



Landshypotek Bank

Landshypotek Bank Investor presentation

- fourth quarter 2023

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Table of content

- 1) Working for a richer countryside
- 2) Sustainability & ESG
- 3) Agriculture market overview
- 4) Housing market overview
- 5) Financial update
- 6) Asset quality
- 7) Capital adequacy
- 8) Funding, liquidity and cover pool
- 9) Contacts and financial calendar

Executive summary:

- Low-risk agriculture and forestry bank with sustainability integrated in the strategy with a market share of 23%
- Sustainable governance where profit is reinvested or returned to the agriculture and forestry sectors
- The bank for the conscious choice of mortgage loans and savings
- Low-risk business model
 - 99.8% of the loan portfolio is first-lien mortgages
 - Average LTV is 44%
 - 99% of the customers have a personal liability
 - Total losses since 1985 SEK 356m, average per year 0.024%
- Very well capitalised with a leverage ratio of 5.6%, despite big deductions

Working for a richer countryside

In short:

- Landshypotek Bank's vision is to enhance life in the countryside
- A leading low risk bank in the agriculture and forestry sectors and challenger in mortgage market
- Strategy

Treasure our position in the market and value what it stands for

Grow with new and existing customers, primarily within in the retail market (agriculture and residential)

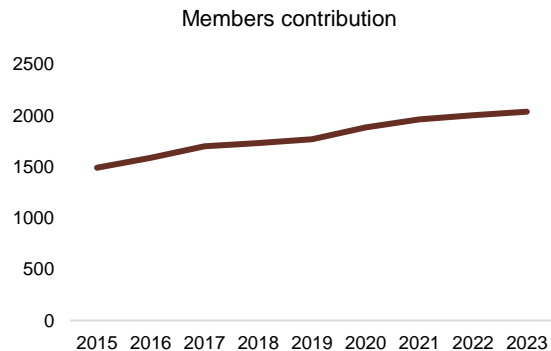
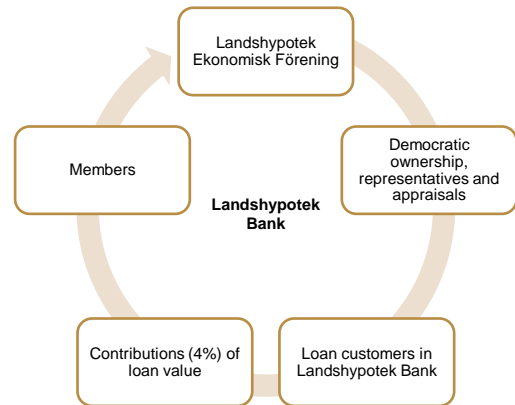
Become a larger bank with better profitability and higher efficiency for us and our customers

With the same purpose since 1836. Boring? Never.

- It all started in 1836 with the very first building society. Our main task is to provide competitive financing and to offer financial services to Sweden's farmers and foresters
- Since 2017, we have challenged the mortgage market by offering competitive interest rates that enables people to live well across the country. Structural changes within the agricultural landscape made it even more natural for us to take this step
- Our main focus is mortgages and we understand the importance of the place where people chose to live or develop their business within agriculture and forestry
- We strive to be a sustainable bank offering solid and long term financial services and competitive terms for savings
- We offer mortgages for agriculture, forestry and residential as well as savings accounts
- Collaborations are actively chosen and part of our future

Landshypotek is more than just a bank

- 34,000 loan customers are members of Landshypotek Ekonomisk Förening, the foundation of a long term governance structure
- Landshypotek Ekonomisk Förening is sole owner of Landshypotek Bank
- All business is conducted in the bank
- Purpose: Provide competitive financing and to offer financial services to Sweden's farmers and foresters. Focus for 120 elected representatives:
 - Owning the bank
 - Representing the members in a democratic organization
 - Represent Landshypotek in the market
 - Execute real estate appraisals



Position, focus and strategy

Market leader and challenger

- One of the 10 largest banks in Sweden and market leading in agriculture and forestry with approx. 23% of total lending to the sectors
- Considered a systemically important bank by the Swedish National Debt Office (Sw. *Riksgäldskontoret*)
- Loans outstanding to the agriculture and forestry sectors of SEK 79bn and residential mortgages SEK 25bn
- 243 employees, 19 offices

Low risk actor

- 99.8% of the loan portfolio is first-lien mortgages, low average LTV 44%
- 99% of our customers conduct business as sole proprietorship, which is a private individual with personal liability
- S&P Covered Bond rating AAA, S&P issuer rating (long) A, Fitch issuer rating (long) A

Circular economy

- Long term governance structure being owned by 34,000 loan customers, members of Landshypotek Ekonomisk Förening
- Profit is reinvested or returned to the agriculture and forestry sectors

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Become a larger bank with better profitability and higher efficiency for us and our customers

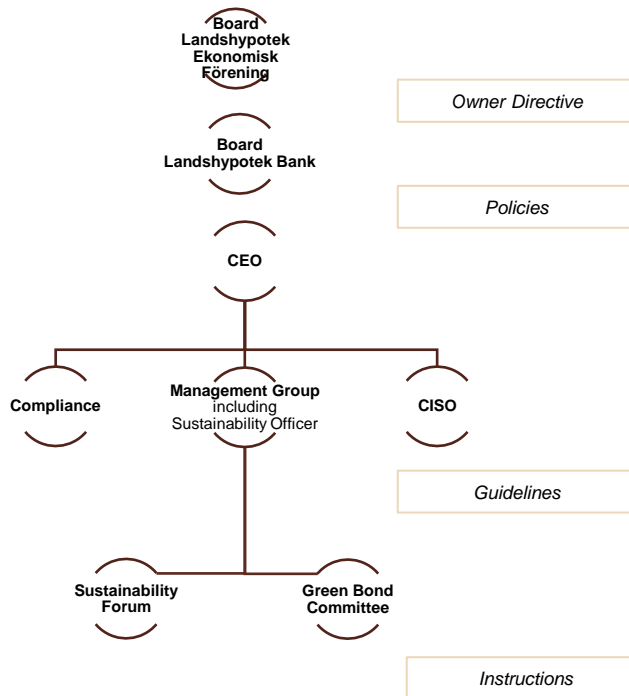
Sustainability and ESG

In short:

- Sustainability embedded in the business model
- Limited direct impact, greater impact within our lending portfolio
- Increase customer dialogue to reduce emissions and secure adaptation to a changing climate

ESG: Governance

- Stakeholders' confidence of the bank is fundamental
- High ethical standards and zero tolerance for corruption, money laundering or conflicts of interest
- Increased transparency in credit process and accessible information and governing policies
- Member-owned association, one member one vote
- Liquidity reserve comprises interest-bearing securities and excludes investments in direct operations in fossil-based energy production, nuclear power, research or development of weapons, potentially environmentally harmful extraction of resources (for example, rare earths or fossil fuel), gambling or tobacco
- Signatory of Principles for Responsible Banking (PRB)
- Reporting in accordance with Global Reporting Initiative's (GRI) since 2022 to increase sustainability information and transparency



Overarching

Sustainability Policy
Climate Strategy

General corporate governance and ethics

Code of Conduct
Code of Conduct for suppliers
Ethics Policy
Insider Policy
Conflict of Interest Policy
Compliance Policy
Policy for Counteracting Money Laundering and Financing of Terrorism
Owner Directive

Healthy credit granting and transactions

Formal work plan for the Green Bond Committee
Climate and Environmental Analysis Instruction
Credit Policy
Credit Granting Guidelines
KYC Guidelines
Valuation Policy (for Cooperative Association)

Work environment, employee commitment and societal responsibility

Remuneration Policy
HR Policy
Board Diversity Policy
Guidelines and Instructions for Outsourced Operations and Contract Management
Guidelines for Landshypotek Bank's Work Environment Efforts

ESG: Social

- A living countryside, where fields and forests are cultivated, creates growth, jobs and opportunities for a well-developed business community and living across the country
- This lays the foundation for a future for the cities and the countryside
- Long-term customer relationships following one generation to next, making long-term investments possible in a capital-intensive business
- Preventive insolvency management for good outcomes for our customers as well as the bank
- 19 branches all over Sweden with job opportunities and living outside the main cities in Sweden
- Strives to be an attractive employer offering in terms of work environment and employees' terms and conditions

eNPS (2023)

+41

scale -100 - +100

Gender balance women/men (2023-12-31)

In total

51/49

Managers

54/46

Management Group

27/73

Board

29/71

Age Distribution (2023-12-31)



- 20-24 år
- 25-29 år
- 30-34 år
- 35-39 år
- 40-44 år
- 45-49 år
- 50-54 år
- 55-59 år
- 60 + år

ESG: Environmental

Our impact is primarily within our lending portfolio

- A climate strategy has been adopted by the board and will be implemented in 2024 where targets in line with the Paris Agreement and the Swedish Banker's Association's framework for climate action will be addressed
- Landshypotek Bank became a signatory to the Principles for Responsible Banking and will work with implementing the principles during 2024 and beyond
- Landshypotek's own emissions are primarily driven by premises and work-related travel

Exposure to sectors based on photosynthesis and other ecosystem services

- The forest is a key link in the transition to a fossil-free society (raw materials are renewable, recyclable and biodegradable)
- Forests and arable land are carbon sinks with a considerable potential to store even more carbon
- Cultivated land and grazing animals are essential for biodiversity and diversified landscapes
- Pastures, fields with crops and forest lands are essential for other ecosystem services like absorption of heavy rains, cleaning of ground water and soils provide habitats for thousands of species
- Swedish farms maintain high standards for animal husbandry, environmental conditions and food quality

Emissions (2022-12-31)

0.44

ton CO₂e per FTE in accordance with GHG Protocol (scope 3)

Green Bonds (2024)

11.5

billion SEK in outstanding volume

Climate benefit

240

ton CO₂ per invested million SEK

Financed Emissions

An inaugural analysis of Landshypotek Bank's lending portfolio indicates a positive climate benefit i.e. net absorption of carbon dioxide

Great absorptions and essential emissions

Biogen and fossil-based emissions

- There is a difference between the “green” and the “brown” carbon atom. One is part of the natural carbon cycle; the other one is not.

Emissions and absorption from land use

- LULUCF sector contributes to a yearly net absorption of greenhouse gases
- The net absorption corresponds to 90 % of Sweden's total emissions (2022)
- Most of the net absorption within the sector comes from forests and wood products
- Absorption (carbon pools) is found in the living biomass and mineral soils
- The reduced absorption from the forests in recent years is due to lower growth (drought) and greater extraction (spruce bark beetle and greater demand)

Emissions from agriculture

- Emissions in agriculture are driven by methane and nitrous oxide from animal feed digestion, manure handling and nitrogen conversion in soil
- The sector's emissions are based on biological processes, which makes the calculations uncertain, especially nitrous oxide emissions from nitrogen supply to arable land
- The agricultural sector is the largest source of emissions of the greenhouse gases methane and nitrous oxide

Emissions from housing

- Emissions from housing, primarily heating, have decreased by 91% between 1990¹² (6.2 million tons CO₂e) and 2022 (0.3 million tons CO₂e). Remaining emissions are driven by energy sources for heating and consumption.

Emissions and absorption from LULUCF sectors in Sweden 1990-2022



Emissions from agriculture in Sweden 1990-2022



Climate and nature related risks for lending portfolio

Climate indicators and physical risks

- Temperature will lead to other risks like drought and heatwaves
- Length of growing season will provide a greater opportunity for higher yields and crop variation but higher risk of increased pressure from vermin
- Heatwaves place stress on growing crops and livestock whilst increasing the risk of lower yields
- Extreme precipitation causes flooding and extreme rainfall can destroy crops and provide challenges for using machinery and damage to property
- Fire risk can lead to the destruction of forests and lost growth
- Elevated sea levels pose a risk for properties in exposed areas

Transition risks

- Political decisions e.g. usage of pesticides, fossil fuels, emissions trading system and land use
- Change in consumer and investor demands

Landshypotek Bank's impact

- Through customer dialogue inform and discuss methods and investments for adaptation and emission reductions
- Credit analysis and appraisals include sustainability aspects from a climate and environmental perspective
- Credit analysis includes ESG risks and opportunities as part of SWOT analysis
- Finance projects and investments which adapt the business to a changing climate or reduce their impact on the climate

Further understanding

- To better understand climate indicators and physical risks in our lending portfolio, an updated analysis together will be done with SMHI (ongoing 2024)

Complex sector exposure

- Agriculture and forestry are dependent and crucial for nature as we know it. There are no closed systems which increases the complexity to fully understand the consequences of a changing climate

Green Bonds

- Total volume issued: SEK 11.5bn
- Green Bond Framework aligns with Green Bond Principles as of 2017
- Addressing the UN Sustainable Development Goals (SDG) affordable and clean energy (7), sustainable cities and communities (11), climate action (13) and life on land (15)
- Green Assets means loans provided by Landshypotek, financing or refinancing investment relates to three categories of Green Assets - *Sustainable Forestry*, *Renewable Energy* and *Green Buildings*
- Substantial contribution to lowering carbon dioxide levels in the atmosphere through carbon sequestration as opposed to merely reducing emissions
- Reported in a yearly updated Impact Report
- Upcoming EU Taxonomy regulation under evaluation



*CICERO
Dark Green

Green Bond Assets at Landshypotek

- Approx. 2,700 underlying projects are categorized as Sustainable Forestry fulfilling condition A (Green forestry management plan) or B (certified forest)
- Projects cover approx. 2% of Swedish woodland
- 240 tons CO2 has been absorbed and avoided for every SEK 1 million invested

Green Bond Ratio

15.6%

of the covered bonds issued by Landshypotek Bank are green

14.7%

of all senior and covered bonds issued by Landshypotek Bank are green

ESG: focus and ambitions

- Further develop the analysis of the lending portfolio's climate footprint and identify specific focus areas based on the results of the completed portfolio analysis.
- Complete a new analysis of the leading risk factors within agriculture and forestry, including geographic mapping, using data from the Swedish Meteorological and Hydrological Institute (SMHI)
- Produce a sustainability strategy which details the bank's ESG goals and ambitions
- Continue work to ensure compliance ahead of the new requirements under the Corporate Sustainability Reporting Directive (CSRD)
- Establish an internal "sustainability forum" to achieve a greater understanding of ESG-matters within the bank and to develop a common ESG-agenda

Summary of our impact analysis in accordance with PRB for guidance forward

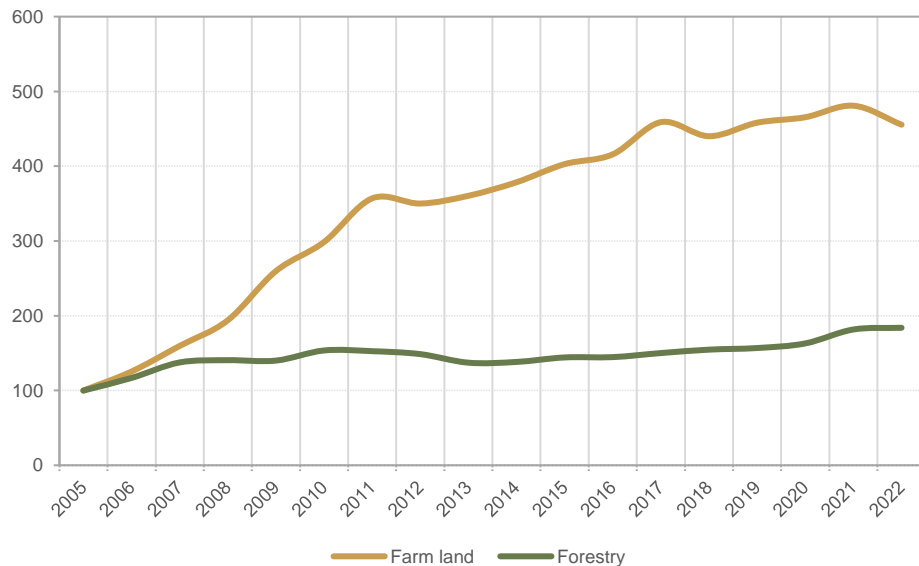
	Society	Economy	Environment
Positive	Our lending contributes to an increased degree of self-sufficiency of food and forestry. The bank's lending creates opportunities to live and conduct business throughout the country.	Through our lending and business model we contribute to competitive conditions for agriculture and forestry. Our lending towards homeowners lowers housing costs which enables other consumption and savings.	Agriculture and forestry contribute to a significant uptake of carbon dioxide from the atmosphere and to an increased biodiversity and other ecosystem services.
Negative	We are active in a capital-intensive industry with low margins. As a result, capital for necessary investments in e.g. new technology and new production processes can be limited. These investments are crucial to achieve a system change that is needed on a community level to increase food production and sustainable forestry without endangering the planetary limits.	-	Our lending to agriculture, forestry and housing has a negative impact through greenhouse gas emissions and resource use which burdens the environment and the climate.

Agriculture market overview

In short:

- Farmers risk have increased due to poor harvest, higher costs and volatile prices
- In general profitability in agriculture is under pressure in short term. High prices for input goods, a weak exchange rate and rising interest rates are taking full effect on farmers' results. This in combination with a poor harvest, due to challenging weather conditions
- New investments have been significantly dampened due to volatile prices, increased interest rates and poor harvest
- Prices for sawn sawlogs and pulpwood have continued to rise, as a result of lower stocks of timber and pulpwood, increased export value of forest raw materials, driven by high energy prices, weak currency and reduced supply from Central Europe, Russia and Belarus
- It is likely that prices for land and forest properties will continue to be moderate as an effect of higher interest rates

Property price development 2005-2022



	1Y	5Y
Farmland	-5%	-1%
Forestry	+1%	+23%

- Property prices for farmland had a slight decline in 2022, possibly as a result of higher interest rates. The long-term trend are increasing price levels
- The total number of sold agricultural estates was 20% lower in 2023 than previous year and the average price is estimated lower than 2022
- The price level for forest land was 13% lower in 2023 compared to previous year

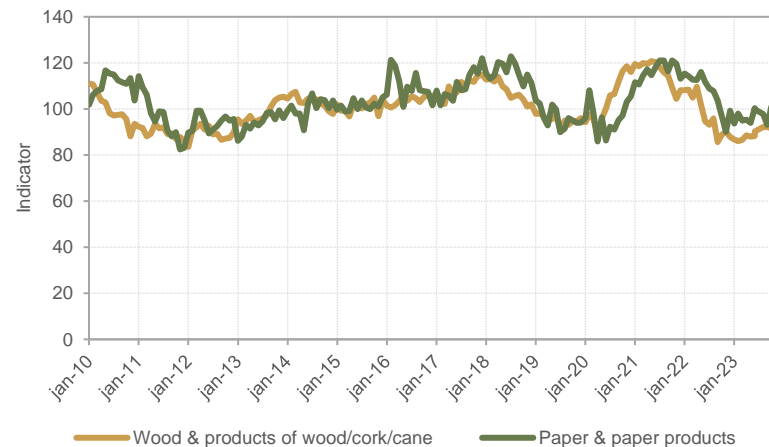
Forestry

Roundwood prices (Q1 2010 – Q4 2023)



- In Q4 2023 the roundwood prices on delivery timber increased for sawlogs by 5.8% and for pulpwood by 2.4%

Economic tendency Forest Industry (Jan 2010 - Dec 2023)



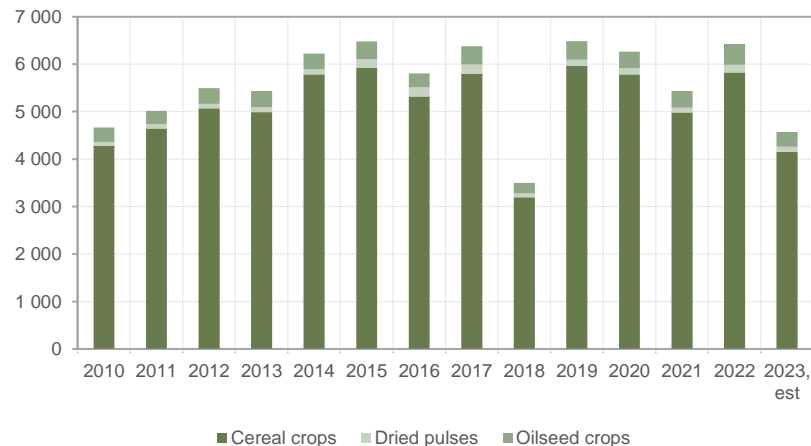
Crops

Development grain / fertilizer price ratio (Jan 2010 - Nov 2023)



- In general profitability is under pressure caused by poor harvest and lower grain prices. Grain prices in Sweden are approx. 20% lower in November 2023 compared to November 2022. Fertilizer prices are approx. 45% lower

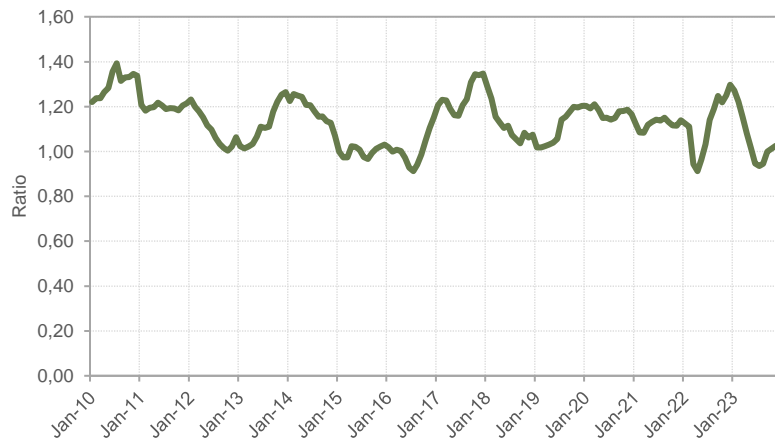
Production (1,000 tonnes)



- Production 2023 is estimated to be among worst in 30 years, due to unfavorable weather conditions. Volume and quality is poorer than normal. However, there are major regional differences

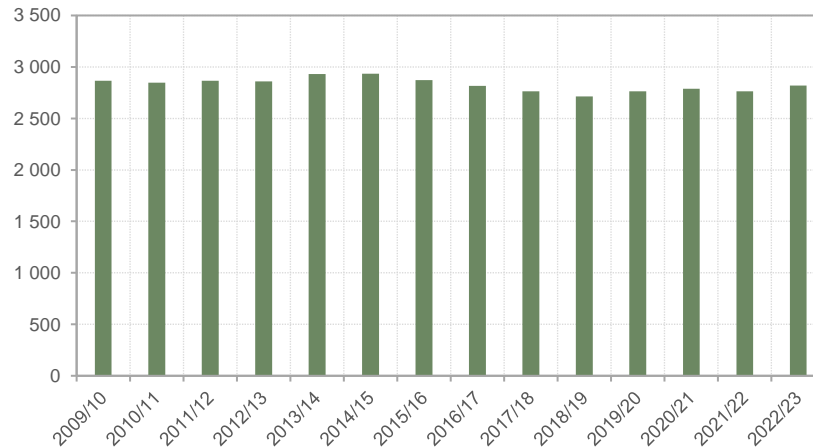
Dairy

Development milk / feed price ratio (Jan 2010 - Nov 2023)



- Ratio milk/feed price has improved past months due to increased milk price and decreased feed price
- Average price in December is approx. 25% lower than December 2022 and 6% higher than the average for the previous five years

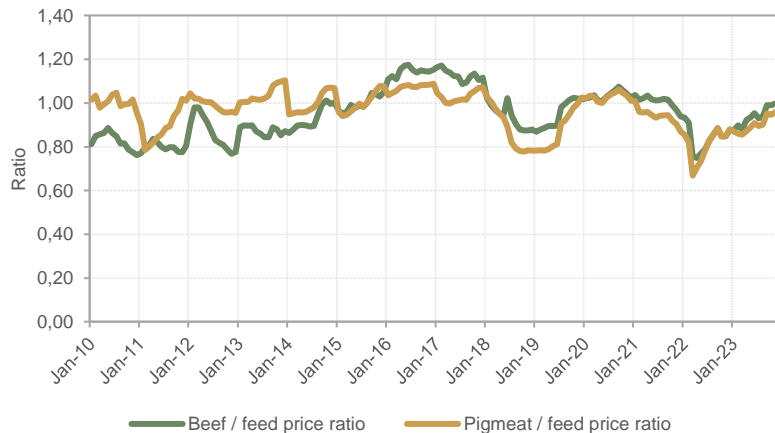
Production, Dec – Nov (1,000 tonnes)



- Total production has increased by 2.1% past 12 months due to larger shift from organic to conventional milk production and stable number of dairy cows

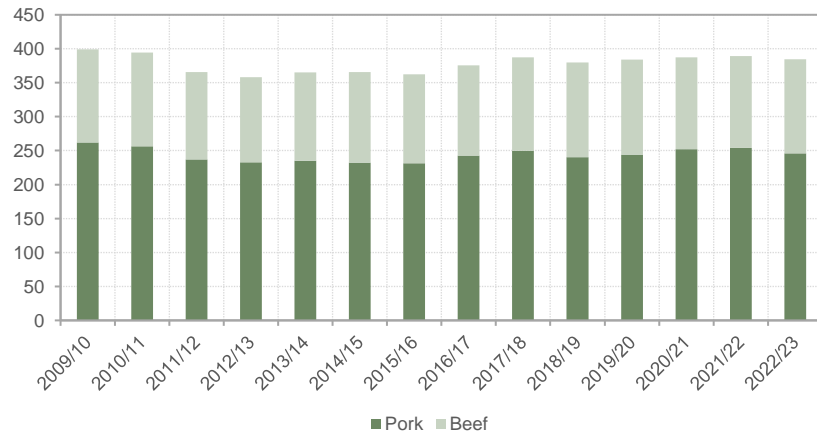
Beef and Pork

Development beef/pigmeat / feed price ratio (Jan 2010 - Nov 2023)



- As beef and pigmeat prices in Sweden have been stable in past months and feed prices have decreased the price ratio has improved
- Beef prices decreased by 1.6% between November 2022 and November 2023. Pig meat prices decreased by 0.5% and piglet increased by 8.6%

Production, Dec – Nov (1,000 tonnes)



- Weaker pig meat and increased beef production past twelve months. Slaughter volume for pig meat has decreased by 4.7% past three months compared to 2022. Beef production was stable
- Market share for Swedish pig meat has been stable and strengthened for beef

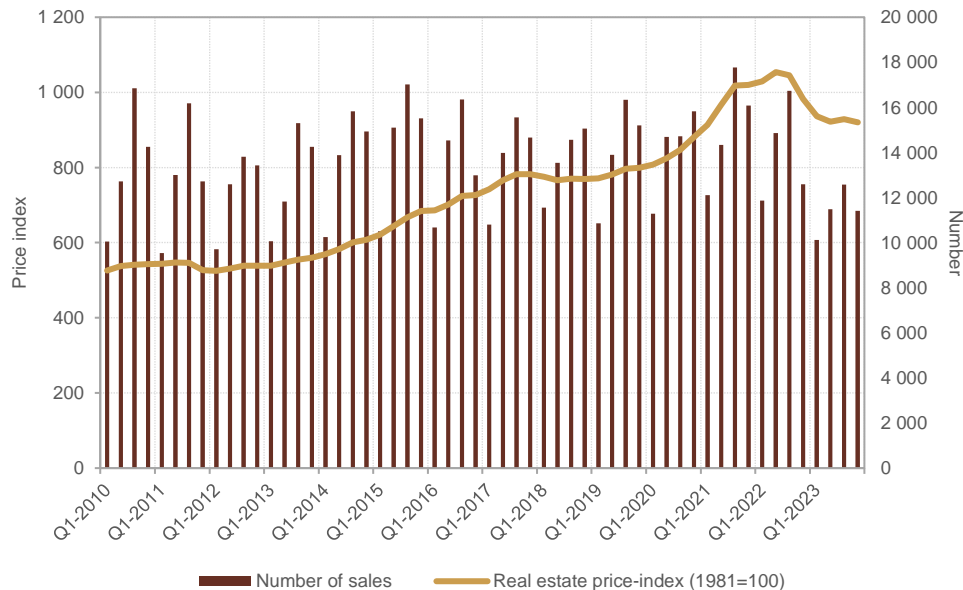
Data source: Swedish Board of Agriculture

Housing market overview

In short:

- The drop in housing prices from 2022 have dulled during 2023
- Consumers has become less pessimistic during the past months. The confidence indicator climbed chiefly from 1.3 points to 74.5 in December. There is a gap between how consumers view their own situation and the country's situation, as the consumer macro indicator remains at higher levels compared to consumer micro indicator
- In fourth quarter of 2023, less objects have been sold compared to same period 2022. The decline in sold objects accounts -9.4%

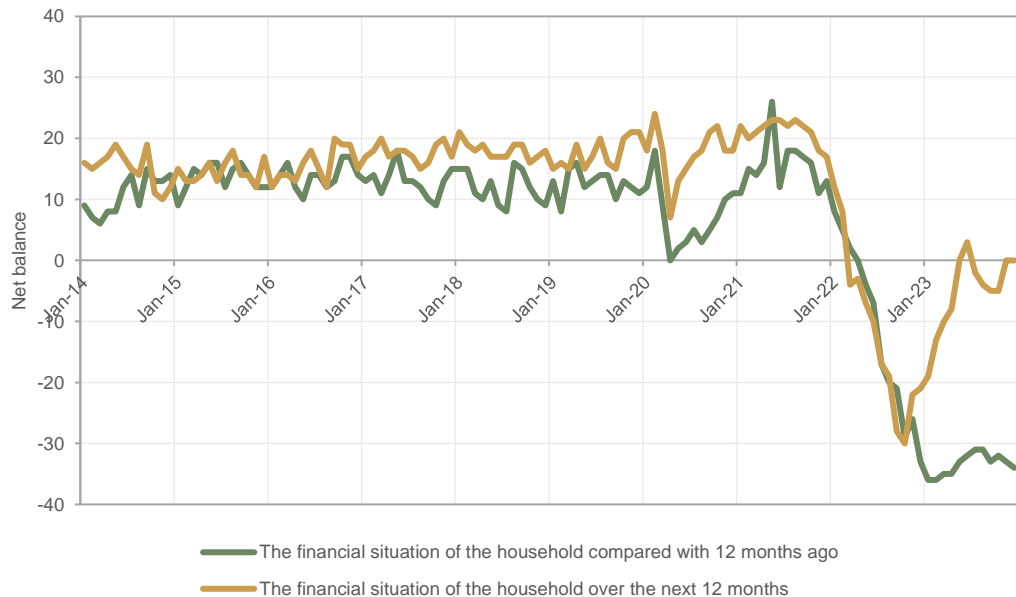
House price development Q1 2010 – Q4 2023



	1Y	5Y
Houses	-6.3%	+19.6%

- Tendencies that the price drop from spring 2022 have dulled off above pre-pandemic price levels
- Past three months, house prices have been stable
- Less objects have been sold past months compared to historical numbers

Consumer confidence indicator 2014-2023



- The consumer confidence indicator climbed to 74.5, chiefly as a consequence of consumers being less negative about the outlook for the Swedish economy over the next 12 months
- Consumers' expectations for the economy have recovered gradually since bottoming out in September 2022 and are now close to normal levels

Financial update

In short:

- Higher net interest income in 2023 compared with 2022
- Higher performance primarily as a result of higher interest rates
- Cost development is according to investment plan
- Credit losses still on low levels

5-year financial KPI development

Financial KPIs, SEKm	2019	2020	2021	2022	2023	2022vs2023 Δ	%
Total lending	76 367	83 036	93 968	105 647	104 751	-897	-1%
Lending to Agriculture	69 183	71 471	75 195	78 440	79 290	850	1%
Lending to Mortgage	7 184	11 565	18 773	27 207	25 461	-1 746	-6%
Savings	14 449	14 672	15 254	23 496	29 080	5 584	24%
Net interest income	815	872	972	1 087	1 230	143	
Total expenses	461	478	498	551	589	39	
Operating profit	418	397	471	544	631	87	
Credit impairments	3	13	5	4	5	0	
Cost income ratio	0,53	0,55	0,52	0,50	0,48	-0,02	
Leverage ratio (consolidated group)	6,1%	5,9%	5,6%	5,1%	5,6%	0,53%	
CET1 ratio (consolidated group)	13,9%	15,2%	14,4%	14,0%	16,3%	2,30%	
ROA	0,4%	0,3%	0,4%	0,4%	0,4%	0,03%	
ROE	6,2%	5,5%	6,4%	7,1%	7,7%	0,59%	
ROREA	1,0%	0,9%	1,0%	1,1%	1,3%	0,18%	
LTV *	42,5%	42,7%	43,0%	43,2%	43,8%	0,56%	

*Loan-to-value ratio in Landshypotek Bank's cover pool

Strong result

Landshypotek AB						
SEKm	2023 Q4	2023 Q3	Δ QoQ	YTD 2023	YTD 2022	Δ YoY
Net interest income	302	299	2	1 230	1 087	143
Net gain financial items	-12	1	-13	-14	3	-16
Other income	2	1	1	4	5	-1
Total income	291	301	-10	1 220	1 094	126
Total expenses	-164	-124	-40	-589	-551	-39
Profit before impairments	127	177	-50	631	544	87
Credit impairments	-1	-1	0	5	4	0
Operating profit	126	176	-50	636	548	87
Tax expense for the period	-28	-38	10	-135	-118	-16
Net profit	98	138	-40	501	430	71

- Net interest income is higher compared with 2022, primarily as a result of higher interest rates.
- Expenses are higher than 2022, primarily pertained to planned investments and personnel increases.
- Credit losses generated a positive net earnings impact of SEK 5 million for the year.

Asset quality

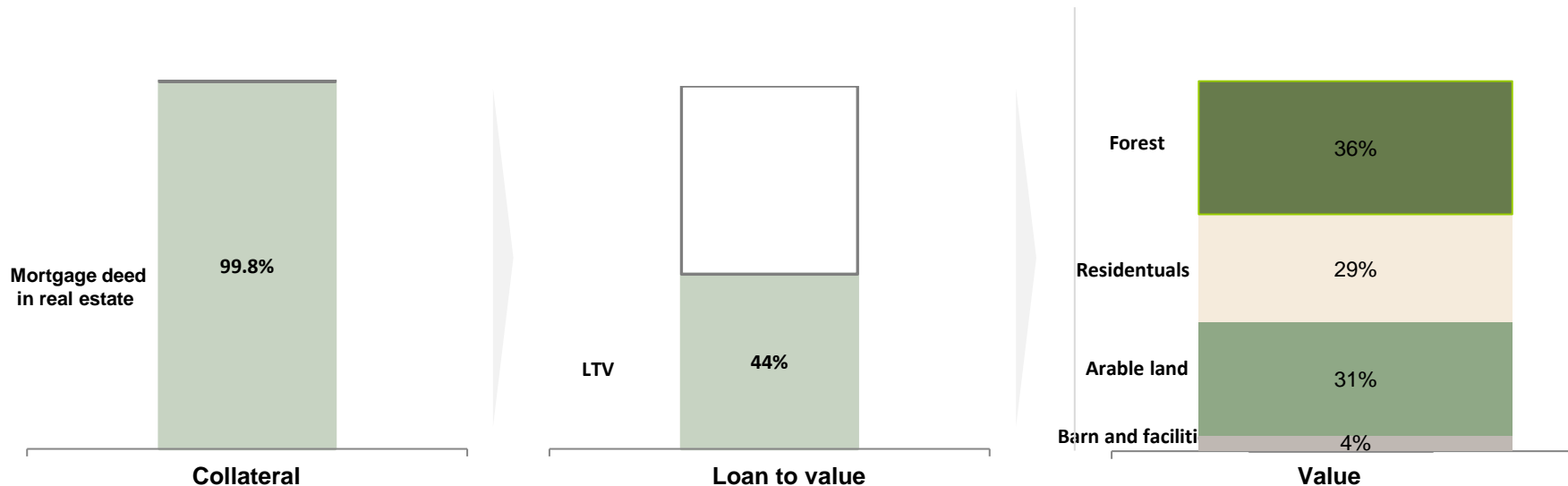
In short:

- Landshypotek Bank has 3 lines of defence that work together at different stages in order to mitigate risks. Risk organisation is the second line that is in charge of risk governance and control
- 99% of customers have personal liability and 99.8% have post collateral with mortgage deed in real estate
- Loan portfolio is collateralized with low LTV assets (44%)
- The value of arable land and forestry compose the majority of the collateral
- Well diversified portfolio in terms of geographical and business distribution
- Exposures are classified out of loan size, turnover and income
- Excellent performance

99% of customers have personal liability and 99.8 % post collateral with mortgage deed in real estate

- Business is conducted as sole proprietorship (Sw. *enskild näringsidkare*) – due to Swedish legislation on land ownership
- Sole proprietorship is a private individual with personal liability
- Exposure weighted LTV 44%
- Customers post collateral with mortgage deed in real estate
- Capital intense in relation to turnover and earnings
- Structural changes lead to larger units
- The structural changes have been gradual

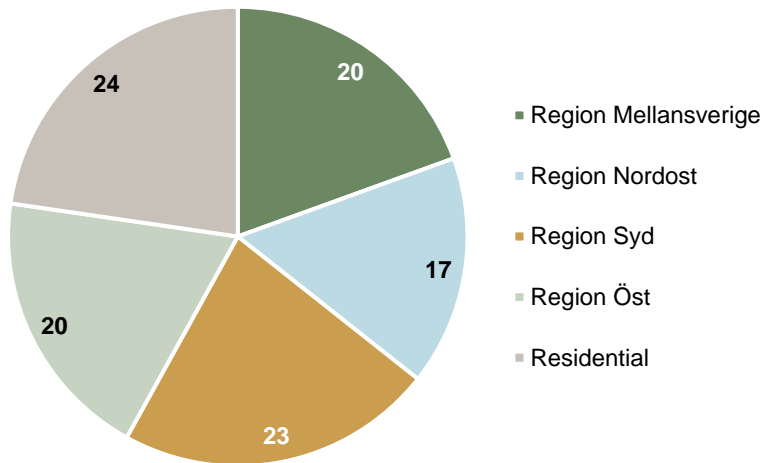
Loan portfolio is collateralised with low LTV assets



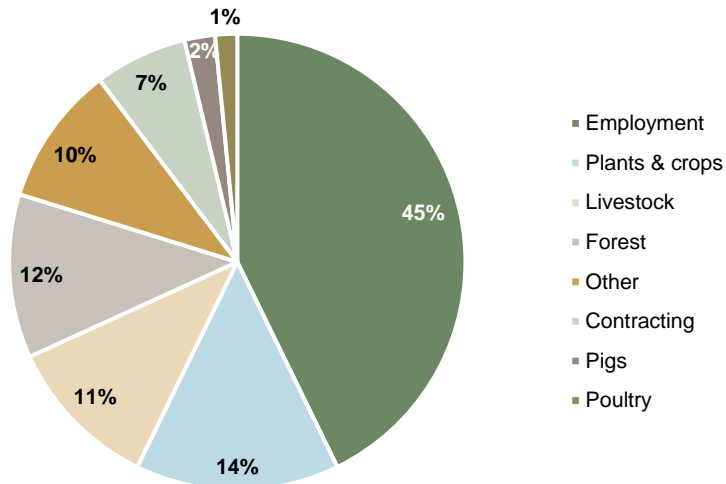
99.8% of the loan portfolio is first-lien mortgages with LTV of 44%

Well diversified portfolio in terms of geographical and business distribution

Asset portfolio per business unit, SEKbn

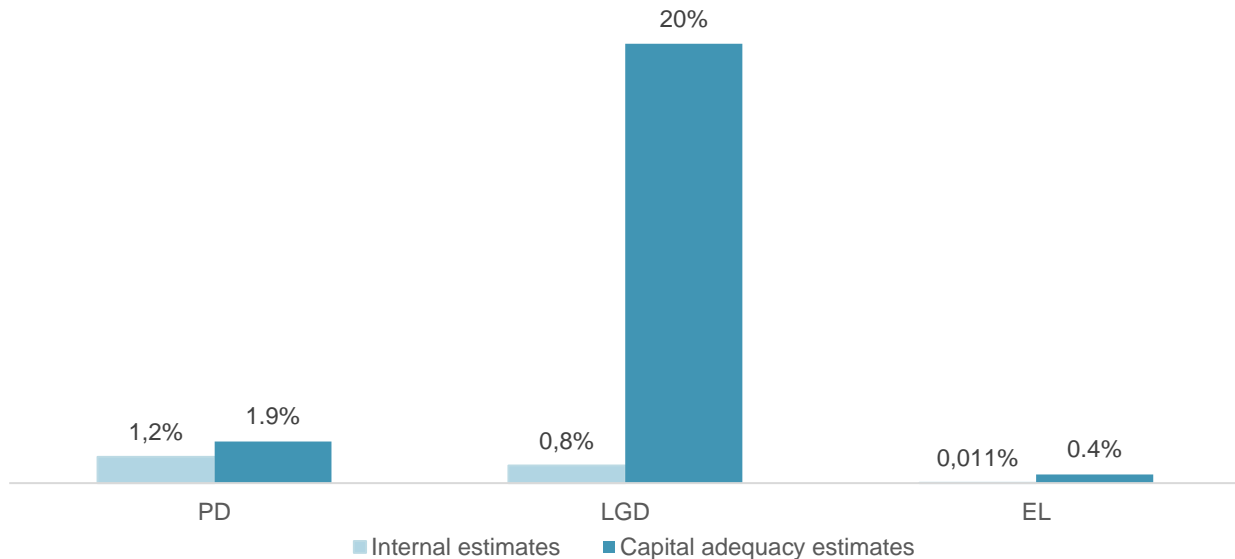


Asset portfolio, business distribution, %



Average loan per customer is SEK 1.9m

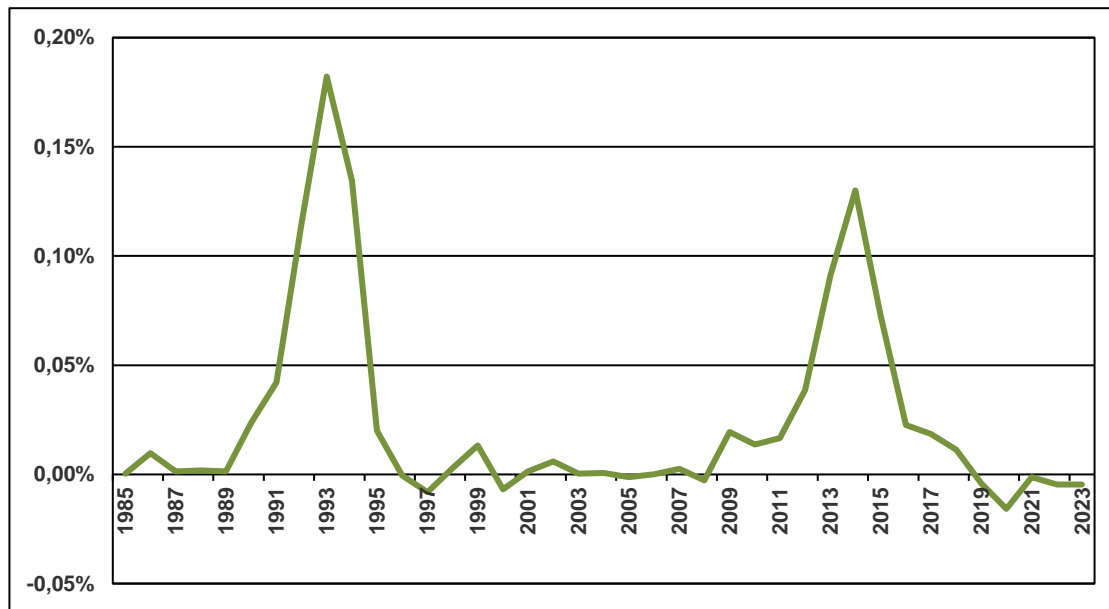
Internally used estimates are significantly lower than estimates for capital adequacy



Internally used estimates are significantly lower for PD, LGD and consequently EL. Exposure weighted LTV ratio is 44%

Great performance in credit losses due to high asset quality and improved processes

- Losses in 2023 amounted to SEK -4.9m in reversals (-0.01%), compared with SEK -4.5m in reversals for 2022 (-0.01%)
- Total credit losses since 1985 amounts to SEK 356m which makes an average per year of 0.024% (in comparison: EL deduction of SEK 349m for a year)
- Continuous review of processes in identifying, monitoring and controlling credit risk in order to avoid potential credit loss
- The insolvency department and the workout unit are proactively handling customer insolvency

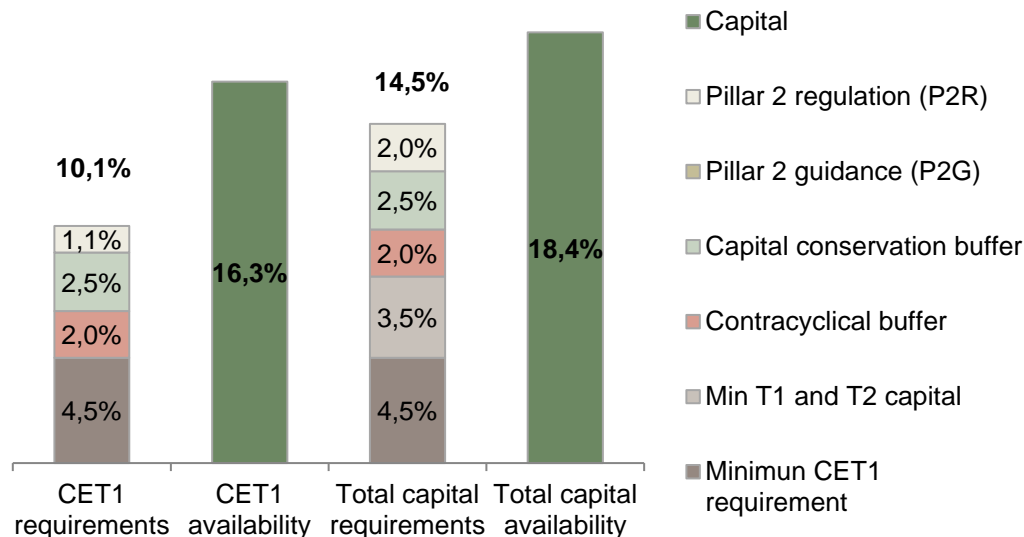


Capital adequacy

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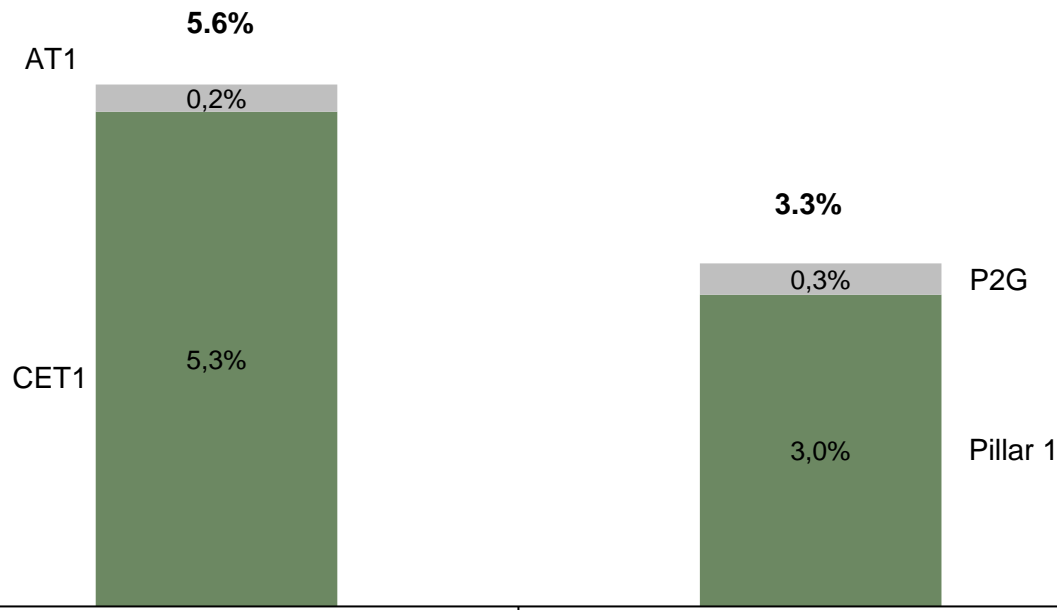
- CET1 capital ratio strong compared to requirements
- Landshypotek Bank has high leverage ratio
- Cover pool has lower LTV than other banks

Total capital and capital requirements- Consolidated situation



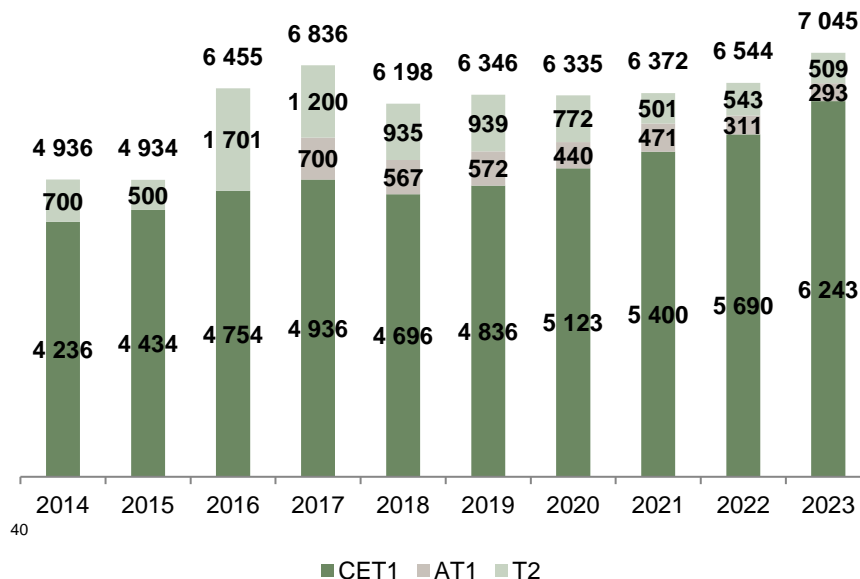
- The CET1 capital target is to have a CET1 ratio of at least 12.1%. The margin to the capital target as of Q4 2023 is 4.2%
- The Total capital target is to have a Total capital ratio of at least 15.5%. The margin to the capital target as of Q4 2023 is 2.9%
- The stress tests performed by the bank for recovery planning and ICAAP confirms that the bank is very well capitalized and can sustain its business operations also under extremely adverse macro conditions

Leverage ratio and capital requirements- Consolidated situation



Capital development over the years

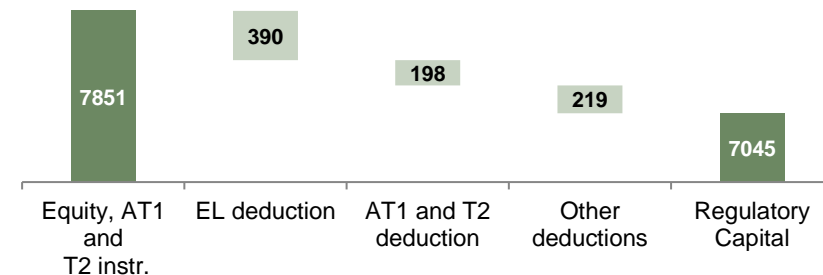
Total capital, SEKm - Consolidated situation



The EL deduction from CET1 is a consequence of using IRBF for corporate exposures. The EL calculation for corporate exposures is very conservative since it is calculated using IRBF regulatory prescribed LGD estimates as opposed to IRBA LGD estimates.

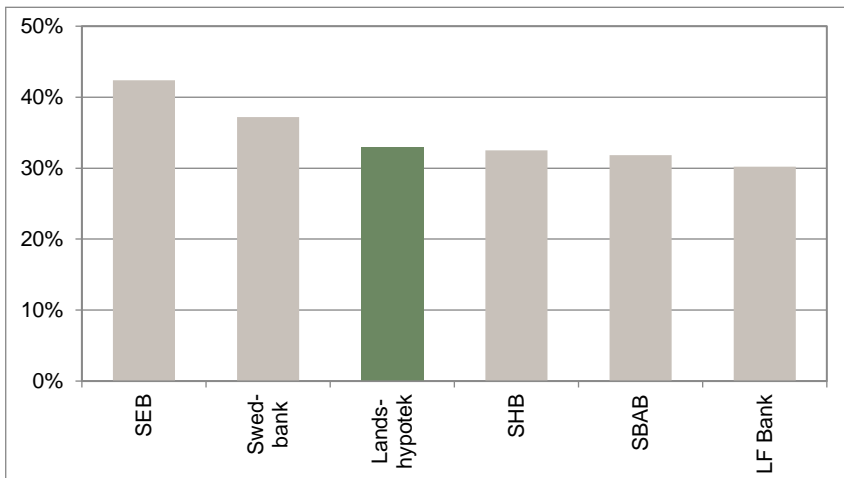
The deduction regarding AT1 and T2 capital at the consolidated situation is explained by the fact that subordinated loans issued by Landshypotek Bank cannot be fully utilized in the calculation of capital at the consolidated situation. However, as the utilization rate is calculated based on the surplus of capital compared to capital requirement (sum of pillar 1, pillar 2 and buffers), if the capital requirement were to be identical with the capital base, the subordinated loans would be fully included also at the consolidated situation.

Deductions, SEKm

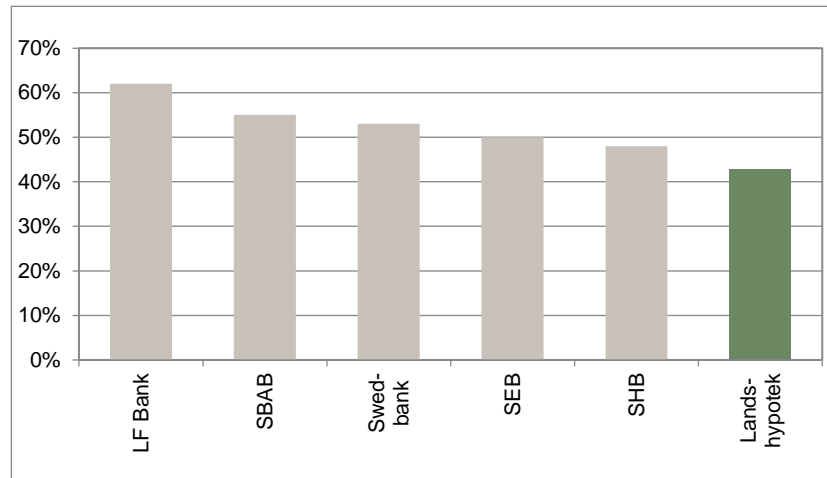


Higher riskweights despite lower LTV

Riskweights

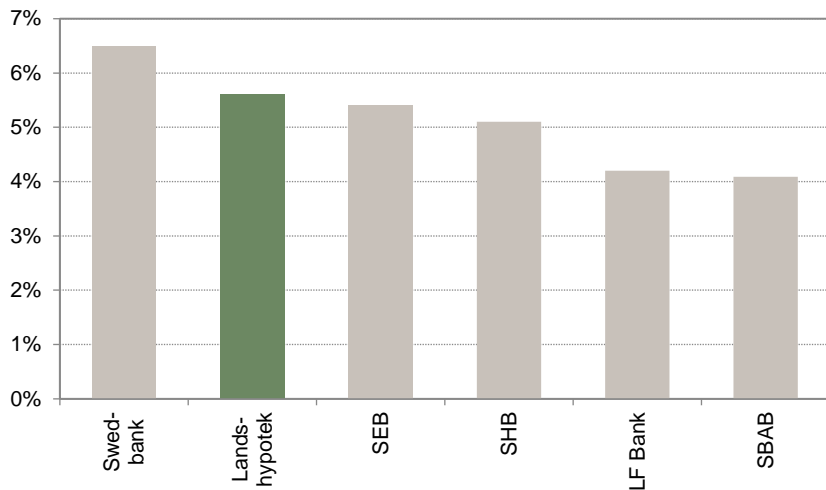


Cover Pool LTV

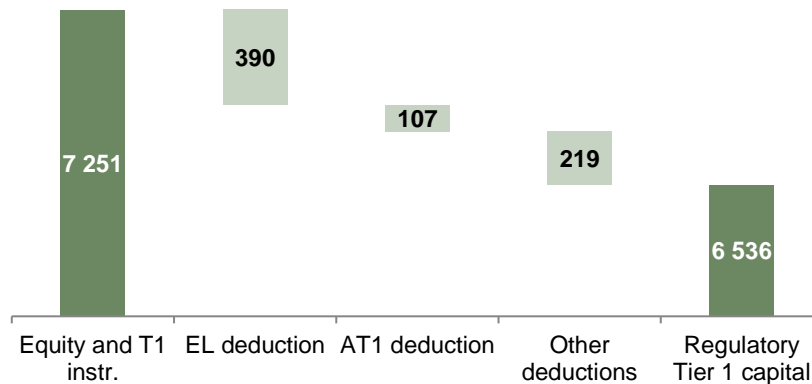


High leverage ratio despite large deductions

Leverage ratio



Deductions



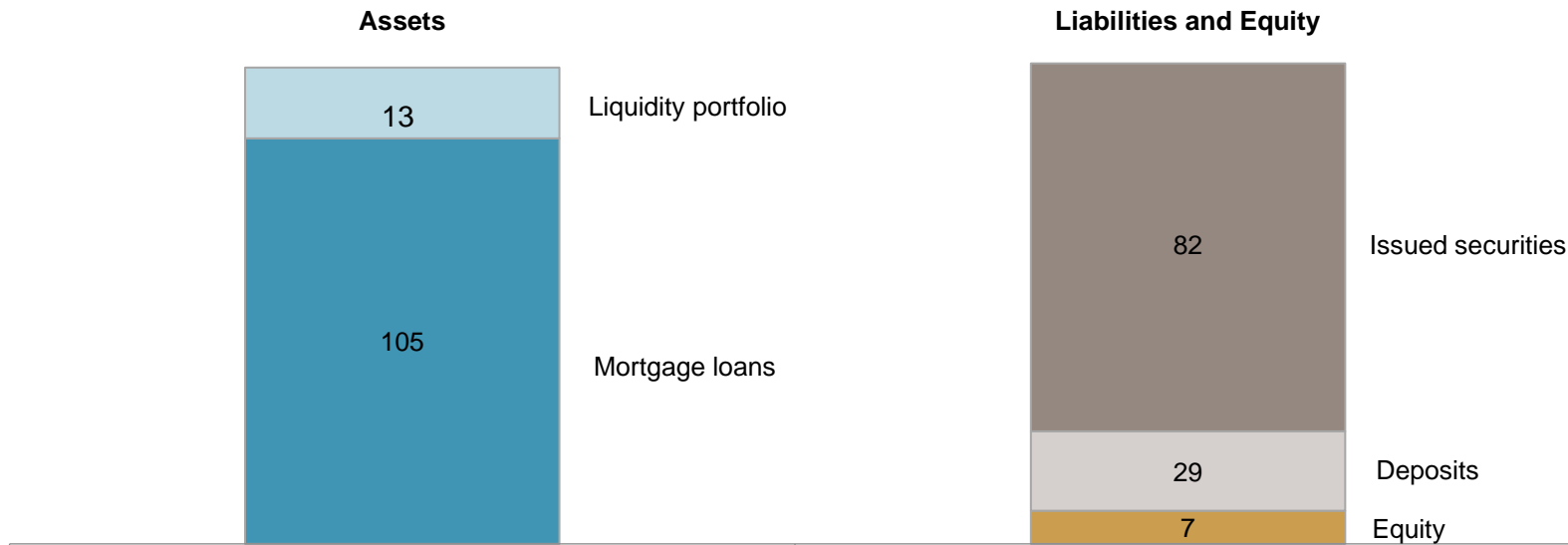
Funding, liquidity and cover pool

In short:

- Landshypotek Bank's low risk business model is reflected in the balance sheet structure
- Landshypotek Bank is subject to full resolution planning and MREL requirement
- Landshypotek Bank takes a conservative funding position
- The cover pool has very low LTV, long seasoning and is geographically well diversified

Core balance sheet structure SEKbn

- Landshypotek Bank's low risk business model also reflected in the balance structure



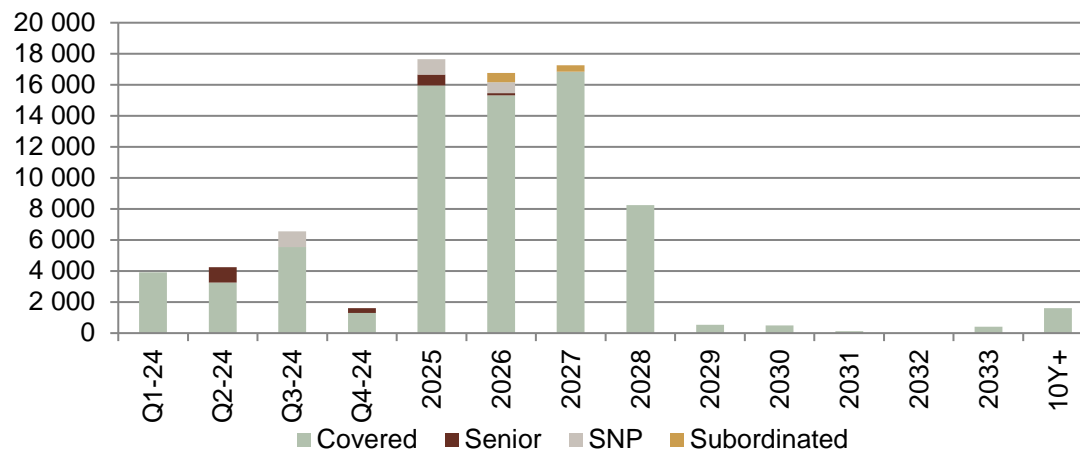
BRRD implementation

- Landshypotek Bank is critical to financial system

- Swedish National Debt Office (the Resolution Authority) has decided that Landshypotek Bank is subject to full resolution planning and MREL requirement
- SNDO preferred resolution strategy: (i) bail in combined with restructuring or (ii) bail in combined with bridge institution
- MREL requirement 2023
 - Total risk weighted 21.29% of REA
 - Total leverage 5.50% of TEA
 - Subordinated risk weighted 16.77% of REA
 - Subordinated leverage 5.50% of TEA
- The plan is to have one outstanding issue per calendar year to have a good balance between granularity and liquidity
- MREL fulfilment Q4
 - Total risk weighted 23.29% of REA
 - Total leverage 9.05% of TEA
 - Subordinated risk weighted 21.05% of REA
 - Subordinated leverage 8.32% of TEA

Conservative funding profile

Average maturity	2.7 years
Covered bonds	68%
Senior + Subordinated	5%
Deposits	27%



Funding plan 2024

Funding plan for 2024 Funding need SEKm	
Maturing covered	13,220
Maturing and callable senior	1,300
Callable senior Non-preferred	1,000
Callable subordinated	0
Increased liquidity portfolio	0
Credit growth	5 676
Total	21,196

Funding plan for 2024 Funding plan SEKm	
Covered	16,016
Senior	1,000
Senior Non-preferred	500
Subordinated TBD	500
Deposits	3,000
Equity	180
Total	21,196

Conservative liquidity and funding position

- LCR 332%
- NSFR 118%
- Stressed liquidity coverage is 262 days, internal limit 180 days
- Liquid assets SEK 12.1 bn. Duration 2.5 years
- High quality assets AAA and AA+ rated Swedish Covered Bonds and Swedish Municipalities
- Eligible as collateral for transactions with the Swedish Central Bank

Growing level of deposits, currently SEK 29.1bn

Focus on stickiness

- Target members and smaller deposits included in deposit insurance
- Closed for new corporate deposits
- Higher interest rate environment has sharply increased deposit inflow and also improved margins
- The aim is to improve loans/deposit ratio as long as it makes economic sense

Deposit portfolio

	Member	Non member
Included in deposit insurance	18%	62%
Excluded from deposit insurance	9%	11%

Cover pool

Rating S&P	AAA
Lending volume	SEK 100,329m
Geographic distribution	Sweden 100%

Average loan size	SEK 946,756
Number of loans	105,971
Number of properties	40,073

Substitute Assets	SEK 350m
Swedish Covered Bonds, AAA	SEK 250m
Municipalities	SEK 100m
Cover bonds	SEK -73,496m
Over Collateralisation	SEK 27,073m
Over Collateralisation	36.83%

Interest	
Floating	72%
Fixed	28%

Amortisation	
Amortising	98%
Non amortising	2%

Mortgage type	
Agriculture properties	74%
Residential properties	26%

Average LTV	
Volume weighted	43,76%

Cover pool and geographical distribution

Seasoning	Years	Month
Loan level	5.74	69
Customer level	13.98	168
Property level	20,07	241

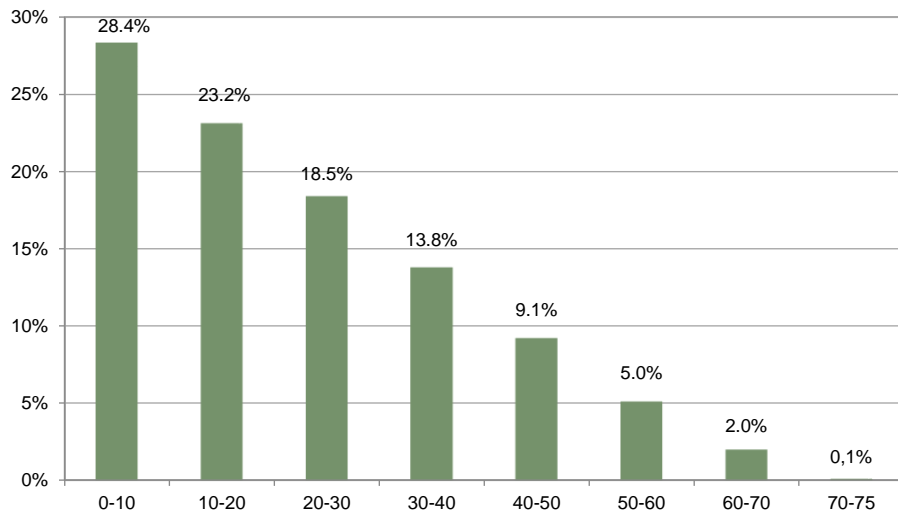
Concentration (borrowers)	Volume	% of volume
Top 5	SEK 1,056m	1.05%
Top 10	SEK 1,872m	1.87%
Top 20	SEK 3,249m	3.24%



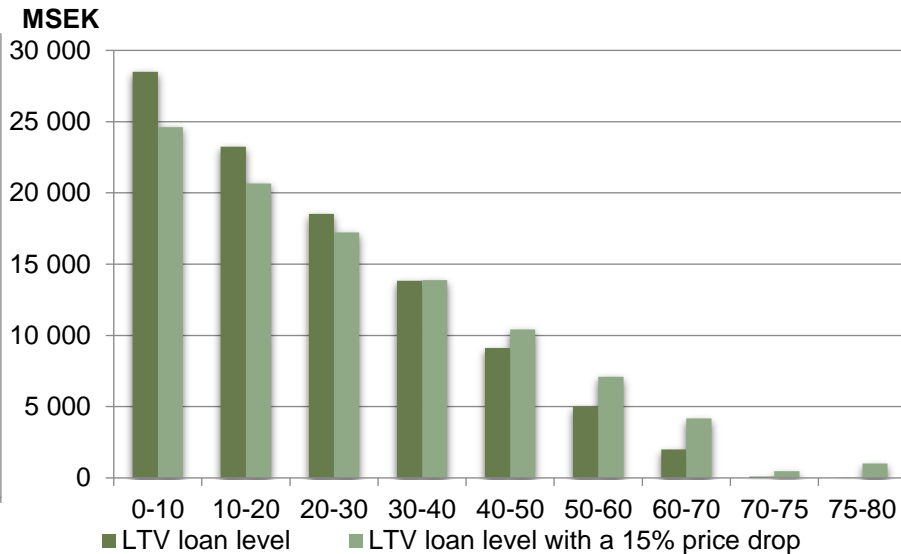
County	% of total volume
Stockholm	10%
Uppsala	4%
Södermanland	5%
Östergötland	10%
Jönköping	4%
Kronoberg	3%
Kalmar	4%
Gotland	3%
Blekinge	2%
Skåne	15%
Halland	4%
Västra Götaland	14%
Värmland	4%
Örebro	6%
Västmanland	2%
Dalarna	1%
Gävleborg	2%
Västernorrland	2%
Jämtland	2%
Västerbotten	2%
Norrbottn	1%

Cover pool

Loan amount by LTV bucket



Stress test LTV -15% price drop

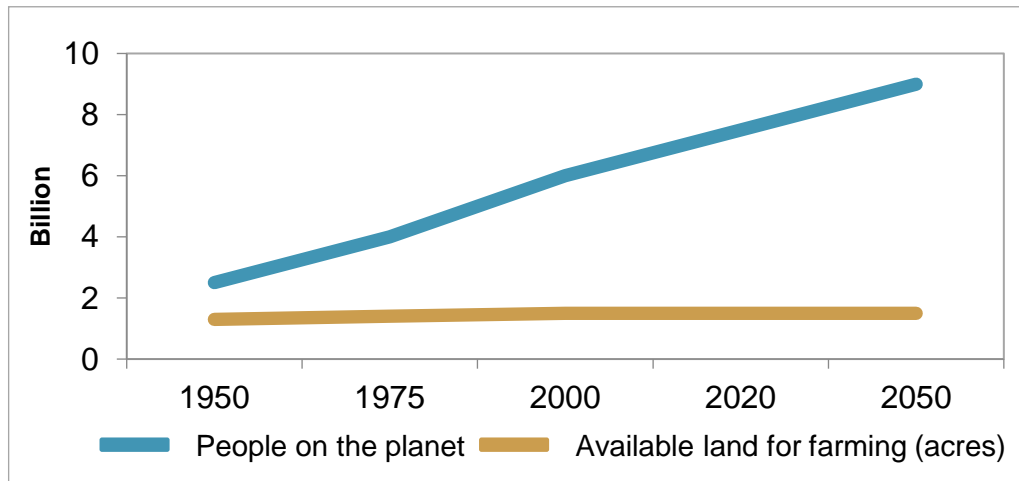


Total change in cover pool -0.78%

Executive summary:

- Low-risk agriculture and forestry bank with sustainability integrated in the strategy with a market share of 23%
- Sustainable governance where profit is reinvested or returned to the agriculture and forestry sectors
- The bank for the conscious choice of mortgage loans and savings
- Low-risk business model
 - 99.8% of the loan portfolio is first-lien mortgages
 - Average LTV is 44%
 - 99% of the customers have a personal liability
 - Total losses since 1985 SEK 356m, average per year 0.024%
- Very well capitalised with a leverage ratio of 5.6%, despite big deductions

Just a reminder! Long-term trend for population and farm land



Source: UN

- The need for food the coming 20-25 years is double the amount that has been produced during the last 10,000 years
- The demand of agricultural commodities for biofuels use will increase
- Production improvements have compensated for growing population
- Restrictions on pesticides and plant breeding as well as shortage of water put pressure on further efficiency improvements
- There are also higher demands on global production to be more sustainable from an economic, social, environmental and climate perspective
- “Buy land, they’re not making it anymore” (Mark Twain)

Contact and financial calendar

Financial calendar:

Q1 report 3rd of May 2024

Q2 report 24th of July 2024

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