Landshypotek Bank AB Interim report Q3 2022

January – September 2022

Per Lindblad, CEO of Landshypotek Bank, comments on the first three quarters of 2022:

We continue to develop healthily and stand securely in an increasingly uncertain world. Our strong lending growth has slowed slightly during the quarter, but we continue to grow and, on a full-year basis, lending growth remains strong. Accordingly, we continue to capture market shares as a challenger in the mortgage market and to strengthen our leading market position for lending to farming and forest entrepreneurs. We are confident in our operations and our business model, and will ensure we continue to create the right preconditions for our existing and future customers in an uncertain world.

January – September 2022

compared with January – September 2021

- Operating profit amounted to SEK 405 million (363).
- Net interest income amounted to SEK 765 million (721).
- Costs totalled SEK 397 million (357).
- Net credit losses positively impacted earnings by SEK 11 million (recoveries: 1).
- Loans to the public amounted to SEK 102.9 billion (90.6).
- Deposits from the public amounted to SEK 20.1 billion (15.0).

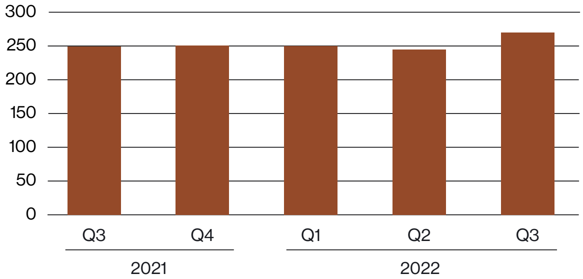
July – September 2022

compared with April – June 2022

- Operating profit amounted to SEK 181 million (102).
- Net interest income amounted to SEK 270 million (245).
- Costs totalled SEK 123 million (141).
- Net credit losses positively impacted earnings by SEK 12 million (loss: 3).
- Loans to the public amounted to SEK 102.9 billion (101.4).
- Deposits from the public amounted to SEK 20.1 billion (15.8).

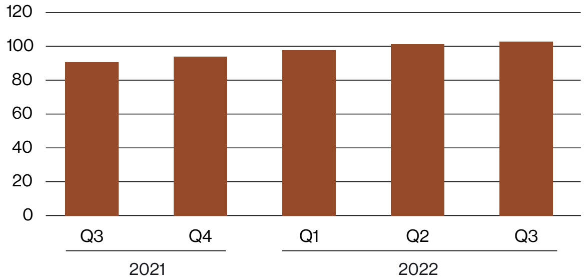
Net interest income

SEK million



Lending to the public

SEK billion



CEO's Statement

Safe in a turbulent time

The world is changing monumentally. We are entering a comprehensive and global green transition. At the same time, we have just exited a pandemic and a war is being waged on our doorstep. In addition to the human tragedy, the war has led to rocketing energy prices and an acceleration into recession.

As a result of this, coupled with a long period of financial stimuli, inflation has soared. The central banks are attempting to combat this by raising key interest rates, and further hikes are expected. The economy is expected to face major challenges toward the end of 2022 when purchasing power regresses in earnest, which will be the starting point for 2023.

The times we are living in impact all of us. With this said, Landshypotek has performed more than well, and we are following our long-term plan for development and growth.

In the first half of the year, growth was at a record level and a historic milestone was passed with SEK 100 billion in lending. In the third quarter, the growth rate slowed somewhat due to a more cautious market. Total lending amounted to almost SEK 102.9 billion (90.6), up SEK 13 billion, corresponding to 13 percent compared with the year-earlier quarter. Accordingly, we continue to capture market shares as a challenger in the mortgage market and to strengthen our leading market position for lending to farming and forest entrepreneurs.

Operating profit for the first three quarters amounted to SEK 405 million (363). With major fluctuations in the lending market, it is difficult for banks to find the right interest rates for customers, but we have succeeded well and our net interest income has grown with an increase in volume of SEK 765 million (721). Costs continued to develop according to plan and the pace of development remains high.

Opportunities for challenger banks like Landshypotek to reach out to customers was made evident in September when we were early to raise deposit rates. We met considerable demand and have witnessed a record inflow of new customers and increased volumes.

Our business model, with a distinct focus on lending, provides security for our customers, owners and employees, and our focus provides stability both for day-to-day work and the development of our bank.

For our farming and forest entrepreneurs, the new cost levels increase risks. Farmgate prices have been raised but could fall back again and change the balance. The prices of farming and forest properties are currently stable since demand is considerably larger than supply.

The harvest has now been taken in with favourable results, and the net results for 2022 look healthy in general for many of our customers. The future is, however, uncertain when it comes to costs for input goods in farming and forestry, which could lead to an increased need for working capital.

The challenge in such an uncertain time is to be strong enough to drive necessary development, but we are confident in our operations and our business model. The bank's financial position is robust and we have high ambitions both with our elected representatives and our employees in the continual work to capture an even stronger market position and be even better for our customers.

Per Lindblad
Chief Executive Officer

Events at Landshypotek Bank in the third quarter of 2022

Continued lending growth but at a slower pace.
Landshypotek Bank continued volume growth in the third quarter, but the pace of growth has been slower. It is noticeable in the lending markets that bank customers are becoming more cautious as they face an uncertain economic climate.

Record growth with savings customers
Landshypotek was early to raise interest rates. The response from customers was enormous, and during the quarter the bank was able to welcome some eight to nine thousand new customers and increased its deposits volumes by SEK 4.3 billion to SEK 20 billion, which corresponds to 19 percent of Landshypotek's funding. Faced with uncertain economic development, interest is increasing in reviewing financial buffers that are not required in the short term for everyday budgets of households.

New bonds issued
During the quarter, covered bonds to a nominal value of SEK 2.1 billion and senior bonds to a nominal value of SEK 1.0 billion were issued. The market was extremely volatile in the quarter and mark-ups on interest rates and credits fluctuated widely from one day to the next. The market was difficult to find the right price in and the cost of new market funding was more expensive than the portfolio average. However, compared with competitors, costs were maintained at an unchanged level and there was sufficient demand for the bank's bonds.

Interest rates are continuing to rise
Interest rates have been rising for a long time and have continued to do so in this quarter. Customer interest rates have risen on a broad front with all banks. Landshypotek Bank has also made several interest rate adjustments in the quarter, both on deposits and on lending.

It is all the more imperative to review one's finances and save securely
Public interest in the economy is substantial. This can be noted by the record amount of online visits and contacts that the bank has had with customers in all channels. Many customers want to discuss fixed-rate periods and maturities, and Landshypotek continues to hold the highly appreciated digital marketing and interest-rate information meetings exclusively for farming and forestry customers.

Large parts of the country positive about harvests
Agriculture's capacity to produce sufficient food is one of the most important functions of society. There were reports of good harvests countrywide in Sweden, but with significant regional differences. These were the findings of a survey conducted by Landshypotek among arable farmers who are elected representatives in several regions.

Many customer meetings and continued trade fair presence
Landshypotek continues to travel across the country to meet customers and build new relationships. In July, the bank participated in Dansbandsveckan in Malung and the Brunnby Lantbrukardagar (Farming Expo). In August, the bank participated in the Visby travfest, Mittia Gård & Skog and Öjeby Agriculture Fair. In September, we were invited to after work events with farming meetups countrywide. Together with Dina Försäkringar, several well-appreciated solar panel meetups were arranged, which have also been given considerable media attention.

The business strategy is strengthening Bank Management and new regional managers have been appointed.
Hanna Neidenmark took up a new post in August as a business strategist in Bank Management. Hanna was CEO of Lendo and Rocker and brings considerable experience from both business and operational development. In September, Andreas Karlén was also welcomed as new Regional Manager for Farming and Forestry in the Eastern Region.

Always active in the forest debate
In the EU, work is ongoing to implement a new deforestation regulation. However, the process involved the EU Parliament adding wording that meant that it covered financial players and Swedish foresters have ended up in an extremely challenging situation. Landshypotek has reacted to the amendment and pointed out its unreasonable consequences, where in practice it could be impossible to lend to individual foresters. Many people have appreciated our contribution. Negotiations are ongoing in the EU, and hopefully the regulation is amended in such a way that it fulfils its original intent. The deforestation regulation involves the EU not contributing to global deforestation, not regulating Swedish forestry.

Summary Landshypotek Bank

SEK million	Q3 2022	Q3 2021	Q2 2022	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Net interest income	270	249	245	765	721	972
Operating profit	181	144	102	405	363	471
Profit after tax	143	114	80	322	284	370
Loans to the public	102,925	90,622	101,415	102,925	90,622	93,968
Change in loans to the public, %	1.5	2.3	3.7	9.5	9.1	13.2
Interest margin, LTM, %	1.04	1.12	1.05	1.04	1.12	1.10
Deposits from the public	20,087	15,023	15,751	20,087	15,023	15,254
Change in deposits from the public, %	27.5	0.8	2.2	31.7	2.4	4.0
C/I ratio including financial transactions	0.42	0.42	0.57	0.50	0.50	0.52
C/I ratio excluding financial transactions	0.45	0.42	0.57	0.52	0.49	0.51
Credit loss level, %[1]	–	0.01	0.01	–	–	–
Total capital ratio, %	15.7	17.3	15.6	15.7	17.3	17.3
Rating, long-term						
Standard & Poor's, Covered bonds	AAA	AAA	AAA	AAA	AAA	AAA
Standard & Poor's	A	A	A	A	A	A
Fitch	A	A	A	A	A	A
Average number of employees, LTM	231	220	229	231	220	225

[1] *An outcome is only presented in the case of a negative earnings impact.*

Our operating environment

The effects of the war in Ukraine and high energy prices continued to dominate the year's third quarter. Rising inflation and interest rates have topped newspaper headlines. Landshypotek and its customers face a significantly changing operating environment. Farming and forestry companies have a harder time predicting and planning their production and the lending markets are becoming increasingly cautious.

Developments in the financial markets

Uncertainty leads to a volatile credit market

The third quarter of the year was characterised by major uncertainty in the financial markets. Global inflation has continued to rise at a quicker pace than expected. The global financial markets remain volatile with rising interest rates, stock market downturns and rising credit margins. This results in financing costs for the bank rising since the underlying interest rate level and the price of credit risk continues to rise.

Record high inflation and an energy crisis

The high inflation is partly a result of the aftermath of the pandemic, which caused a global imbalance between supply and demand. There was not enough time to adapt production to rising demand, which led to a hike in prices for raw materials, input goods and transportation. These imbalances were further strengthened by Russia's war against Ukraine and the zero tolerance policies against Covid-19 in China, which have further increased prices of important raw materials and led to serious disruptions for the European energy market.

Stifled gas deliveries from Russia followed by leaks at Nord Stream's gas pipelines have further worsened the situation and Europe appears to be in the midst of an energy crisis. The fact that gas is used as a fuel for electricity production in many European countries has led to substantially rising electricity prices in the connected European electricity market. Electricity prices in southern Sweden are at record levels and companies and households, particularly houses, are dreading the winter ahead.

Rapidly rising inflation has forced the world's central banks to raise their key interest rates and adapt their holdings of securities. Both the US central bank and the ECB have raised key interest rates markedly at the same time as they have announced continued hikes in the future. The Riksbank, Sweden's central bank, raised the key interest rate by a full percentage point to 1.75 percent in September, which was higher than expected. The prevailing market climate does not benefit the Swedish Krona (SEK), which has weakened since the beginning of the year, leading to an increase for imported inflation.

Heading toward economic slowdown

The US is, per definition, experiencing a recession following negative growth in the first two quarters of the year. Despite this, US labour market statistics reveal that new jobs are still being created. The housing market is weak and sales of new houses have fallen. This is a clear, negative indicator of the outlook for households in contrast to employment. Similar scenarios can be seen in the euro area with a downward leaning purchasing managers index while the job market remains strong.

Despite most signs indicating that economic activity is reducing rapidly, the third quarter of the year has shown a relatively healthy Swedish economy. The use of resources remains high and employment levels are rising with labour shortages in most industries.

However, the latter part of the quarter has seen a decline as households have been increasingly pressed by inflation and interest-rate hikes, and confidence for the economic trend has declined on a broad front. Consumer confidence is at record lows and has not been helped by rising mortgage rates that have led to sinking housing prices. Real earnings are falling substantially due to increasing inflation, which is noticeable with declining retail sales in the third quarter. By all accounts, the weak demand trend will lead to the Swedish economy entering a recession next year.

Market developments for farming and forestry

The level of risk and costs remains higher than normal as a result of the macro-economic uncertainty. In the short term, production, access and demand for input goods and products is less predictable. Prices for input goods and sales products are high and volatile. Farming and forestry companies have a harder time predicting and planning their production and capital requirements, leading to an increased risk.

Cautious investments in an uncertain macroeconomy

The need for investments has been relatively large in the farming industry for many years. This is particular true for companies dealing with animals. Despite increased

demand for Swedish produced products with sustainable production methods, investments are not taking place at the same rate. Maintenance has frequently been prioritised ahead of the new construction of more rational facilities. Farmers believe that unclear, uncertain and complicated political conditions are dampening their willingness to invest. Concern for constraints in ownership rights and usufructs, and increasingly unstable infrastructure are other aspects that were highlighted in this context.

The uncertain situation has postponed investments. Instead, investments to strengthen operational resilience are being prioritised, such as increasing opportunities for storage and building small solar power facilities.

Based on the macro-economic situation, the number of sold agricultural properties is relatively few, but the interest in purchasing the right objects locally has not declined. The farming and forest industries are currently stable from a value perspective. However, it should be noted that sales of properties have declined resulting in less statistical data.

Broader provisions for forest raw materials

The prices of pulp wood and wood chips have risen in the third quarter, however the performance of the wood products industry is shrinking as a result of reduced construction and weaker exports. The fact that timber from Russia and Belarus has been classed as 'conflict timber' has only had a limited effect on the market to date. The order intake for the pulp and paper industry has improved as a result of a weak Swedish Krona against the US dollar. At the same time, energy prices have led to some operations partially closing. High energy prices have led to increased provisions of forest raw materials in the energy range. Broader provisions can also be seen with increased export values of unprocessed timber, and more buyers of blue stained timber following bark beetle infestations.

The general stumpage price is essentially unchanged nationwide where rising costs offset the price increase of timber by roads.

The spruce bark beetle continues to be a serious nuisance for many forest owners. The warm and dry summer led to an extended infestation. The Swedish Forest Agency believes that damage could be extensive and affect a large area this year.

Good harvests with higher prices

The forecast for the total cereal harvest in Sweden is 5.5 million tonnes. This is 11 percent higher than last year's figure and 8 percent more than the average for the last five years, including the 2018 drought. An unusually favourable early summer contributed to high returns per hectare, but this varies greatly within the country, which was something that several Landshypotek members confirmed in their harvest reports that the bank compiled and published. Several regions had record harvests despite a considerable proportion of unprocessed acreage. The harvest was worse in southeast Sweden due to droughts.

As per the usual pattern, prices of cereal and oilseed have declined during the harvest period in the northern hemisphere. Lower shipping costs and improved international logistics flows also contributed to the decline. Ukraine has exported less than usual, which has also impacted prices.

In addition, there was somewhat weaker demand as rising inflation changed consumption. However, the price remains historically high due to global inventory levels of cereal being expected to decline for the fifth year in a row, including the 2022/23 harvest year. The trend is similar for oilseed. The price of cereal and oilseed also reflects the price trend for energy. Rising production costs and concern for fertiliser access will lead to uncertainty for global production volumes moving forward.

Normal production volumes with high costs for livestock farmers

The high feed and energy prices are a challenge for livestock farmers and in particular for companies with pigmeat production and poultry. Higher prices for pigmeat, piglets and chicken do not fully compensate for the higher costs. Increased competition of pigmeat and poultry from other EU countries is holding back price increases.

Production for the season has been somewhat normal for essentially all livestock farmers, with the exception of organic milk for which milk collection is lower. The reduced purchasing power of consumers and rising food prices have changed consumption patterns. It is likely that consumers will become more price conscious, which could benefit cheaper produce, both domestic and imported, and primarily impact the higher price segments.

Energy prices and a safe energy supply are high on the agenda.

High energy prices are notable for the farming industry, particularly for livestock farmers. The Federation of Swedish Farmers estimates that 90 percent of Swedish food is produced in the two southern electricity regions where there is also a large proportion of animal production. In August, the government tasked Svenska kraftnät with presenting proposals in November for repayments to consumers and companies as a short-term emergency measure. There is a lot of hope in the industry for rapid payments.

Many decisions to be made in the autumn

During the quarter, farmers continued their planning and autumn sowing for the 2022/23 season. This means that many decisions and choices are to be made faced with a short-term uncertain business environment. The high costs, combined with limited access to fertiliser and components, mean that many people are evaluating various purchasing strategies and what can be grown. Several farmers in Sweden are sticking to their long-term plans. The future outlook was also strengthened as global challenges with secure food and energy supply chains have shed light on the significance and important contribution that farming and forestry have on the circular transition.

The uncertain market conditions for farmers have led to Landshypotek seeing fewer credit applications for new investments. To date, farmers' increased needs for working capital have not led to increases in expanded applications, but it cannot be ruled out that this will occur later in the year. The collective belief is that the risk level in the industry has risen.

Our financial performance

Landshypotek Bank posted continued strong growth in lending and increased earnings. During the year, net interest income improved SEK 44 million year-on-year. Loans to the public increased SEK 1.5 billion over the quarter. The bank continued to post extremely good credit quality.

First nine months of 2022 compared with the first nine months of 2021

The bank's operating profit amounted to SEK 405 million (363). The change in earnings was mainly due to an improvement in net interest income, which was partly offset by slightly higher costs.

Net interest income

Net interest income amounted to SEK 765 million (721). Interest income totalled SEK 1,278 million (1,075), up as a result of higher interest rates and increased lending. Interest expenses totalled SEK 513 million (354), up as a result of higher financing costs and a larger financing volume.

Net result of financial transactions

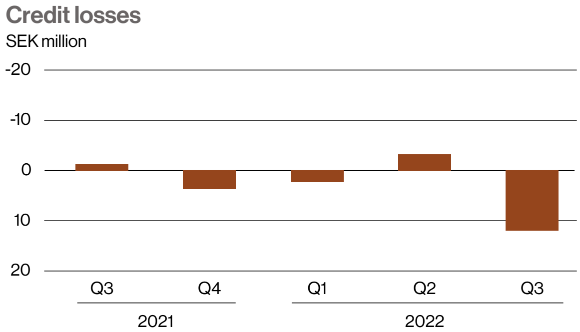
The net result of financial transactions amounted to a gain of SEK 23 million (loss: 8), where the unrealised gain amounted to SEK 29 million (0.6) and the realised loss to SEK 6 million (loss: 9).

Other operating income

Other operating income was SEK 4 million (6).

Costs

Costs amounted to SEK 397 million (357). Costs are in line with the bank's plan.



Credit losses and credit loss allowance

During the quarter, the model for credit loss provisions has been updated with new scenario assumptions and input parameters pursuant to the macro-economic developments and where the most material change comprised higher weighting of the negative scenario. The changed input parameters and scenario weightings resulted in a gross increase in the credit loss allowance.

At the same time, the loss allowance estimation model under IFRS 9 has been adapted to the new definition of default and adjustments in underlying parameters, which resulted in a decrease in the total provision needed.

Overall the impact of these two effects in terms of credit losses resulted in a positive earnings impact of SEK 11 mil-

Operating profit

SEK million	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Net interest income	765	721	972
Other operating income	26	-2	-8
of which net result of financial transactions	23	-8	-15
Costs	-397	-357	-498
C/I ratio including financial transactions	0.50	0.50	0.52
C/I ratio excluding financial transactions	0.52	0.49	0.51
Net recognised credit losses	11	1	5
Credit loss level, %[1]	–	–	–
Operating profit	405	363	471
Operating profit excluding the net result of financial transactions	383	371	486

[1] *An outcome is only presented in the case of a negative earnings impact.*

Balance Sheet

Assets, SEK million	30 Sep 2022
Eligible treasury bills	4,678
Loans to credit institutions	118
Loans to the public	102,925
Bonds and other interest-bearing securities	6,619
Derivatives	2,476
Tangible and intangible assets	89
Other assets	-107
Total assets	**116,798**

Liabilities and equity, SEK million	30 Sep 2022
Liabilities to credit institutions	408
Deposits from the public	20,087
Debt securities issued, etc.	85,770
Derivatives	2,853
Subordinated liabilities	601
Other liabilities	551
Equity	6,528
Total liabilities and equity	**116,798**

lion (1), of which net credit losses for non-credit-impaired assets had a positive earnings impact of SEK 3 million and credit-impaired assets had a positive earnings impact of SEK 8 million.

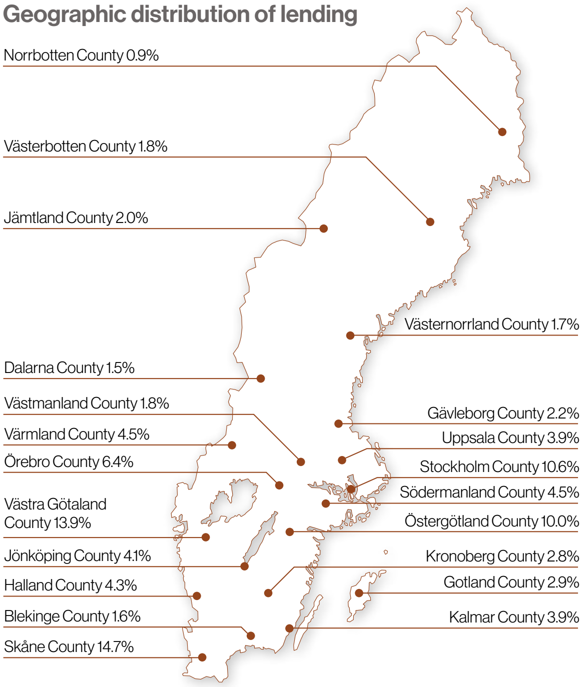
Gross non-credit-impaired assets amounted to SEK 102,287 million and the credit loss allowance to SEK 12 million. Gross credit-impaired assets amounted to SEK 665 million and the credit loss allowance to SEK 15 million. The provisions for credit-impaired assets pertained to individual commitments within 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 a loss of SEK 40 million (income: 2), where financial assets at fair value had a negative effect of SEK 72 million (expense: 1) as a result of increased credit spreads at the same time as rising cross-currency basis spreads had a positive impact of SEK 32 million (3).

Geographic distribution of lending



Assets

The largest asset item in the balance sheet is loans to the public, which amounted to SEK 102.9 billion (94.0 as of 31 Dec 2021). The geographic distribution of lending remains stable over time.

Landshypotek Bank's liquidity portfolio totalled SEK 11.3 billion (10.3 as of 31 Dec 2021). 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 3.3 times (1.8 as of 31 Dec 2021) 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, and 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.

The bank's primary source of funding comprises covered bonds, but we also issue senior bonds, senior non-preferred and capital instruments. The bank's market funding has an average tenor of 3.0 years.

During the quarter, covered bonds to a nominal value of SEK 2.1 billion and senior non-preferred bonds to a nominal value of SEK 1.0 billion were issued. In parallel, covered bonds to a nominal value of SEK 2.6 billion and senior bonds to a nominal value of SEK 0.6 billion matured or were repurchased.

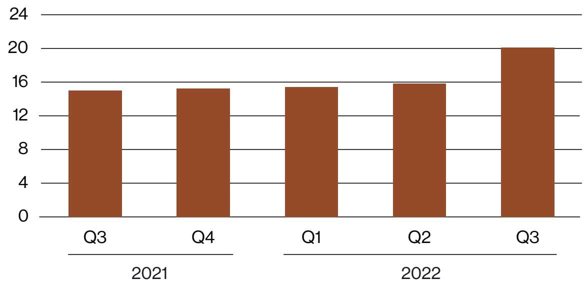
During the quarter, the bank's derivative portfolio decreased in value by SEK 98.5 million, however as all derivatives are encompassed by hedge accounting the earnings impact of the change in value was minimal.

Deposits from the public

Deposits from the public totalled SEK 20.1 billion (15.3 as of 31 Dec 2021).

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 120.8 percent. Moreover, the bank's short-term liquidity is healthy with a liquidity coverage ratio of 240.3 percent.

Funding

SEK million	In issue 30 Sep 2022	Limit	In issue 31 Dec 2021
Swedish commercial paper	–	10,000	–
MTN programme [1]	15,951	60,000 [1]	22,870
NMTN programme [2]	68,234	108,776	54,700
Registered covered bonds	2,991		2,823
Subordinated loans	1,000		1,300

[1] *Medium Term Note Programme. No longer an active program for issuing new transactions.*

[2] *Nordic Medium Term Note and Covered Bond Programme. The limit is EUR 10,000 million.*

Capital and capital adequacy

The total capital ratio for the consolidated situation amounted to 15.8 percent (17.0 as of 31 Dec 2021) and the CET1 capital ratio was 13.6 percent (14.4 as of 31 Dec 2021). The internally assessed capital requirement for the consolidated situation was SEK 5.3 billion (4.6 as of 31 Dec 2021) and should be compared with own funds of SEK 6.3 billion (6.4 as of 31 Dec 2021). The capital adequacy assessment takes into account the minimum capital requirement, the Pillar II capital requirement and the combined buffer requirement. Refer to Note 1 for further information.

Q3 2022 compared with Q2 2022

Operating profit amounted to SEK 181 million (102) for the quarter. The change in operating profit was primarily driven by higher net interest income and lower costs.

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 quarter.

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 significant events occurred after the end of the reporting period.

Stockholm, 1 November 2022

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 2021 (www.landshypotek.se/en/about-landshypotek/investor-relations/).

This interim report has been reviewed by the company's auditors.

Income Statement

SEK million	Note	Q3 2022	Q3 2021	Q2 2022	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Interest income		513	363	401	1,278	1,075	1,441
of which interest income using the effective-interest method		513	363	401	1,278	1,075	1,441
of which other interest income		–	–	–	–	–	–
Interest expenses		-242	-114	-156	-513	-354	-469
Net interest income	2	**270**	**249**	**245**	**765**	**721**	**972**
Net result of financial transactions		21	-1	0	23	-8	-15
Other operating income		1	3	1	4	6	8
Total operating income		**292**	**251**	**246**	**791**	**719**	**964**
General administrative expenses		-113	-95	-131	-365	-321	-450
Depreciation, amortisation and impairment of tangible and intangible assets		-10	-12	-10	-31	-35	-47
Other operating expenses		0	0	0	0	-1	-1
Total expenses before credit losses		**-123**	**-106**	**-141**	**-397**	**-357**	**-498**
Profit before credit losses		**170**	**145**	**105**	**395**	**362**	**466**
Net credit losses	3	12	-1	-3	11	1	5
Operating profit		**181**	**144**	**102**	**405**	**363**	**471**
Tax expense for the period		-38	-30	-22	-84	-79	-101
Net profit for the period		**143**	**114**	**80**	**322**	**284**	**370**

Statement of Comprehensive Income

SEK million	Q3 2022	Q3 2021	Q2 2022	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Net profit for the period	**143**	**114**	**80**	**322**	**284**	**370**
Other comprehensive income						
Items to be reclassified to income statement						
Financial assets at FVTOCI	2	4	-56	-90	-1	10
Cross-currency basis spreads in fair value hedges	20	5	4	40	4	6
Income tax related to other comprehensive income	-5	-2	11	10	-1	-3
Total items that will be reclassified	**17**	**7**	**-41**	**-40**	**2**	**12**
Total other comprehensive income	**17**	**7**	**-41**	**-40**	**2**	**12**
Comprehensive income for the period	**161**	**121**	**39**	**282**	**287**	**382**

Balance Sheet

SEK million	Note	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Assets					
Cash and balances with central banks		1,114	1	–	–
Eligible treasury bills		4,678	4,077	4,274	4,277
Loans to credit institutions		118	161	322	391
Loans to the public	4	102,925	101,415	93,968	90,622
Value change of interest-hedged items in portfolio hedges		-1,277	-1,137	-84	-7
Bonds and other interest-bearing securities		6,619	5,488	5,981	5,995
Derivatives		2,476	2,171	1,405	1,437
Intangible assets		74	79	91	98
Tangible assets		16	20	25	30
Other assets		3	3	6	2
Current tax assets		0	0	–	–
Prepaid expenses and accrued income		52	55	28	34
Total assets	5, 6	**116,798**	**112,333**	**106,018**	**102,880**
Liabilities and equity					
Liabilities to credit institutions		408	1,568	638	864
Deposits from the public		20,087	15,751	15,254	15,023
Debt securities issued, etc.		85,770	85,349	82,066	79,198
Derivatives		2,853	2,403	410	311
Other liabilities		472	235	447	258
Tax liabilities		37	10	13	32
Accrued expenses and prepaid income		43	44	28	37
Provisions		0	1	1	1
Subordinated liabilities		601	601	600	600
Total liabilities		**110,270**	**105,963**	**99,458**	**96,323**
Total equity		**6,528**	**6,371**	**6,560**	**6,557**
Total liabilities and equity	5, 6	**116,798**	**112,333**	**106,018**	**102,880**

Statement of cash flow

SEK million	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Opening cash and cash equivalents	**322**	**500**	**500**
Cash flow from operating activities	1,395	514	567
Cash flow from investment activities	–	–	–
Cash flow from financing activities	-485	-623	-745
Cash flow for the period	**910**	**-109**	**-178**
Closing cash and cash equivalents	**1,232**	**391**	**322**

Statement of changes in equity

January – September 2022 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
Opening balance	**2,253**	**700**	**1,017**	**24**	**-29**	**2,596**	**6,560**
Comprehensive income for the period				-72	32	322	282
Total change before transactions with owners and holders of Tier 1 capital instruments	**–**	**–**	**–**	**-72**	**32**	**322**	**282**
Tier 1 capital		-300					-300
Dividend on Tier 1 capital instruments						-14	-14
Closing balance	**2,253**	**400**	**1,017**	**-48**	**3**	**2,904**	**6,528**

January – December 2021 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
Opening balance	**2,253**	**700**	**1,017**	**16**	**-34**	**2,342**	**6,294**
Comprehensive income for the period				8	4	370	382
Total change before transactions with owners and holders of Tier 1 capital instruments	**–**	**–**	**–**	**8**	**4**	**370**	**382**
Dividend on Tier 1 capital instruments						-31	-31
Shareholders' contributions						51	51
Group contributions paid						-172	-172
Tax on Group contributions paid						35	35
Closing balance	**2,253**	**700**	**1,017**	**24**	**-29**	**2,596**	**6,560**

Notes

Note 1 Risk and capital adequacy

The total capital ratio for the consolidated situation was 15.8 percent compared with 17.0 percent as of 31 December 2021 and the CET1 capital ratio was 13.6 percent (14.4 as of 31 December 2021). At Landshypotek Bank AB, the total capital ratio amounted to 15.7 percent (17.3 as of 31 December 2021) and the CET1 capital ratio was 13.2 percent (13.9 as of 31 December 2021). Own funds for the consolidated situation decreased SEK 69 million to SEK 6,303 million during the year, primarily explained by the bank replacing a perpetual subordinated loan with a lower amount, thus reducing additional Tier 1 capital. The minimum capital requirement increased SEK 192 million to SEK 3,195 million mainly as a result of increased lending.

In addition to the minimum capital requirement of 8 percent of the total risk-weighted amount, the combined buffer requirement is 3.5 percent. The combined buffer requirement breaks down as 2.5 percentage points in the form of the capital conservation buffer and the remaining 1 percentage point 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 5.0 percent (5.6 as of 31 December 2021).

The internally assessed capital requirement for the consolidated situation was SEK 5.3 billion (4.6 as of 31 December 2021) and should be compared with own funds of SEK 6.3 billion. The increased capital requirements also derive, in addition to increased loans outstanding, from the raised countercyclical capital buffer that entered force on 29 September 2022.

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.

continued Note 1 EU CC1 – Composition of regulatory own funds

		Consolidated situation [1]	
	SEK million	30 Sep 2022	31 Dec 2021
1	Capital instruments and the related share premium accounts	1,925	1,959
	of which: member contributions	1,925	1,959
	of which: share capital		
2	Retained earnings [2]	4,079	3,856
3	Accumulated other comprehensive income (and other reserves)	-64	-24
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	176	260
	CET1 capital before regulatory adjustments	**6,116**	**6,052**
7	Additional value adjustments	-11	-10
8	Intangible assets (net of related tax liability) (negative amount)	-74	-71
12	Negative amounts resulting from the calculation of expected loss amounts	-603	-570
27a	Other regulatory adjustments	–	–
28	**Total regulatory adjustments to CET1 capital**	**-688**	**-651**
29	**CET1 capital**	**5,428**	**5,400**
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	320	471
44	**Additional Tier 1 (AT1) capital**	**320**	**471**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**5,748**	**5,871**
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	555	501
58	**Tier 2 (T2) capital**	**555**	**501**
59	**Total capital (TC = T1 + T2)**	**6,303**	**6,372**
60	**Total risk-weighted exposure amount**	**39,933**	**37,538**
61	CET1 capital ratio (%)	13.6	14.4
62	Tier 1 capital ratio (%)	14.4	15.6
63	Total capital (%)	15.8	17.0
64	Institution CET1 overall capital requirements (%)	9.1	8.1
65	of which: capital conservation buffer requirement (%)	2.5	2.5
66	of which: countercyclical capital buffer requirement (%)	1.0	–
EU-67b	of which: additional own funds requirements to address risks other than the risk of excessive leverage (%) [3]	1.1	1.1
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements [4]	5.8	7.0

1) *The consolidated situation encompasses Landshypotek Ekonomisk Förening and Landshypotek Bank AB.*
2) *Item includes other contributed equity*
3) *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.*
4) *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 30 Sep 2022	Consolidated situation 31 Dec 2021
Internally assessed capital requirement [1]		
Pillar I capital requirement	3,195	3,003
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	733	665
Percentage of total risk-weighted exposure amount	1.8	1.8
Combined buffer requirement	1,398	938
Percentage of total risk-weighted exposure amount	3.5	2.5
Combined buffer requirement	–	–
Percentage of total risk-weighted exposure amount	–	–
Total capital requirement	**5,325**	**4,606**
Percentage of total risk-weighted exposure amount	**13.3**	**12.3**
Own funds (Tier 1 capital + Tier 2 capital)	**6,303**	**6,372**
Percentage of total risk-weighted exposure amount	**15.8**	**17.0**
Capital requirement as assessed by Finansinspektionen [2]		
Pillar I capital requirement	3,195	3,003
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	807	758
Percentage of total risk-weighted exposure amount	2.0	2.0
Combined buffer requirement	1,398	938
Percentage of total risk-weighted exposure amount	3.5	2.5
Capital requirement, Pillar II guidance	–	–
Percentage of total risk-weighted exposure amount	–	–
Total capital requirement (incl. Pillar II guidance)	**5,399**	**4,700**
Percentage of total risk-weighted exposure amount	**13.5**	**12.5**
Own funds (Tier 1 capital + Tier 2 capital)	**6,303**	**6,372**
Percentage of total risk-weighted exposure amount	**15.8**	**17.0**
Leverage ratio requirement [3]		
Leverage ratio requirement	3,455	3,164
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	346	316
Percentage of total exposure measure for the leverage ratio	0.3	0.3
Total capital requirement (incl. Pillar II guidance)	**3,801**	**3,480**
Percentage of total exposure measure for the leverage ratio	**3.3**	**3.3**
Tier 1 capital	**5,748**	**5,871**
Percentage of total exposure amount for the leverage ratio	**5.0**	**5.6**

1) *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).*

2) *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).*

3) *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

30 Sep 2022 SEK million	Consolidated situation Exposure value[1]	Risk-weighted exposure amount[2]	Own funds requirement[3]	Average risk weight[4]
Credit risk – IRB approach	**103,253**	**29,217**	**2,337**	**28%**
Retail – real estate collateral	65,588	8,855	708	14%
Corporates	37,596	20,292	1,623	54%
Other non-credit-obligation assets	69	69	6	100%
Credit risk – Standardised approach	**13,577**	**1,124**	**90**	**8%**
Central governments or central banks	1,191	0	0	0%
Regional governments or local authorities	4,945	0	0	0%
Institutions	939	326	26	35%
Corporates	13	13	1	100%
Retail	29	20	2	68%
Secured by mortgage liens on immovable property	336	151	12	45%
Exposures in default	2	3	0	137%
Covered bonds	6,122	612	49	10%
Operational risk – Basic indicator approach		**1,644**	**132**	
Credit valuation adjustment risk – Standardised approach	**817**	**406**	**33**	**50%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**7,542**	**603**	
Total	**117,647**	**39,933**	**3,195**	

31 Dec 2021 SEK million	Consolidated situation Exposure value[1]	Risk-weighted exposure amount[2]	Own funds requirement[3]	Average risk weight[4]
Credit risk – IRB approach	**94,538**	**27,009**	**2,161**	**29%**
Retail – real estate collateral	58,568	7,757	621	13%
Corporates	35,893	19,175	1,534	53%
Other non-credit-obligation assets	78	78	6	100%
Credit risk – Standardised approach	**12,432**	**1,265**	**101**	**10%**
Central governments or central banks	2	–	–	0%
Regional governments or local authorities	5,189	–	–	0%
Institutions	1,817	577	46	32%
Corporates	14	14	1	100%
Retail	38	25	2	67%
Secured by mortgage liens on immovable property	296	137	11	46%
Exposures in default	4	4	0	108%
Covered bonds	5,072	507	41	10%
Operational risk – Basic indicator approach		**1,643**	**131**	
Credit valuation adjustment risk – Standardised approach	**1,489**	**735**	**59**	**49%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**6,885**	**551**	
Total	**108,459**	**37,538**	**3,003**	

1) *Exposure value calculated in accordance with the CRR.*
2) *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.*
3) *Calculated by multiplying the risk-weighted exposure amount by 8 percent. Does not include any buffer requirements.*
4) *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				
		30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
	Available own funds (amounts)					
1	CET1 capital	5,428	5,321	5,425	5,400	5,138
2	Tier 1 capital	5,748	5,620	5,714	5,871	5,613
3	Total capital	6,303	6,146	6,224	6,372	6,114
	Risk-weighted exposure amount					
4	Total risk-weighted exposure amount	39,933	39,728	38,594	37,538	36,799
	Capital ratios (as a percentage of REA)					
5	CET1 capital ratio (%)	13.6	13.4	14.1	14.4	14.0
6	Tier 1 capital ratio (%)	14.4	14.1	14.8	15.6	15.3
7	Total capital ratio (%)	15.8	15.5	16.1	17.0	16.6
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of REA)					
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
	Combined buffer and overall capital requirements (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9	Institution-specific countercyclical capital buffer (%)	–	–	–	–	–
11	Combined buffer requirement (%)	2.5	2.5	2.5	2.5	2.5
EU 11a	Overall capital requirements (%)	13.5	12.5	12.5	12.5	12.5
12	CET1 available after meeting the total SREP own funds requirements (%)	5.8	5.5	6.1	7.0	6.6
	Leverage ratio					
13	Total exposure measure	115,177	111,367	109,144	105,455	102,143
14	Leverage ratio (%)	5.0	5.0	5.2	5.6	5.5
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
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
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	–	–	–	–	–
EU 14e	Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
	Liquidity coverage ratio					
15	Total high-quality liquid assets (HQLA) (weighted value – average)	7,730	8,112	9,181	9,533	9,382
EU 16a	Cash outflows – total weighted value	3,411	2,810	2,847	2,654	3,544
EU 16b	Cash inflows – total weighted value	194	209	287	366	429
16	Total net cash outflows (adjusted value)	3,217	2,601	2,560	2,289	3,115
17	Liquidity coverage ratio (%)	240.3	311.9	358.7	416.5	301.2
	Net stable funding ratio					
18	Total available stable funding	101,904	97,178	98,465	93,223	93,856
19	Total required stable funding	84,263	83,408	81,075	78,410	75,917
20	Net stable funding ratio (%)	120.9	116.5	121.5	118.9	123.6

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 30 Sep 2022	Landshypotek Bank AB 31 Dec 2021
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 [1]	3,599	3,243
3	Accumulated other comprehensive income (and other reserves)	-46	-6
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	154	370
6	**CET1 capital before regulatory adjustments**	**5,961**	**5,860**
7	Additional value adjustments	-11	-10
8	Intangible assets (net of related tax liability) (negative amount)	-74	-71
12	Negative amounts resulting from the calculation of expected loss amounts	-603	-570
27a	Other regulatory adjustments	–	–
28	**Total regulatory adjustments to CET1 capital**	**-688**	**-651**
29	**CET1 capital**	**5,273**	**5,209**
30	Capital instruments and the related share premium accounts	400	700
31	of which: classified as equity under applicable accounting standards	400	700
34	Qualifying Tier I capital included in consolidated AT1 capital issued by subsidiaries and held by third parties	–	–
44	**Additional Tier 1 (AT1) capital**	**400**	**700**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**5,673**	**5,909**
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		
58	**Tier 2 (T2) capital**	**600**	**600**
59	**Total capital (TC = T1 + T2)**	**6,273**	**6,509**
60	**Total risk-weighted exposure amount**	**39,933**	**37,538**
61	CET1 capital ratio (%)	13.2	13.9
62	Tier 1 capital ratio (%)	14.2	15.7
63	Total capital (%)	15.7	17.3
64	Institution CET1 overall capital requirements (%)	9.1	8.1
65	of which: capital conservation buffer requirement (%)	2.5	2.5
66	of which: countercyclical capital buffer requirement (%)	1.0	–
EU-67b	of which: additional own funds requirements to address risks other than the risk of excessive leverage (%) [2]	1.1	1.1
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements [2]	5.7	7.3

[1] *Item includes other contributed equity*
[2] *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.*
[3] *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

	Landshypotek Bank AB	
SEK million	**30 Sep 2022**	**31 Dec 2021**
Internally assessed capital requirement [1]		
Pillar I capital requirement	3,195	3,003
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	733	665
Percentage of total risk-weighted exposure amount	1.8	1.8
Combined buffer requirement	1,398	938
Percentage of total risk-weighted exposure amount	3.5	2.5
Total capital requirement	**5,325**	**4,606**
Percentage of total risk-weighted exposure amount	**13.3**	**12.3**
Own funds (Tier 1 capital + Tier 2 capital)	**6,273**	**6,509**
Percentage of total risk-weighted exposure amount	**15.7**	**17.3**
Capital requirement as assessed by Finansinspektionen [2]		
Pillar I capital requirement	3,195	3,003
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	807	758
Percentage of total risk-weighted exposure amount	2.0	2.0
Combined buffer requirement	1,398	938
Percentage of total risk-weighted exposure amount	3.5	2.5
Capital requirement, Pillar II guidance	0.0	0.0
Percentage of total risk-weighted exposure amount	0.0	0.0
Total capital requirement (incl. Pillar II guidance)	**5,399**	**4,700**
Percentage of total risk-weighted exposure amount	**13.5**	**12.5**
Own funds (Tier 1 capital + Tier 2 capital)	**6,273**	**6,509**
Percentage of total risk-weighted exposure amount	**15.7**	**17.3**
Leverage ratio requirement [3]		
Leverage ratio requirement	3,455	3,164
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	–	–
Total capital requirement	**3,455**	**3,164**
Percentage of total risk-weighted exposure amount	**3.0**	**3.0**
Tier 1 capital	**5,673**	**5,909**
Percentage of total exposure amount for the leverage ratio	**4.9**	**5.6**

[1] *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).*

[2] *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).*

[3] *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			
30 Sep 2022 SEK million	**Exposure value[1]**	**Risk-weighted exposure amount[2]**	**Own funds requirement[3]**	**Average risk weight[4]**
Credit risk – IRB approach	**103,253**	**29,217**	**2,337**	**28%**
Retail – real estate collateral	65,588	8,855	708	14%
Corporates	37,596	20,292	1,623	54%
Other non-credit-obligation assets	70	70	6	100%
Credit risk – Standardised approach	**13,573**	**1,123**	**90**	**8%**
Central governments or central banks	1,191	0	0	0%
Regional governments or local authorities	4,945	0	0	0%
Institutions	935	325	26	35%
Corporates	13	13	1	100%
Retail	29	20	2	68%
Secured by mortgage liens on immovable property	336	151	12	45%
Exposures in default	2	3	0	137%
Covered bonds	6,122	612	49	10%
Operational risk – Basic indicator approach		**1,644**	**132**	
Credit valuation adjustment risk – Standardised approach	**817**	**406**	**33**	**50%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**7,542**	**603**	
Total	**117,643**	**39,933**	**3,195**	

	Landshypotek Bank AB			
31 Dec 2021 SEK million	**Exposure value[1]**	**Risk-weighted exposure amount[2]**	**Own funds requirement[3]**	**Average risk weight[4]**
Credit risk – IRB approach	**94,539**	**27,010**	**2,161**	**29%**
Retail – real estate collateral	58,568	7,757	621	13%
Corporates	35,893	19,175	1,534	53%
Other non-credit-obligation assets	79	79	6	100%
Credit risk – Standardised approach	**12,427**	**1,264**	**101**	**10%**
Central governments or central banks	2	–	–	0%
Regional governments or local authorities	5,189	–	–	0%
Institutions	1,811	576	46	32%
Corporates	14	14	1	100%
Retail	38	26	2	67%
Secured by mortgage liens on immovable property	296	137	11	46%
Exposures in default	4	4	0	108%
Covered bonds	5,072	507	41	10%
Operational risk – Basic indicator approach		**1,643**	**131**	
Credit valuation adjustment risk – Standardised approach	**1,489**	**735**	**59**	**49%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**6,885**	**551**	
Total	**108,454**	**37,538**	**3,003**	

[1] *Exposure value calculated in accordance with the CRR.*
[2] *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.*
[3] *Calculated by multiplying the risk-weighted exposure amount by 8 percent. Does not include any buffer requirements.*
[4] *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	30 Sep 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021
	Available own funds (amounts)					
1	CET1 capital	5,273	5,184	5,222	5,209	5,059
2	Tier 1 capital	5,673	5,584	5,622	5,909	5,759
3	Total capital	6,273	6,184	6,222	6,509	6,359
	Risk-weighted exposure amount					
4	Total risk-weighted exposure amount	39,933	39,728	38,595	37,538	36,800
	Capital ratios (as a percentage of REA)					
5	CET1 capital ratio (%)	13.2	13.0	13.5	13.9	13.7
6	Tier 1 capital ratio (%)	14.2	14.1	14.6	15.7	15.6
7	Total capital ratio (%)	15.7	15.6	16.1	17.3	17.3
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of REA)					
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
	Combined buffer and overall capital requirements (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9	Institution-specific countercyclical capital buffer (%)	1.0	–	–	–	–
11	Combined buffer requirement (%)	3.5	2.5	2.5	2.5	2.5
EU 11a	Overall capital requirements (%)	13.5	12.5	12.5	12.5	12.5
12	CET1 available after meeting the total SREP own funds requirements (%)	5.7	5.5	6.1	7.3	7.2
	Leverage ratio					
13	Total exposure measure	115,173	111,364	109,141	105,450	102,139
14	Leverage ratio (%)	4.9	5.0	5.2	5.6	5.6
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
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
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	–	–	–	–	–
EU 14e	Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
	Liquidity coverage ratio					
15	Total high-quality liquid assets (HQLA) (weighted value – average)	7,730	8,112	9,181	9,533	9,382
EU 16a	Cash outflows – total weighted value	3,411	2,810	2,847	2,654	3,544
EU 16b	Cash inflows – total weighted value	194	209	287	366	429
16	Total net cash outflows (adjusted value)	3,217	2,601	2,560	2,289	3,115
17	Liquidity coverage ratio (%)	240.3	311.9	358.7	416.5	301.2
	Net stable funding ratio					
18	Total available stable funding	101,780	97,057	98,138	93,548	93,681
19	Total required stable funding	84,265	83,411	81,078	78,407	75,921
20	Net stable funding ratio (%)	120.8	116.4	121.0	119.3	123.4

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	Q3 2022	Q3 2021	Q2 2022	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Interest income						
Interest income on loans to credit institutions	–	–	–	–	–	–
Interest income on loans to the public	490	352	387	1,231	1,045	1,399
Interest income on interest-bearing securities	20	7	10	38	20	28
Other interest income	3	4	3	9	10	14
Total interest income	**513**	**363**	**401**	**1,278**	**1,075**	**1,441**
Interest expenses						
Interest expenses for liabilities to credit institutions	-1	1	0	0	2	2
Interest expenses for deposits from the public	-46	-25	-25	-95	-74	-94
Interest expenses for interest-bearing securities	-229	-106	-140	-474	-315	-420
Interest expenses for subordinated liabilities	-3	-1	-2	-6	-16	-18
Interest expenses for derivative instruments	50	33	25	105	92	130
Other interest expenses	-13	-15	-15	-43	-43	-69
Total interest expenses	**-242**	**-114**	**-156**	**-513**	**-354**	**-469**
Total net interest income	**270**	**249**	**245**	**765**	**721**	**972**

All interest income is attributable to the Swedish market.

Note 3 Net credit losses

SEK million	Q3 2022	Q3 2021	Q2 2022	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Change in credit loss allowance, Stage 1	5	0	-2	1	1	1
Change in credit loss allowance, Stage 2	2	0	0	2	-1	2
Net credit losses, non-credit-impaired lending	**7**	**0**	**-2**	**3**	**0**	**3**
Change in credit loss allowance, Stage 3	4	1	-1	6	3	2
Write-off for the period for confirmed losses	0	-3	0	0	-3	-3
Recoveries of previously confirmed losses	0	0	0	2	2	2
Net credit losses, credit-impaired lending	**5**	**-1**	**-1**	**8**	**1**	**2**
Total net credit losses	**12**	**-1**	**-3**	**11**	**1**	**5**

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 2021). 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 respective likelihoods of 80 and 10 percent each under normal conditions. Given the prevailing market conditions, the scenarios weighting used for the current quarter was 80 percent for a deteriorated scenario and the other two scenarios with 10 percent each.

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 27 million
Improved scenario	SEK 25 million
Deteriorated scenario	SEK 27 million

Note 4 Loans to the public

SEK million	30 Sep 2022	30 Jun 2022	31 Dec 2021	30 Sep 2021
Loan receivables, stage 1	95,890	94,730	87,061	83,279
Loan receivables, stage 2	6,397	6,050	6,267	6,735
Loan receivables, stage 3	665	672	675	646
Gross loan receivables	**102,952**	**101,452**	**94,003**	**90,660**
Less credit loss allowance	-26	-37	-35	-38
Net loan receivables	**102,925**	**101,415**	**93,968**	**90,622**
Disclosures on past due loan receivables, gross				
Loan receivables past due, 5–90 days	6	11	7	90
Loan receivables past due, more than 90 days	164	144	137	184
Total past due loan receivables, gross	**170**	**154**	**144**	**273**

Gross loan receivables January – September 2022 SEK million	Non-credit-impaired lending		Credit-impaired lending	
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**87,061**	**6,267**	**675**	**94,003**
Increases in loan receivables due to origination and acquisition	13,619	188	8	13,815
Decreases in loan receivables due to derecognition	-4,210	-545	-112	-4,866
Decrease in loan receivables due to confirmed losses	–	–	0	0
Migration between stages				
from 1 to 2	-1,550	1,550	–	–
from 1 to 3	-54	–	54	–
from 2 to 1	1,023	-1,023	–	–
from 2 to 3	–	-76	76	–
from 3 to 2	–	36	-36	–
from 3 to 1	2	–	-2	–
Closing balance	**95,891**	**6,397**	**664**	**102,951**

Gross loan receivables January – December 2021 SEK million	Non-credit-impaired lending		Credit-impaired lending	
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**75,101**	**7,395**	**583**	**83,079**
Increases in loan receivables due to origination and acquisition	18,477	114	21	18,611
Decreases in loan receivables due to derecognition	-6,700	-904	-80	-7,683
Decrease in loan receivables due to confirmed losses	–	–	-5	-5
Migration between stages				
from 1 to 2	-1,048	1,048	–	–
from 1 to 3	-58	–	58	–
from 2 to 1	1,288	-1,288	–	–
from 2 to 3	–	-99	99	–
from 3 to 2	–	1	-1	–
from 3 to 1	0	–	0	–
Closing balance	**87,061**	**6,267**	**675**	**94,003**

continued Loans to the public

Credit loss allowance January – September 2022 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			
Opening balance	-4	-10	-22	-36	-35	-1
Increases due to origination and acquisition	-1	-1	-1	-3	-1	-2
Decreases due to derecognition	0	1	3	4	2	2
Decrease in allowance due to write-offs	–	–	0	0	0	–
Changes due to change in credit risk	-3	-1	3	-1	-1	0
Changes due to update in the methodology for estimation[1]	5	2	4	11	11	–
Migration between stages						
from 1 to 2	0	-3	–	-3	-3	0
from 1 to 3	0	–	-2	-2	-2	0
from 2 to 1	0	3	–	3	3	0
from 2 to 3	–	0	0	0	0	0
from 3 to 2	–	0	0	0	0	0
from 3 to 1	0	0	0	0	0	0
Closing balance	-3	-9	-15	-27	-26	-1

[1] *In Q3 2022, the loss allowance estimation model under IFRS 9 has been adapted to the new definition of default and an IRB approach developed for adaptation to the definition and new regulatory framework, which had a non-recurring effect of around SEK 12.5 million.*

Credit loss allowance January – December 2021 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			
Opening balance	-5	-12	-24	-41	-40	-1
Increases due to origination and acquisition	-2	-1	-3	-5	-5	0
Decreases due to derecognition	1	2	6	8	8	0
Decrease in allowance due to write-offs	–	–	0	0	0	–
Changes due to change in credit risk	2	0	-3	-1	-1	0
Changes due to update in the methodology for estimation	0	0	2	2	2	–
Migration between stages						
from 1 to 2	0	-3	–	-3	-3	0
from 1 to 3	0	–	0	0	0	0
from 2 to 1	0	3	–	3	3	0
from 2 to 3	–	1	-1	0	0	0
from 3 to 2	–	0	0	0	0	0
from 3 to 1	0	–	1	1	1	0
Closing balance	-4	-10	-22	-36	-35	-1

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	30 Sep 2022 Level 1	30 Sep 2022 Level 2	30 Sep 2022 Level 3	30 Sep 2022 Total	31 Dec 2021 Level 1	31 Dec 2021 Level 2	31 Dec 2021 Level 3	31 Dec 2021 Total
Financial assets at FVTOCI								
Eligible treasury bills, etc.	4,678			4,678	4,274			4,274
Bonds and other interest-bearing securities	6,619			6,619	5,981			5,981
Derivatives identified as hedging instruments								
Interest-rate swaps		2,062		2,062		979		979
Cross-currency interest-rate swaps		414		414		426		426
Total assets measured at fair value	**11,297**	**2,476**	**–**	**13,773**	**10,255**	**1,405**	**–**	**11,660**
Derivatives identified as hedging instruments								
Interest-rate swaps		2,844		2,844		406		406
Cross-currency interest-rate swaps		9		9		4		4
Total liabilities measured at fair value	**–**	**2,853**	**–**	**2,853**	**–**	**410**	**–**	**410**

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	30 Sep 2022 Carrying amount	30 Sep 2022 Fair value	31 Dec 2021 Carrying amount	31 Dec 2021 Fair value
Assets				
Cash and balances with central banks	1,114	1,114	–	–
Eligible treasury bills	4,678	4,678	4,274	4,274
Loans to credit institutions	118	118	322	322
Loans to the public	102,925	102,986	93,968	95,679
Bonds and other interest-bearing securities	6,619	6,619	5,981	5,981
Derivatives	2,476	2,476	1,405	1,405
Total assets	**117,930**	**117,991**	**105,951**	**107,662**
Liabilities and provisions				
Liabilities to credit institutions	408	408	638	638
Deposits from the public	20,087	20,087	15,254	15,254
Debt securities issued, etc.	85,770	85,126	82,066	82,544
Derivatives	2,853	2,853	410	410
Subordinated liabilities	601	572	600	602
Other liabilities	149	149	359	359
Total liabilities	**109,868**	**109,195**	**99,328**	**99,807**

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	Q3 2022	Q3 2021	Q2 2022	Jan–Sep 2022	Jan–Sep 2021	Full-year 2021
Change in loans to the public	1,511	2,011	3,579	8,957	7,584	10,929
Opening balance, loans to the public	101,415	88,611	97,835	93,968	83,039	83,039
Change in loans to the public, %	**1.5**	**2.3**	**3.7**	**9.5**	**9.1**	**13.2**
Net interest income, accumulated LTM	1,016	956	995	1,016	956	972
Average loans to the public, LTM	97,522	85,667	94,483	97,522	85,667	88,444
Interest margin, LTM, %	**1.04**	**1.12**	**1.05**	**1.04**	**1.12**	**1.10**
Change in deposits from the public	4,337	124	335	4,834	350	581
Opening balance deposits from the public	15,751	14,899	15,415	15,254	14,672	14,672
Change in deposits from the public, %	**27.5**	**0.8**	**2.2**	**31.7**	**2.4**	**4.0**
Costs before credit losses	-123	-106	-141	-397	-357	-498
Total operating income	292	251	246	791	719	964
C/I ratio including financial transactions	**0.42**	**0.42**	**0.57**	**0.50**	**0.50**	**0.52**
Costs before credit losses	-123	-106	-141	-397	-357	-498
Total operating income excluding financial transactions	271	252	246	769	727	979
C/I ratio excluding financial transactions	**0.45**	**0.42**	**0.57**	**0.52**	**0.49**	**0.51**
Net credit losses calculated on a full-year basis	48	-5	-13	15	1	5
Average loans to the public, LTM	97,522	85,667	94,483	97,522	85,667	88,444
Credit loss level, %[1]	**–**	**0.01**	**0.01**	**–**	**–**	**–**
Credit-impaired assets, gross	665	647	673	665	647	675
Less provisions made	-15	-21	-20	-15	-21	-22
Credit-impaired assets, net	**650**	**625**	**653**	**650**	**625**	**654**
Credit-impaired assets, net	650	625	653	650	625	654
Loans to the public	102,925	90,622	101,415	102,925	90,622	93,968
Net credit-impaired assets after allowances as a percentage of total loans outstanding, %	**0.63**	**0.69**	**0.64**	**0.63**	**0.69**	**0.70**
Tier 1 capital	5,673	5,759	5,584	5,673	5,759	5,909
Exposure measure	115,656	102,139	111,364	115,656	102,139	105,450
Leverage ratio, %	**4.9**	**5.6**	**5.0**	**4.9**	**5.6**	**5.6**
CET1 capital	5,273	5,059	5,184	5,273	5,059	5,209
Total risk-weighted exposure amount	39,933	36,800	39,728	39,933	36,800	37,538
CET1 capital ratio, %	**13.2**	**13.7**	**13.0**	**13.2**	**13.7**	**13.9**
Own funds	6,273	6,359	6,184	6,273	6,359	6,509
Total risk-weighted exposure amount	39,933	36,800	39,728	39,933	36,800	37,538
Total capital ratio, %	**15.7**	**17.3**	**15.6**	**15.7**	**17.3**	**17.3**
Profit after tax						370
Average LTM equity						5,758
Return on equity, %						**6.4**
Profit after tax						370
Number of shares, million						2
Earnings per share, SEK						**164.2**

[1] *An outcome is only presented in the case of a negative earnings impact.*

Auditor’s review report (unofficial translation)

Landshypotek Bank AB (publ) Corp. Reg. No.: 556500-2762

Introduction

We have reviewed the interim report of Landshypotek Bank AB (publ) as of 30 September 2022 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity.* A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, 1 November 2022
Öhrlings PricewaterhouseCoopers AB

Catarina Ericsson
Authorised Public Accountant
Auditor-in-charge

Frida Main
Authorised Public Accountant

Reporting calendar 2023

Landshypotek Bank's reports are available at:
www.landshypotek.se/om-landshypotek

Year-end report 2022:	3 February 2023
Annual Report 2022	17 March 2023
General Meeting	21 April 2023

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