

# Landshypotek Bank Investor presentation

- second quarter 2025

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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 market leading agriculture and forestry bank with sustainability integrated in the strategy with a market share of 24%
- 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
- A lending portfolio with a positive climate footprint
- 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 366m, average per year 0.026%

# 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

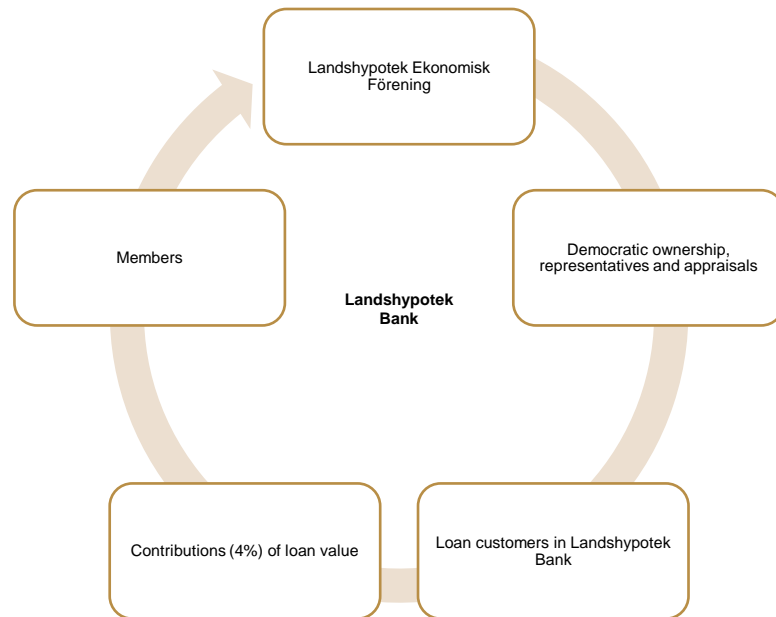


# With the same purpose since 1836. Boring? Never.

- 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

- 32,000 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. 24% 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 84bn and residential mortgages SEK 31bn

## Low risk actor

- 99.9% 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 32,000 loan customers, members of Landshypotek Ekonomisk Förening
- Profit is reinvested or returned to the agriculture and forestry sectors

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# 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



# Material sustainability topics

- Landshypotek completed a double materiality assessment during 2024.
- The double materiality assessment concluded that the bank's material sustainability topics are:
  - Climate change
  - Biodiversity and ecosystems
  - Own workforce
  - Governance
- Policies, actions and targets within each material sustainability topic will be the foundation of Landshypotek's sustainability agenda.
- Although the bank is no longer covered by the formal reporting requirements under the CSRD/ESRS for the financial year 2025, Landshypotek will continue to publish an annual sustainability report in a manner that is inspired by the CSRD/ESRS.



E2 Pollution, E3 Water and marine resources, E5 Circular economy, S2 Employees in the value chain, S3 Affected communities and S4 Consumers and End-users are not considered to be material at this time.

# A lending portfolio that stands out

- Landshypotek's lending portfolio differs from other Swedish banks. The vast majority of Landshypotek's lending is to agriculture and forestry – two sectors that are dependent on photosynthesis and other ecosystem services.
- The forest is a key link in the transition to a fossil-free society as forest-based 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.
- Moreover, forestry and farming are the only two sectors that can create biodiversity and other ecosystem services.



# Climate and nature related risks for lending portfolio

## Transition risks

- Political decisions e.g. taxation of fossil fuels used in machinery, CO<sub>2</sub>-pricing such as an emissions trading system for agriculture, land use regulations (e.g. EU Nature Restoration Law) and mandatory renovation requirements to improve energy efficiency in buildings.
- Change in consumer and investor demands

## Climate indicators and physical risks



**Temperature** will lead to other risks like drought and heatwaves



**Fire risk** can lead to the destruction of forests and lost growth



**Length of growing season** will provide a greater opportunity for higher yields and crop variation but higher risk of increased pressure from vermin



**Extreme precipitation** causes flooding and extreme rainfall can destroy crops and provide challenges for using machinery and damage to property



**Heatwaves** place stress on growing crops and livestock whilst increasing the risk of lower yields



**Elevated sea levels** pose a risk for properties in exposed areas

## 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 has been conducted using data from SMHI during 2024.
- In addition, we have conducted an analysis with Hemma on all properties in our mortgage portfolio with issued and Synthetic EPCs (AI model estimates) to understand the emissions from our mortgage portfolio.

## 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



# Climate change

## Our impact is primarily within our lending portfolio

- Climate transition plan approved in December 2024 with the overall aim of achieving net zero emissions in the lending portfolio by 2045 at the latest.
- The transition plan focused on removing the use of fossil fuels within agriculture as this is the most urgent abatement measure within agriculture and forestry – and one that the bank can finance.
- The bank's residential mortgage portfolio largely follows the national distribution of Energy Performance Certificates.
- The bank can play an important role in financing energy efficiency measures in single-family houses (*småhus*) and a more indirect role in the improved energy efficiency of residential apartments.
- Landshypotek's own emissions are primarily driven by energy used in our offices and work-related travel.

## Landshypotek Bank's transition plan in short

- Focus on agriculture
- Biological processes
- Political governance is necessary
- Fossil free agriculture

### Direction, goals and activities

1. The bank will have a targeted offer for investments to phase out fossil fuels, investments in the production of renewable energy and energy efficiency measures in housing and production facilities.
2. The bank will have a targeted offer for investments to adapt businesses and housing to a changed climate (e.g. irrigation, cover ditching).
3. The bank will work closely and proactively with its customers to phase out fossil fuels and to identify and minimize climate-related risks in the customers' operations at an early stage.
4. The bank have a clear connection between the bank's lending and borrowing in terms of financing climate change mitigation and adaptation to climate change.
5. The bank's employees will be continuously trained to understand climate change and how the bank can contribute to reducing it and contribute to climate adaptation. Board, management group, risk function and business organization must have special knowledge to be able to manage, follow up and support the needs of the bank, the owners and the customers.
6. The bank's largest customers within the largest operating areas must report climate data annually.

Targets will be reviewed annually in conjunction with the annual review of the transition plan.

# 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 70% of Sweden's total emissions (2023)
- 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)

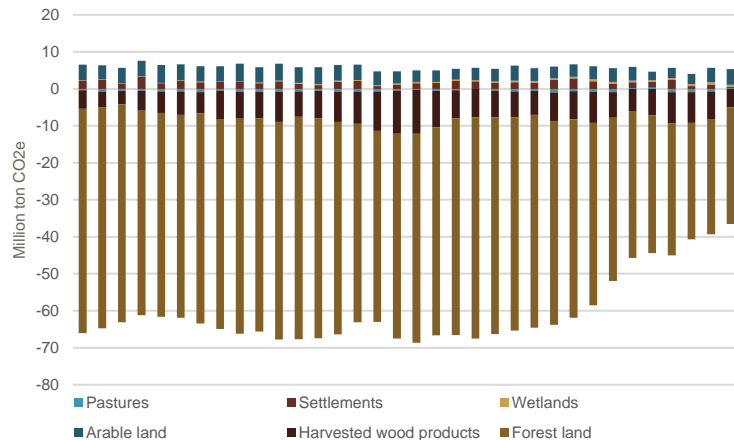
## Emissions from agriculture

- 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

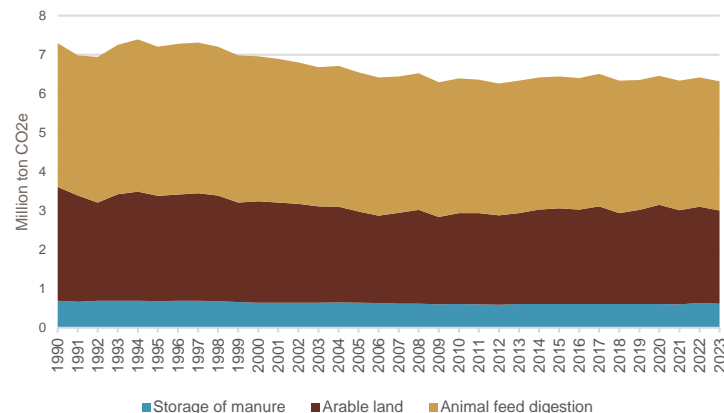
## Emissions from housing

- Emissions from housing, primarily heating, have decreased by 91% between 1990 (6.2 million tons CO<sub>2</sub>e) and 2023 (0.3 million tons CO<sub>2</sub>e). Remaining emissions are driven by energy sources for heating and consumption.

Emissions and absorption from land use 1990-2023



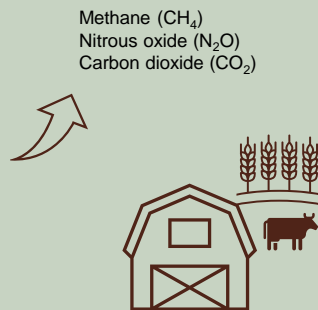
Emissions from agriculture 1990-2023



# Financed emissions and CO<sub>2</sub> absorption in the lending portfolio

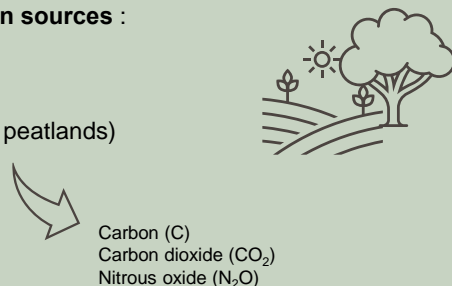
## Emission sources from activities on the land:

Emissions from:  
milk production  
beef production  
pig production  
crop cultivation  
poultry  
forestry  
buildings  
residential properties



## Land use's emissions and absorption sources :

Absorption in the forest  
Absorption in crop and grazing lands  
Emissions from crop and grazing lands  
Emissions from organogenic soils (e.g. peatlands)



## Positive climate effect of the bank's lending portfolio

- The forest's absorption is greater than all emissions attributable to other land use and different land use segments.
- The result is shown based on the loan-to-value ratio and thus refers to the bank's financed emissions and absorption.

## What causes the emissions?

- Emissions from soils (nitrous oxide, nitrogen compounds)
- Livestock's digestion of feed (methane)
- Manure (handling of manure and production of fertiliser)
- Energy use (livestock and machinery)

## Variables for sensitivity analysis

- Nitrous oxide emissions (highly uncertain)
- Area of forest land (amortizations, loans paid off)
- Average number of animals used in calculations (ruminants)
- Handling of manure (assumption of 30% of Sweden's total emissions)

## How can we increase the effect through reduced emissions?

- Dialogue with customers and other players in agriculture and forestry to jointly drive the climate transition
- Financing fossil-free energy production and energy-efficient buildings
- Plans for the opportunity to reward customers who use farming methods and make investments in food production with a lower climate impact



# Financed emissions and absorption

		Financed emissions/ absorption with reference to LTV ratio (ton CO <sub>2</sub> e)	Financed substitution effect with reference to LTV ratio (ton CO <sub>2</sub> e)
Land use	Absorption forests	- 2 260 000	- 1 340 000
	Absorption crop and grazing lands	- 71 000	N/A
	Emissions cropland	+ 455 000	N/A
	Emissions grazing land	+ 15 000	N/A
	Emissions organogenic soils	+ 320 000	N/A
<b>Land use total</b>		<b>- 1 540 000</b>	
Emissions from segments	Milk production	+ 560 000	N/A
	Beef production	+90 000	N/A
	Poultry	+ 21 000	N/A
	Pig production	+ 35 000	N/A
	Crop cultivation	+ 80 000	N/A
	Forestry	+ 1 000	N/A
<b>Emissions from segments</b>		<b>+ 810 000</b>	
<b>Residential Housing</b>		<b>+ 3 000</b>	N/A
<b>Buildings</b>		<b>+ 24 000</b>	N/A
<b>Total emissions and absorption</b>		<b>- 725 000</b>	
<b>Total emissions, absorption and substitution effect</b>		<b>- 1 790 000</b>	

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## How can we increase the effect through reduced emissions?

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- Plans for the opportunity to reward customers who use farming methods and make investments in food production with a lower climate impact

# Biodiversity and ecosystems

## Our impact is primarily within our lending portfolio

- Landshypotek Bank finances Swedish agriculture and forestry. Agriculture and forestry are unique sectors in relation to biodiversity.
- Agriculture and forestry have a significant impact upon biodiversity and ecosystem services. They are also the only sectors which can create biodiversity and ecosystem services.
- The bank currently does not have a specific policy or targets relating to biodiversity as there are significant challenges in assessing or calculating biodiversity. There is no accepted method for assessing biodiversity.
- The bank currently addresses biodiversity in the credit assessment process through the following processes:
  - The independent valuations of forest and farming properties includes an assessment of factors that are relevant for biodiversity such as nearby Natura 2000 areas.
  - A climate and environmental assessment is conducted for the bank's larger agricultural and forestry customers which contains questions about the customer's knowledge of and planned or on-going work with matters related to biodiversity and ecosystems.
- Landshypotek also contributes to biodiversity through financing of sustainable forestry in Sweden.
- Landshypotek's Green Bond Framework requires that a forest property must have an up-to-date green forest management plan, including nature conservation action plans for at least 5 % of the productive forest area or the forest property contains at least 5 % deciduous trees.
- Alternatively, a forest property must have certification through the Forest Stewardship Council (FSC) and/or the Programme for the Endorsement of Forest Certified (PEFC). Both certifications contain the same requirements for nature conservation action plans or the presence of deciduous trees.

# 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
- The Green Bond Framework will be updated during 2025

## 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
- 220 tons CO2 has been absorbed and avoided for every SEK 1 million invested

## Green Bond Ratio

**13.4%**

of the covered bonds issued by Landshypotek Bank are green

**12.8%**

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



CICERO  
Dark Green



## Own workforce

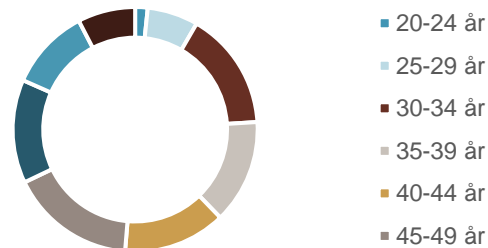
- Landshypotek has a significant impact on the bank's employees.
- With fewer than 250 employees across 19 offices all over Sweden, employees work with a broad range of tasks. This provides the opportunity for employees to develop and provides opportunities for internal recruitment.
- Being a Swedish-based bank, the bank already fulfils many of the fundamental requirements relating to right of association, paid parental leave, sick leave and retirement benefits.
- The overall gender balance within the bank and at management level is even but there are significant discrepancies within the management group and board.
- Measures to address the gender imbalance at the highest levels of the bank will be a key focus of the bank's agenda relating to its own workforce.

eNPS  
(2025)

**+45**

scale -100 - +100

Age Distribution  
(2024-12-31)



Gender balance  
women/men per 2024-12-31

In total

**53/47**

Managers

**52/48**

Management Group

**25/75**

Board

**29/71**

# Governance

- Stakeholders' confidence in the bank is fundamental
- As a bank, Landshypotek has been required to meet strict legal requirements regarding governance matters including anti-corruption, anti-money laundering and handling conflicts of interest.
- Governance-related topics are dealt with across a broad number of policies, guidelines and instructions including those listed in the column to the right.
- 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.
- Sustainability reporting in a manner inspired by the CSRD/ESRS for the financial year 2025 and onwards.

<i>Owner Directive</i>	Board Landshypotek Ekonomisk Förening		
<i>Policies</i>	Board Landshypotek Bank		
<i>Guidelines</i>	CEO		
<i>Instructions</i>	Compliance	Management Group including Sustainability Officer	CISO
	Human Resources		
	Commercial organization		
	- Farming and Forestry		
	- Residential mortgages		
	Finance		
	Risk function		
	Sustainability Team		

## Overarching

Sustainability Policy  
Climate Transition Plan

## 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

## Sustainable credit granting and transactions

Formal work plan for the Green Bond Committee  
Climate and Environmental Analysis Instruction  
Credit Granting Guidelines  
Risk Policy  
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 priorities for 2025

Climate change	Biodiversity and ecosystems	Own workforce	Governance
Implementation of the bank's climate transition plan.	Further incorporate ESG-related risks into the bank's risk management and credit assessment processes.	Develop targets relating to own workforce, in particular with regards to gender diversity and male/female pay gap.	Further incorporate ESG-related risks into the bank's risk management and credit assessment processes.
Develop transition financing for agriculture, forestry and residential mortgage customers.		Continue work to ensure compliance with the upcoming requirements under the Pay Transparency Directive.	Integration of tenant-owned apartments into the bank's ESG agenda.
Further incorporate ESG-related risks into the bank's risk management and credit assessment processes.			
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			
Pilot project for climate emissions data collection from agricultural customers.			
Integration of tenant-owned apartments into the bank's ESG agenda.			

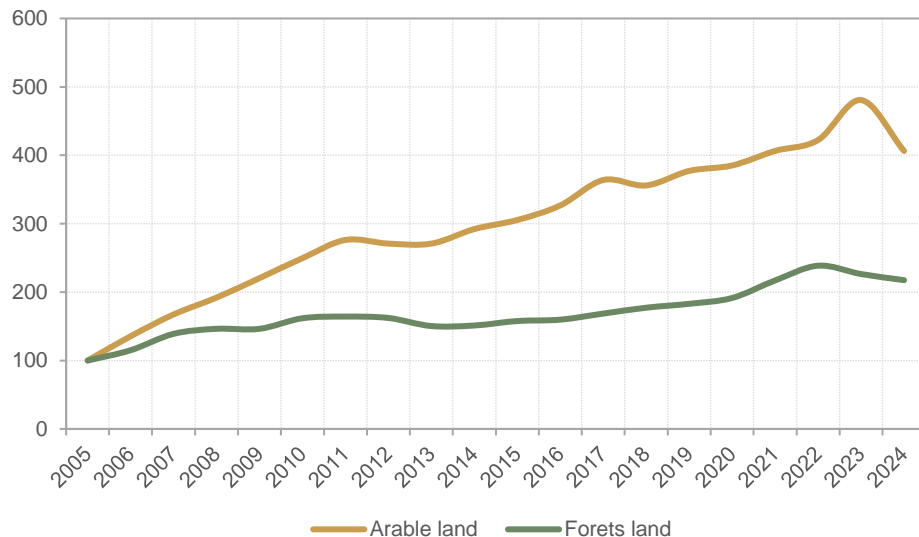
# Agriculture market overview

## In short:

- Forest owners experience historically high profitability. However, prices of forest land have fallen slightly, driven by higher interest rates and political uncertainty
- Crop producers experiencing decreased cash flow. The harvest forecast shows increased volumes compared to previous five years
- Animal producers have improved cash flow
- There is a significant investment need across the entire sector



# Property price development 2005-2025

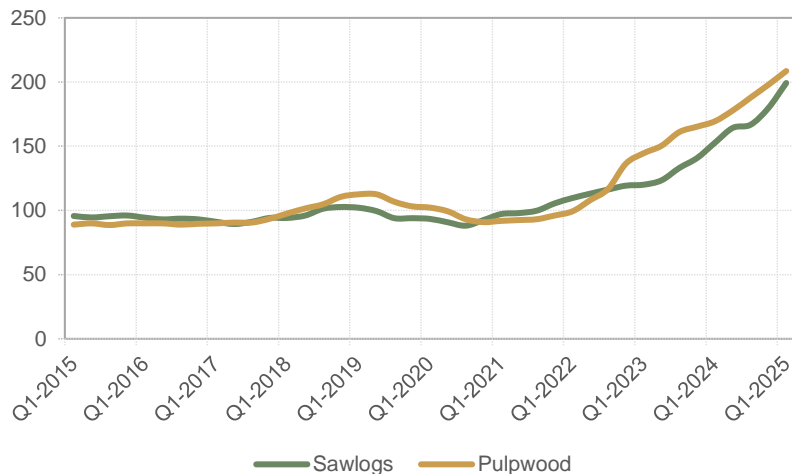


	1Y	5Y
Arable land	-15%	+8%
Forestry	-4%	+19%

- In Q1 2025 agricultural property prices decreased by 2.4% compared to Q4 2024. The number of properties sold was 12.5% higher than Q1 2024.
- The price of forest land dropped by 3.9% in 2024. The long-term trend is increasing price levels in all areas.
- The price of arable land decreased by an average of 15.5% during 2024. The decline was observed across most regions. The primary factors contributing to the lower prices were the higher interest rates and increased costs.

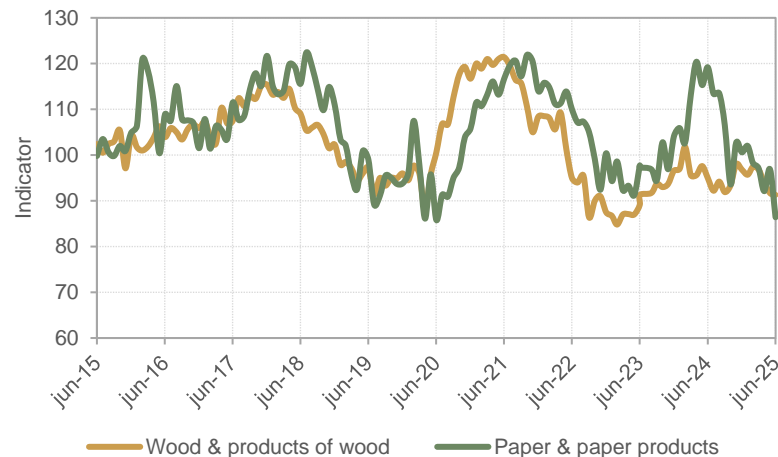
# Forestry

Roundwood price trend (Q1 2015 – Q1 2025)



- Stable high roundwood prices has given forest owners a higher net profit. In Q1 2025 the roundwood prices on delivery timber increased by 10.8% on sawlogs and by 5.4% on pulpwood. The favorable economic conditions have lasted unusually long for forest owners.

Economic tendency Forest Industry (June 2015 – June 2025)

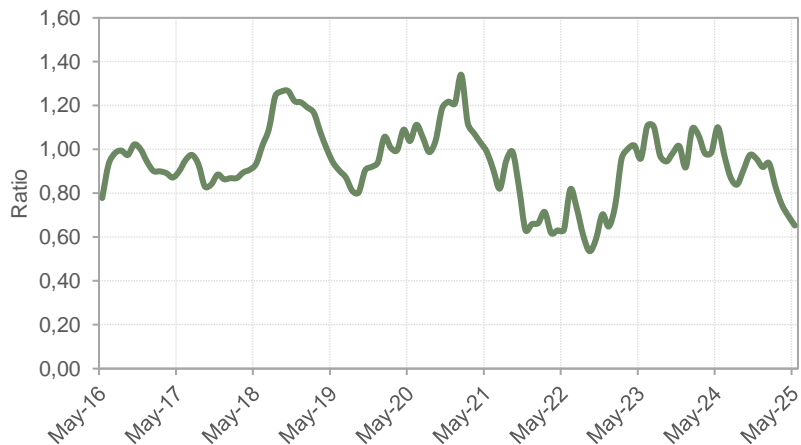


- There is a significant uncertainty about how trade policies will affect the demand in the coming months

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

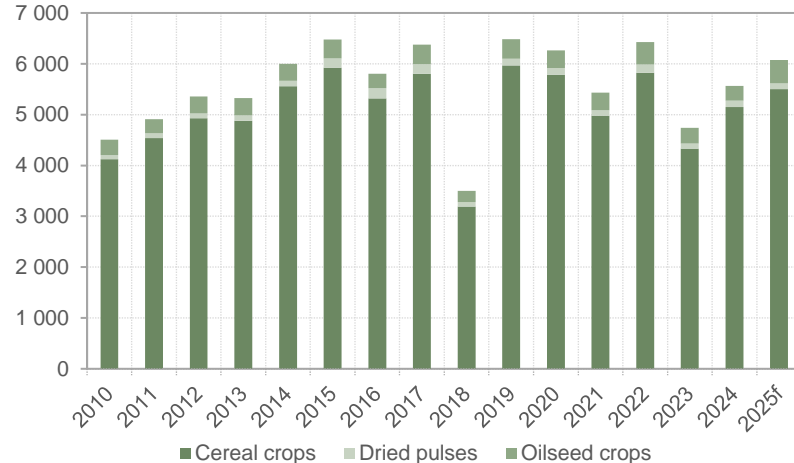
# Crops

Development grain / fertilizer price ratio (May 2016 – May 2025)



- Grain / fertilizer price ratio decreased by 6.3% in May compared to April due to decreased grain prices. The ratio was 41% lower than May 2024, due to decreased grain prices and increased fertilizer price.

Production (1,000 tonnes)



- The harvest forecast for 2025 indicates a volume that is 7% larger than in 2024 and 5% larger than the average for the previous five years

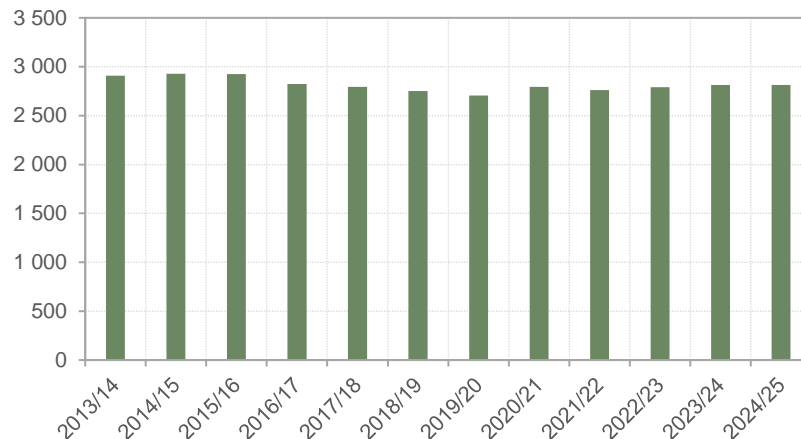
# Dairy

Development milk / feed price ratio (May 2015 – May 2025)



- Milk / feed price ratio increased by 0.8% in May compared to April due to reduced feed price. The ratio was 25% higher than May 2024.
- Average milk price in June was approx. 21% higher than June 2024

Production, June – May (1,000 tonnes)

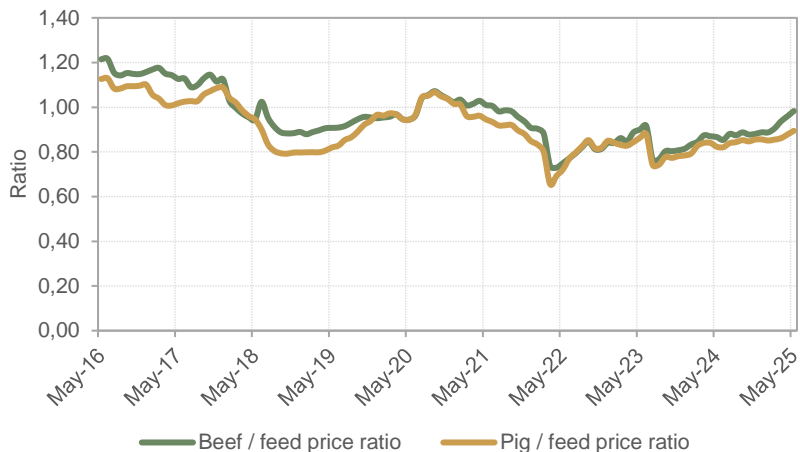


- Total production is stable the past 12 months compared to previous year. Latest three months production has increased by 2.1% year to year.



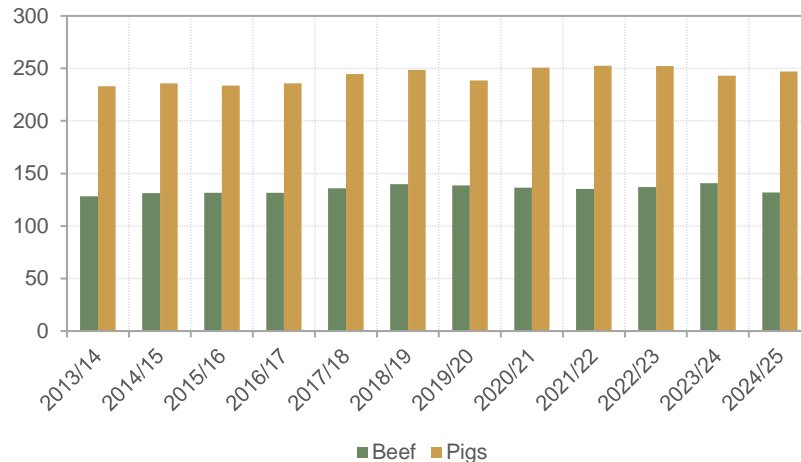
# Cattle and Pig

Dev. beef/pig / feed price ratio (May 2015 – May 2025)



- The price ratio improved in May compared to April for both cattle and pig as an effect of rising slaughter prices and lower feed price. Compared to May 2024 the pig/feed respectively cattle/feed ratio improved by 9% and 14%.

Production, June – May (1,000 tonnes)



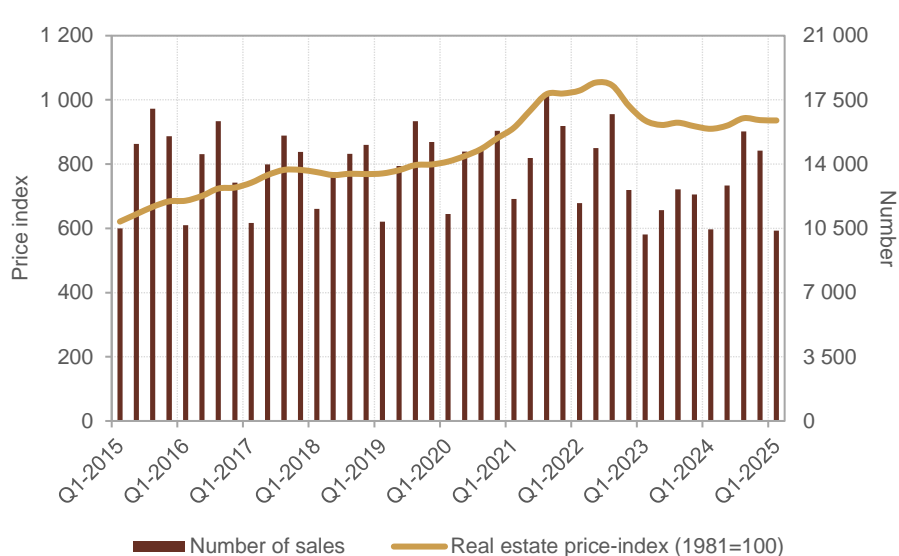
- Past twelve months pig production increased by 1.6%. In March-May production was 1.3% higher compared to same period 2024. Beef production was 6.4% lower over the past twelve months due to decreased number of cattle.

# Housing market overview

## In short:

- Consumers are more pessimistic
- The market is cautious in an uncertain external environment with low activity
- The prices have remained stable in recent months

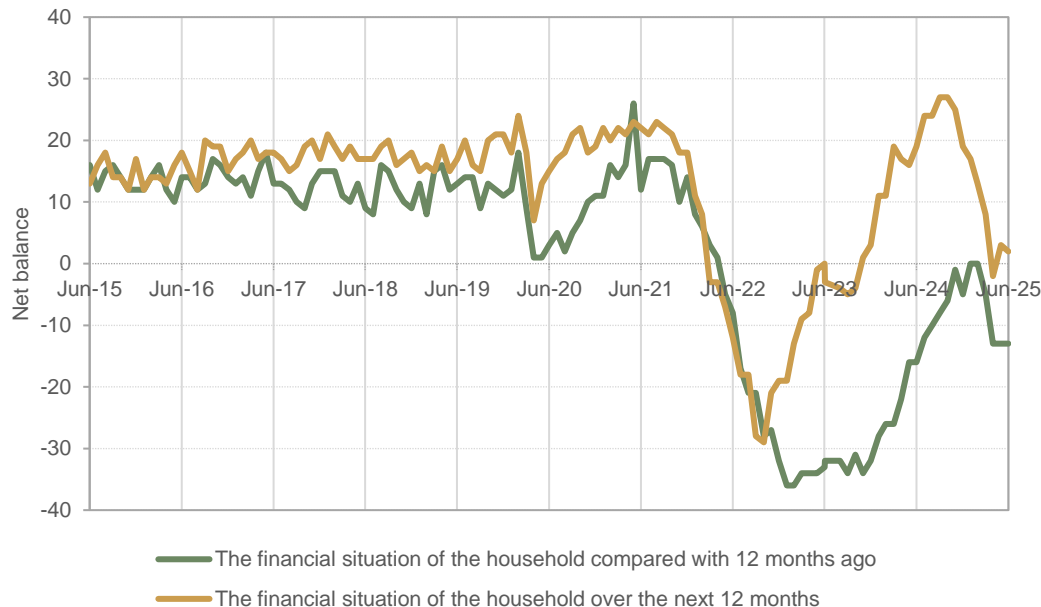
# House price development Q4 2014 – Q1 2025



	1Y	5Y
Houses	+3%	+16%

- The market remained cautious during. The number of houses sold in the first quarter was 0.7% lower than a year ago. In the second quarter 11% fewer objects were sold compared to the same period 2024, according to preliminary statistics from SCB. This was also lower than historical figures
- The prices have remained stable in recent months. The price has leveled off above pre-pandemic price levels.

# The financial situation of the households 2015-2025



- Consumers remains pessimistic, even though the National Institute of Economic Research's latest tendency survey showed that the consumer confidence indicator rose from 83.6 in May to 84.6 in June. The increase in June can be attributed to a less pessimistic outlook on Sweden's economy.
- Consumers' view on their own financial situation is relatively stable but remains significantly below its historical levels – both compared with twelve months ago and with regards to expectations for next twelve months.



# Financial update

## In short:

- Higher net interest income during the second quarter of 2025 compared to 2024.
- Expenses are higher than last year, primarily driven by higher cost levels.
- Credit losses generated a net earnings impact of SEK 0 million for the quarter

## 5-year financial KPI development

Financial KPIs, SEKm	2020	2021	2022	2023	2024	2024vs2023 $\Delta$	%
Total lending	83 036	93 968	105 647	104 751	111 110	6 359	6%
Lending to Agriculture	71 471	75 195	78 440	79 290	82 290	3 000	4%
Lending to Mortgage	11 565	18 773	27 207	25 461	28 820	3 359	12%
Savings	14 672	15 254	23 496	29 080	27 090	-1 990	-8%
 Total income	 862	 964	 1 094	 1 220	 1 096	 -124	
Total expenses	478	498	551	589	603	14	
Credit impairments	13	5	4	5	-4	-9	
Operating profit	397	471	548	636	489	-147	
 Cost income ratio	 0,55	 0,52	 0,50	 0,48	 0,55	 0,07	
 Leverage ratio (consolidated group)	 5,9%	 5,6%	 5,1%	 5,6%	 5,6%	 0,1%	
CET1 ratio (consolidated group)	15,2%	14,4%	14,0%	16,3%	16,1%	-0,2%	
ROA	0,3%	0,4%	0,4%	0,4%	0,3%	-0,10%	
ROE	5,5%	6,4%	7,1%	7,7%	5,7%	-2,02%	
ROREA	0,9%	1,0%	1,1%	1,3%	1,0%	-0,29%	
 LTV	 42,7%	 43,0%	 43,2%	 43,8%	 43,7%	 -0,09%	

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

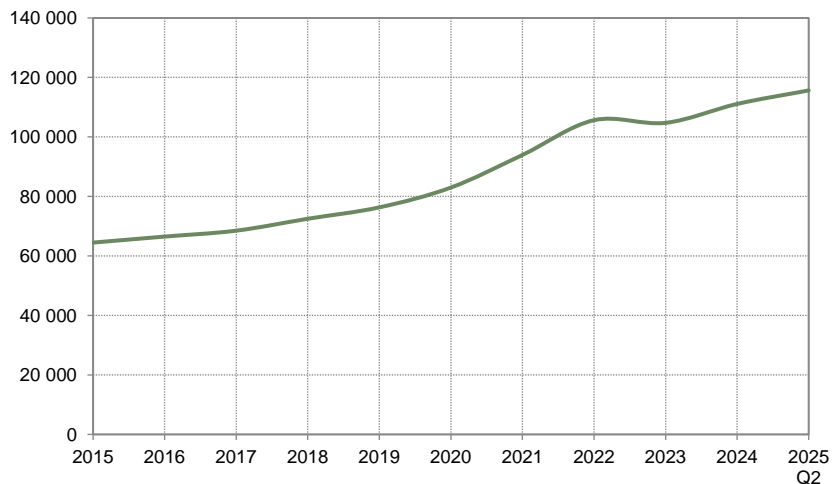
## Q2 result

Landshypotek AB SEKm	2025 Q2	2025 Q1	Δ QoQ	2025 Q2	2024 Q2	Δ last year	YTD 2025	YTD 2024	Δ YoY
Net interest income	283	277	6	283	268	15	560	542	17
Net commission income	7	7	0	7	3	4	14	5	9
Net gain financial items	1	0	1	1	-6	7	1	0	1
Other income	1	1	0	1	1	0	3	3	0
<b>Total income</b>	<b>292</b>	<b>285</b>	<b>7</b>	<b>292</b>	<b>265</b>	<b>26</b>	<b>577</b>	<b>550</b>	<b>27</b>
<b>Total expenses</b>	<b>-165</b>	<b>-154</b>	<b>-11</b>	<b>-165</b>	<b>-156</b>	<b>-8</b>	<b>-319</b>	<b>-310</b>	<b>-9</b>
<b>Profit before impairments</b>	<b>127</b>	<b>131</b>	<b>-4</b>	<b>127</b>	<b>109</b>	<b>18</b>	<b>258</b>	<b>239</b>	<b>19</b>
Credit impairments	0	-7	7	0	3	-3	-7	3	-10
<b>Operating profit</b>	<b>128</b>	<b>124</b>	<b>3</b>	<b>128</b>	<b>112</b>	<b>16</b>	<b>252</b>	<b>243</b>	<b>9</b>
Tax expense for the period	-28	-27	-1	-28	-25	-3	-55	-54	-1
<b>Net profit</b>	<b>100</b>	<b>97</b>	<b>2</b>	<b>100</b>	<b>87</b>	<b>13</b>	<b>197</b>	<b>189</b>	<b>8</b>

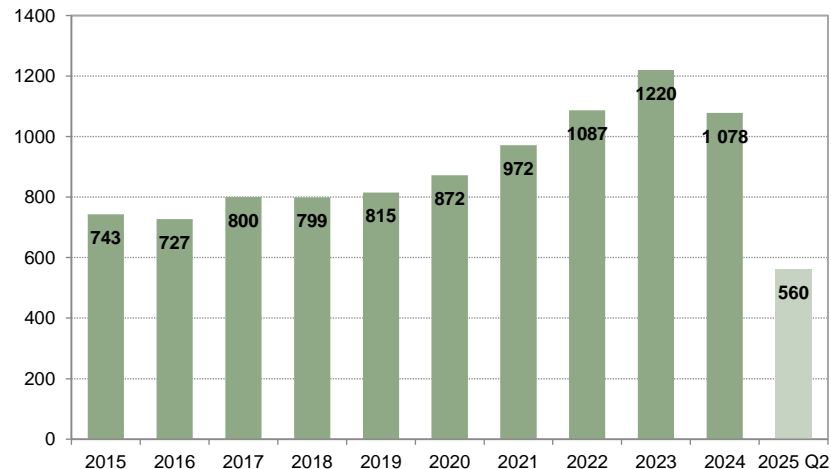
- Net interest income increased compared to Q2 2024
- Expenses are higher compared to Q2 2024, primarily driven by higher cost levels
- Credit losses generated a net earnings impact of SEK 0 million for the quarter

# Long term growth in loan portfolio

Loan portfolio, SEKm



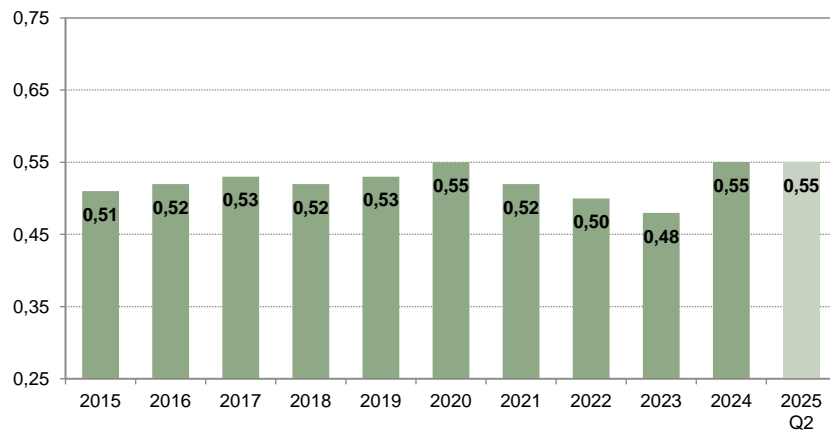
Net interest income, SEKm



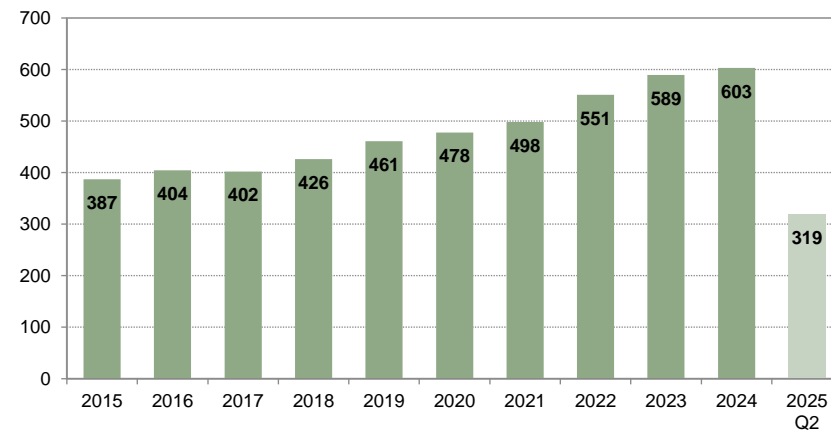


# Stable cost levels

Cost income ratio excl loan losses



Total expenses



# Asset quality

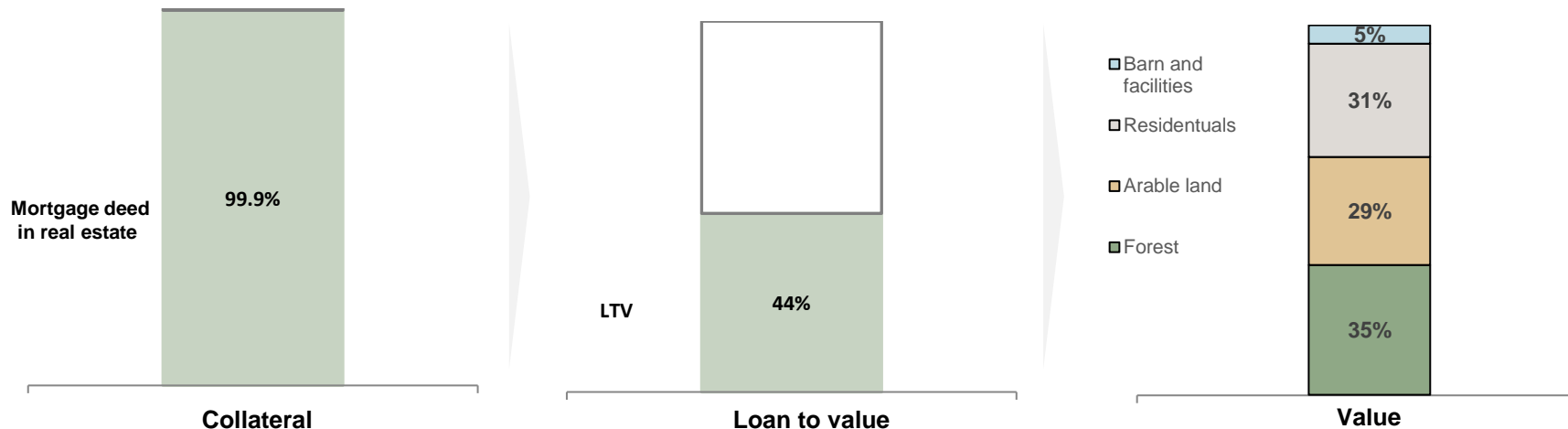
## In short:

- 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 99.9% have post collateral with mortgage deed in real estate or tenant owned apartment
- 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 99.9 % 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

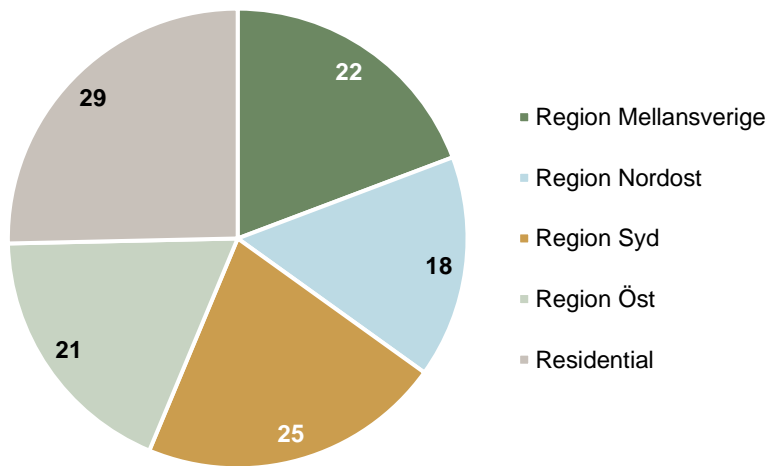
## Loan portfolio is collateralised with low LTV assets



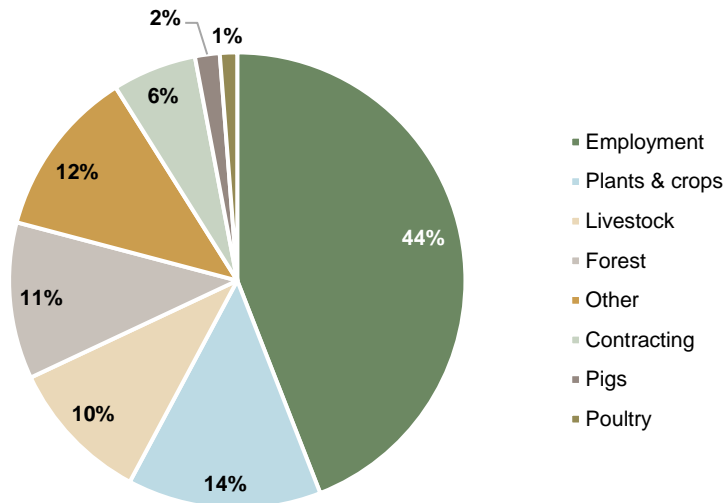
99.9% of the loan portfolio is first-lien mortgages with LTV of 44%

# Well diversified portfolio in terms of geographical and business distribution

Asset portfolio per business unit, SEKbn



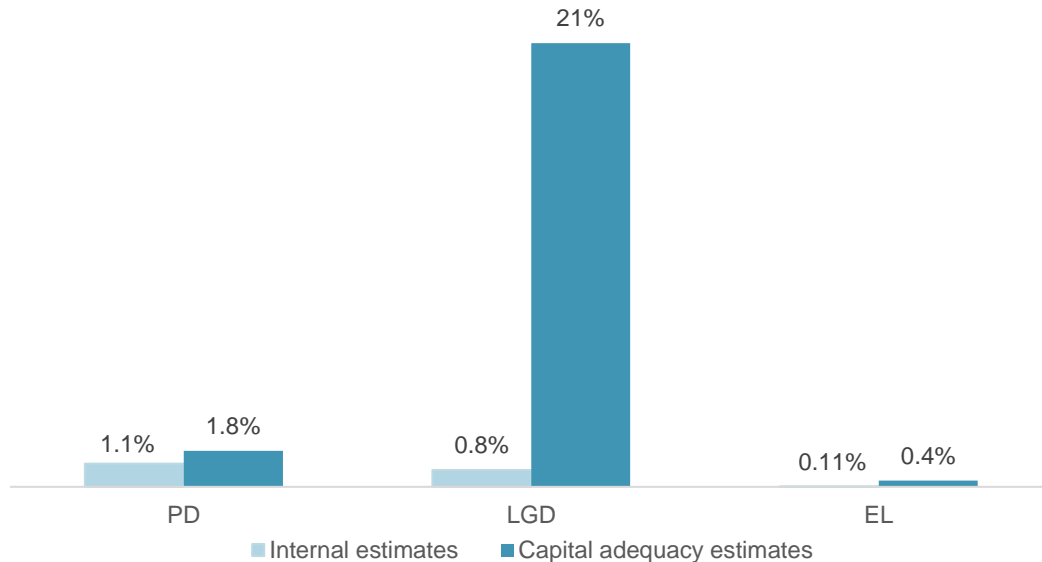
Asset portfolio, business distribution, %



Average loan per customer is SEK 2.0m



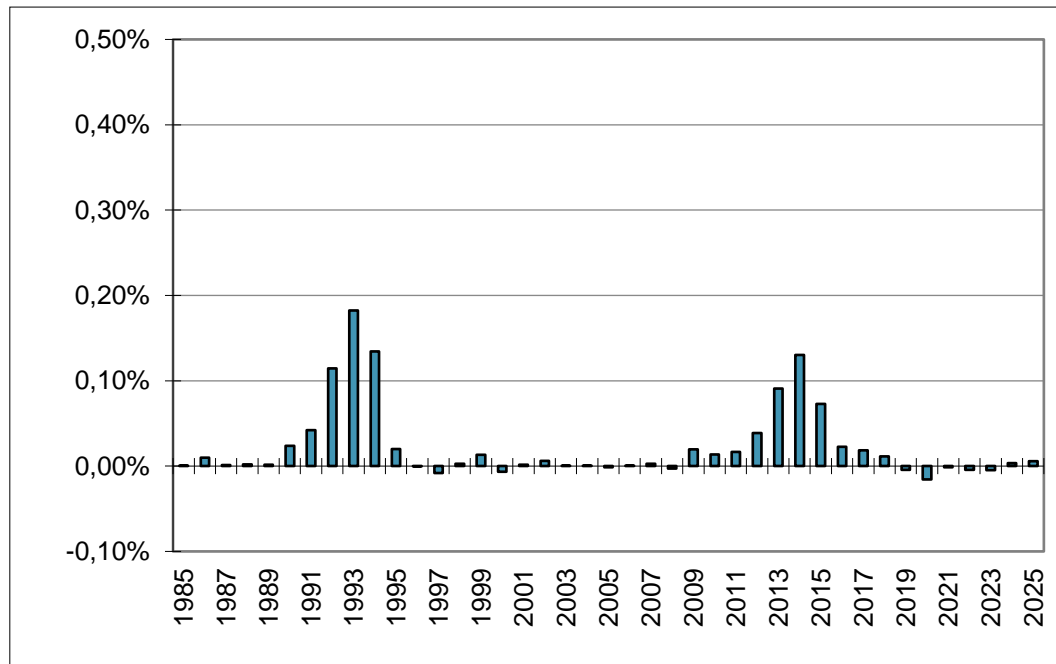
## Internally used estimates are significantly lower than estimates for capital adequacy



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 solid processes

- Losses in 2024 amounted to SEK 3.7m (0.003%), compared with SEK -4.9m in reversals for 2023 (-0.01%). Year to date 2025 accounts for 6.5m (0.005 %).
- Total credit losses since 1985 amounts to SEK 366m which makes an average per year of 0.026% (in comparison: EL deduction of SEK 340m 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

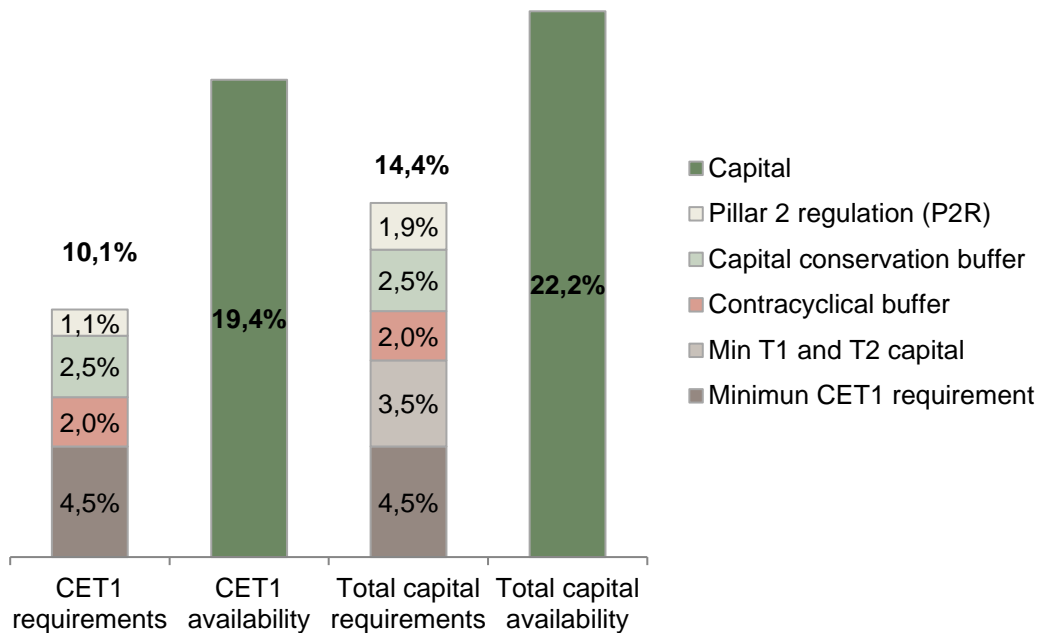


# Capital adequacy

## In short:

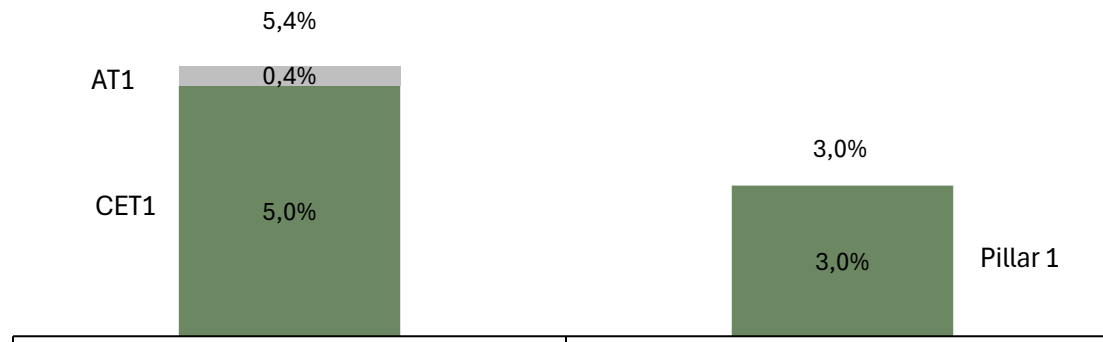
- CET1 capital ratio strong compared to requirements
- Landshypotek Bank has high leverage ratio

# Total capital and capital requirements- Consolidated situation



- The CET1 capital target is to have a CET1 ratio of at least 12.1%, including the internal capital buffer. The margin to the capital target as of Q2 2025 is 7.3% of REA.
- The Total capital target is to have a Total capital ratio of at least 15.4 %, including the internal capital buffer. The margin to the capital target as of Q2 2025 is 6.8% of REA.
- 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.
- The additional capital in the form of Pillar 2 guidance (P2G) of 0.5 percent is included in the internal capital buffer.

# Leverage ratio and capital requirements- Consolidated situation

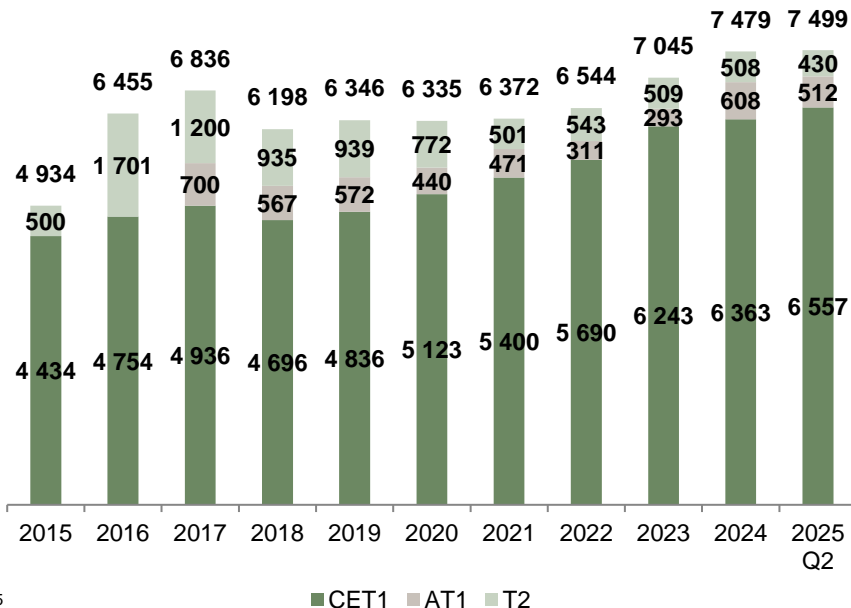


The additional P2G of 0.5 % is included in the internal buffer



# Capital development over the years

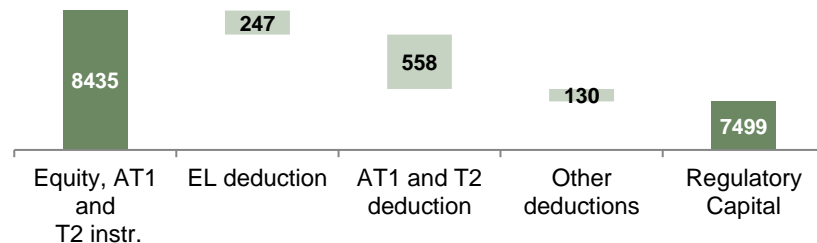
## Total capital, SEKm - Consolidated situation



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.

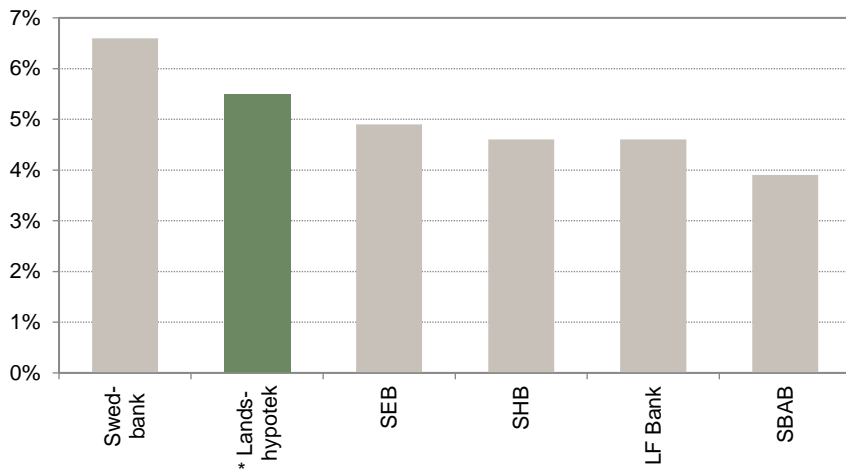
The deduction regarding AT1 and T2 capital at the consolidated situation is explained by the fact that subordinated loans issued by Landshypotek Bank cannot be fully utilized in the calculation of capital at the consolidated situation. However, as the utilization rate is calculated based on the surplus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

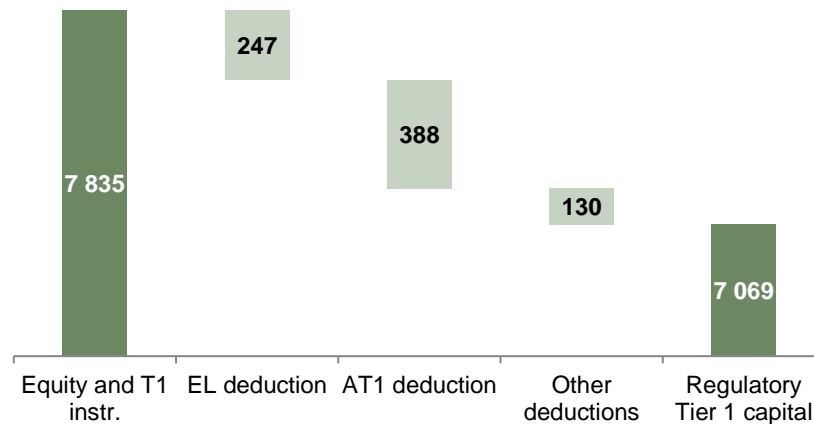


# High leverage ratio despite large deductions

Leverage ratio, per Q1 2025



Deductions, per Q2 2025



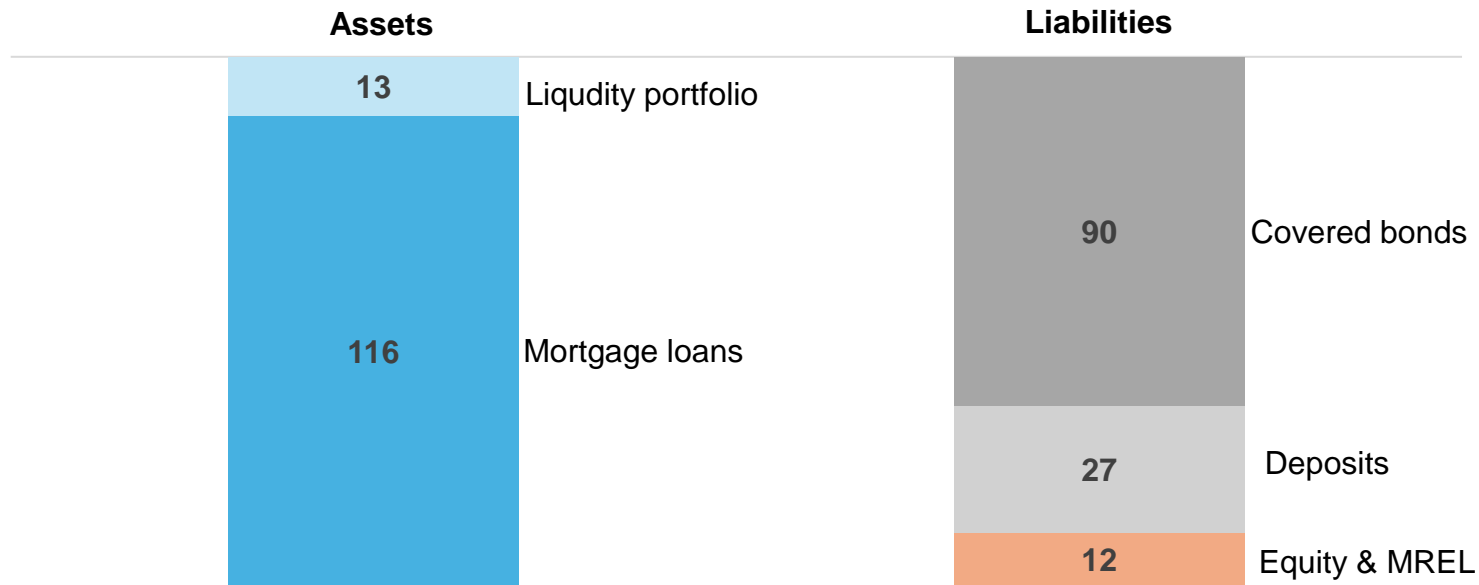
# Funding, liquidity and cover pool

## 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



- 10 % of liabilities is loss absorbing

# 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 2025
  - Total risk weighted 22.30% of REA
  - Total leverage 6.00% of TEA
  - Subordinated risk weighted 19.80% of REA
  - Subordinated leverage 6.00% of TEA
- The plan is to have one outstanding issue per calendar year to have a good balance between granularity and liquidity
- MREL fulfilment Q2
  - Total risk weighted 28.92% of REA
  - Total leverage 8,61% of TEA
  - Subordinated risk weighted 23,29% of REA
  - Subordinated leverage 7.16% of TEA



## Funding plan 2025

Funding need SEKm	
Maturing covered	15 981
Maturing and callable senior	700
Callable senior Non-preferred	1,158
Callable subordinated	0
Increased liquidity portfolio	502
Credit growth	7 230
Total	25 571

Funding plan SEKm	
Covered	22 295
Senior	0
Senior Non-preferred	300
Subordinated	0
Deposits	-313
Equity	289
Total	25 571

Executed SEKm
11 300
1 000
0
0
-120
188
12 368

# Conservative liquidity and funding position

- LCR 294%
- NSFR 117%
- Stressed liquidity coverage is 261 days, internal limit 180 days
- Liquid assets SEK 13.1 bn. Duration 2.4 years
- High quality assets AAA and AA+ rated Swedish Covered Bonds and Swedish Municipalities
- Eligible as collateral for transactions with the Swedish Central Bank

## Level of deposits, currently SEK 27.0 bn

### Focus on stickiness

- Target members and smaller deposits included in deposit insurance.
- Increased competition in the deposit space has decreased the inflow.
- During the period the economic rational for deposits has decreased therefore Landshypoteks efforts has been lowered.
- 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%	63 %
Excluded from deposit insurance	6%	13%

# Cover pool

Rating S&P	AAA
Lending volume	SEK 108,722m
Geographic distribution	Sweden 100%
Average loan size	SEK 1,015,223
Number of loans	107,092
Number of properties	41,283
Substitute Assets	SEK 889m
Swedish Covered Bonds, AAA	SEK 800m
Municipalities	SEK 100m
Cover bonds	SEK -86,226m
Over Collateralisation	SEK 23,276m
Over Collateralisation	26.99%

<b>Interest</b>	
Floating	71%
Fixed	29%
<b>Amortisation</b>	
Amortising	98%
Non amortising	2%
<b>Mortgage type</b>	
Agriculture properties	73%
Residential properties	27%
<b>Average LTV</b>	
Volume weighted	44.09%

## Cover pool and geographical distribution

Seasoning	Years	Month
Loan level	5.79	69
Customer level	13.81	166
Property level	18.79	225
Concentration (borrowers)	Volume	% of volume
Top 5	SEK 1,331m	1.22%
Top 10	SEK 2,269m	2.09%
Top 20	SEK 3,802m	3.50%

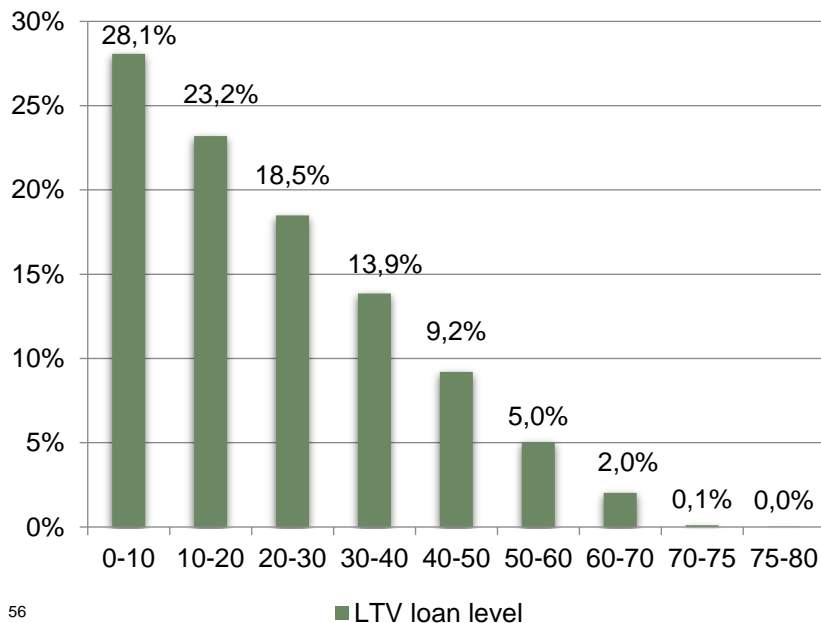


County	% of total volume
Stockholm	10%
Uppsala	4%
Södermanland	5%
Östergötland	9%
Jönköping	4%
Kronoberg	3%
Kalmar	4%
Gotland	3%
Blekinge	1%
Skåne	15%
Halland	4%
Västra Götaland	15%
Värmland	4%
Örebro	6%
Västmanland	2%
Dalarna	2%
Gävleborg	2%
Västernorrland	2%
Jämtland	2%
Västerbotten	2%
Norrbottn	1%

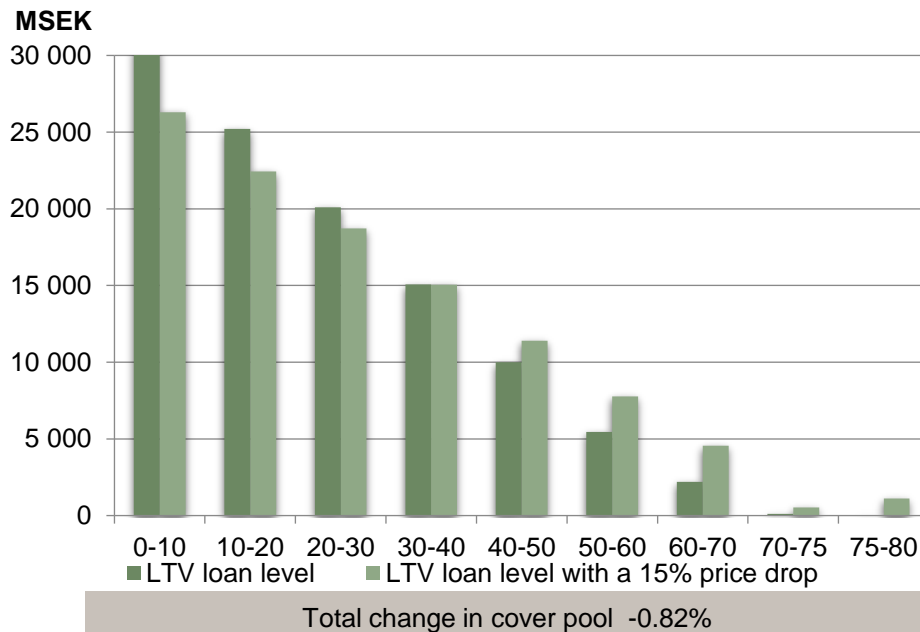


# Cover pool

Loan amount by LTV bucket



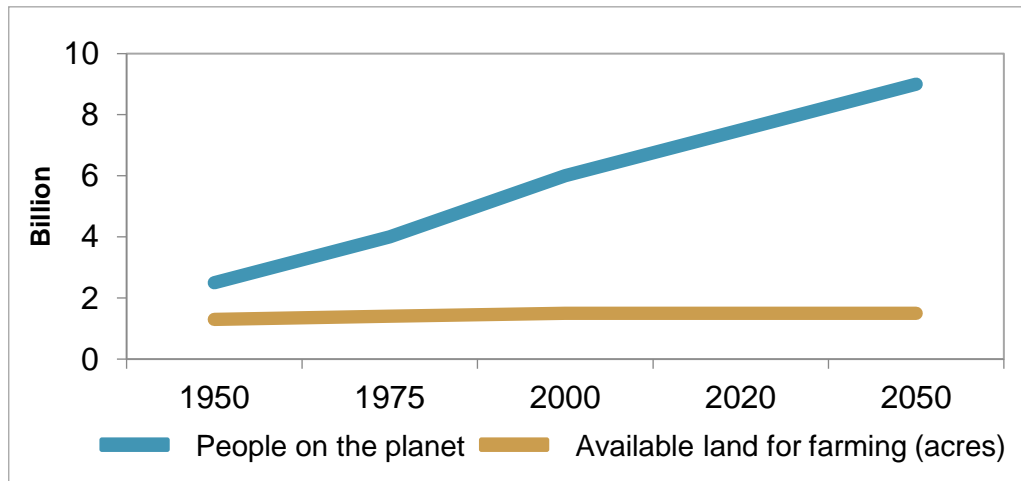
Stress test LTV -15% price drop



## Executive summary:

- Low-risk market leading agriculture and forestry bank with sustainability integrated in the strategy with a market share of 24%
- 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
- A lending portfolio with a positive climate footprint
- 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 366m, average per year 0.026%

## 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 2025:

Q3-2025 report

27<sup>th</sup> of October 2025

### **Jan Lilja, Acting Chief Financial Officer & Head of Treasury**

jan.lilja@landshypotek.se

+46 70 200 65 70

### **Åke Källström, Head of Treasury Execution**

ake.kallstrom@landshypotek.se

+46 8 459 04 87

### **Martin Kihlberg, General Counsel & Chief Sustainability Officer**

martin.kihlberg@landshypotek.se

+46 8 459 04 86

## **Visiting:**

Regeringsgatan 48, 111 47 Stockholm

## **Postal:**

P.O Box 14092, SE 104 41 Stockholm



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