Landshypotek Bank AB Year-end report 2024

January – December 2024

Johan Ericson, CEO of Landshypotek Bank, comments on the full-year 2024:

2024 was a year of contrast. A lending market dominated by caution in the first half of the year returned to growth in the second half. We consistently grew lending to farmers and foresters, captured market shares and confirmed our position as the leading bank for financing Swedish farming and forestry. We experienced record high interest in our mortgages in the last quarter, when we also launched lending to owners of tenant-owner apartments. In 2024, we grew our lending by SEK 6.3 billion, of which SEK 4 billion was lent in the last quarter. This final spurt meant that we achieved our growth target for the year. However, as expected, comparative earnings were down compared with a strong 2023, mainly due to temporary effects from falling market interest rates.

January – December 2024

compared with January – December 2023

- Operating profit amounted to SEK 489 million (636).
- Net interest income amounted to SEK 1,078 million (1,220).
- Costs totalled SEK 603 million (589).
- Net credit losses impacted earnings with SEK 4 million (recoveries: 5).
- Loans to the public amounted to SEK 111.1 billion (104.8).
- Deposits from the public amounted to SEK 27.1 billion (29.1).

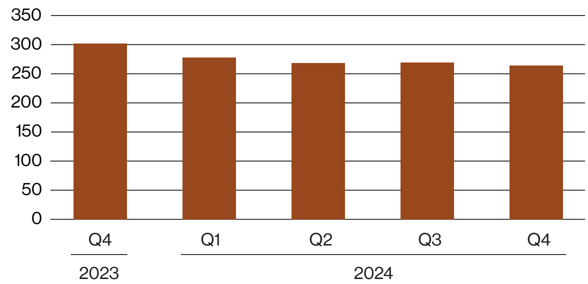
October – December 2024

compared with July – September 2024

- Operating profit amounted to SEK 97 million (149).
- Net interest income amounted to SEK 266 million (269).
- Costs totalled SEK 167 million (126).
- Net credit losses impacted earnings with SEK 8 million (recoveries: 1).
- Loans to the public amounted to SEK 111.1 billion (107.1).
- Deposits from the public amounted to SEK 27.1 billion (28.0).

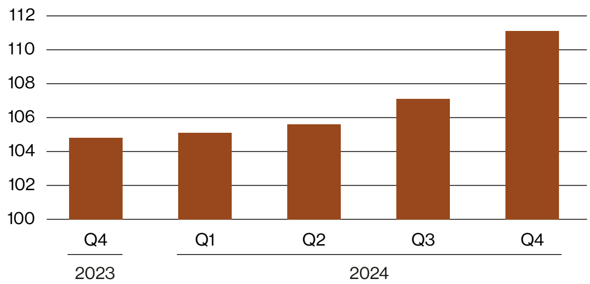
Net interest income

SEK million



Lending to the public

SEK billion



CEO's Statement

Return to growth

2024 was a year of contrast for Landshypotek. The softer lending market continued to strongly impact our operations in the first half of the year. However, in the second half of the year, we returned with full force to being on track for growth – meeting considerable customer interest, which we are now doing everything we can to meet.

For several years, we have grown robustly as a challenger bank in savings and mortgages, and concurrently strengthened our position as the leading bank for financing Swedish farming and forestry. With rising interest rates and cautious markets resulting in stalled growth already in 2023, we entered 2024 well aware that it would be a tougher year in terms of earnings, which it proved to be. The lending market continued to find its feet in 2024.

First six months in a cautious market

It is in challenging times that some of Landshypotek's strengths in the banking market rise to the forefront. Our ownership structure and our clear customer focus ensure that we always take a long-term approach to development. We assessed the low pace of growth as a temporary blip in our growth curve and, therefore, focused intensely on strengthening customer relationships in the first six months. We have close customer relations and our strong relationships with farming and forestry entrepreneurs is of particular note in tougher times. We have lent more than SEK 82 billion to farming and forestry in Sweden and, throughout the period, we increased our farming and forestry lending and captured market shares. We also have solid own funds and the fundamental confidence of the financial markets. We completed a successful AT1 issue in the spring and, during the year, S&P Global Ratings raised the outlook on our rating from negative to stable. In pace with our growth, we have gradually become an increasingly stable bank, despite more challenging times.

Back on track for growth

A strong start in the autumn saw us also get back on track for growth in mortgages. Lending market activity has increased markedly following interest rates peaking and their subsequent decline. We have attracted customer attention and interest by being active in the market and in customer relations, and have often been quick to adjust interest rates.

In November, as part of our ambition to become a bank for more people, we took the next step by also launching lending to owners of tenant-owner apartments. Previously, market interest in our lending was considerable but now we are seeing record-breaking interest levels. The year-end spurt and growth for the quarter were quite remarkable.

Strong last quarter growth

In 2024, we increased our lending by SEK 6.3 billion, of which SEK 4 billion was lent in the last quarter, meaning that our total lending volume amounted to SEK 111 billion.

Net interest income for 2024 totalled SEK 1,078 million. Falling market interest rates negatively impact our net interest income since lowered lending interest rates have a more immediate impact than lowered funding rates. Moreover, margins for the bank's deposits operations also shrink due to falling market interest rates. However, this is just a transition period and conditions will normalise once the interest rate cutting phase is over.

For a bank that is growing and developing with more customers, at SEK 603 million (589), our costs are growing under control and as planned. Given the preconditions, earnings are acceptable, albeit down on 2023, at SEK 489 million compared with SEK 636 million, primarily driven by rapidly falling interest rates.

While the dip in earnings is not positive, given developments this year and now that we are back on the growth track, we end 2024 on a positive note. Following a strong performance at the end of the year, we achieved our growth ambitions.

> We will use the earnings to build further stability and scope for development.
>
> The earnings also allow for a nice dividend to the owners in Landshypotek's circular business model: our loan customers within farming and forestry.
>
> Based on our earnings, the bank's Board has resolved to distribute a Group contribution of SEK 251 million (264) to the cooperative association, which will enable, inter alia, a dividend to every member and a strong contribution to Swedish agriculture.

Falling interest rates raise hopes

In pace with falling market interest rates, farmers and consumers are becoming increasingly active in the market. We expect interest rates to continue to fall. The only question is by how much and how quickly. Expectations of future interest rate cuts fluctuated significantly in financial markets during the quarter. Uncertainty following the US election and inflation trends led to a sharp rise in fixed interest rates at the end of the quarter.

Geopolitical turmoil is affecting trade and possibilities for economic stimulus, with the US election outcome adding further uncertainty. Inflation has fallen slightly, more in Sweden than in the USA and Europe, where it has remained stuck slightly above the target level. There is a trade-off between the need for lower interest rates to stimulate the economy and the risk of rising inflation inherent in the external environment.

> **“ …given developments this year and now that we are back on the growth track, we end 2024 on a positive note. Following a strong performance at the end of the year, we met our growth ambitions. ”**

Both the US central bank (Federal Reserve) and the European Central Bank (ECB) have announced further interest rate cuts, but at a slower pace than previously expected. In Sweden, the Riksbank, Sweden's central bank, has cut rates faster than the ECB, for example, and lowered the policy rate by a total of 1.5 percentage points since the interest rate peak. However, the latest cut changed the previous pattern, as the interest-rate path was not adjusted downward at the same time. Only one cut now remains in the first six months of 2025 to reach a floor of 2.25 percent.

Conditions for continued growth

Lower interest rates, combined with tax cuts and rising real wages, should provide scope to households for increased consumption and some growth in the economy. As their household finances improve, customers will become increasingly active, resulting in higher demand for credit and benefitting Landshypotek's growth strategy.

More predictable markets and lower interest expenses make it easier for our agricultural customers to plan and calculate future investments. In a turbulent operating environment, farmers focus on what they can control, such as ensuring a financial buffer, improving efficiency and limiting potential operational risks. The outlook is now perceived more positively and, accordingly, the willingness to invest may also increase.

Conditions in forestry

The positive economic climate for forest owners is continuing and looks set to last. Prices for timber, pulp wood and fuel wood remain high. Despite record high prices, there has been no increase in harvesting, mainly due to previous years' large spruce bark beetle infestations, which forced larger than planned harvests. Those who have conducted harvesting and thinning have had favourable stumpage prices. Given the high level of energy prices and shortages of raw materials, timber prices are likely to remain strong despite the ongoing recession and decline in construction.

Key events at Landshypotek during the quarter:

- Launched lending to owners of tenant-owner apartments. Since November, owners of houses and tenant-owner apartments can both borrow from Landshypotek.
- Presented a new CEO. Johan Ericson takes over as CEO of the bank from Per Lindblad, who had been CEO for seven years.
- Presented the positive climate impact of the bank's credit portfolio. The calculations found that emissions by Landshypotek's loan customers and their operations were outweighed by their carbon uptake.

While interest in owning and managing forests is a strong, the willingness to invest is being held back by interest rate conditions and uncertainty regarding political regulations and authorities' decisions. To enable investment, regulations and their application must be legally certain and predictable, not least because forestry and forest management require long planning horizons.

Conditions in farming

Companies with a high share of arable farming reported unusually large variances in profitability after harvest outcomes differed widely both regionally and locally. Overall, the 2024 cereal and oilseed harvests are projected to be up 16 percent year-on-year, but down 7 percent compared with the average for the previous five years. While cereal prices are down year-on-year, oilseed is up.

The mild autumn has meant an unusually long window for autumn sowing, which has resulted in an unusually large acreage of autumn-sown crops that have taken well, thereby enabling companies to spread their crop risks. With prices significantly lower year-on-year, input goods are now being purchased. Following a year of liquidity challenges after the poor harvest in 2023, optimism for the coming season is growing among customers.

Livestock farmers have relatively healthy profitability, albeit with substantial variation. In general, turnover has risen due to increased production and stable or higher settlement prices. Costs are lower and the availability of feed is also good. Many dairy companies posted significantly improved results. Prices have been stable for pigmeat and beef producers with a similar trend noted by egg and chicken producers.

Positive investment sentiment

With a perceived more positive outlook for farmers, more are now discussing different investments and how to finance and prioritise them. This is particularly evident among livestock farmers. Healthy demand for Swedish-produced animal products, relatively good profitability and lower debt are factors that contribute to increased willingness to invest. The need for reinvestment in agriculture is also substantial, not least among livestock farmers. Moreover, the green transition opens the door for new and different types of investments to meet increased demand for energy from fossil-free sources as well as to reduce vulnerability in own operations. With the current, more predictable market and expectations of interest rates falling slightly further, many farmers are preparing for new investments in their farms and businesses.

Looking forward to 2025 as CEO

During the quarter, I was appointed CEO of Landshypotek Bank – a fantastic bank that I am delighted to have been entrusted to lead going forward. We have performed strongly for a long time, but the pace of development in society and in banking is accelerating, and my ambition is for us to also continue increasing ours.

We will achieve this by:

- Continuing to grow all our businesses.
- Building on our unique position in Sweden's banking market, including our ownership form and what we enable with our lending, with our customer-centric approach.
- Leveraging our differentiated business model and developing its customer value.
- Promoting innovation and further differentiation and thus further strengthening our market position.

Sustainability and employee engagement will be at the core of development. Our bank's strong and unique foundation is reflected, inter alia, in our portfolio analysis that we presented during the quarter, which confirms that, overall, our lending has a positive climate impact. We will safeguard and take care of the long-term vision that underpins the bank.

At Landshypotek, we are looking forward to all customer meetings and what we can make possible for customers in 2025!

Johan Ericson
CEO of Landshypotek Bank

Summary

SEK million	Q4 2024	Q4 2023	Q3 2024	Full-year 2024	Full-year 2023
Net interest income	266	300	269	1,078	1,220
Operating profit	97	126	149	489	636
Profit after tax	75	98	117	381	501
Loans to the public	111,110	104,751	107,060	111,110	104,751
Change in loans to the public, %	3.8	0.1	1.4	6.1	-0.8
Interest margin, LTM, %	1.01	1.17	1.05	1.01	1.17
Deposits from the public	27,090	29,080	27,989	27,090	29,080
Change in deposits from the public, %	-3.2	-1.3	-1.9	-6.8	23.8
C/I ratio including financial transactions	0.61	0.56	0.46	0.55	0.48
C/I ratio excluding financial transactions	0.61	0.54	0.46	0.55	0.48
Credit loss level, %[1]	0.03	0.01	–	0.00	–
Total capital ratio, %	19.6	18.5	20.4	19.6	18.5
Rating, long-term					
Standard & Poor's, Covered bonds	AAA	AAA	AAA	AAA	AAA
Standard & Poor's	A	A	A	A	A
Fitch	A	A	A	A	A
Average number of employees, LTM	236	222	227	236	222

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

Our financial performance

Lending continued to increase in the last quarter of the year and totalled SEK 111.1 billion, up SEK 6.3 billion year-on-year. Deposits decreased just under SEK 2 billion over the year and amounted to SEK 27.1 billion. Net interest income totalled SEK 1.1 billion, down SEK 148 million year-on-year due mainly to lower margins on deposits. Costs increased SEK 14 million for the year, as a result of planned staffing increases. The bank continued to post extremely good credit quality.

Full-year 2024 compared with full-year 2023

The bank's operating profit amounted to SEK 489 million (636), with the change due mainly to year-on-year lower net interest income.

Net interest income

Interest income totalled SEK 5,019 million (4,639), and interest expenses totalled SEK 3,942 million (3,419), both due primarily to an increased lending volume.

Net commission income

Net commission income totalled SEK 19 million (10), up mainly due to the farm package introduced during the third quarter for all farming and forestry customers of the bank.

Net result of financial transactions

The net result of financial transactions amounted to a loss of SEK 7 million (loss: 14), of which the unrealised loss amounted to SEK 4 million (loss: 21) and the realised loss to SEK 3 million (gain: 7).

Other operating income

Other operating income was SEK 5 million (4).

Costs

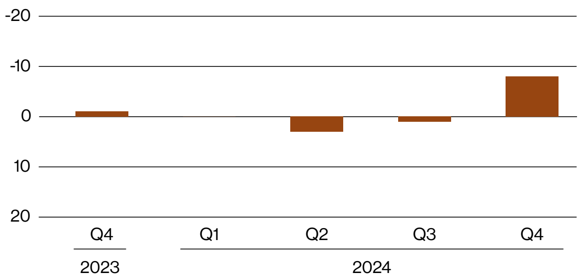
Costs amounted to SEK 603 million (589), up primarily in connection with staffing increases and larger IT investments.

Credit losses and credit loss allowance

Overall the credit losses generated a negative net earnings impact of SEK 4 million (recoveries: 5) for the year, of which net credit losses for non-credit-impaired assets had a negative earnings impact of SEK 2 million (recoveries: 1) and credit-impaired assets had a negative earnings impact of SEK 2 million (recoveries: 4).

Credit losses

SEK million



Operating profit

SEK million	Full-year 2024	Full-year 2023
Net interest income	1,078	1,220
Net commission income	19	10
Other operating income	-2	-10
Of which net result of financial transactions	-7	-14
Costs	-603	-589
C/I ratio including financial transactions	0.56	0.48
C/I ratio excluding financial transactions	0.56	0.48
Net recognised credit losses	-4	5
Credit loss level, %[1]	0	–
Operating profit	489	636
Operating profit excluding the net result of financial transactions	496	649

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

Balance Sheet

Assets, SEK million	31 Dec 2024
Eligible treasury bills	3,298
Loans to credit institutions	297
Loans to the public	111,110
Bonds and other interest-bearing securities	7,950
Derivatives	1,532
Tangible and intangible assets	76
Other assets	58
Total assets	**124,322**

Liabilities and equity, SEK million	31 Dec 2024
Liabilities to credit institutions	754
Deposits from the public	27,090
Debt securities issued, etc.	86,194
Derivatives	1,290
Subordinated liabilities	602
Other liabilities	803
Equity	7,590
Total liabilities and equity	**124,322**

Gross non-credit-impaired assets amounted to SEK 110,145 million (103,812) and the credit loss allowance to SEK 11 million (9). Gross credit-impaired assets amounted to SEK 987 million (958) and the credit loss allowance to SEK 10 million (8). 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

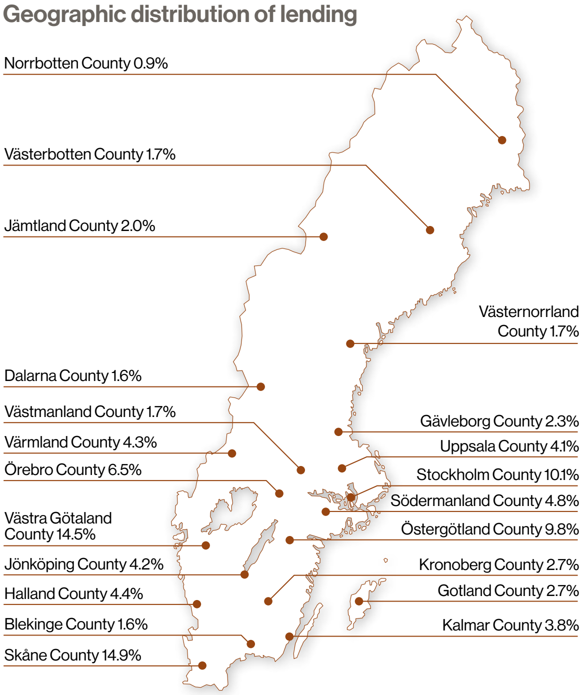
Other comprehensive income amounted to SEK 3 million (2), of which financial assets at fair value had a positive effect of SEK 13 million (negative: 4) as a result of falling credit spreads at the same time as declining cross-currency basis spreads had a negative impact of SEK 10 million (positive: 7).

Assets

The largest asset item in the balance sheet is loans to the public, which amounted to SEK 111.1 billion (104.8). The geographic distribution of lending remains stable over time.

Landshypotek Bank's liquidity portfolio totalled SEK 11.5 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 2.0 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.

Geographic distribution of lending



Funding

SEK million	In issue 31 Dec 2024	Limit	In issue 31 Dec 2023
Swedish commercial paper	–	10,000	–
MTN programme[1]	3,160	60,000[1]	11,922
NMTN programme[2]	79,856	112,957	64,000
Registered covered bonds	2,863		2,775
Subordinated loans	1,500		1,000

[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.*

Liabilities

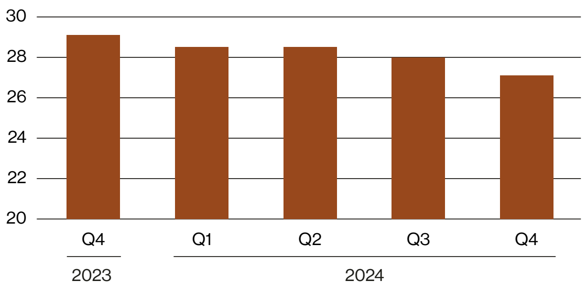
Funding

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. 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 2.6 years.

During the quarter, covered bonds to a nominal value of SEK 7.9 billion and senior bonds to a nominal value of SEK 0.5 billion were issued. In parallel, covered bonds to a nominal value of SEK 1.0 billion and senior bonds to a nominal value of SEK 0.3 billion matured. Covered bonds were repurchased to a nominal value of SEK 2.4 billion.

Lending from the public

SEK billikon



The bank's derivative portfolio decreased in value by SEK 20.0 billion during the quarter, 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 27.1 billion (29.1).

Financing and liquidity

The bank continues to have good conditions for funding operations with a net stable funding ratio of 120.2 percent. Moreover, the bank's short-term liquidity is healthy with a liquidity coverage ratio of 275 percent.

Risk and capital adequacy

The total capital ratio for the consolidated situation amounted to 19.0 percent (18.4 percent on 31 December 2023) and the CET1 capital ratio was 16.1 percent (16.3). At Landshypotek Bank AB, the total capital ratio amounted to 19.6 percent (18.5) and the CET1 capital ratio was 15.8 percent (15.9). During the year, own funds for the consolidated situation increased a total of SEK 434 million (from SEK 7,045 million to SEK 7,479 million), primarily attributable to the bank's issue of SEK 500 million in AT1 bonds, which contributed to the increase. Refer to Note 1 for further information.

Q4 2024 compared with Q3 2024

Operating profit amounted to SEK 97 million (149) for the quarter. The decline in operating profit resulted from higher costs, largely due to lower costs during the summer months in the third quarter. Costs for fourth quarter of 2024 are in line with the corresponding quarter last year, despite high inflation during the year.

Rating

Landshypotek Bank has credit ratings from two different rating agencies, Standard & Poor's and Fitch. In 2024, Standard & Poor's affirmed a long-term rating of "A" for Landshypotek and also changed the outlook from "negative" to "stable."

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, 29 January 2025.

Johan Ericson
Chief Executive Officer

Accounting policies

This year-end report has been prepared in accordance with IAS 34, Interim Financial Reporting and in accordance with Chapter 9 of the Annual Accounts Act for Credit Institutions and Securities Companies. 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/), with the exception that, from Q3 2024, net commission income has been separated from net interest income and is presented on a separate line in the income statement.

This year-end report has not been reviewed by the company's auditors.

Income Statement

SEK million	Note	Q4 2024	Q4 2023	Q3 2024	Full-year 2024	Full-year 2023
Interest income		1,163	1,312	1,252	5,019	4,639
Interest expenses		-897	-1,013	-983	-3,942	-3,419
Net interest income	2	**266**	**299**	**269**	**1,078**	**1,220**
Commission income		7	2	7	19	10
Commission expense		0	0	0	0	0
Net commission income		**7**	**2**	**7**	**19**	**10**
Net result of financial transactions		-3	-12	-3	-7	-14
Other operating income		1	2	1	5	4
Total operating income		**272**	**292**	**274**	**1,096**	**1,220**
General administrative expenses		-155	-153	-115	-559	-547
Depreciation, amortisation and impairment of tangible and intangible assets		-11	-12	-11	-43	-42
Other operating expenses		-1	0	0	-1	0
Total expenses before credit losses		**-167**	**-164**	**-126**	**-603**	**-589**
Profit before credit losses		**105**	**128**	**148**	**492**	**631**
Net credit losses	3	-8	-1	1	-4	5
Operating profit		**97**	**126**	**149**	**489**	**636**
Tax expense for the period		-22	-28	-32	-108	-135
Net profit for the period		**75**	**101**	**117**	**381**	**501**

Statement of Comprehensive Income

SEK million	Q4 2024	Q4 2023	Q3 2024	Full-year 2024	Full-year 2023
Net profit for the period	**75**	**101**	**117**	**381**	**501**
Other comprehensive income					
Items to be reclassified to income statement					
Financial assets at FVTOCI	-22	5	3	14	8
Cross-currency basis spreads in fair value hedges	-1	2	-2	-10	-5
Income tax related to other comprehensive income	4	-1	0	-1	-1
Total items that will be reclassified	**-18**	**5**	**1**	**3**	**2**
Total other comprehensive income	**-18**	**5**	**1**	**3**	**2**
Comprehensive income for the period	**57**	**106**	**117**	**384**	**503**

Balance Sheet

SEK million	Note	31 Dec 2024	30 Sep 2024	31 Dec 2023
Assets				
Cash and balances with central banks		–	135	–
Eligible treasury bills		3,298	3,309	3,881
Loans to credit institutions		297	326	218
Loans to the public	4	111,110	107,060	104,751
Value change of interest-hedged items in portfolio hedges		-73	59	-350
Bonds and other interest-bearing securities		7,950	9,593	8,009
Derivatives		1,532	1,551	1,847
Intangible assets		42	41	47
Tangible assets		34	39	51
Other assets		11	9	8
Current tax assets		76	55	0
Prepaid expenses and accrued income		45	49	51
Total assets	5, 6	**124,322**	**122,226**	**118,513**
Liabilities and equity				
Liabilities to credit institutions		754	2,481	552
Deposits from the public		27,090	27,989	29,080
Debt securities issued, etc.		86,194	81,703	78,750
Derivatives		1,290	1,411	1,845
Other liabilities		687	170	694
Tax liabilities		74	95	28
Accrued expenses and prepaid income		42	57	38
Subordinated liabilities		602	602	602
Total liabilities		**116,732**	**114,508**	**111,588**
Total equity		**7,590**	**7,718**	**6,925**
Total liabilities and equity	5, 6	**124,322**	**122,226**	**118,513**

Statement of cash flow

SEK million	Full-year 2024	Full-year 2023
Operating activities		
Profit before tax	489	636
Adjustments for non-cash items	-237	58
Income tax paid	-83	-80
Increase/decrease in assets	-3,432	560
Increase/decrease in liabilities	2,852	-1,440
Cash flow from operating activities	**-412**	**-267**
Investment activities		
Acquisitions of intangible assets	10	–
Acquisitions of tangible assets	1	–
Cash flow from investment activities	**11**	**–**
Financing activities		
Shareholders' contributions received	31	37
Change in Tier 1 capital instruments	500	–
Interest expense classified as Tier 1 capital dividend (AT1)	-51	-25
Cash flow from financing activities	**480**	**13**
Cash flow for the period	**79**	**-254**
Change in cash and cash equivalents	**79**	**-254**
Opening cash and cash equivalents	218	473
Closing cash and cash equivalents	297	218

The figures for the full-year 2023 have been adjusted due to a classification error for Group contributions for previous periods.
Group contributions paid has been adjusted with an increase of SEK 197 million and Increase/decrease in liabilities has been adjusted with negative SEK 197 million.

Statement of changes in equity

January – December 2024 SEK million	Restricted equity Share capital	Tier 1 capital	Statutory reserve	Unrestricted equity Fair value reserve	Cross-currency basis spreads in fair value hedges	Retained earnings	Total
Opening balance	**2,253**	**400**	**1,017**	**-8**	**-15**	**3,278**	**6,925**
Comprehensive income for the period				11	-8	381	384
Total change before transactions with owners and holders of Tier 1 capital instruments	**–**	**–**	**–**	**11**	**-8**	**381**	**384**
Tier 1 capital		500					500
Dividend on Tier 1 capital instruments						-51	-51
Shareholders' contributions						31	31
Group contributions paid						-251	-251
Tax on Group contributions paid						52	52
Closing balance	**2,253**	**900**	**1,017**	**4**	**-23**	**3,439**	**7,590**

January – December 2023 SEK million	Restricted equity Share capital	Tier 1 capital	Statutory reserve	Unrestricted equity Fair value reserve	Cross-currency basis spreads in fair value hedges	Retained earnings	Total
Opening balance	**2,253**	**400**	**1,017**	**-14**	**-10**	**2,974**	**6,619**
Comprehensive income for the period				6	-4	501	503
Total change before transactions with owners and holders of Tier 1 capital instruments	**–**	**–**	**–**	**6**	**-4**	**501**	**503**
Tier 1 capital							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
Closing balance	**2,253**	**400**	**1,017**	**-8**	**-15**	**3,278**	**6,925**

Notes

Note 1 Risk and capital adequacy

The bank and its consolidated situation belong to supervisory category 3 according to the Swedish FSA's annual supervisory review and are categorised as other institutions under the CRR. The information in this note refers to the information that must be disclosed pursuant to the capital adequacy disclosure requirements in the Capital Requirements Regulation, part eight and the Swedish FSA regulations FFFS 2014:12 and FFFS 2008:25.

Amendments in Banking Package
The bank's capital adequacy is based on the Capital Requirements Regulation and the Capital Requirements Directive, which have been adapted to the Banking Package adopted on 7 June 2019. On 19 June 2024, amendments to the Capital Requirements Regulation and the Capital Requirements Directive were published in the Official Journal of the European Union, finalising the last parts of the Basel III framework (the so-called Basel IV framework). The amendments aim to improve the comparability of risk-based capital metrics between banks within the EU. The measures include changes to the standardised approach and the internal ratings-based (IRB) approach used to calculate capital requirements for credit risk. For calculating capital requirements with the IRB approach, a capital requirement floor is introduced where the risk exposure amount (REA) shall not be less than 72.5 percent of the output using the standardised approach; the capital requirement floor is implemented during the transitional period from 2025 to 2030. Many of the regulatory changes will apply from 1 January 2025, but the majority have a later implementation date or extended transitional periods.

Amended accounting rules
The bank's assessment is that future changes in accounting rules will have no material impact on Landshypotek's capital adequacy and large exposures.

Capital adequacy 2024
The total capital ratio for the consolidated situation was 19.0 percent compared with 18.4 percent as of 31 December 2023 and the CET1 capital ratio was 16.1 percent (16.3 as of 31 December 2023). At Landshypotek Bank AB, the total capital ratio amounted to 19.6 percent (18.5 as of 31 December 2023) and the CET1 capital ratio was 15.8 percent (15.9 as of 31 December 2023). During the quarter, own funds for the consolidated situation increased SEK 42 million (from SEK 7,437 million to SEK 7,479 million) and, overall, own funds increased SEK 434 million (from SEK 7,045 million to SEK 7,479 million) during the year. The substantial increase was mainly due to the bank's issue of SEK 500 million in AT1 bonds, which was completed in the second quarter of 2024. During the year, the minimum capital requirement increased SEK 95 million (from SEK 3,062 million to SEK 3,157 million) mainly as a result of a higher REA for the bank's corporate and retail exposures with real estate collateral. The increase was also attributable to mortgages for tenant-owner apartments, which were launched by the Bank in November.

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 5.6 percent (5.5 as of 31 December 2023).

The internally assessed capital requirement for the consolidated situation was SEK 5.6 billion (5.5 as of 31 December 2023) and should be compared with own funds of SEK 7.5 billion.

In October 2024, Landshypotek Bank AB and the consolidated situation received its supervisory review and evaluation process (SREP) decision. At Group level, Landshypotek Bank AB has to meet a Pillar 2 requirement (P2R) of 1.9 percent of the Group's total risk-weighted exposure amount. Moreover, at Group level, the bank should hold additional capital in the form of Pillar 2 guidance (P2G) of 0.5 percent of the Group's total risk-weighted exposure amount and 0.5 percent of the Group's total exposure measure for the leverage ratio. At individual level, the bank has to meet a P2R of 1.9 percent of its total risk-weighted exposure amount.

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.

continued Note 1 EU CC1 – Composition of regulatory own funds

		Consolidated situation [1]	
	SEK million	31 Dec 2024	31 Dec 2023
1	Capital instruments and the related share premium accounts	2,071	2,036
	of which: member contributions	2,071	2,036
	of which: share capital		
2	Retained earnings [2]	4,567	4,324
3	Accumulated other comprehensive income (and other reserves)	-39	-42
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	211	375
	CET1 capital before regulatory adjustments	**6,811**	**6,693**
7	Additional value adjustments	-11	-12
8	Intangible assets (net of related tax liability) (negative amount)	-42	-47
12	Negative amounts resulting from the calculation of expected loss amounts	-393	-390
27a	Other regulatory adjustments	-2	-1
28	**Total regulatory adjustments to CET1 capital**	**-448**	**-450**
29	**CET1 capital**	**6,363**	**6,243**
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	608	293
44	**Additional Tier 1 (AT1) capital**	**608**	**293**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**6,971**	**6,536**
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	508	509
58	**Tier 2 (T2) capital**	**508**	**509**
59	**Total capital (TC = T1 + T2)**	**7,479**	**7,045**
60	**Total risk-weighted exposure amount**	**39,466**	**38,278**
61	CET1 capital ratio (%)	16.1	16.3
62	Tier 1 capital ratio (%)	17.7	17.1
63	Total capital (%)	19.0	18.4
64	Institution CET1 overall capital requirements (%)	10.1	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 (%) [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]	9.0	8.4

1) *The consolidated situation encompasses Landshypotek Ekonomisk Förening and the Landshypotek Bank AB Group.*

2) *Item includes other contributed equity.*

3) *As of 31 December 2024, 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 31 Dec 2024	Consolidated situation 31 Dec 2023
Internally assessed capital requirement [1]		
Pillar I capital requirement	3,157	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	693	702
Percentage of total risk-weighted exposure amount	1.8	1.8
Combined buffer requirement	1,776	1,723
Percentage of total risk-weighted exposure amount	4.5	4.5
Total capital requirement (incl. Pillar II guidance)	**5,627**	**5,487**
Percentage of total risk-weighted exposure amount	**14.3**	**14.3**
Own funds (Tier 1 capital + Tier 2 capital)	**7,479**	**7,045**
Percentage of total risk-weighted exposure amount	**18.9**	**18.4**
Capital requirement as assessed by Finansinspektionen [2]		
Pillar I capital requirement	3,157	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	750	773
Percentage of total risk-weighted exposure amount	1.9	2.0
Combined buffer requirement	1,776	1,723
Percentage of total risk-weighted exposure amount	4.5	4.5
Capital requirement, Pillar II guidance	197.3	0.0
Percentage of total risk-weighted exposure amount	0.5	0.0
Total capital requirement (incl. Pillar II guidance)	**5,881**	**5,558**
Percentage of total risk-weighted exposure amount	**14.9**	**14.5**
Own funds (Tier 1 capital + Tier 2 capital)	**7,479**	**7,045**
Percentage of total risk-weighted exposure amount	**19.0**	**18.4**
Leverage ratio requirement [3]		
Leverage ratio requirement	3,708	3,525
Percentage of total exposure amount for the leverage ratio	3.0	3.0
Pillar II capital requirement	0	–
Percentage of total exposure measure for the leverage ratio	0	–
Capital requirement, Pillar II guidance	618	352
Percentage of total exposure measure for the leverage ratio	0.5	0.3
Total capital requirement (incl. Pillar II guidance)	**4,326**	**3,877**
Percentage of total exposure measure for the leverage ratio	**3.5**	**3.3**
Tier 1 capital	**6,971**	**6,536**
Percentage of total exposure amount for the leverage ratio	**5.6**	**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 assessment 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 2024) 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 2024).*

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

31 Dec 2024 SEK million	Consolidated situation Exposure value[1]	Risk-weighted exposure amount[2]	Own funds requirement[3]	Average risk weight[4]
Credit risk – IRB approach	**111,002**	**23,109**	**1,849**	**21%**
Retail – real estate collateral	66,175	5,482	439	8%
Corporates	44,718	17,519	1,401	39%
Other non-credit-obligation assets	109	109	9	100%
Credit risk – Standardised approach	**13,653**	**1,419**	**114**	**10%**
Central governments or central banks	89	0	0	0%
Regional governments or local authorities	5,184	0	0	0%
Institutions	1,302	419	34	32%
Corporates	9	9	1	100%
Retail	31	21	2	68%
Secured by mortgage liens on immovable property	972	361	29	37%
Exposures in default	1	2	0	135%
Covered bonds	6,064	606	49	10%
Operational risk – Basic indicator approach		**2,102**	**168**	
Credit valuation adjustment risk – Standardised approach	**1,004**	**627**	**50**	**62%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**11,062**	**885**	
Additional stricter prudential requirements based on Article 3 CRR		**1,149**	**92**	
Total	**125,659**	**39,468**	**3,157**	

31 Dec 2023 SEK million	Consolidated situation Exposure value[1]	Risk-weighted exposure amount[2]	Own funds requirement[3]	Average risk weight[4]
Credit risk – IRB approach	**105,103**	**22,701**	**1,816**	**22%**
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%
Credit risk – Standardised approach	**13,379**	**1,217**	**97**	**9%**
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%
Operational risk – Basic indicator approach		**1,826**	**146**	
Credit valuation adjustment risk – Standardised approach	**911**	**644**	**52**	**71%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**10,742**	**859**	
Additional stricter prudential requirements based on Article 3 CRR		**1,149**	**92**	
Total	**119,392**	**38,278**	**3,062**	

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 31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
	Available own funds (amounts)					
1	CET1 capital	6,363	6,342	6,281	6,313	6,243
2	Tier 1 capital	6,971	6,937	6,872	6,598	6,536
3	Total capital	7,479	7,437	7,370	7,094	7,045
	Risk-weighted exposure amount					
4	Total risk-weighted exposure amount	39,466	38,191	37,952	38,171	38,278
	Capital ratios (as a percentage of REA)					
5	CET1 capital ratio (%)	16.1	16.6	16.5	16.5	16.3
6	Tier 1 capital ratio (%)	17.7	18.2	18.1	17.3	17.1
7	Total capital ratio (%)	19.0	19.5	19.4	18.6	18.4
	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 (%)	1.9	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)	1.4	1.5	1.5	1.5	1.5
EU 7d	Total SREP own funds requirements (%)	9.9	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 (%)	2.0	2.0	2.0	2.0	2.0
11	Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
EU 11a	Overall capital requirements (%)	14.4	14.5	14.5	14.5	14.5
12	CET1 available after meeting the total SREP own funds requirements (%)	9.0	9.4	9.4	8.6	8.4
	Leverage ratio					
13	Total exposure measure	123,594	121,348	119,599	119,005	117,497
14	Leverage ratio (%)	5.6	5.7	5.8	5.5	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)	9,637	9,530	9,700	10,592	10,827
EU 16a	Cash outflows – total weighted value	3,906	4,373	3,740	3,655	3,598
EU 16b	Cash inflows – total weighted value	405	424	215	446	341
16	Total net cash outflows (adjusted value)	3,501	3,949	3,525	3,209	3,257
17	Liquidity coverage ratio (%)	275.2	241.3	275.2	330.1	332.4
	Net stable funding ratio					
18	Total available stable funding	109,167	104,907	105,113	100,900	100,848
19	Total required stable funding	90,552	87,424	86,102	85,319	84,915
20	Net stable funding ratio (%)	120.6	120.0	122.1	118.3	118.3

Finansinspektionen's Pillar II capital requirements have been included in the above table.

continued Note 1 EU CC1 – Composition of regulatory own funds

	SEK million	Landshypotek Bank AB 31 Dec 2024	Landshypotek Bank AB 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 [1]	4,075	3,794
3	Accumulated other comprehensive income (and other reserves)	-19	-22
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	381	497
6	**CET1 capital before regulatory adjustments**	**6,690**	**6,521**
7	Additional value adjustments	-11	-12
8	Intangible assets (net of related tax liability) (negative amount)	-42	-47
12	Negative amounts resulting from the calculation of expected loss amounts	-393	-390
27a	Other regulatory adjustments	-2	-1
28	**Total regulatory adjustments to CET1 capital**	**-448**	**-450**
29	**CET1 capital**	**6,242**	**6,071**
30	Capital instruments and the related share premium accounts	900	400
31	of which: classified as equity under applicable accounting standards	900	400
34	Qualifying Tier I capital included in consolidated AT1 capital issued by subsidiaries and held by third parties	–	–
44	**Additional Tier 1 (AT1) capital**	**900**	**400**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**7,142**	**6,471**
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)**	**7,742**	**7,071**
60	**Total risk-weighted exposure amount**	**39,438**	**38,277**
61	CET1 capital ratio (%)	15.8	15.9
62	Tier 1 capital ratio (%)	18.1	16.9
63	Total capital (%)	19.6	18.5
64	Institution CET1 overall capital requirements (%)	10.1	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 (%) [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 [3]	9.3	8.5

1) *Item includes other contributed equity*

2) *As of 31 December 2024, Finansinspektionen's assessment of Pillar II capital requirements has been included.*

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	**31 Dec 2024**	**31 Dec 2023**
Internally assessed capital requirement [1]		
Pillar I capital requirement	3,155	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	693	702
Percentage of total risk-weighted exposure amount	1.8	1.8
Combined buffer requirement	1,775	1,722
Percentage of total risk-weighted exposure amount	4.5	4.5
Total capital requirement (incl. Pillar II guidance)	**5,623**	**5,487**
Percentage of total risk-weighted exposure amount	**14.3**	**14.3**
Own funds (Tier 1 capital + Tier 2 capital)	**7,742**	**7,071**
Percentage of total risk-weighted exposure amount	**19.6**	**18.5**
Capital requirement as assessed by Finansinspektionen [2]		
Pillar I capital requirement	3,155	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	749	773
Percentage of total risk-weighted exposure amount	1.9	2.0
Combined buffer requirement	1,775	1,722
Percentage of total risk-weighted exposure amount	4.5	4.5
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)	**5,679**	**5,558**
Percentage of total risk-weighted exposure amount	**14.4**	**14.5**
Own funds (Tier 1 capital + Tier 2 capital)	**7,742**	**7,071**
Percentage of total risk-weighted exposure amount	**19.6**	**18.5**
Leverage ratio requirement		
Leverage ratio requirement	3,707	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	0	0
Percentage of total exposure measure for the leverage ratio	0	0
Total capital requirement (incl. Pillar II guidance)	**3,707**	**3,525**
Percentage of total risk-weighted exposure amount	**3.0**	**3.0**
Tier 1 capital	**7,142**	**6,471**
Percentage of total exposure amount for the leverage ratio	**5.8**	**5.5**

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 assessment 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 2024) and the combined buffer requirement pursuant to the Capital Buffers Act (2014:966).*

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

	Landshypotek Bank AB			
31 Dec 2024 SEK million	**Exposure value[1]**	**Risk-weighted exposure amount[2]**	**Own funds requirement[3]**	**Average risk weight[4]**
Credit risk – IRB approach	**110,973**	**23,080**	**1,846**	**21%**
Retail – real estate collateral	66,175	5,482	439	8%
Corporates	44,718	17,519	1,401	39%
Other non-credit-obligation assets	80	80	6	100%
Credit risk – Standardised approach	**13,653**	**1,419**	**114**	**10%**
Central governments or central banks	89	0	0	0%
Regional governments or local authorities	5,184	0	0	0%
Institutions	1,302	419	34	32%
Corporates	9	9	1	100%
Retail	31	21	2	68%
Secured by mortgage liens on immovable property	972	361	29	37%
Exposures in default	1	2	0	135%
Covered bonds	6,064	606	49	10%
Operational risk – Basic indicator approach		**2,102**	**168**	
Credit valuation adjustment risk – Standardised approach	**1,004**	**627**	**50**	**62%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**11,062**	**885**	
Additional stricter prudential requirements based on Article 3 CRR		**1,149**	**92**	
Total	**125,630**	**39,439**	**3,155**	

	Landshypotek Bank AB			
31 Dec 2023 SEK million	**Exposure value[1]**	**Risk-weighted exposure amount[2]**	**Own funds requirement[3]**	**Average risk weight[4]**
Credit risk – IRB approach	**105,101**	**22,699**	**1,816**	**22%**
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%
Credit risk – Standardised approach	**13,378**	**1,217**	**97**	**9%**
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%
Operational risk – Basic indicator approach		**1,826**	**146**	
Credit valuation adjustment risk – Standardised approach	**911**	**644**	**52**	**71%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**10,742**	**859**	
Additional stricter prudential requirements based on Article 3 CRR		**1,149**	**92**	
Total	**119,390**	**38,277**	**3,062**	

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	Landshypotek Bank AB 31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
	Available own funds (amounts)					
1	CET1 capital	6,242	6,276	6,229	6,181	6,071
2	Tier 1 capital	7,142	7,176	7,129	6,581	6,471
3	Total capital	7,742	7,776	7,729	7,181	7,071
	Risk-weighted exposure amount					
4	Total risk-weighted exposure amount	39,438	38,193	37,952	38,171	38,277
	Capital ratios (as a percentage of REA)					
5	CET1 capital ratio (%)	15.8	16.4	16.4	16.2	15.9
6	Tier 1 capital ratio (%)	18.1	18.8	18.8	17.2	16.9
7	Total capital ratio (%)	19.6	20.4	20.4	18.8	18.5
	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 (%)	1.9	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)	1.4	1.5	1.5	1.5	1.5
EU 7d	Total SREP own funds requirements (%)	9.3	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 (%)	2.0	2.0	2.0	2.0	2.0
11	Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
EU 11a	Overall capital requirements (%)	14.4	14.5	14.5	14.5	14.5
12	CET1 available after meeting the total SREP own funds requirements (%)	9.3	9.8	9.0	8.8	8.5
	Leverage ratio					
13	Total exposure measure	123,566	121,350	119,599	119,005	117,494
14	Leverage ratio (%)	5.8	5.9	6.0	5.5	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)	9,637	9,530	9,700	10,592	10,827
EU 16a	Cash outflows – total weighted value	3,906	4,373	3,740	3,655	3,598
EU 16b	Cash inflows – total weighted value	405	424	215	446	341
16	Total net cash outflows (adjusted value)	3,501	3,949	3,525	3,209	3,257
17	Liquidity coverage ratio (%)	275.2	241.3	275.2	330.1	332.4
	Net stable funding ratio					
18	Total available stable funding	108,868	104,873	100,079	100,571	100,480
19	Total required stable funding	90,552	87,424	86,102	85,320	84,916
20	Net stable funding ratio (%)	120.2	120.0	122.0	117.9	118.3

Finansinspektionen's Pillar II capital requirements have been included in the above table.

Note 2 Net interest income

SEK million	Q4 2024	Q4 2023	Q3 2024	Full-year 2024	Full-year 2023
Interest income					
Interest income on loans to credit institutions	4	0	1	8	2
Interest income on loans to the public	1,063	1,192	1,147	4,595	4,197
Interest income on interest-bearing securities	96	116	102	413	430
Other interest income	0	1	1	3	11
Total interest income	**1,163**	**1,312**	**1,252**	**5,019**	**4,639**
Interest expenses					
Interest expenses for liabilities to credit institutions	-19	-11	-17	-63	-23
Interest expenses for deposits from the public	-189	-275	-238	-963	-882
of which fees for deposit insurance	-10	-9	-7	-31	-21
Interest expenses for interest-bearing securities	-583	-635	-621	-2,489	-2,251
Interest expenses for subordinated liabilities	-6	-8	-7	-29	-27
Interest expenses for derivative instruments	-79	-69	-81	-324	-170
Other interest expenses	-20	-16	-18	-73	-67
of which fees for resolution fund	-11	-10	-11	-46	-41
Total interest expenses	**-897**	**-1,013**	**-983**	**-3,942**	**-3,419**
Total net interest income	**266**	**299**	**269**	**1,078**	**1,220**

All interest income is attributable to the Swedish market.

Note 3 Net credit losses

SEK million	Q4 2024	Q4 2023	Q3 2024	Full-year 2024	Full-year 2023
Change in credit loss allowance, Stage 1	-1	0	1	0	-1
Change in credit loss allowance, Stage 2	-2	0	-2	-2	2
Net credit losses, non-credit-impaired lending	**-3**	**-1**	**-1**	**-2**	**1**
Change in credit loss allowance, Stage 3	-5	2	1	-2	14
Write-off for the period for confirmed losses	0	-4	0	0	-12
Recoveries of previously confirmed losses	0	1	0	1	2
Net credit losses, credit-impaired lending	**-5**	**-1**	**2**	**-2**	**4**
Total net credit losses	**-8**	**-1**	**1**	**-4**	**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 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 trend 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 60 percent for the base scenario, and 20 percent each for the deteriorated and improved scenarios.

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 22.0 million
Improved scenario	SEK 21.3 million
Deteriorated scenario	SEK 23.3 million

Note 4 Loans to the public

SEK million	31 Dec 2024	30 Sep 2024	31 Dec 2023
Loan receivables, stage 1	106,918	103,247	101,118
Loan receivables, stage 2	3,227	3,017	2,694
Loan receivables, stage 3	987	810	958
Gross loan receivables	**111,132**	**107,074**	**104,769**
Less credit loss allowance	-22	-14	-18
Net loan receivables	**111,110**	**107,060**	**104,751**
Disclosures on past due loan receivables, gross			
Loan receivables past due, 5–90 days	45	11	25
Loan receivables past due, more than 90 days	218	279	355
Total past due loan receivables, gross	**263**	**290**	**380**

Gross loan receivables January – December 2024 SEK million	Non-credit-impaired lending		Credit-impaired lending	
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**101,118**	**2,694**	**958**	**104,769**
Increases in loan receivables due to origination and acquisition	16,825	309	52	17,185
Decreases in loan receivables due to derecognition	-10,099	-447	-232	-10,778
Decrease in loan receivables due to confirmed losses			-44	-44
Migration between stages				
from 1 to 2	-1,577	1,577		–
from 1 to 3	-233		233	–
from 2 to 1	826	-826		–
from 2 to 3		-111	111	–
from 3 to 2		32	-32	–
from 3 to 1	59		-59	–
Closing balance	**106,918**	**3,227**	**987**	**111,132**

Gross loan receivables January – December 2023 SEK million	Non-credit-impaired lending		Credit-impaired lending	
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**98,834**	**6,131**	**715**	**105,680**
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
Migration between stages				
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	–
Closing balance	**101,118**	**2,694**	**958**	**104,769**

continued Loans to the public

Credit loss allowance January – December 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			
Opening balance	**-4**	**-6**	**-8**	**-18**	**-18**	**0**
Increases due to origination and acquisition	-2	-2	-1	-4	-4	0
Decreases due to derecognition	1	1	2	4	4	0
Decrease in allowance due to write-offs	–	–	0	0	0	–
Changes due to change in credit risk	1	0	2	3	3	0
Changes due to update in the methodology for estimation	0	0	0	1	1	–
Migration between stages						
from 1 to 2	0	-4	0	-4	-4	0
from 1 to 3	0	0	-5	-5	-5	0
from 2 to 1	0	1	0	1	1	0
from 2 to 3	0	0	0	0	0	0
from 3 to 2	0	0	1	0	0	0
from 3 to 1	0	0	1	1	1	0
Closing balance	**-4**	**-8**	**-10**	**-22**	**-22**	**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			
Opening balance	**-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	–
Migration between stages						
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	–
Closing balance	**-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

	31 Dec 2024				31 Dec 2023			
SEK million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI								
Eligible treasury bills, etc.	3,298	–	–	3,298	3,881	–	–	3,881
Bonds and other interest-bearing securities	7,950	–	–	7,950	8,009	–	–	8,009
Derivatives identified as hedging instruments								
Interest-rate swaps	–	1,010	–	1,010	–	1,400	–	1,400
Cross-currency interest-rate swaps	–	523	–	523	–	447	–	447
Total assets measured at fair value	**11,249**	**1,532**	**–**	**12,781**	**11,890**	**1,847**	**–**	**13,737**
Derivatives identified as hedging instruments								
Interest-rate swaps	–	1,273	–	1,273	–	1,822	–	1,822
Cross-currency interest-rate swaps	–	17	–	17	–	22	–	22
Total liabilities measured at fair value	**–**	**1,290**	**–**	**1,290**	**–**	**1,845**	**–**	**1,845**

Various measurement methods are used to determine the fair value of financial instruments measured at fair value. Bonds and interest-bearing securities as well as eligible treasury bills are measured on the basis of market quotes. All of these assets are traded in an active market with quoted market prices. Derivatives are measured at the present value of the cash flows associated with the financial instrument. The yield curves used for discounting cash flows are based on observable market data. No changes in the bank's measurement methods or assumptions took place during the year.

No transfers were made between the levels. Level 1 only comprises listed mortgage bonds and bonds issued by municipalities and regions. 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

	2024				
SEK million	Level 1	Level 2	Level 3	Fair value	Carrying amount
Assets					
Cash and balances with central banks	–	–	–	–	–
Eligible treasury bills	3,298	–	–	3,298	3,298
Loans to credit institutions	–	297	–	297	297
Loans to the public	–	112,603	–	112,603	111,110
Value change of interest-hedged items in portfolio hedges		-73		-73	-73
Bonds and other interest-bearing securities	7,950	–	–	7,950	7,950
Derivatives	–	1,532	–	1,532	1,532
Total assets	**11,249**	**114,360**	**–**	**125,608**	**124,116**
Liabilities					
Liabilities to credit institutions	–	754	–	754	754
Deposits from the public	–	27,090	–	27,090	27,090
Debt securities issued, etc.	–	85,694	–	85,694	86,194
Derivatives	–	1,290	–	1,290	1,290
Subordinated liabilities	601	–	–	601	602
Other liabilities	–	687	–	687	687
Total liabilities	**601**	**115,514**	**–**	**116,114**	**116,616**

	2023				
SEK million	Level 1	Level 2	Level 3	Fair value	Carrying amount
Assets					
Cash and balances with central banks	–	–	–	–	–
Eligible treasury bills	3,881	–	–	3,881	3,881
Loans to credit institutions	–	218	–	218	218
Loans to the public	–	105,912	–	105,912	104,751
Value change of interest-hedged items in portfolio hedges	–	-350	–	-350	-350
Bonds and other interest-bearing securities	8,009	–	–	8,009	8,009
Derivatives	–	1,847	–	1,847	1,847
Total assets	**11,890**	**107,627**	**–**	**119,517**	**118,356**
Liabilities					
Liabilities to credit institutions	–	552	–	552	552
Deposits from the public	–	29,080	–	29,080	29,080
Debt securities issued, etc.	–	78,261	–	78,261	78,750
Derivatives	–	1,845	–	1,845	1,845
Subordinated liabilities	593	–	–	593	602
Other liabilities	–	411	–	411	411
Total liabilities	**593**	**110,149**	**–**	**110,742**	**111,240**

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. The APM is relevant for monitoring lending growth, which affects the company's financial performance.
Interest margin, LTM, %	Net interest income over the last 12 months in relation to average lending during the period. The APM aims to showcase the interest margin trend in the credit portfolio.
Change in deposits from the public, %	The percentage increase in deposits from the public during the period. The APM is relevant for monitoring deposits growth, which affects the company's financial performance.
C/I ratio including financial transactions	Costs in relation to income including the net result of financial transactions. The APM aims to showcase the company's cost efficiency
C/I ratio excluding financial transactions	Costs in relation to income excluding the net result of financial transactions. The APM aims to showcase the company's cost efficiency.
Credit loss level, %	Net credit losses for the period restated on an annualised basis in relation to average lending during the period. The APM aims to showcase the credit quality and credit risk level in the credit portfolio.
Net credit-impaired assets after allowances as a percentage of total loans outstanding, %	Net credit-impaired assets in relation to loans to the public. The APM aims to showcase the credit quality in the credit portfolio and the risk of future credit losses.
Return on equity, %	Net profit for the year divided by average equity after adjustment for Tier 1 capital debt. The APM aims to provide further information regarding the company's profitability in relation to equity.
Earnings per share, SEK	Net profit for the year in relation to the number of shares. The APM is relevant for measuring how much profit the bank generates for its owners.

continued Alternative performance measures

SEK million	Q4 2024	Q4 2023	Q3 2024	Full-year 2024	Full-year 2023
Change in loans to the public	4,050	73	1,489	6,359	-897
Opening balance, loans to the public	107,060	104,678	105,570	104,751	105,647
Change in loans to the public, %	**3.8**	**0.1**	**1.4**	**6.1**	**-0.8**
Net interest income, accumulated LTM	1,078	1,230	1,111	1,078	1,230
Average loans to the public, LTM	106,703	105,341	105,342	106,703	105,341
Interest margin, LTM, %	**1.01**	**1.17**	**1.05**	**1.01**	**1.17**
Change in deposits from the public	-899	-382	-529	-1,990	5,584
Opening balance deposits from the public	27,989	29,462	28,518	29,080	23,496
Change in deposits from the public, %	**-3.2**	**-1.3**	**-1.9**	**-6.8**	**23.8**
Costs before credit losses	-167	-164	-126	-603	-589
Total operating income	272	294	274	1096	1,220
C/I ratio including financial transactions	**0.61**	**0.56**	**0.46**	**0.55**	**0.48**
Costs before credit losses	-167	-164	-126	-603	-589
Total operating income excluding financial transactions	275	306	277	1,102	1,234
C/I ratio excluding financial transactions	**0.61**	**0.54**	**0.46**	**0.55**	**0.48**
Net credit losses calculated on a full-year basis	-31	-6	3	-4	5
Average loans to the public, LTM	106,703	105,341	105,342	106,703	105,341
Credit loss level, % [1]	**0.03**	**0.01**	**–**	**0.00**	**–**
Credit-impaired assets, net	937	939	796	937	939
Loans to the public	111,110	104,751	107,060	111,110	104,751
Net credit-impaired assets after allowances as a percentage of total loans outstanding, %	**0.84**	**0.90**	**0.74**	**0.84**	**0.90**
Profit after tax				381	501
Average LTM equity				6,699	6,474
Return on equity, %				**5.7**	**7.7**
Profit after tax				381	501
Number of shares, million				2	2
Earnings per share, SEK [2]				**168.9**	**222.4**

[1] *An outcome is only presented in the case of a negative earnings impact.*
[2] *The APM is defined in IFRS*

Reporting calendar 2024/2025

Landshypotek Bank's reports are available at:
www.landshypotek.se/en/about-landshypotek/about-landshypotek-bank/

Annual Report 2024	12 March 2025
General Meeting	29 April 2025
Interim Report Q1	8 May 2025
Interim Report Q2	21 July 2025
Interim Report Q3	27 October 2025

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