

Landshypotek Bank

Investor presentation

- first quarter 2023

2023-05-05



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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 43%
 - 99% of the customers have a personal liability
 - Total losses since 1985 SEK 354m, average per year 0.025%
- Very well capitalised with a leverage ratio of 5.0%, 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)

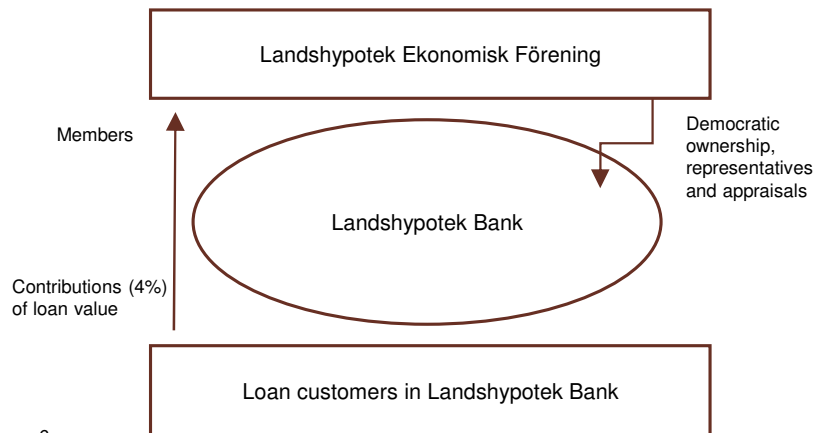
Become a larger bank with better profitability and higher efficiency for us and our customers

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

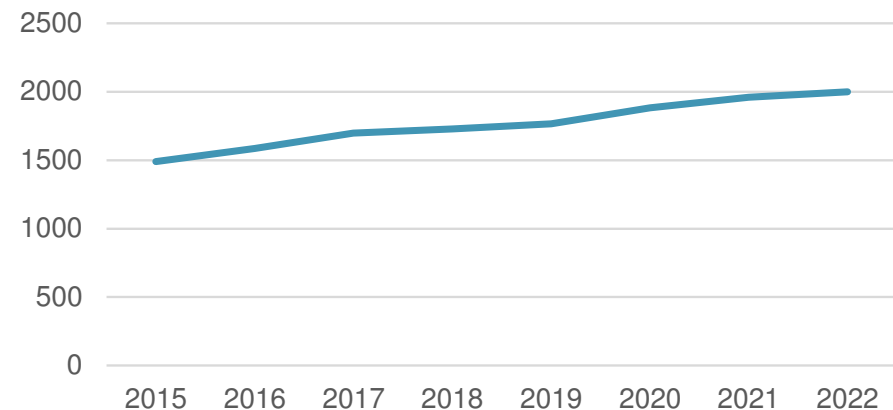
Landshypotek is more than just a bank

- 35,500 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

Members contributions



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 78.5bn and residential mortgages SEK 27.0bn
- 241 employees 19 offices

Low risk actor

- 99.8% of the loan portfolio is first-lien mortgages, low average LTV 43%
- 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 35,500 loan customers, members of Landshypotek Ekonomisk Förening
- Profit is reinvested or returned to the agriculture and forestry sectors

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

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

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 in order to reduce emissions and secure adaptation to a changing climate

ESG: Direct impact

Environmental

- Limited to premises and business travels
- Emissions according to GHG Protocol amount to 0.44 ton CO₂e per FTE

Social

- Employees in 19 branches all over Sweden with job opportunities and living outside the main cities in Sweden
- Strives to be a popular employer both regard to terms and conditions and work environment
- eNPS +33 (scale -100 - +100) (most recent assessment 2022)
- Gender balance is overall meeting the target of 40/60, except on manager level:
 - In total 50/50
 - Managers 35/65
 - Board 43/57

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, either covered bonds in SEK issued by Nordic credit institutions or securities issued by Swedish municipalities or regions. We exclude investments that include 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

ESG: Indirect impact

Environmental

- The forest is a key link in the transition to a fossil-free society (raw materials are renewable, recyclable and biodegradable)
- Forests have a positive climate effect through photosynthesis
- Arable land are carbon sinks with a considerable potential to contribute to store even more carbon
- Swedish farms maintain high standards for animal husbandry, environmental adjustment and food quality
- Cultivated land and grazing animals are essential for a biological diversity and diversified landscapes
- Agriculture and forestry often rely on fossil-based fuels and fertilizers leading to emission

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

ESG: Lending portfolio

Agriculture and Forestry – challenges and opportunities

When society is to be transformed at system level, more biogenic raw materials and biological processes will be required and demanded. Large amounts of carbon are stored in arable land and woodland. Agriculture and forestry result in a diverse landscape with biodiversity if practiced with respect to nature

Climate indicators and physical risks

- **Temperature** - will lead to other risk like drought and heatwaves
- **Length of growing season** - opportunity for higher yields and crop variation but higher risk of increased pressure from vermin
- **Heatwaves** - stress for growing crops and livestock and risk of lower yields
- **Extreme precipitation** - flooding and extreme rainfall can destroy crops and might lead to challenges for using machinery
- **Fire risk** - risk of destroyed forests and lost growth

Transition risks

- Political decisions e.g. usage of fertilizers and fossil fuels

Landshypotek Bank's impact

- Through customer dialogue inform and discuss methods and investments for adaption and emission reduction
- 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

Housing – challenges and opportunities

Emissions from housing are a large amount of the Swede's total emissions. Emissions are primarily driven by energy source and consumption (driven by efficiency). Elevated sea levels is a direct physical risk for customers and the bank

Landshypotek Bank's impact

- Through customer dialogue inform and discuss methods and investments for emission reduction

Green Bonds



°CICERO
Dark Green



Green Bonds at Landshypotek

- 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

Green Bond Assets

- 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

ESG: focus and ambitions

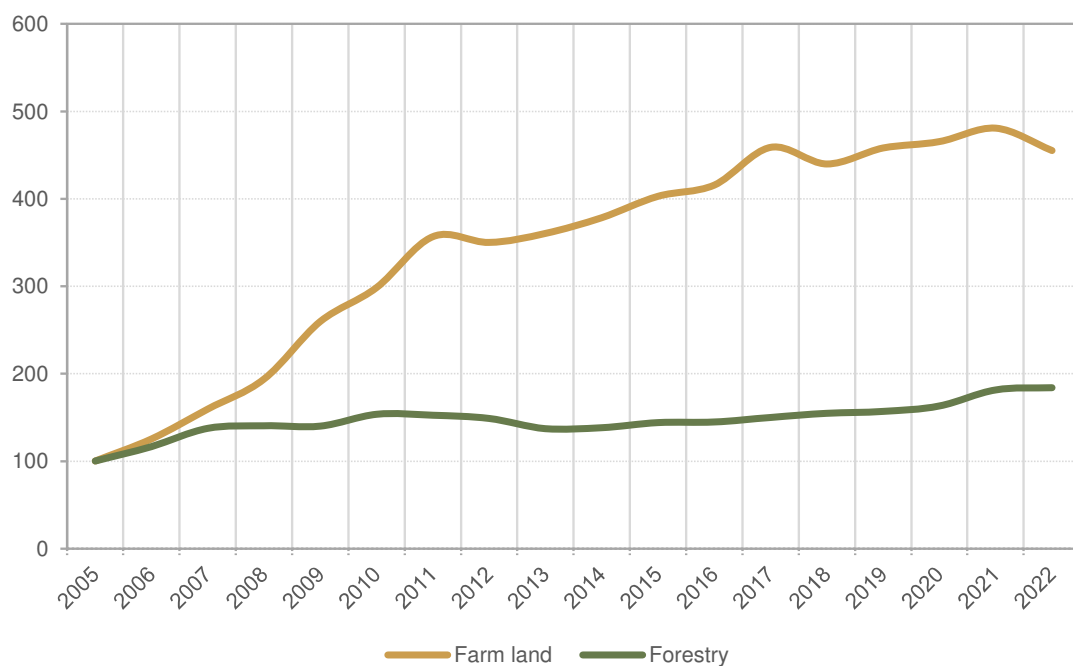
- A climate strategy has been adopted by the board and will be implemented in 2023 where targets in line with Paris Agreement and the Swedish Banker's Association's framework for climate action will be addressed
- Landshypotek Bank became a signatory to the Principles for Responsible Banking (2022) and will work with implementing the principles during 2023 and beyond.
- Focus on upcoming financial regulations (EU Taxonomy, CSRD)
- Focus on implementation of regulations with relevance for the forestry and agriculture sectors (LULUCF, EU Taxonomy, REDIII, EU Nature Restoration Law)
- Continue to develop and increase ESG as part of risk assessment on portfolio and customer level
- Continue dialogue with customers and other stakeholders in order to take further steps towards more sustainable farms, forests and houses
- Analysis of the bank's lending portfolio's carbon footprint has commenced.
- The analysis is based initially on proxy values due to data availability issues.
- Actual data will be collected from a select group of customers within different agricultural sectors to further refine the portfolio analysis.

Agriculture market overview

In short:

- New investments have been significantly dampened
- Prices for sawn sawlogs and pulpwood have continued to rise, as a result of increased export value of forest raw materials, driven by a weak currency and reduced supply from Central Europe, Belarus and Russia. Prices are expected to fall due to weaker outlook in wood industry
- The macroeconomic situation changes consumption patterns and demand. For some agricultural sectors lead times are long to meet demand. This applies particularly to farms with animals
- The situation with high cost also affects the processing industry for agriculture and forestry and limits payment
- Economic performance was relatively good or very good for many farmers in 2022. In 2023, the result is expected to weaken for many farmers as a result of high input stock values of fertilizer, roughage, and still high costs
- Farmers risk have increased due to higher costs, volatile prices and higher stock values
- It is likely that prices for land and forest properties will continue to be moderate as a result 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
- Average price for forestry properties had a slight increase in 2022. The five year-trend is increased price levels for all areas in Sweden

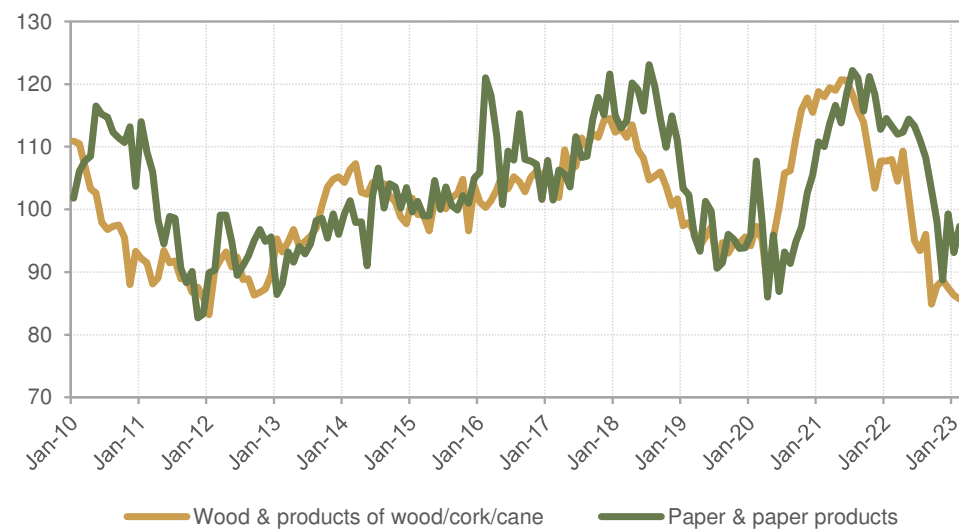
Forestry

Roundwood prices (1995- 2023)



- In Q1 2023 the roundwood prices on delivery timber increased for sawlogs by 0.6% and for pulpwood by 4%
- Weaker outlook for wood industry imply that timber prices are expected to fall

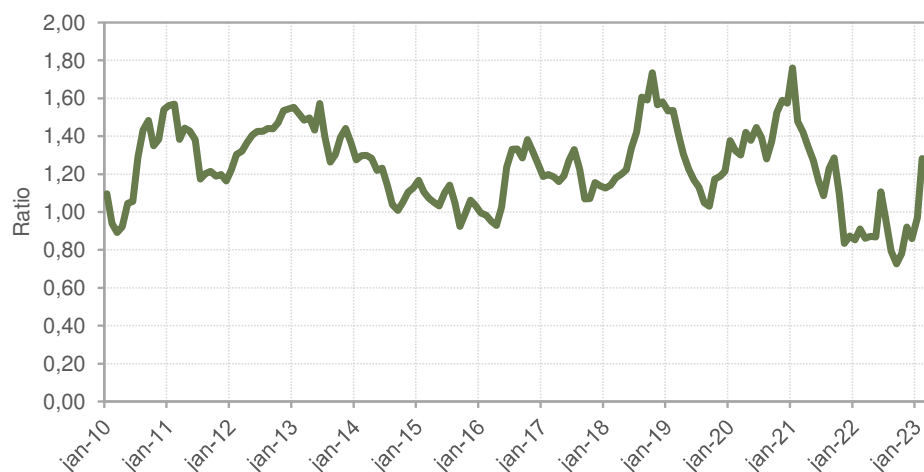
Economic tendency Forest Industry (Jan 2010-Apr 2023)



Data source: The Swedish Forest Agency, National Institute of Economic Research

Crops

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



- High and volatile prices due to the conflict in Ukraine, high energy prices and tight international supply
- Grain prices in Sweden are approx. 28% lower in March 2023 compared to March 2022. Fertilizer prices are approx. 53% lower compared twelve months. The larger part of fertilizer volume for harvest 2023 was purchased in autumn 2022

Production (1,000 tonnes)

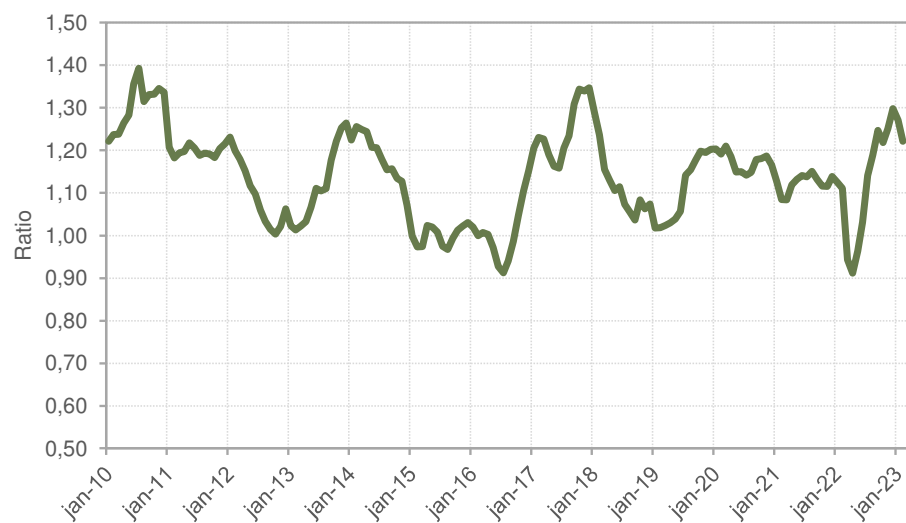


- Increased production 2022 compared to 2021 mainly due to increased yield per hectare
- The areas sown in the autumn of 2022 are estimated to be 8% higher than 2021 and 13% above average preceding five years. Crops sown in the autumn has higher yields

Data source: Swedish Board of Agriculture

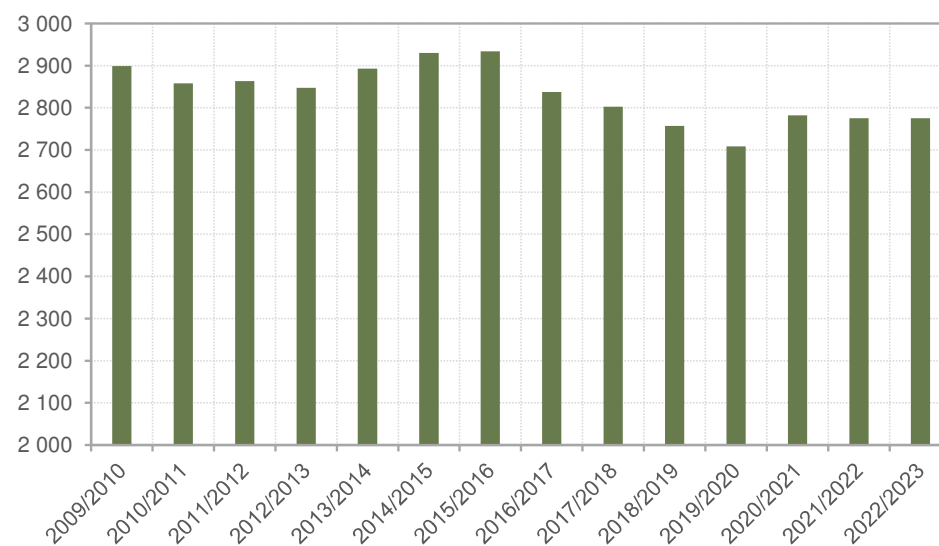
Dairy

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



- Dairy farms had a historically strong result in 2022
- Milk price has been reduced for five months in a row. Average price in May 2023 is approx. 7% lower than May 2022 and 10% higher than the average for the previous five years
- Margins tightens as milk price has fallen to a larger extent than operating cost

Production, Apr-Mar (1,000 tonnes)

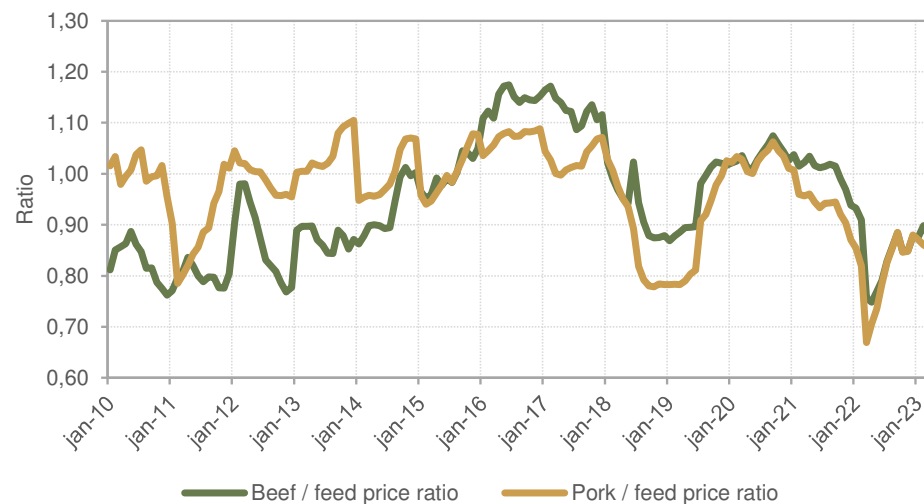


- Total production has been stable past 12 months. Increased production in Sweden in the end of 2022 and start of 2023 due to larger shift from organic to conventional milk production

Data source: Swedish Board of Agriculture

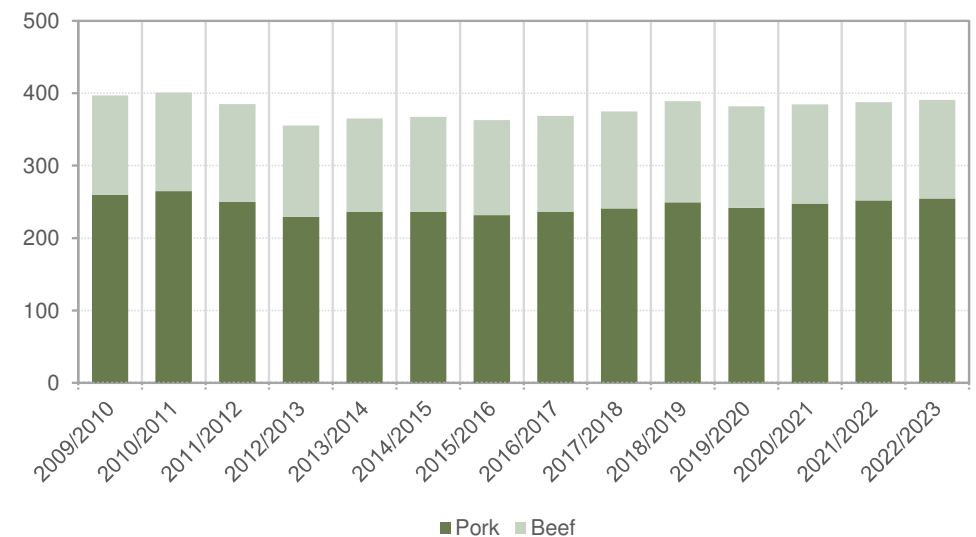
Beef and Pork

Development beef/pork / feed price ratio (Jan 2010-Mar 2023)



- Beef and pork prices in Sweden have been stable in past months and are higher year on year. Pork prices have risen approx. 8% in recent months in the EU due to decreasing livestock population
- High feed prices are challenging for farmers within both beef and pork

Production, Apr-Mar (1,000 tonnes)



- Stable production in Sweden
- Demand is weaker but still there is a production deficit for both pork and beef

Data source: Swedish Board of Agriculture

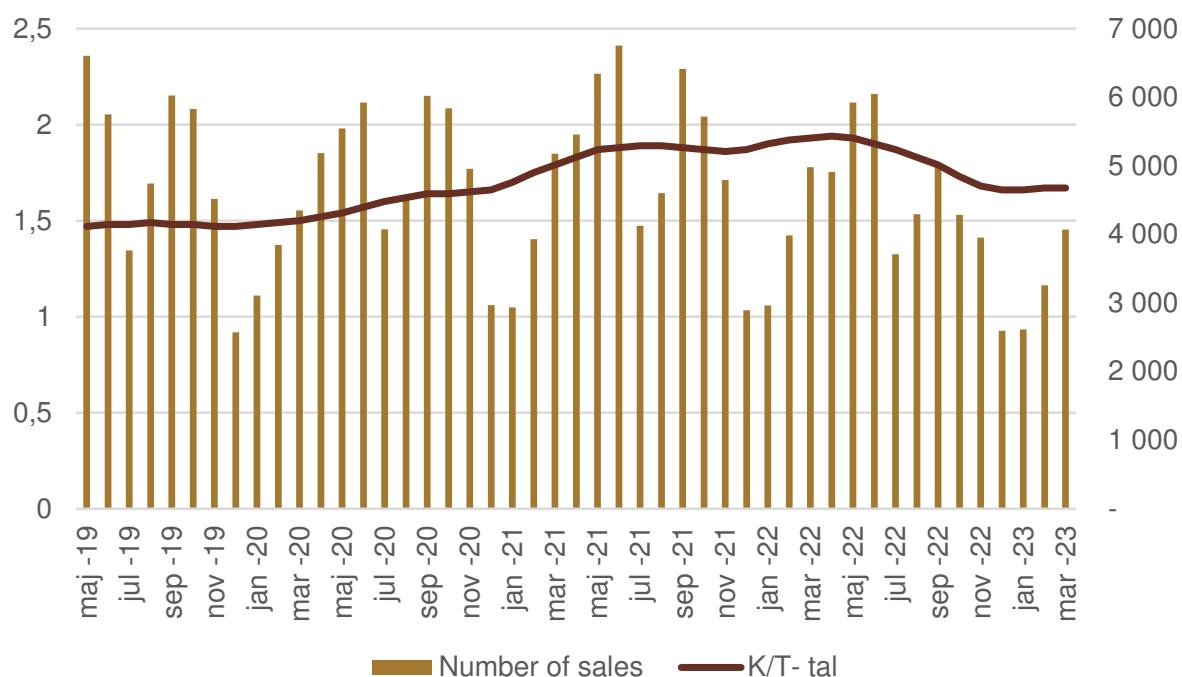
Housing market overview

In short:

- The housing market has been weak during major parts of 2022. The number of sales has been significantly lower compared to the record years of 2020 and 2021. However, the decline have dulled in 2023, with recovery tendencies recent months
- The consumer confidence indicator has improved marginally to 56.3 in January yet remains at record-low levels. There is a significant gap between how consumers view their own situation and the country's situation. Macro index edged down to 77.3, while the micro index rose to 48.7
- The number of building permits as the gross floor area for new construction of residential buildings was 18% lower in Q1-Q4 than in 2021. It was 2% lower than the five-year average prior to the covid pandemic
- The deficit in houses and flats remains

House price development 2019-2023

Price development / Number of sales



	1Y	5Y
Houses	-13.5%	+31.2%

- Tendencies that the price drop from spring 2022 have dulled off above pre-pandemic price levels. Smaller increase during 2023
- Less objects have been sold past months compared historical numbers
- Regional differences past year, in general steeper decline in south compared to northern Sweden

Financial update

In short:

- Higher net interest income in 2022 compared with 2021
- Higher performance as a result of higher interest rates and increased lending
- Cost development is according to investment plan
- Credit losses still on historic low levels

5-year financial KPI development

Financial KPIs, SEKm	2018	2019	2020	2021	2022	2021vs2022 Δ	%
Total lending	72 511	76 367	83 036	93 968	105 647	11 679	12%
Lending to Agriculture	68 607	69 183	71 471	75 195	78 440	3 245	4%
Lending to Mortgage	3 904	7 184	11 565	18 773	27 207	8 434	45%
Savings	14 150	14 449	14 672	15 254	23 496	8 242	54%
Net interest income	799	815	872	972	1087	115	
Total expenses	426	461	478	498	551	53	
Operating profit	386	418	397	471	544	73	
Credit impairments	-8	3	13	5	4	-1	
Cost income ratio	0.52	0.53	0.55	0.52	0.50	-0.02	
Leverage ratio (consolidated situation)	6.2%	6.1%	5.9%	5.6%	5.1%	-0.53%	
CET1 ratio (consolidated situation)	13.9%*	13.9%	15.2%	14.4%	14.0%	-0.40%	
ROA	0.3%	0.4%	0.3%	0.4%	0.4%	0.01%	
ROE	5.6%	6.2%	5.5%	6.4%	7.1%	0.71%	
ROREA	1.2%*	1.0%	0.9%	1.0%	1.1%	0.06%	
LTV	42.6%	42.5%	42.7%	43.0%	43.2%	0.20%	

*Lower due to implementation of a new IRB approach permission

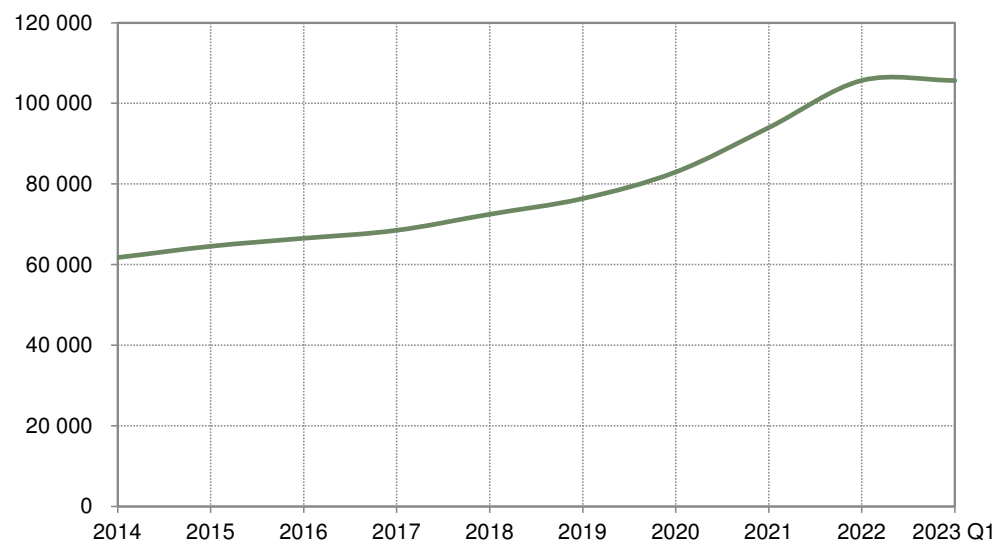
Stable result

Landshypotek AB						
SEKm	2023 Q1	2022 Q1	Δ QoQ	2022	2021	Δ YoY
Net interest income	312	250	62	1087	972	115
Net gain financial items	-1	2	-2	3	-15	18
Other income	1	1	-1	5	8	-3
Total income	312	253	59	1094	964	130
Total expenses	-151	-133	-18	-551	-498	-53
Profit before impairments	161	120	41	544	466	77
Credit impairments	2	2	-1	4	5	0
Operating profit	162	122	40	548	471	77
Tax expense for the period	-35	-24	-10	-118	-101	-17
Net profit	127	98	30	430	370	60

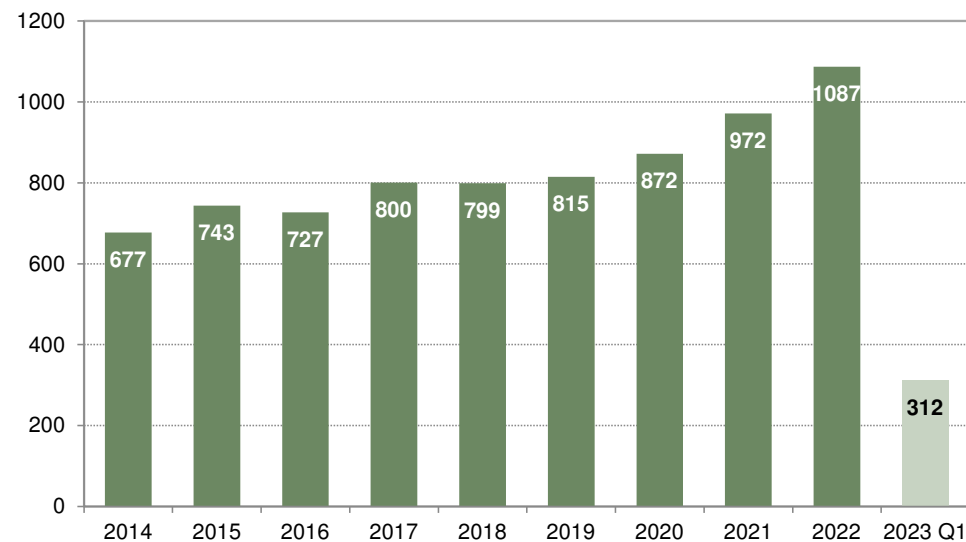
- Net interest income has increased compared with 2021. It is also higher in Q1 2023 compared with Q1 2022. The increase is mainly derived from the pricing effect of higher interest rates, but also a volume effect since lending increased 8 percent over twelve-month period.
- Investment costs are according to plan.
- Credit losses generated a positive net earnings impact of SEK 2m for the quarter.

Long term growth in loan portfolio

Loan portfolio, SEKm

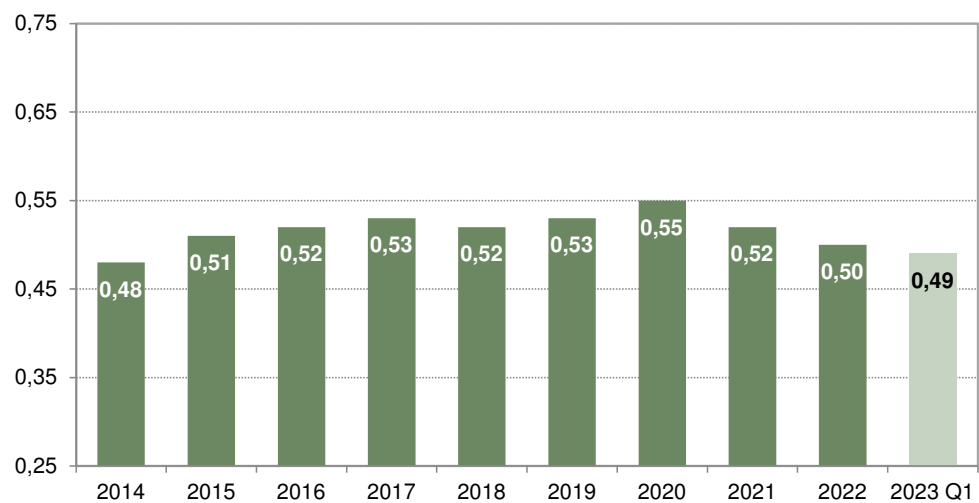


Net interest income, SEKm

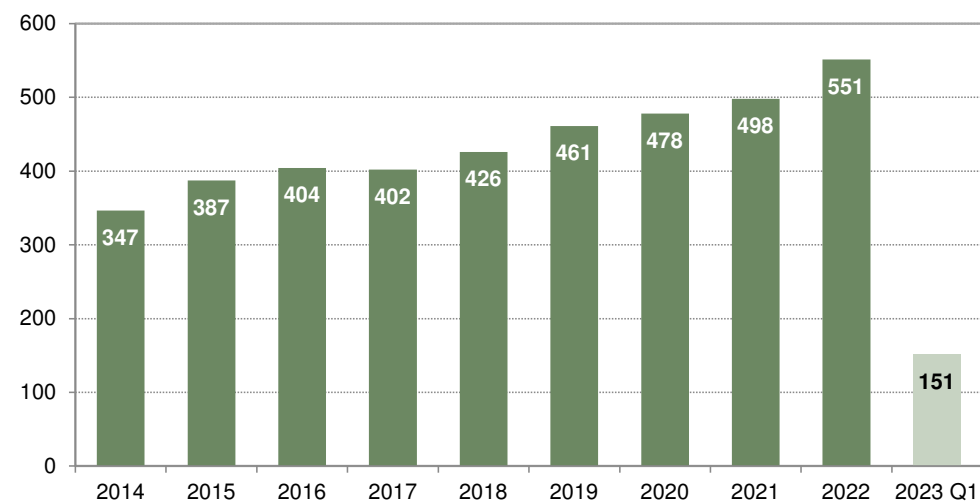


Stable cost levels

Cost income ratio excl loan losses



Total expenses



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 collateralised with low LTV assets (43%)
- 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

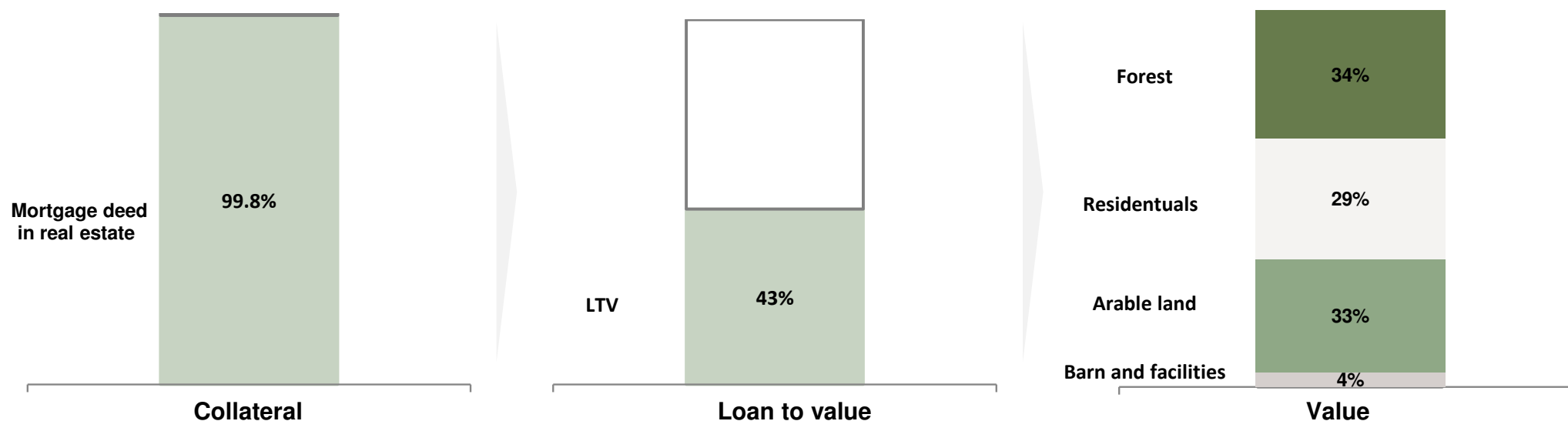


Landshypotek Bank

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 43%
- 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

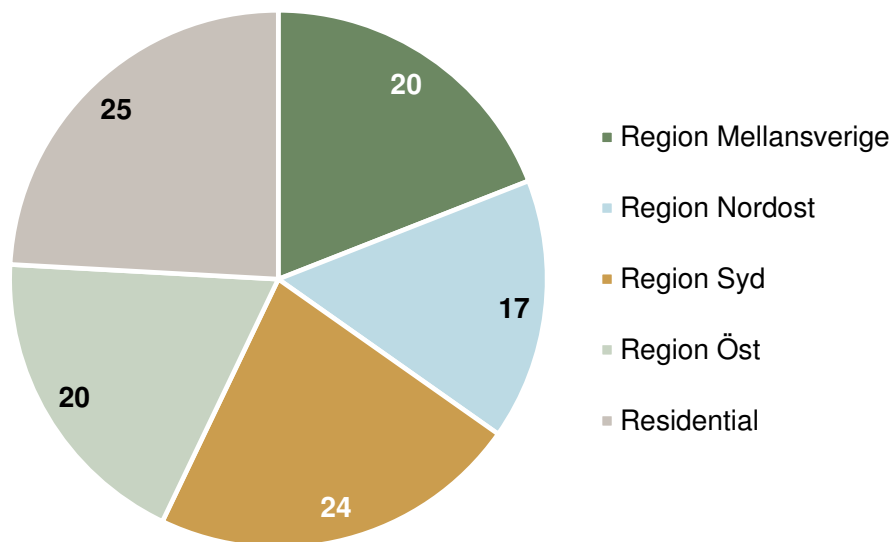
Loan portfolio is collateralised with low LTV assets



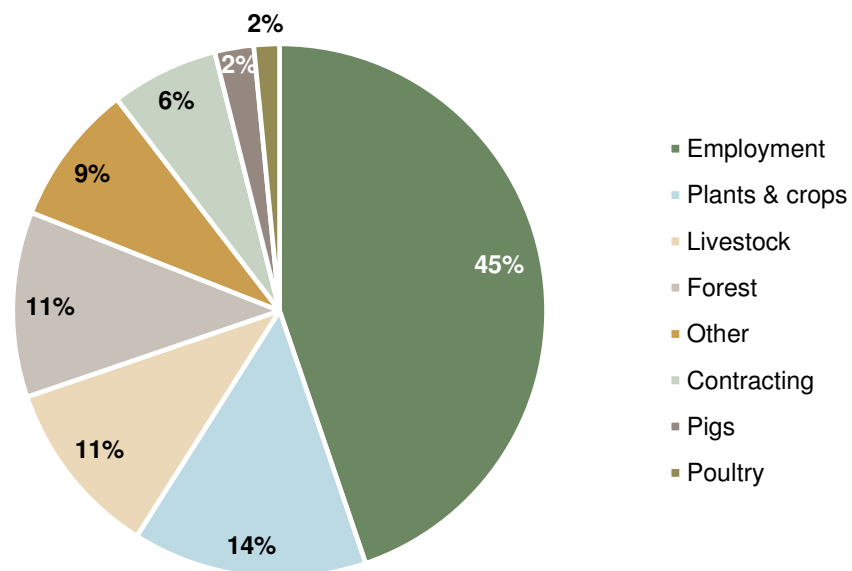
99.8% of the loan portfolio is first-lien mortgages with LTV of 43%

Well diversified portfolio in terms of geographical and business distribution

Asset portfolio per business unit, SEKbn

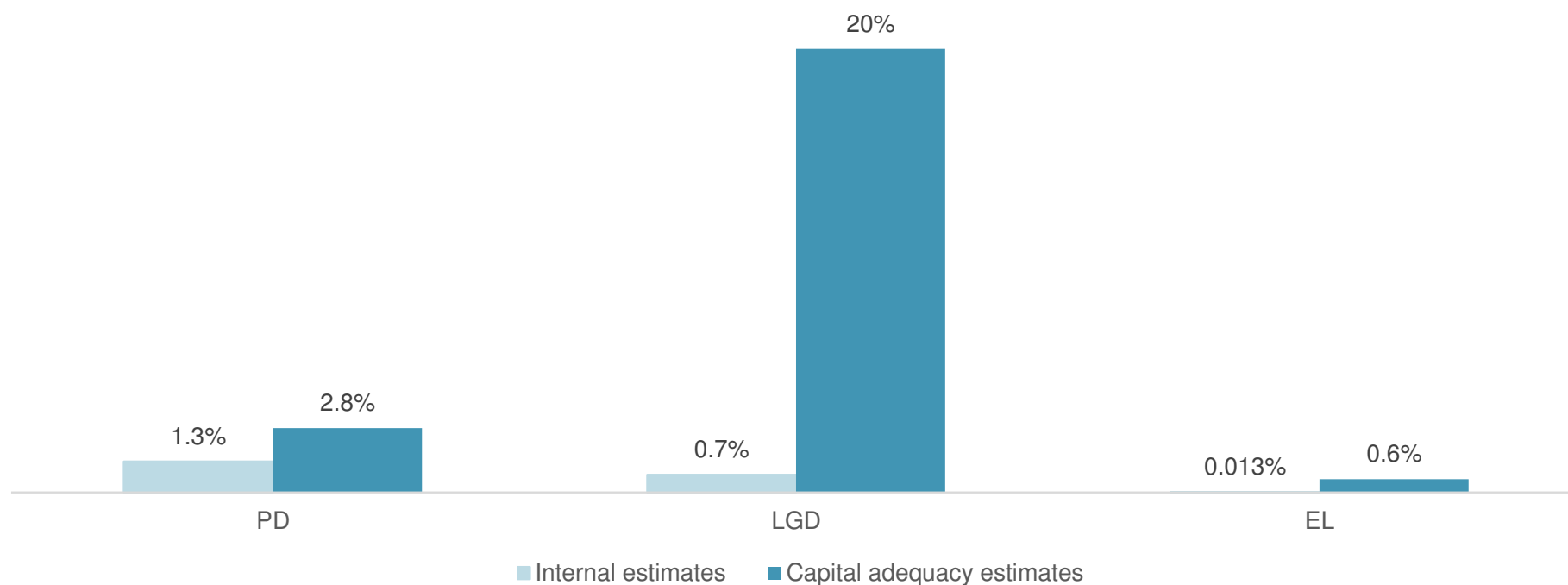


Asset portfolio, business distribution, %



Average loan per customer is SEK 1.86m

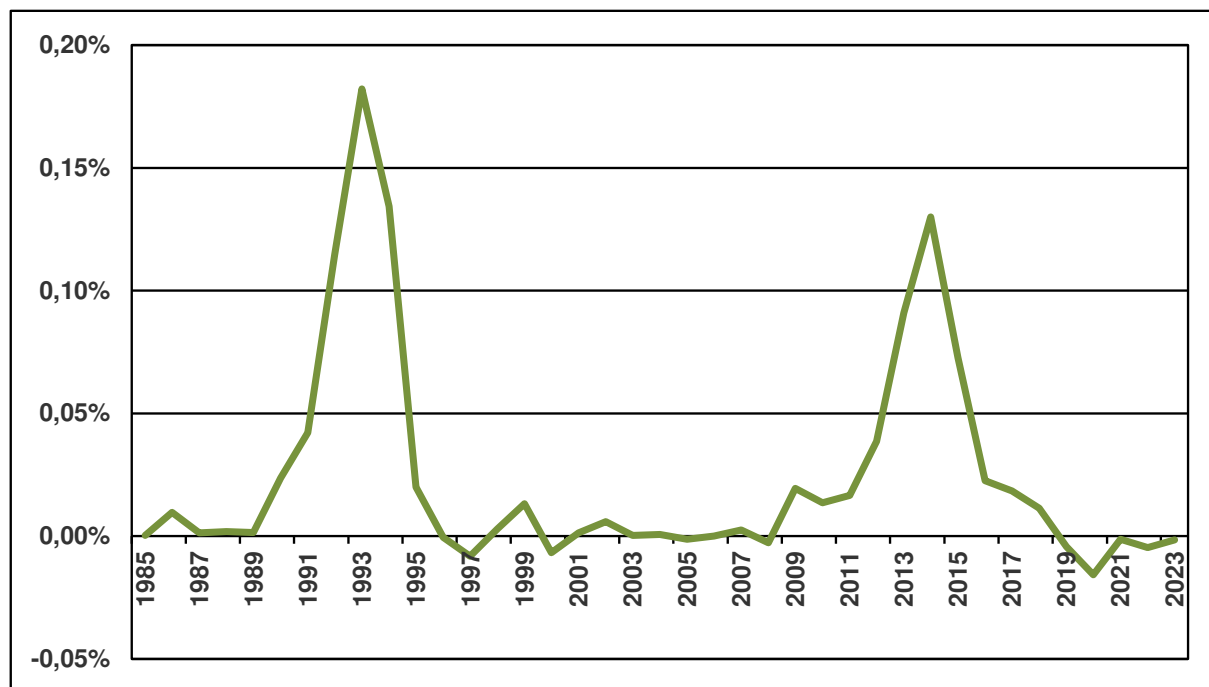
Internally used estimates are significantly lower than estimates for capital adequacy



Internally used estimates are significantly lower for PD, LGD and consequently EL. Exposure weighted LTV ratio is 43%

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

- Losses in 2022 amounted to SEK -4.5m in reversals (-0.01%), compared with SEK -1.0m in reversals for the same period 2021 (-0.00%)
 - Q1 2023 account reversals of 1.6m
- Total credit losses since 1985 amounts to SEK 359m which makes an average per year of 0.024% (in comparison: EL deduction of SEK 603m 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

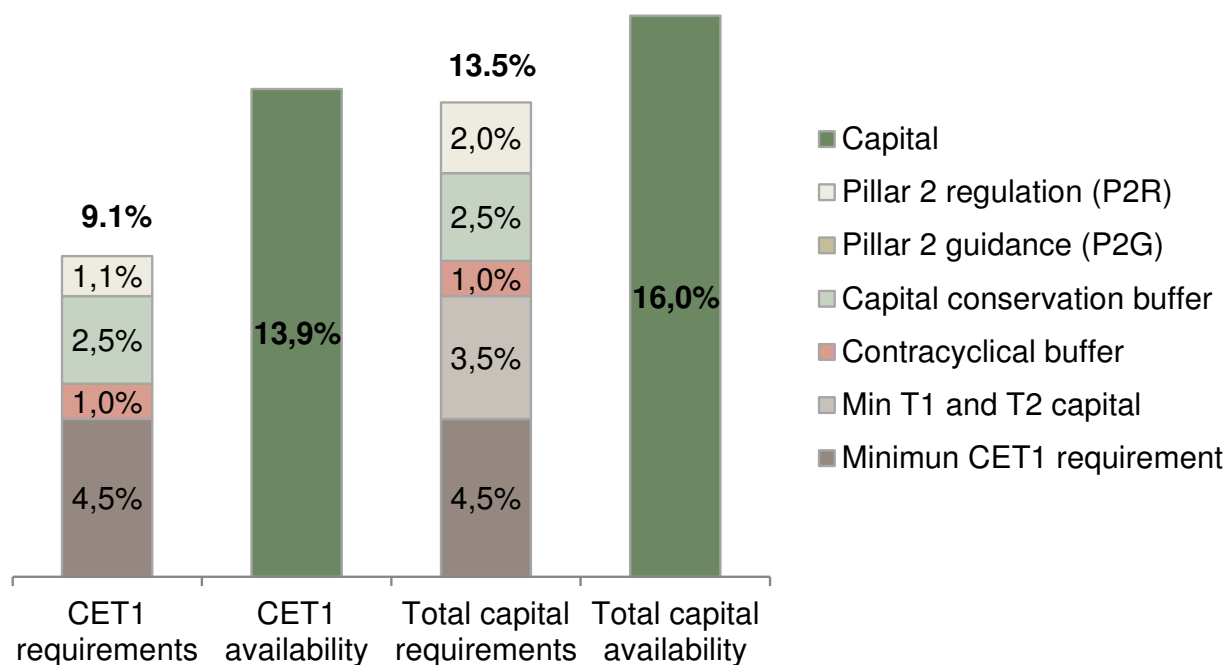


Capital adequacy

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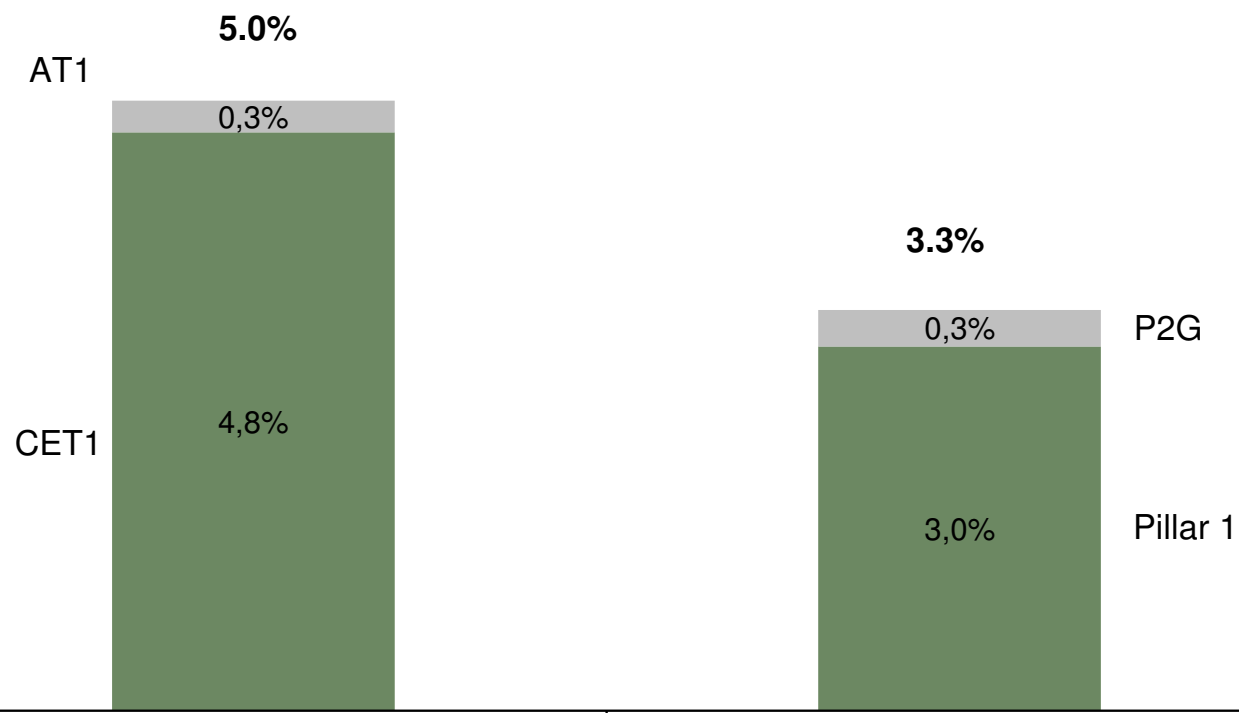
- CET1 capital ratio strong compared to requirements
- Landshypotek Bank has high leverage ratio
- Cover pool has lower LTV than other banks

Total capital and capital requirements- Consolidated situation

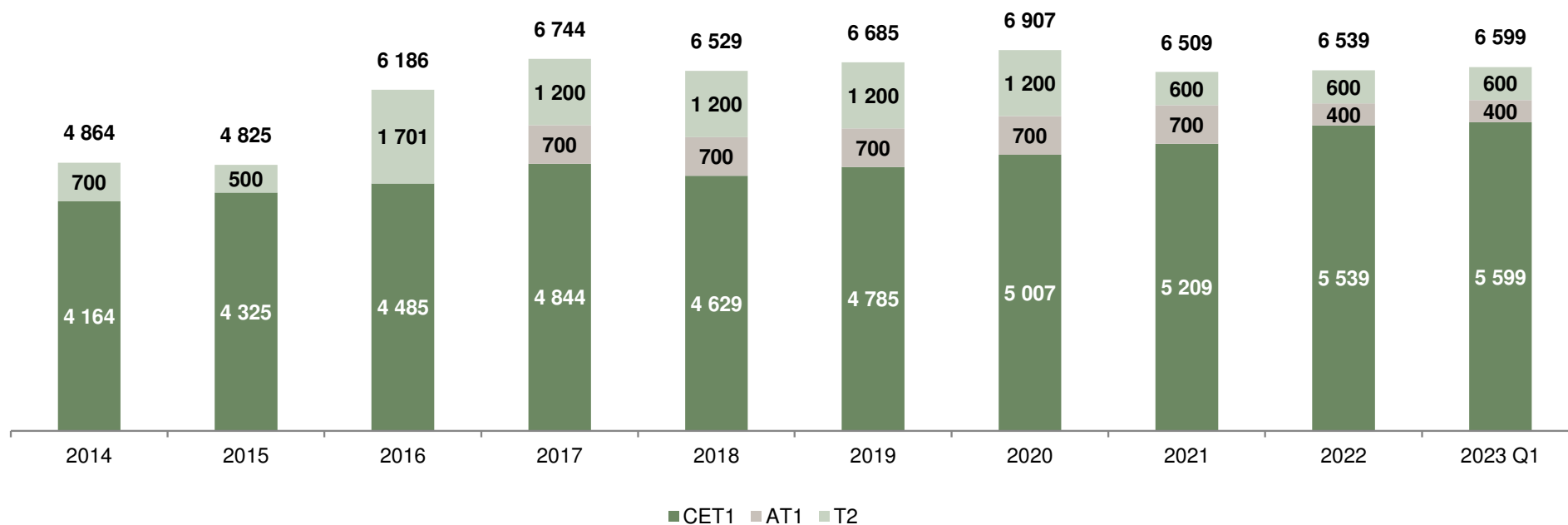


- The CET1 capital target is to have a CET1 ratio of at least 11.6%. The margin to the capital target as of Q1 2023 is 2.3%
- The Total capital target is to have a Total capital ratio of at least 14.5%. The margin to the capital target as of Q1 2023 is 1.5%
- The stress tests performed by the bank for 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

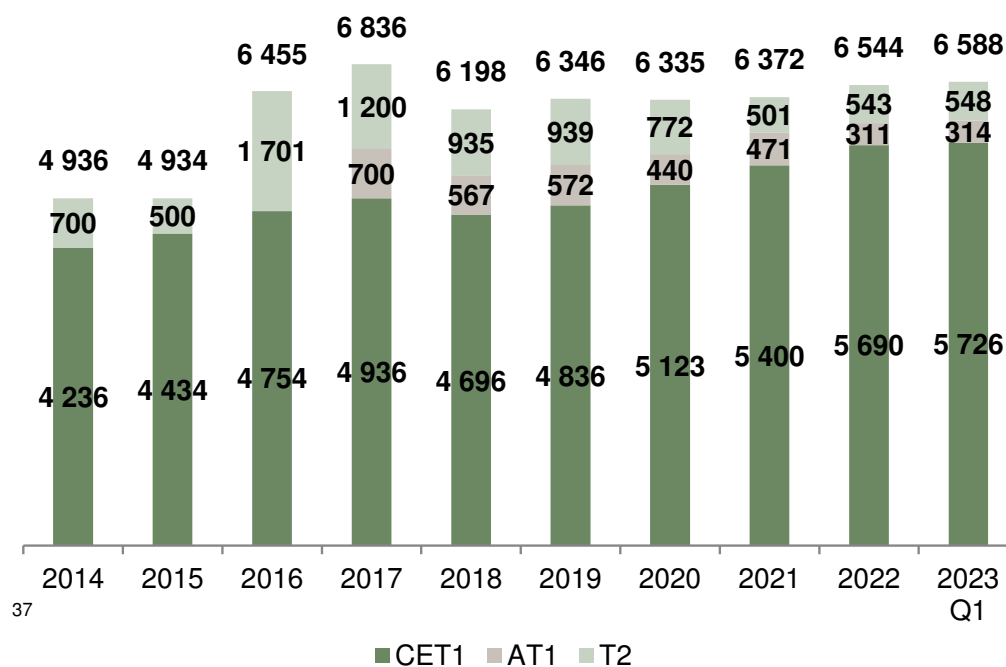


Capital development over the years, (total capital Landshypotek Bank AB, SEKm)



Capital development over the years

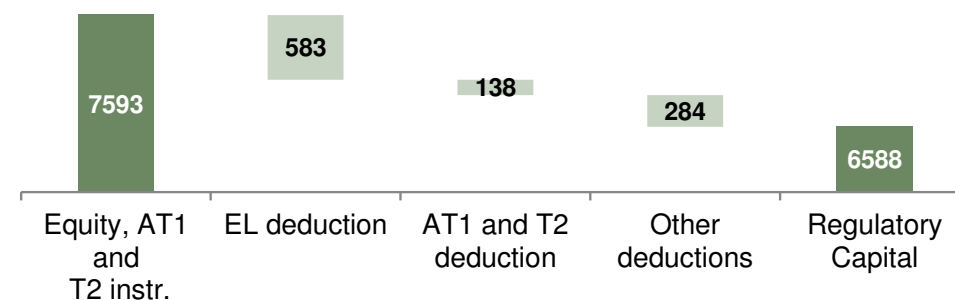
Total capital, SEKm - Consolidated situation



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.

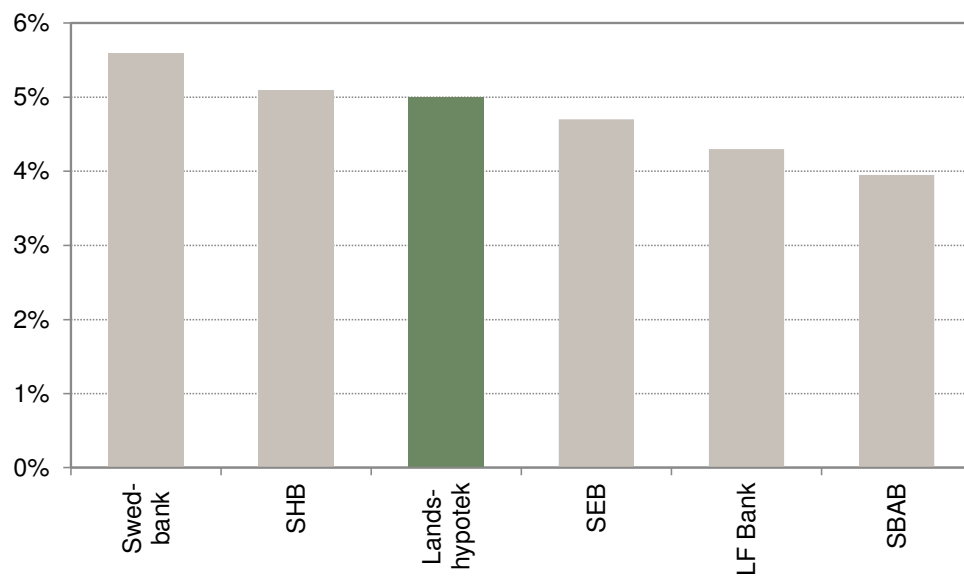
The deduction regarding AT1 and T2 capital at the consolidated situation is explained by the fact that subordinated loans issued by Landshypotek Bank cannot be fully utilized in the calculation of capital at the consolidated situation. However, as the utilization rate is calculated based on the surplus 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

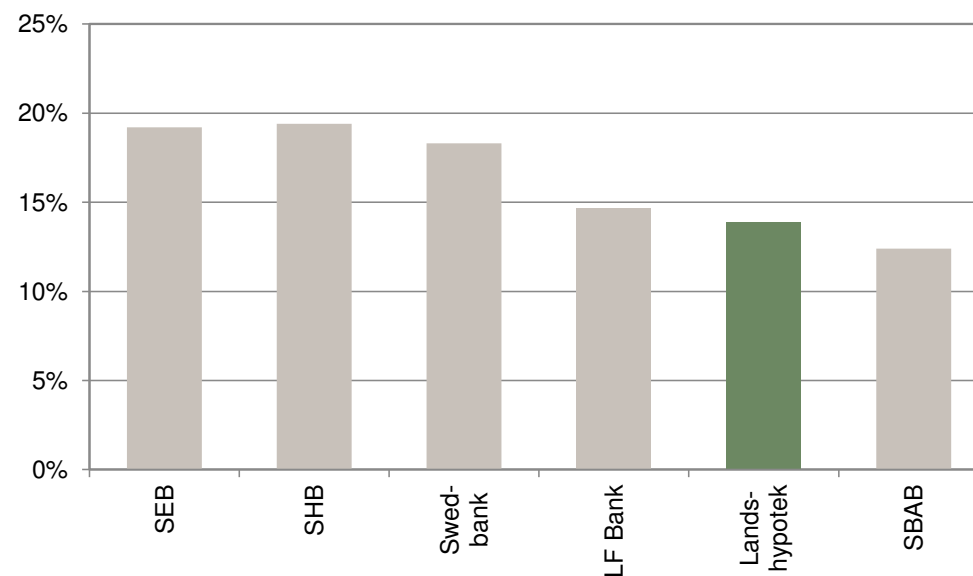


Strong leverage ratio but lower CET1

Leverage ratio

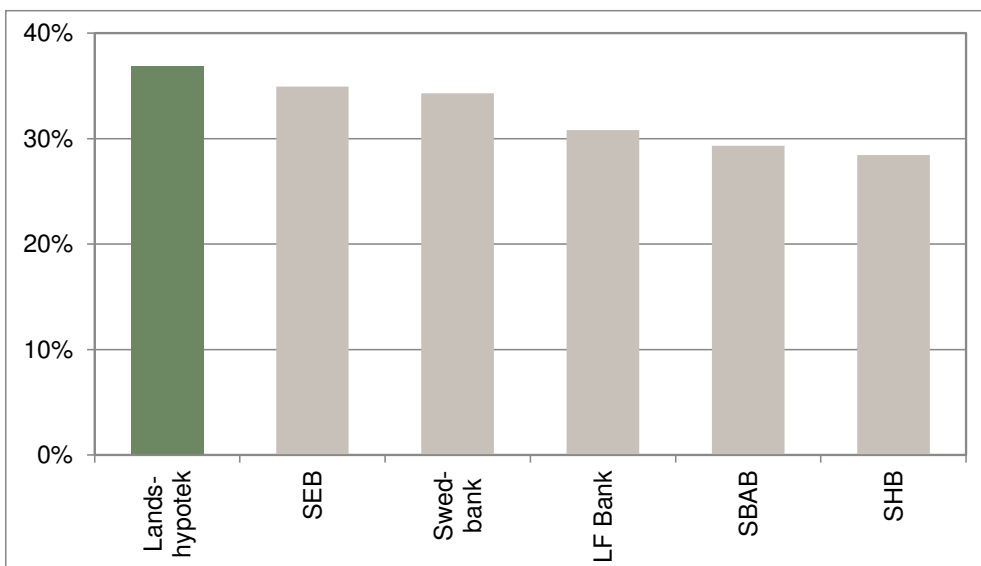


CET1

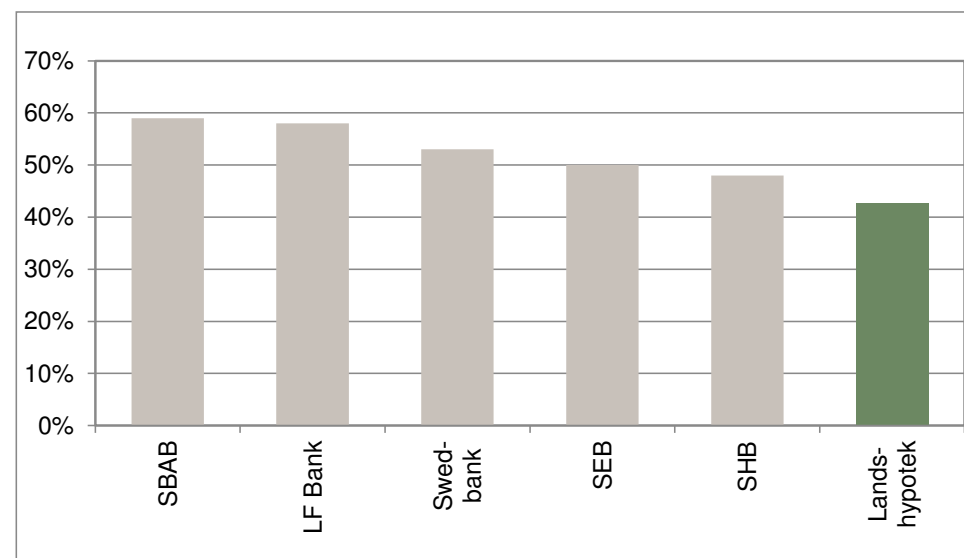


Higher riskweights despite lower LTV

Riskweights

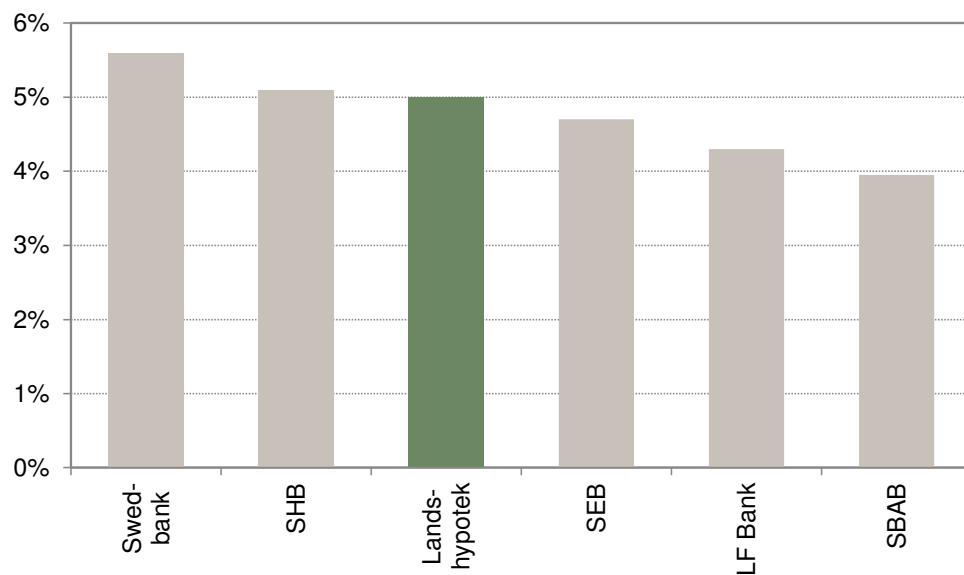


Cover Pool LTV

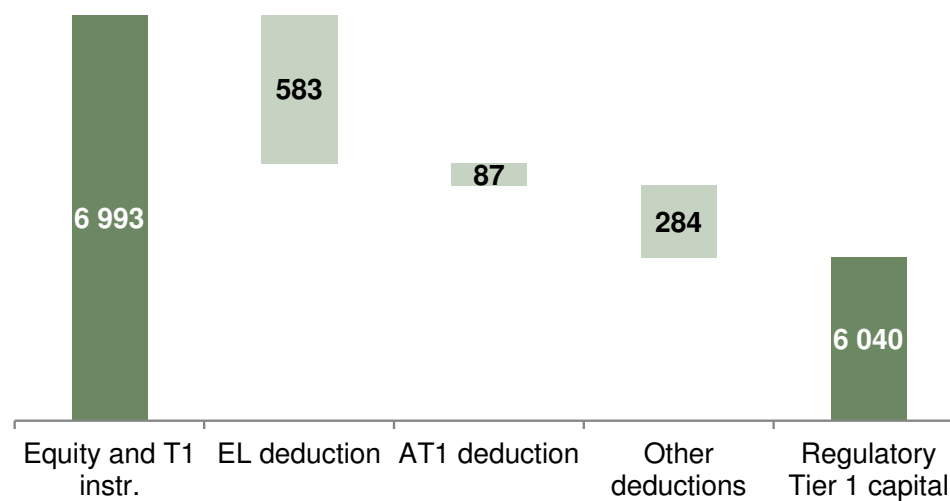


High leverage ratio despite large deductions

Leverage ratio



Deductions



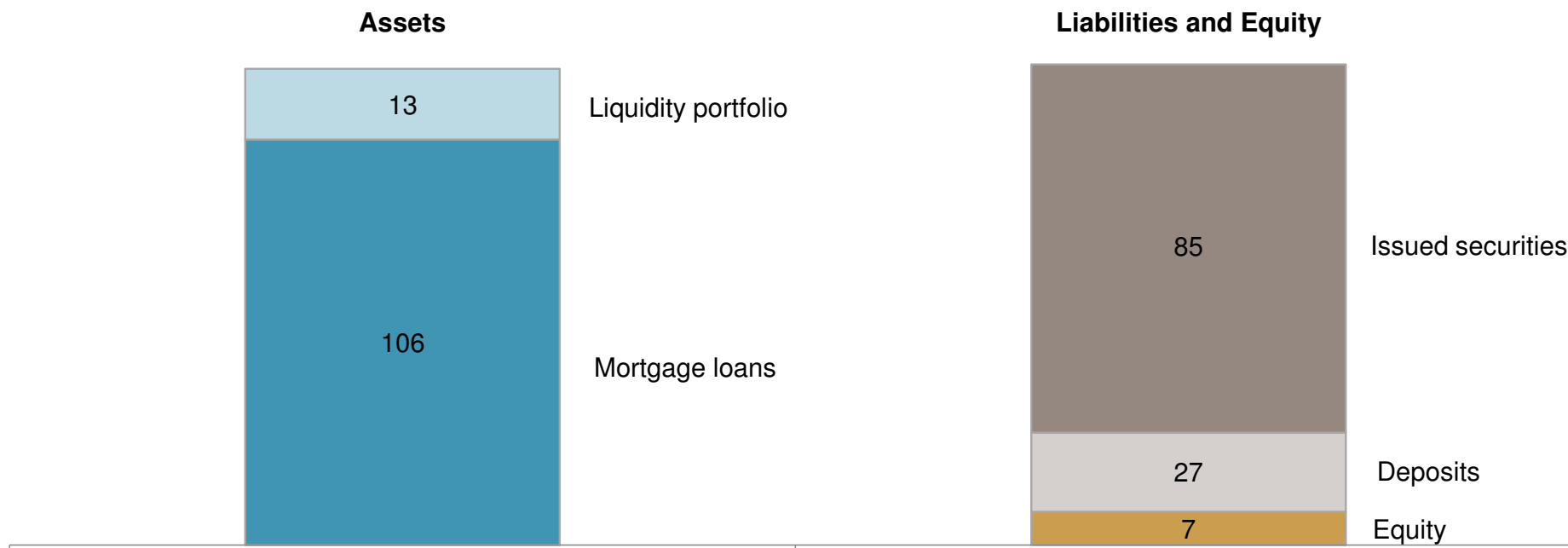
Funding, liquidity and cover pool

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



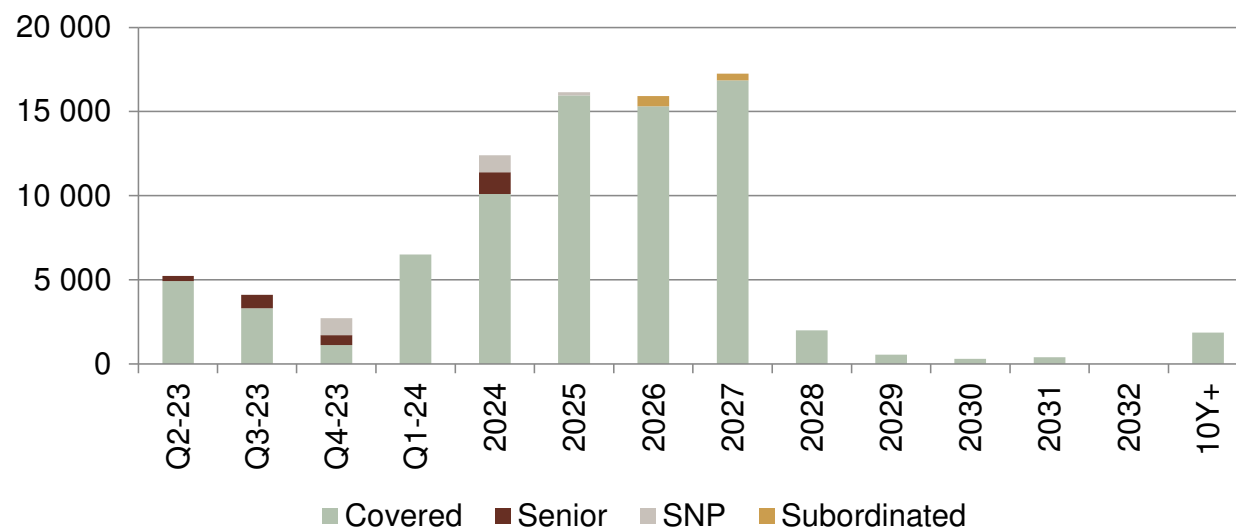
BRRD implementation

- 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 bank plans to issue SEK 2,300m by the end of 2023 and have three outstanding SNP-loans with roughly 33% of the requirement in each issue
- The plan is to have one outstanding issue per calendar year to have a good balance between granularity and liquidity
- MREL fulfilment Q1
 - Total risk weighted 22.51% of REA
 - Total leverage 8.91% of TEA
 - Subordinated risk weighted 17.88% of REA
 - Subordinated leverage 7.32% of TEA

Conservative funding profile

Average maturity	2.7 years
Covered bonds	70%
Senior + Subordinated	6%
Deposits	24%



Funding 2023

Funding plan for 2023 Funding need SEKm		Funding plan for 2023 Funding plan SEKm		Funding plan for 2023 Executed SEKm
Maturing covered	11,010	Covered	8,400	2,400
Maturing and callable senior	1,700	Senior	600	0
Callable senior Non-preferred	1,000	Senior Non-preferred	1,100	0
Callable subordinated	0	Subordinated	0	0
Increased liquidity portfolio	2,890	Deposits	7,000	3,672
Credit growth	800	Equity	300	105
Total	17,400	Total	17,400	6,177

Conservative liquidity and funding position

- LCR 198%
- NSFR 119%
- Stressed liquidity coverage is 310 days, internal limit 180 days
- Liquid assets SEK 13.3 bn. Duration 2.9 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 27.0bn

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	17%	61%
Excluded from deposit insurance	10%	12%

Cover pool

Rating S&P	AAA
Lending volume	SEK 101,987m
Geographic distribution	Sweden 100%
Average loan size	SEK 921,920
Number of loans	110,624
Number of properties	41,620
Substitute Assets	SEK 3,613m
Swedish Covered Bonds, AAA	SEK 1600m
Municipalities	SEK 1,600m
Cover bonds	SEK -79,413m
Over Collateralisation	SEK 26,075m
Over Collateralisation	32.83%

Interest	
Floating	65%
Fixed	35%
Amortisation	
Amortising	98%
Non amortising	2%
Mortgage type	
Agriculture properties	72%
Residential properties	28%
Average LTV	
Volume weighted	43.23%

Cover pool and geographical distribution

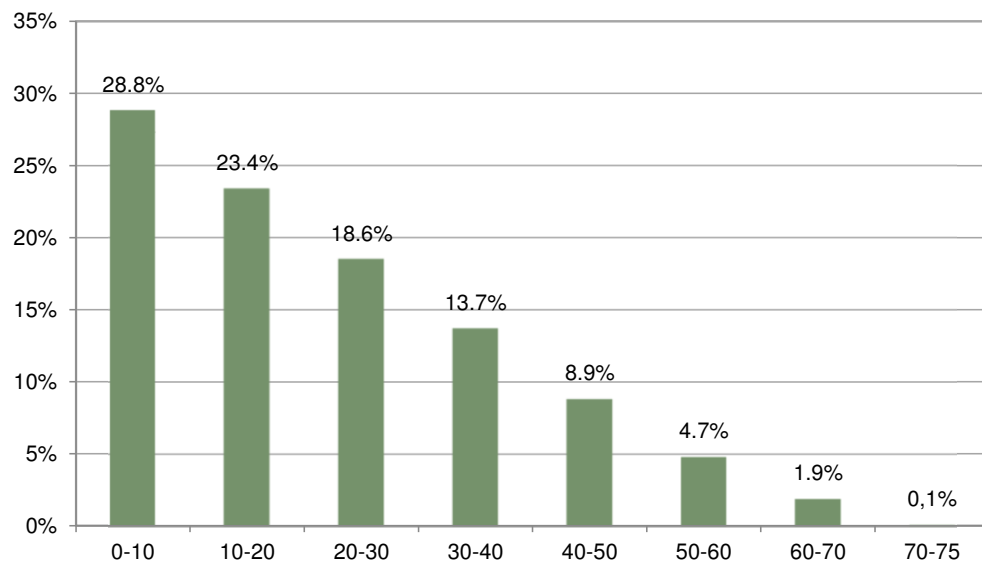
Seasoning	Years	Month
Loan level	5.45	65
Customer level	13.90	167
Property level	29.82	238
Concentration (borrowers)	Volume	% of volume
Top 5	SEK 937m	0.92%
Top 10	SEK 1,671m	1.64%
Top 20	SEK 2,960m	2.90%



County	% of total volume
Stockholm	11%
Uppsala	4%
Södermanland	4%
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

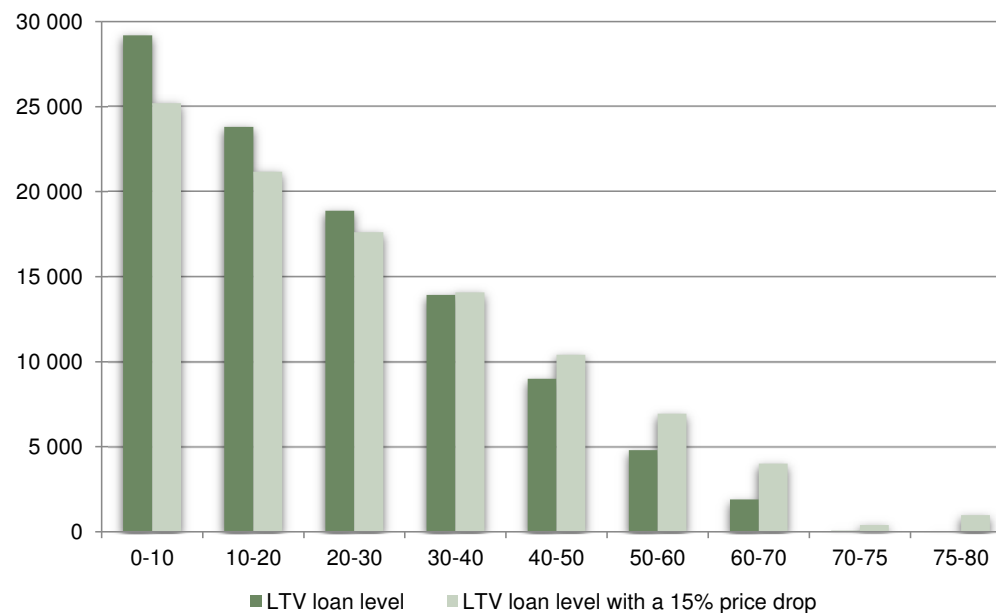
Loan amount by LTV bucket



50

Stress test LTV -15% price drop

SEKm

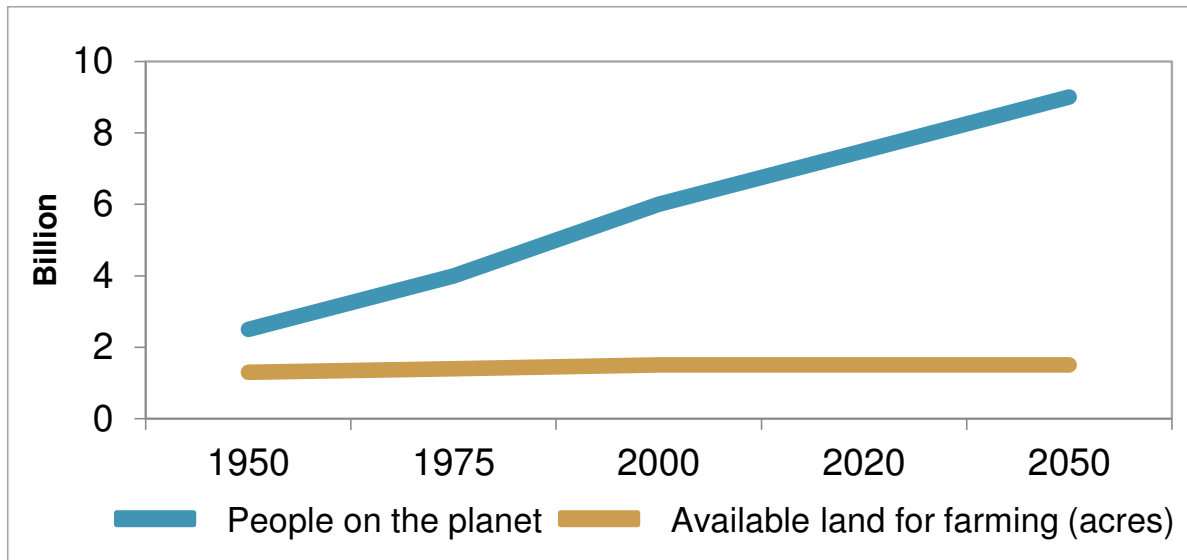


Total change in cover pool -0.74%

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 43%
 - 99% of the customers have a personal liability
 - Total losses since 1985 SEK 354m, average per year 0.025%
- Very well capitalised with a leverage ratio of 5.0%, 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:

Q2 report	26 th of July 2023
Q3 report	1 st of November 2023

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