b>259</b>	<b>380</b>

Gross loan receivables January – March 2024 SEK million	Non-credit-impaired lending		Credit-impaired lending	Total
	Stage 1	Stage 2	Stage 3	
<b>Opening balance</b>	<b>101,118</b>	<b>2,694</b>	<b>958</b>	<b>104,769</b>
Increases in loan receivables due to origination and acquisition	2,782	8		2,789
Decreases in loan receivables due to derecognition	-2,317	-74	-73	-2,464
Decrease in loan receivables due to confirmed losses			-2	-2
<b>Migration between stages</b>				
from 1 to 2	-346	346		–
from 1 to 3	-10		10	–
from 2 to 1	292	-292		–
from 2 to 3		-43	43	–
from 3 to 2		24	-24	–
from 3 to 1	9		-9	–
<b>Closing balance</b>	<b>101,528</b>	<b>2,661</b>	<b>904</b>	<b>105,093</b>

Gross loan receivables January – December 2023 SEK million	Non-credit-impaired lending		Credit-impaired lending	Total
	Stage 1	Stage 2	Stage 3	
<b>Opening balance</b>	<b>98,834</b>	<b>6,131</b>	<b>715</b>	<b>105,680</b>
Increases in loan receivables due to origination and acquisition	9,919	72	23	10,014
Decreases in loan receivables due to derecognition	-10,180	-559	-174	-10,913
Decrease in loan receivables due to confirmed losses			-12	-12
<b>Migration between stages</b>				
from 1 to 2	-1,431	1,431		–
from 1 to 3	-213		213	–
from 2 to 1	4,173	-4,173		–
from 2 to 3		-231	231	–
from 3 to 2		22	-22	–
from 3 to 1	15		-15	–
<b>Closing balance</b>	<b>101,118</b>	<b>2,694</b>	<b>958</b>	<b>104,769</b>

*continued* Loans to the public

Credit loss allowance January – March 2024 SEK million	Non-credit-impaired lending		Credit-impaired lending	Total credit loss allowance lending	Of which credit loss allowance for balance-sheet assets	Of which provisions for off-balance- sheet exposures
	Stage 1	Stage 2	Stage 3			
<b>Opening balance</b>	-4	-6	-8	-18	-18	0
Increases due to origination and acquisition	0	0	0	0	-1	0
Decreases due to derecognition	0	0	0	0	0	0
Decrease in allowance due to write-offs	–	–	0	0	0	–
Changes due to change in credit risk	0	0	0	0	0	0
Changes due to update in the methodology for estimation	0	0	0	1	1	–
<b>Migration between stages</b>						
from 1 to 2	0	-1	0	0	0	0
from 1 to 3	0	0	0	0	0	0
from 2 to 1	0	0	0	0	0	0
from 2 to 3	0	0	0	0	0	0
from 3 to 2	0	0	0	0	0	0
from 3 to 1	0	0	0	0	0	0
<b>Closing balance</b>	-4	-4	-8	-17	-17	0

Credit loss allowance January – December 2023 SEK million	Non-credit-impaired lending		Credit-impaired lending	Total credit loss allowance lending	Of which credit loss allowance for balance-sheet assets	Of which provisions for off-balance- sheet exposures
	Stage 1	Stage 2	Stage 3			
<b>Opening balance</b>	-3	-8	-22	-33	-33	0
Increases due to origination and acquisition	-1	-1	0	-2	-2	0
Decreases due to derecognition	1	0	0	1	1	0
Decrease in allowance due to write-offs	–	–	12	12	12	–
Changes due to change in credit risk	-1	0	2	2	2	0
Changes due to update in the methodology for estimation	0	0	0	1	1	–
<b>Migration between stages</b>						
from 1 to 2	0	-2		-2	-2	
from 1 to 3	0		-1	-1	-1	
from 2 to 1	0	3		3	3	
from 2 to 3		1	-1	0	0	
from 3 to 2		0	1	1	1	
from 3 to 1	0		0	0	0	
<b>Closing balance</b>	-4	-6	-8	-18	-18	0

Collateral exists in the form of immovable property for lending. For more information about the recognition of credit loss allowances, and estimates and critical assessments, refer to Note 3.



## Note 5 Fair-value hierarchy for financial instruments

SEK million	31 Mar 2024				31 Dec 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets at FVTOCI</b>								
Eligible treasury bills, etc.	3,884			3,884	3,881			3,881
Bonds and other interest-bearing securities	8,933			8,933	8,009			8,009
<b>Derivatives identified as hedging instruments</b>								
Interest-rate swaps		1,345		1,345		1,400		1,400
Cross-currency interest-rate swaps		547		547		447		447
<b>Total assets measured at fair value</b>	<b>12,816</b>	<b>1,893</b>	<b>–</b>	<b>14,709</b>	<b>11,890</b>	<b>1,847</b>	<b>–</b>	<b>13,737</b>
<b>Derivatives identified as hedging instruments</b>								
Interest-rate swaps		1,786		1,786		1,822		1,822
Cross-currency interest-rate swaps		22		22		22		22
<b>Total liabilities measured at fair value</b>	<b>–</b>	<b>1,808</b>	<b>–</b>	<b>1,808</b>	<b>–</b>	<b>1,845</b>	<b>–</b>	<b>1,845</b>

No transfers were made between the levels. Level 1 only comprises listed mortgage bonds and bonds issued by municipalities and county councils. Level 2 comprises derivative instruments and financial liabilities for which there are well-established measuring models based on market data.

### Level 1

The fair value of financial instruments traded on an active market is based on the bid price of quoted market prices.

### Level 2

The fair values of financial instruments and derivative instruments not traded on an active market are calculated using the valuation technique of discounting future cash flows. Quoted market rates for the tenor in question are used for discounting. In all cases, listed swap curves are utilised as the basis for measurement. Listed credit spreads relative to the interest-rate swap curve were utilised for measuring the value of bond assets. The interest-rate and cross-currency basis swap curves are used for measurement of interest-rate and cross-currency interest-rate swaps, respectively. Accrued interest is not included in the calculation of fair value.

### Level 3

Input for assets/liabilities that are not based on observable market data.

## Note 6 Fair Value Disclosures

SEK million	31 Mar 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Assets</b>				
Cash and balances with central banks	270	270	0	0
Eligible treasury bills	3,884	3,884	3,881	3,881
Loans to credit institutions	161	161	218	218
Loans to the public	105,076	106,101	104,751	105,919
Bonds and other interest-bearing securities	8,933	8,933	8,009	8,009
Derivatives	1,893	1,893	1,847	1,847
<b>Total assets</b>	<b>120,217</b>	<b>121,241</b>	<b>118,706</b>	<b>119,874</b>
<b>Liabilities and provisions</b>				
Liabilities to credit institutions	1,681	1,681	552	552
Deposits from the public	28,533	28,533	29,080	29,080
Debt securities issued, etc.	79,728	79,245	78,750	82,589
Derivatives	1,808	1,808	1,845	1,845
Subordinated liabilities	602	597	602	570
Other liabilities	409	409	291	291
<b>Total liabilities</b>	<b>112,762</b>	<b>112,273</b>	<b>111,120</b>	<b>114,927</b>

# Alternative performance measures

Alternative performance measures (APMs) are financial metrics of historical or future performance, financial position or cash flows that are not defined in the applicable rules for financial reporting (for example, IFRS or the Swedish Annual Accounts Act for Credit Institutions and Securities Companies) nor in the capital adequacy rules. The bank uses APMs when these are relevant for the presentation and follow-up of the bank's financial

performance over time and when these metrics are deemed by the bank to provide additional valuable information to readers of the financial reports.

APMs can be calculated with various approaches and, accordingly, the bank's metrics are not directly comparable with similar metrics presented by other companies. The definitions of the APMs are set out below.

Key financial ratios	Definition
Change in loans to the public, %	The percentage increase in loans to the public during the period.
Interest margin, LTM, %	Net interest income over the last 12 months in relation to average lending during the period.
Change in deposits from the public, %	The percentage increase in deposits from the public during the period.
C/I ratio including financial transactions	Costs in relation to income including the net result of financial transactions.
C/I ratio excluding financial transactions	Costs in relation to income excluding the net result of financial transactions.
Credit loss level, %	Net credit losses for the period restated on an annualised basis in relation to average lending during the period.
Credit-impaired assets	Credit-impaired assets, gross after deduction of provisions made.
Net credit-impaired assets after allowances as a percentage of total loans outstanding, %	Net credit-impaired assets in relation to loans to the public.
Leverage ratio, %	Tier 1 capital relative to exposure measure.
CET1 capital ratio, %	CET1 capital relative to risk-weighted assets.
Total capital ratio, %	Own funds relative to risk-weighted assets.
Return on equity, %	Net profit for the year divided by average equity after adjustment for Tier 1 capital debt.
Earnings per share, SEK	Net profit for the year in relation to the number of shares.

SEK million	Q1 2024	Q1 2023	Q4 2023	Full-year 2023
Change in loans to the public	325	6	73	-897
Opening balance, loans to the public	104,751	105,647	104,678	105,647
<b>Change in loans to the public, %</b>	<b>0.3</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.8</b>
Net interest income, accumulated LTM	1,195	1,149	1,230	1,230
Average loans to the public, LTM	103,420	105,658	105,341	105,341
<b>Interest margin, LTM, %</b>	<b>1.16</b>	<b>1.09</b>	<b>1.17</b>	<b>1.17</b>
Change in deposits from the public	-546	3,672	-382	5,584
Opening balance deposits from the public	29,080	23,496	29,462	23,496
<b>Change in deposits from the public, %</b>	<b>-1.9</b>	<b>15.6</b>	<b>-1.3</b>	<b>23.8</b>
Costs before credit losses	-153	-151	-164	-589
Total operating income	284	312	291	1220
<b>C/I ratio including financial transactions</b>	<b>0.54</b>	<b>0.49</b>	<b>0.56</b>	<b>0.48</b>
Costs before credit losses	-153	-151	-164	-589
Total operating income excluding financial transactions	279	313	303	1234
<b>C/I ratio excluding financial transactions</b>	<b>0.55</b>	<b>0.48</b>	<b>0.54</b>	<b>0.48</b>
Net credit losses calculated on a full-year basis	2	6	-6	5
Average loans to the public, LTM	103,420	105,658	105,341	105,341
<b>Credit loss level, %<sup>1</sup></b>	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>-</b>
Credit-impaired assets, gross	904	791	957	957
Less provisions made	-17	-18	-18	-18
<b>Credit-impaired assets, net</b>	<b>887</b>	<b>773</b>	<b>939</b>	<b>939</b>
Credit-impaired assets, net	0	773	939	939
Loans to the public	105,076	105,653	104,751	104,751
<b>Net credit-impaired assets after allowances as a percentage of total loans outstanding, %</b>	<b>0.00</b>	<b>0.73</b>	<b>0.90</b>	<b>0.90</b>
Tier 1 capital	6,581	5,999	6,471	6,471
Exposure measure	119,005	120,410	117,513	117,513
<b>Leverage ratio, %</b>	<b>5.5</b>	<b>5.0</b>	<b>5.5</b>	<b>5.5</b>
CET1 capital	6,181	5,599	6,071	6,071
Total risk-weighted exposure amount	38,171	41,197	38,276	38,276
<b>CET1 capital ratio, %</b>	<b>16.2</b>	<b>13.6</b>	<b>15.9</b>	<b>15.9</b>
Own funds	7,181	6,599	7,071	7,071
Total risk-weighted exposure amount	38,171	41,197	38,276	38,276
<b>Total capital ratio, %</b>	<b>18.8</b>	<b>16.0</b>	<b>18.5</b>	<b>18.5</b>
Profit after tax				501
Average LTM equity				6,474
<b>Return on equity, %</b>				<b>7.7</b>
Profit after tax				501
Number of shares, million				2
<b>Earnings per share, SEK</b>				<b>222.4</b>

<sup>1</sup> An outcome is only presented in the case of a negative earnings impact.

## Reporting calendar 2024

*Landshypotek Bank's reports are available at:*

[www.landshypotek.se/en/about-landshypotek/about-landshypotek-bank/](http://www.landshypotek.se/en/about-landshypotek/about-landshypotek-bank/)

General Meeting	7 May 2024
Interim Report Q2	24 July 2024
Interim Report Q3	6 November 2024

## For further information, please contact:

Johan Ericson  
CFO  
+46 8 549 04 06

Per Lindblad  
Chief Executive Officer  
*Can be reached through Johan Ericson*

## Landshypotek Bank AB (publ)

Corp. Reg. No.: 556500-2762  
Box 14092  
SE-104 41 Stockholm  
[www.landshypotek.se](http://www.landshypotek.se)



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