Landshypotek Bank AB Interim report Q3 2024

January – September 2024

Per Lindblad, CEO of Landshypotek Bank, comments on the third quarter of 2024

We made a flying start in the autumn with increased activity and growth in all our customer segments for lending. Rapidly falling interest rates and virtually zero credit market growth applied pressure to margins, which was reflected in earnings compared with the exceptional 2023. While a poorer result is difficult to be satisfied with, it was the expected outcome for the year. To date this year, we are performing is in line with our record 2022 performance. We have returned to growth, with a strong capital situation and good credit quality. We continue to invest in increasing customer value to include more people, through technology, activities and increased customer meetings. This is how we will greet the future.

January – September 2024

compared with January – September 2023

- Operating profit amounted to SEK 392 million (510).
- Net interest income amounted to SEK 811 million (921).
- Costs totalled SEK 436 million (425).
- Net credit losses positively impacted earnings with recoveries of SEK 4 million (recoveries: 6).
- Loans to the public amounted to SEK 107.1 billion (104.7).
- Deposits from the public totalled SEK 28.0 billion (29.5).

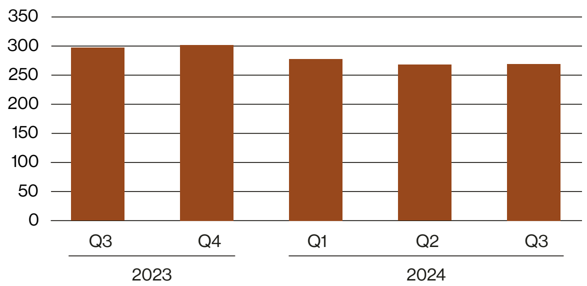
July – September 2024

compared with April – June 2024

- Operating profit amounted to SEK 149 million (112).
- Net interest income amounted to SEK 269 million (268).
- Costs totalled SEK 126 million (156).
- Net credit losses positively impacted earnings with recoveries of SEK 1 million (recoveries: 3).
- Loans to the public amounted to SEK 107.1 billion (105.6).
- Deposits from the public totalled SEK 28.0 billion (28.5).

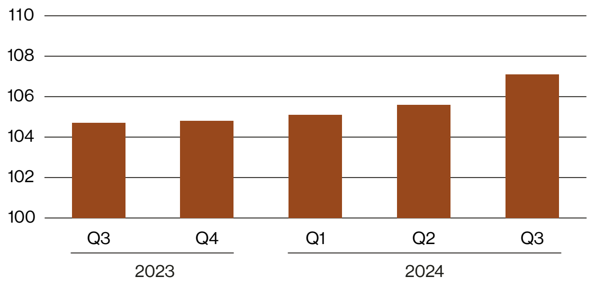
Net interest income

SEK million



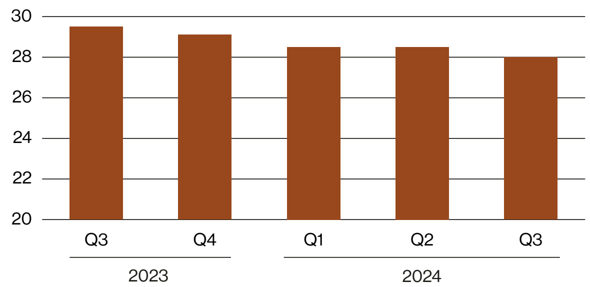
Lending to the public

SEK billion



Deposits from the public

SEK billion



CEO's Statement

Back to growth

Lending market activity has increased markedly following interest rates peaking and their subsequent decline. While credit market growth has yet to take off and is not expected to, farmers and consumers are both becoming more active. We made a flying start in the autumn and have also been very active in the market and in customer relations. After a tougher year for lending in 2023, the bank's lending is again growing and our business volume has never been higher.

Throughout the high interest rate period, our lending to farming and forestry entrepreneurs has remained robust. In tougher times for customers, our approach and actions as the bank for farmers and foresters is of particularly market importance.

For some time now, we have been strengthening and developing marketing, partnerships and customer relations for smaller farming and forestry customers, so it is gratifying to now note growth in this customer category.

Most recently, we have also increased our mortgage market activity and interest in our mortgages is once again high. We have quickly adjusted interest rates and have attracted attention for our way of challenging the market.

Lending grew SEK 1.5 billion in the last quarter, to total lending of just over SEK 107 billion, and we continue to welcome new customers to the bank.

We had an exceptional 2023 and knew when entering 2024 that it would be weaker. The operating profit of SEK 392 million (510) is in line with 2022, which was the best in the bank's history. We posted stable net interest income, SEK 269 million this quarter and SEK 268 million last quarter, which takes us past the billion mark on an annual basis. For a large bank with growth ambitions, our costs are growing in a controlled manner and as planned.

It is difficult to be satisfied when operating profit is down on previous years, but it was to be expected after an incredibly good 2023. We have a strong capital situation and have demonstrated our capacity over time, and we continue to develop and take a long-term approach to Landshypotek's growing capabilities. We are building for the future at the same time as we focus on the market and act in the best interests of our customers in the here and now.

We are creating a work process that enables us to develop faster and closer to our business, particularly in our digital development. Lead times are shortened and value is created to enhance the customer experience.

We are stepping up our sustainability efforts, both internally and above all as the leading bank for farming and forestry. Agriculture and forestry are key components of the ongoing transition in society.

Our long-term initiatives also include developing ways to see and work with our overall market communication and extensive work is ongoing to continue developing the customer experience in all of our offering.

We have become a bank that serves more people – and we intend to serve even more. We are now open to customers who want to borrow on their tenant-owner apartments. Over the years as a bank for houseowners, we have had many inquiries about loans on tenant-owner apartments – so for many, this is more like At last!

For us, it is a natural step. Our share of the market may be modest compared with many other mortgage providers, but at the same time, we believe we are helping to change the market. Through our transparent interest rates, negotiation-free loans and terms that don't require you to monitor your "discount," we and some other challenger banks are showing a different approach as a mortgage bank in the market and, thereby, to a more positive and trust-building customer relationship. Opening our doors to more customers will positively boost our growth.

Market interest rates will continue to fall and the playing field will become increasingly clear, which provides better market conditions for a bank like Landshypotek. Conditions that we intend to make the most of.

Per Lindblad
CEO of Landshypotek Bank

Events at Landshypotek Bank in the third quarter of 2024

Strong growth in all our lending

After a period of weaker growth, lending accelerated in the quarter. Growth in lending to professional farmers continues to increase. The lending growth confirms Landshypotek's strength as well as confidence in the market and from customers. During the quarter, the bank passed the milestone of SEK 80 billion lent to Swedish agriculture.

Consumer activity is also rising after a period of caution and uncertainty. During the quarter, lending to customers for whom their farm is a home rather than an income also increased, which represented something of a trend break for lending to these customers.

But most importantly, growth has once again picked up for mortgages. There is much media discussion about various difficulties in dealing with traditional banks, and in this context Landshypotek has emerged as a strong alternative. In terms of lending volume, September was the best month for the bank in two years with more than SEK 800 million lent in September alone.

No real growth is being shown by savings accounts, which is also reflected in the slight dip in Landshypotek's deposit volumes.

High market interest rate activity

Much media discussion has focused on banks dragging their feet with interest rate cuts. Whereas, Landshypotek has responded quickly to the market in a time of falling interest rates. Taking together all of the cuts from the peak interest rate, Landshypotek's cuts have matched, or even exceeded, those of the Riksbank in all transactions. Interest rates are highly topical and have been a key component of our communication in recent months.

Interest rates were lowered just before the end of the quarter and thereafter, direct variable rates in lending to farming and forestry were cut four times during the quarter, and mortgage rates three times. As of the first week of October, the savings rate had been lowered three times during the quarter.

Landshypotek welcomes clearer rules for transferring mortgages

To change mortgage bank, a mortgage customer needs a repayment data statement from their current bank. Obtaining this often takes far too long and limits opportunities to open mortgages to competition. New rules apply as of 1 September. Now all banks, and other mortgage providers, are required to accept requests and provide the repayment data to the customer digitally and promptly. Landshypotek welcomes these rules, as they strengthen the consumer's position and increase mortgage market mobility.

Challenger mortgage banks in joint initiative: paving a new way in the Swedish banking market

The media, and other parties talking about mortgages, often point out that customers can negotiate interest rates. What they seldom mention is that we already have another model for mortgages with transparent interest rates, with a clear and fair price for everyone who is granted a mortgage. The CEOs of Skandiabanken, SBAB and Landshypotek Bank wrote in a joint article about how a transparent mortgage model can repair customer trust and confidence with banks.

Normal harvest year – relief for farmers

The harvest is important for many farmers' finances as well as for Swedish food production. When the summer ends, Landshypotek compiled harvest reports from across the country, which were then contextualised based on their impact on agriculture and Swedish food production. Year-on-year, harvests were up and of much higher quality due to more stable weather, which was a relief for many farmers.

Team Landshypotek united around the green transition

No other sector of commerce aligns with as many environmental objectives as farming and forestry, which places farming in a pivotal role that, while advantageous, also entails responsibility and continued investments. In the beginning of September, LRF representatives presented the report "Costs for agriculture's green transition" (Swe: Kostnader för jordbrukets gröna omställning) to the bank's employees and elected representatives.

Farmers increasingly believe that the climate is changing conditions for their operations

Landshypotek asked farmers what they thought climate change would entail for their regions and businesses in 2019, and again five years later in 2024. The consensus on climate change has changed a lot in those five years. Increasingly, people believe that climate change will impact their business operations and that the impact will be negative, including on profitability. This also highlights the importance of necessary measures being taken in farming and forestry.

Strong development focus

Landshypotek continues to strengthen its digital development and develop the business. Intensive work was conducted in the quarter ahead of the planned launch of lending for tenant-owner apartments in November, as well as for the development of a more user-friendly online bank.

Kvinnonätverket celebrates its first operating year

The networking forum Kvinnonätverket (Eng: The Women's Network), which focuses on women in farming and forestry, turned one year old over the summer. The network regularly welcomes driven entrepreneurs who share their experiences and insights. The meetings are usually digital, but at the Borgeby Fältdagar expo they moved beyond the digital room. The network also held its first meeting in the autumn.

Recruitment begins for new CEO

The Board of Landshypotek Bank has started the recruitment process for a new CEO to lead the bank through the next phase of development, with a focus on continuing to grow the bank through innovation and developing the bank's unique circular business model.

The Board issued this announcement in the middle of August. The current CEO, Per Lindblad, will remain at the bank during the recruitment process, but no longer than until 14 February 2025.

Summary Landshypotek Bank

SEK million	Q3 2024	Q3 2023	Q2 2024	Full-year 2023
Net interest income	269	297	268	1,220
Operating profit	149	176	112	636
Profit after tax	117	138	87	501
Loans to the public	107,060	104,678	105,570	104,751
Change in loans to the public, %	1.4	-0.1	0.5	-0.8
Interest margin, LTM, %	1.05	1.19	1.08	1.17
Deposits from the public	27,989	29,462	28,518	29,080
Change in deposits from the public, %	-1.9	3.7	-0.1	23.8
C/I ratio including financial transactions	0.46	0.41	0.59	0.48
C/I ratio excluding financial transactions	0.46	0.41	0.58	0.48
Credit loss level, % [1]	–	0.00	–	–
Total capital ratio, %	20.4	18.2	20.4	18.5
Rating, long-term				
Standard & Poor's, Covered bonds	AAA	AAA	AAA	AAA
Standard & Poor's	A	A	A	A
Fitch	A	A	A	A
Average number of employees, LTM	227	222	226	222

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

Our operating environment

Optimism is growing among Sweden's general public as well as within farming and forestry in pace with falling interest rates. This year's normal harvest entails a clear improvement over last year and a relief for many farmers. The financial market focus has mainly been on how quickly the pendulum will swing from the Riksbank's fight with inflation to interest rate cuts. There has been a notable uptick in lending market activity.

Developments in farming and forestry

With peak interest in the rear-view mirror, it has become easier for many entrepreneurs in agriculture and forestry to prioritise and plan for actions and investments in their operations and properties. However, Landshypotek Bank is noting that operations and customer categories differ in how they are choosing to act.

Stronger forest owners with a clear willingness to invest

The country's forest owners are experiencing record highs in profitability, with continued increases in forest raw materials prices creating a robust stumpage price. Still, some are finding it difficult to harness the good demand and the economic conditions due to previous larger than planned harvests as a result of spruce bark beetle infestations. However, after this season, spruce bark beetle damage is assessed as less extensive than in previous years.

Forest owners have relatively low debt and can therefore more easily manage higher interest expenses. The long-standing good economic climate means that many feel well-placed to invest, in existing properties as well as in land acquisitions. Despite the strong economy, the price for forest properties has declined, due largely to some major actors considerably reducing their activity in the market.

Higher harvest volumes with lower margins

The third quarter for arable farming entails a lot of work with the harvest and preparations ahead of next year's harvest, including autumn-sown crops, and also entails more strain on liquidity. The weak outcomes in 2023 had no major impact on operations or financing of companies during the season.

According to forecasts from organisations like Jordbruksverket (the Swedish Board of Agriculture), this year's harvest of cereal, oilseed and grain legumes will soon be on target and back to normal across the country. This is a clear improvement on last year. However, there is still an unusual amount of variation, as Landshypotek's account managers can attest. The differences are clear regionally as well as between companies, where harvest outcomes varied depending on factors such as weather conditions, crop selection and plant diseases.

Prices for cereal and oilseed are down year-on-year. Prices have been pressed by increased competition from the Black Sea region and large harvests in North America. While costs were also lower, they did not fall to the same extent as farmgate prices and as a consequence, in many cases the larger volume will not fully offset the weaker margin. 2024 outcomes for companies that primarily focus on arable farming is therefore expected to remain around last year's more mediocre level. Landshypotek has noted more caution among arable farming companies with investments, even though many have not yet had time to analyse their performance. Any investments being made are primarily to remove bottlenecks in storage and logistics. Again, there is significant variation among different parts of the country as well as companies.

Stable, positive conditions for livestock farmers

This year's harvest entailed better financial outcomes for farmers with combined arable farming and animal production. Costs for feed and other input goods are lower, and the availability and quality of cereal, grain legumes and hay are good. Many who row grass for dairy cows and beef livestock are very pleased with the harvests, which will be a solid foundation for production in the coming months and for keeping costs down.

Demand for fattening pigs, poultry and eggs is robust with unusually stable price trends. The same is true for beef. Dairy companies continue to post good, stable earnings with raised settlement prices. Lower production in other countries and increased demand for Swedish-produced animal products are contributing to good demand. It is also clear from their stronger interest in investments that things are going well for companies with animal production. More investments are now being made to streamline production as well as in property purchases and stalls.

Fewer investments by smaller farms

Owners of smaller farms remain cautious about investing. Higher interest expenses, in combination with greater costs for construction and lower real wages are holding back investments and purchases. Nonetheless, signs of a trend break were noted in the quarter, primarily as a result of lower interest rates, fuel prices and heating costs. This was reflected in a somewhat higher transaction volume among smaller farms.

Increased optimism

The favourable economic climate for forestry and animal production, and the overall improvement in harvests over last year, have led to increased optimism that Landshypotek Bank has observed in farming and forestry. Interest rate cuts, and belief that rates will continue to fall, is bolstering this positive sentiment. Previously deferred long-term investments are being reconsidered and the pace of necessary as well as more aggressive investments within Swedish food production is increasing.

Developments in the financial markets

Growing expectations of interest rate cuts have dominated financial markets. After weaker US labour market statistics, the US central bank (the Fed) shifted focus from fighting inflation to reaching full employment. This has driven long-term fixed rates down and stock markets have strengthened due to better outlooks for lower interest rates.

Inflation continues to fall

Core inflation fell to 3.20 percent in the US and 2.70 percent in the eurozone. US inflation is finding it harder to recede due to a stronger economic performance. A strong labour market and fiscal stimuli helped households maintain consumption and thus demand. Interest rate hikes have had greater impact in Europe and growth is weak, but high salary increases have slowed the economic downturn.

The downturn has been more noticeable in Sweden and core inflation is down to 2.20 percent. Households in Sweden are relatively more sensitive to interest rates due to high levels of household debt and short fixed-interest periods. Interest rate hikes have therefore had a larger impact on demand. Moreover, salary increases have also been more moderate.

Interest rate cuts have begun

The Federal Reserve began its interest rate cutting phase with a double cut at its May meeting and the interest-rate path indicates two more cuts this year. The ECB carried out two cuts totalling 0.50 percentage points and the Riksbank has acted even faster with three cuts totalling 0.75 percentage points.

The messaging about future cuts varies. The Fed is open to continued cuts, while the ECB has not been as clear since inflation has not fallen at the expected pace.

The Riksbank stands out in comparison: a central bank with a more expansive monetary policy. The interest-rate path indicates cuts at each meeting of the next four meetings, with a possible cut of 0.50 percentage points at one of this year's two remaining meetings.

A weak economy, but forecasts point upward

Economic developments remain bifurcated, with the US maintaining a brisk pace and Europe lagging behind. However, it appears that the US economy is cooling slightly, even if far from a recession. Lower interest rates provide support for continued growth without inflation going back up. Europe has struggled with excessively high inflation, but the forecast is that inflation will be back at the target level by the beginning of 2025 and that interest rate cuts can therefore lead to an economic recovery.

The Swedish economy has been hit harder by interest rate hikes, so it is therefore more likely to benefit from interest rate cuts. Households are much less pessimistic about the economy due to lower interest rates and additional fiscal stimuli. Trade and industry, however, are still waiting for an increase in demand before their economic outlook becomes more positive.

Impact on the bank

Lower interest rates and gradually increasing economic activity will benefit the bank's growth strategy. Customers within lending become more active when there is an opportunity to lock in a lower interest rate by switching banks. With lower interest rates, customers within farming and forestry can more easily recoup new investments.

At the same time, quickly falling interesting rates negatively impact the bank's net interest income, since lowering lending interest rates has a more immediate impact than lowering funding rates. Margins for the bank's deposits operations also fall rapidly due to quickly declining market rates. The bank considers this to be temporary and our assessment is that the margin will normalise when the period of interest rate cuts concludes.

Our financial performance

For the first three quarters, Landshypotek Bank posted an operating profit of SEK 392 million, down some SEK 120 million year-on-year. The drop in earnings was largely due to lower net interest income, as a result of lower margins on deposits. Costs remained stable and on a par with the previous year. Lending volumes increased SEK 2.3 billion during the year, while deposit volumes decreased slightly. Credit losses remained positive and the bank reported extremely good credit quality.

First nine months of 2024 compared with the first nine months of 2023

The bank's operating profit amounted to SEK 392 million (510). The change in earnings was primarily attributable to lower net interest income, which was largely explained by lower margins on deposits.

Net interest income

Net interest income amounted to SEK 811 million (921). Interest income totalled SEK 3,856 million (3,327), and interest expenses totalled SEK 3,045 million (2,406). Interest income and interest expenses both increased due to higher interest rates, albeit with lower margins primarily on deposits, which explained the poorer net interest income performance. For the third quarter, net commission income has been separated from net interest income and is presented on a separate line in the income statement. The comparative figures have been restated.

Net commission income

Net commission income totalled SEK 12 million (8), up mainly due to the farm package introduced during the quarter for all customers of the bank.

Net result of financial transactions

The net result of financial transactions amounted to a loss of SEK 3 million (loss: 2), where the unrealised loss amounted to SEK 2 million (loss: 6) and the realised loss to SEK 1.8 million (gain: 3.8).

Costs

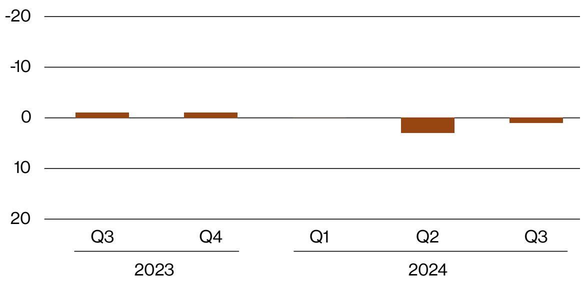
Costs amounted to SEK 436 million (425), up primarily due to higher IT expenses as a result of planned system development.

Credit losses and credit loss allowance

Overall the credit losses generated a positive net earnings impact in the form of recoveries of SEK 4 million (6) for the first three quarters of the year, of which recoveries of net credit losses for non-credit-impaired assets had a positive earnings impact of SEK 1 million (2) and credit-impaired assets had an earnings impact of SEK 3 million (4).

Credit losses

SEK million



Operating profit

SEK million	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Net interest income	811	921	1,220
Net commission income	12	8	10
Other operating income	4	2	4
Costs	-436	-425	-589
C/I ratio including financial transactions	0.54	0.46	0.48
C/I ratio excluding financial transactions	0.54	0.46	0.48
Net recognised credit losses	4	6	5
Credit loss level, %[1]	–	–	–
Operating profit	392	510	636
Operating profit excluding the net result of financial transactions	395	512	650

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

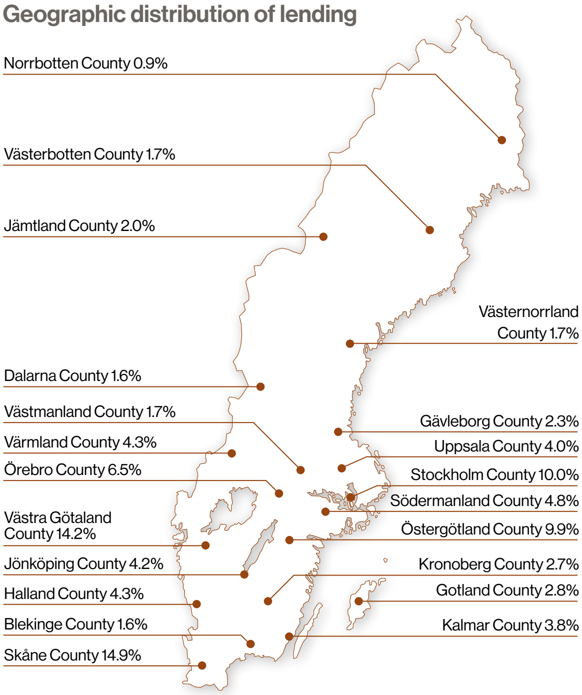
Balance Sheet

Assets, SEK million	30 Sep 2024
Eligible treasury bills	3,309
Loans to credit institutions	326
Loans to the public	107,060
Bonds and other interest-bearing securities	9,593
Derivatives	1,551
Tangible and intangible assets	81
Other assets	307
Total assets	**122,226**

Liabilities and equity, SEK million	30 Sep 2024
Liabilities to credit institutions	2,481
Deposits from the public	27,989
Debt securities issued, etc.	81,703
Derivatives	1,411
Subordinated liabilities	602
Other liabilities	322
Equity	7,718
Total liabilities and equity	**122,226**

Gross non-credit-impaired assets amounted to SEK 106.3 billion (103.8) and the credit loss allowance to SEK 9 million (9). Gross non-credit-impaired assets amounted to SEK 1 billion (1) and the credit loss allowance to SEK 5 million (10). The provisions for credit-impaired assets pertained to individual commitments within varying types of farming and geographic locations.

Geographic distribution of lending



The bank continued to post extremely good credit quality. For more information, refer to Note 3 and Note 4.

Other comprehensive income

Other comprehensive income amounted to SEK 21 million (loss: 3), where financial assets at fair value had a positive effect of SEK 33 million (3) as a result of falling credit spreads at the same time as declining cross-currency basis spreads had a negative impact of SEK 12 million (negative: 6).

Assets

The largest asset item in the balance sheet is loans to the public, which amounted to SEK 107.1 billion (104.7). The geographic distribution of lending remains stable over time.

Landshypotek Bank's liquidity portfolio totalled SEK 12.9 billion (12.5 as of 30 Jun 2024). The portfolio comprises Swedish covered bonds with the highest credit rating and bonds issued by Swedish municipalities and regions. The holding of interest-bearing securities functions as a liquidity reserve. The liquidity portfolio was 1.4 times (1.6 as of 30 Jun 2024) larger than refinancing requirements for the next six months. The ratio is affected by the allocation of maturing debt for longer than six months and can, therefore, change between measurement periods.

Funding

SEK million	In issue 30 Sep 2024	Limit	In issue 31 Dec 2023
Swedish commercial paper	–	10,000	0
MTN programme[1]	3,460	60,000[1]	11,922
NMTN programme[2]	74,862	112,957	64,000
Registered covered bonds	2,826		2,775
Subordinated loans	1,500		1,000

[1] *Medium Term Note Programme. No longer an active program for issuing new transactions.*
[2] *Nordic Medium Term Note and Covered Bond Programme. The limit is EUR 10,000 million.*

Liabilities

Funding

Landshypotek Bank actively raises funds via the capital markets. Landshypotek Bank as far as possible always strives to meet investors' wishes regarding tenors and interest-rate structures. Investor relations are of major importance as part of ensuring that investors' levels of awareness and interest are maintained in Landshypotek Bank.

The bank's primary source of funding comprises covered bonds, but the bank also issues senior bonds, senior non-preferred and capital instruments. The bank's market funding has an average tenor of 2.7 years.

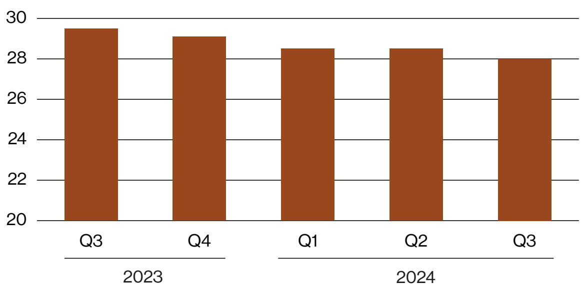
During the quarter, covered bonds to a nominal value of SEK 4.4 billion were issued. At the same time, covered bonds matured to a nominal value of SEK 2.6 billion. Covered bonds were repurchased to a nominal value of SEK 0.3 billion. Senior bonds to a nominal value of SEK 0.3 billion matured and no new issues amounted to SEK 0.4 billion.

During the quarter, the bank's derivative portfolio increased in value by SEK 416.6 million, however as all derivatives are encompassed by hedge accounting the earnings impact of the change in value was minimal.

Deposits from the public

Deposits from the public totalled SEK 28.0 billion (29.5).

Deposits from the public
SEK billion



Financing and liquidity

The bank continues to have good conditions for funding operations with a net stable funding ratio of 120 percent. Moreover, the bank's short-term liquidity is healthy with a liquidity coverage ratio of 241 percent.

Capital and capital adequacy

The total capital ratio for the consolidated situation amounted to 19.5 percent (18.4 percent on 31 December 2023) and the CET1 capital ratio was 16.6 percent (16.3). At Landshypotek Bank AB, the total capital ratio amounted to 20.4 percent (18.5) and the CET1 capital ratio was 16.4 percent (15.9). During the year, own funds for the consolidated situation increased a total of SEK 392 million (from SEK 7,045 million to SEK 7,437 million), primarily attributable to the bank's issue of SEK 500 million in AT1 bonds, which contributed to the increase. Refer to Note 1 for further information.

Rating

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

Rating	Long	Short
S&P covered bonds	AAA	
S&P	A	A-1
Fitch	A	F1

Group structure

All farming and forestry borrowers of Landshypotek Bank are also members of Landshypotek Ekonomisk Förening. Landshypotek Ekonomisk Förening owns 100 percent of the shares in Landshypotek Bank. All operations are conducted exclusively in Landshypotek Bank.

Events after the end of the period

No other significant events have occurred since the balance sheet date.

Stockholm, 5 November 2024

Per Lindblad
Chief Executive Officer

Accounting policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and in accordance with Chapter 9 of the Annual Accounts Act for Credit Institutions and Securities Companies. The accounting policies, calculation methods and risk management are unchanged compared with the last annual report, refer to Note 1 in the Annual Report for 2023 (www.landshypotek.se/en/about-landshypotek/investor-relations/financial-reports/), with the exception that, from Q3 2024, net commission income has been separated from net interest income and is presented on a separate line in the income statement.

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

Income Statement

SEK million	Note	Q3 2024	Q3 2023	Q2 2024	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Interest income		1,252	1,256	1,294	3,856	3,327	4,639
of which interest income using the effective-interest method		1,252	1,256	1,294	3,856	3,327	4,639
Interest expenses		-983	-959	-1,026	-3,045	-2,406	-3,419
of which fees for deposit insurance		-7	-4	-7	-21	-12	-21
of which fees for resolution fund		-11	-10	-12	-34	-31	-41
Net interest income	2	**269**	**297**	**268**	**811**	**921**	**1,220**
Commission income		7	2	3	12	8	10
Net commission income		**7**	**2**	**3**	**12**	**8**	**10**
Net result of financial transactions		-3	1	-6	-3	-2	-14
Other operating income		1	1	1	4	2	4
Total operating income		**274**	**301**	**265**	**824**	**929**	**1,220**
General administrative expenses		-115	-114	-146	-404	-395	-548
Depreciation, amortisation and impairment of tangible and intangible assets		-11	-10	-11	-32	-30	-42
Total expenses before credit losses		**-126**	**-124**	**-156**	**-436**	**-425**	**-589**
Profit before credit losses		**148**	**177**	**109**	**387**	**503**	**631**
Net credit losses	3	1	-1	3	4	6	5
Operating profit		**149**	**176**	**112**	**392**	**510**	**636**
Tax expense for the period		-32	-38	-25	-86	-107	-135
Net profit for the period		**117**	**138**	**87**	**306**	**403**	**501**

Statement of Comprehensive Income

SEK million	Q3 2024	Q3 2023	Q2 2024	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Net profit for the period	**117**	**138**	**87**	**306**	**403**	**501**
Other comprehensive income						
Items to be reclassified to income statement						
Financial assets at FVTOCI	3	12	13	36	3	8
Cross-currency basis spreads in fair value hedges	-2	-8	0	-9	-7	-5
Income tax related to other comprehensive income	0	-1	-3	-6	1	-1
Total items that will be reclassified	**1**	**3**	**10**	**21**	**-3**	**2**
Total other comprehensive income	**1**	**3**	**10**	**21**	**-3**	**2**
Comprehensive income for the period	**118**	**141**	**97**	**327**	**399**	**503**

Balance Sheet

SEK million	Note	30 Sep 2024	30 Jun 2024	31 Dec 2023
Assets				
Cash and balances with central banks		135	753	0
Eligible treasury bills		3,309	3,311	3,881
Loans to credit institutions		326	98	218
Loans to the public	4	107,060	105,570	104,751
Value change of interest-hedged items in portfolio hedges		59	-262	-350
Bonds and other interest-bearing securities		9,593	9,002	8,009
Derivatives		1,551	1,486	1,847
Intangible assets		41	44	47
Tangible assets		39	44	51
Other assets		9	9	8
Current tax assets		55	35	0
Prepaid expenses and accrued income		49	64	51
Total assets	5, 6	**122,226**	**120,155**	**118,513**
Liabilities and equity				
Liabilities to credit institutions		2,481	2,270	552
Deposits from the public		27,989	28,518	29,080
Debt securities issued, etc.		81,703	79,229	78,750
Derivatives		1,411	1,646	1,845
Other liabilities		170	153	694
Tax liabilities		95	63	28
Accrued expenses and prepaid income		57	57	38
Subordinated liabilities		602	602	602
Total liabilities		**114,508**	**112,539**	**111,588**
Total equity		**7,718**	**7,616**	**6,925**
Total liabilities and equity	5, 6	**122,226**	**120,155**	**118,513**

Statement of cash flow

SEK million	Note	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Operating activities				
Profit before tax	4	392	510	636
Adjustments for non-cash items		13	17	58
Income tax paid		-62	-75	-80
Increase/decrease in assets		-3,432	-2,580	560
Increase/decrease in liabilities		2,856	2,851	-1,440
Cash flow from operating activities		**-234**	**723**	**-267**
Investment activities				
Acquisitions of intangible assets		10	–	–
Acquisitions of tangible assets		1	–	–
Cash flow from investment activities		**11**	**–**	**–**
Financing activities				
Shareholders' contributions received		–	–	37
Change in Tier 1 capital instruments		500	–	–
Interest expense classified as Tier 1 capital dividend (AT1)		-34	-18	-25
Group contributions paid		-	-	-
Cash flow from financing activities		**466**	**-18**	**13**
Cash flow for the period		**243**	**705**	**-254**
Change in cash and cash equivalents		**243**	**705**	**-254**
Opening cash and cash equivalents		218	473	473
Closing cash and cash equivalents		461	1,177	218

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

Statement of changes in equity

	Restricted equity			Unrestricted equity			
January – September 2024 **SEK million**	**Share capital**	**Tier 1 capital**	**Statutory reserve**	**Fair value reserve**	**Cross-currency basis spreads in fair value hedges**	**Retained earnings**	**Total**
Opening balance	**2,253**	**400**	**1,017**	**-8**	**-15**	**3,278**	**6,925**
Comprehensive income for the period				29	-7	306	327
Total change before transactions with owners and holders of Tier 1 capital instruments	**–**	**–**	**–**	**29**	**-7**	**306**	**327**
Tier 1 capital		500					500
Dividend on Tier 1 capital instruments						-34	-34
Shareholders' contributions							–
Group contributions paid							–
Tax on Group contributions paid							–
Closing balance	**2,253**	**900**	**1,017**	**21**	**-22**	**3,550**	**7,718**

	Restricted equity			Unrestricted equity			
January – September 2023 **SEK million**	**Share capital**	**Tier 1 capital**	**Statutory reserve**	**Fair value reserve**	**Cross-currency basis spreads in fair value hedges**	**Retained earnings**	**Total**
Opening balance	**2,253**	**400**	**1,017**	**-14**	**-10**	**2,974**	**6,619**
Comprehensive income for the period				4	-7	403	400
Total change before transactions with owners and holders of Tier 1 capital instruments	**–**	**–**	**–**	**4**	**-7**	**403**	**400**
Tier 1 capital		0					0
Dividend on Tier 1 capital instruments						-18	-18
Shareholders' contributions							–
Group contributions paid							–
Tax on Group contributions paid							–
Closing balance	**2,253**	**400**	**1,017**	**-10**	**-17**	**3,358**	**7,001**

Notes

Note 1 Risk and capital adequacy

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

Amendments in Banking Package

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

Amended accounting rules

The bank's assessment is that future changes in accounting rules will have no material impact on Landshypotek's capital adequacy and large exposures. The total capital ratio for the consolidated situation amounted to 19.5 percent compared with 18.0 percent as of 30 September 2023 and the CET1 capital ratio was 16.6 percent (15.9 as of 30 September 2023). At Landshypotek Bank AB, the total capital ratio amounted to 20.4 percent (18.3 as of 30 September 2023) and the CET1 capital ratio was 16.4 percent (15.7 as of 30 September 2023). During the quarter, own funds for the consolidated situation increased SEK 61 million (from SEK 7,376 million to SEK 7,437 million) and, overall, own funds increased SEK 392 million (from SEK 7,045 million to SEK 7,437 million) during the year. The substantial increase was mainly due to the bank's issue of SEK 500 million in AT1 bonds. Quarter-on-quarter, the minimum capital requirement increased SEK 19 million (from SEK 3,036 million to SEK 3,055 million) mainly as a result of a higher REA for the bank's retail exposures with real estate collateral.

In addition to the minimum capital requirement of 8 percent of the total risk-weighted amount, the combined buffer requirement is 4.5 percent. The combined buffer requirement breaks down as 2.5 percent in the form of the capital conservation buffer and the remaining 2 percent in the form of the countercyclical capital buffer. The combined buffer requirement must be covered by CET1 capital.

The leverage ratio for the consolidated situation amounted to 5.7 percent (5.2 as of 30 September 2023).

The internally assessed capital requirement for the consolidated situation was SEK 5.6 billion (5.5 as of 30 September 2023) and should be compared with own funds of SEK 7.4 billion. The capital requirement changed marginally quarter-on-quarter.

Pending Finansinspektionen's decision regarding the bank's application for a new LGD model for retail exposures, pursuant to Article 3 extra capital is being maintained corresponding to an REA of SEK 1,149 million.

continued Note 1 EU CC1 – Composition of regulatory own funds

	SEK million	Consolidated situation[1] 30 Sep 2024	31 Dec 2023
1	Capital instruments and the related share premium accounts	1,998	2,036
	of which: member contributions	1,998	2,036
	of which: share capital		
2	Retained earnings[2]	4,584	4,324
3	Accumulated other comprehensive income (and other reserves)	-21	-42
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	173	375
	CET1 capital before regulatory adjustments	**6,735**	**6,693**
7	Additional value adjustments	-13	-12
8	Intangible assets (net of related tax liability) (negative amount)	-41	-47
12	Negative amounts resulting from the calculation of expected loss amounts	-336	-390
27a	Other regulatory adjustments	-2	-1
28	**Total regulatory adjustments to CET1 capital**	**-392**	**-450**
29	**CET1 capital**	**6,342**	**6,243**
30	Capital instruments and the related share premium accounts	–	–
31	of which: classified as equity under applicable accounting standards	–	–
34	Qualifying Tier I capital included in consolidated AT1 capital issued by subsidiaries and held by third parties	594	293
44	**Additional Tier 1 (AT1) capital**	**594**	**293**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**6,937**	**6,536**
46	Capital instruments and the related share premium accounts		
48	Qualifying own funds instruments included in consolidated Tier 2 capital issued by subsidiaries and held by third parties	500	509
58	**Tier 2 (T2) capital**	**500**	**509**
59	**Total capital (TC = T1 + T2)**	**7,437**	**7,045**
60	**Total risk-weighted exposure amount**	**38,191**	**38,278**
61	CET1 capital ratio (%)	16.6	16.3
62	Tier 1 capital ratio (%)	18.2	17.1
63	Total capital (%)	19.5	18.4
64	Institution CET1 overall capital requirements (%)	10.2	10.1
65	of which: capital conservation buffer requirement (%)	2.5	2.5
66	of which: countercyclical capital buffer requirement (%)	2.0	2.0
EU-67b	of which: additional own funds requirements to address risks other than the risk of excessive leverage (%)[3]	1.2	1.1
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements[4]	9.4	8.4

1) *The consolidated situation encompasses Landshypotek Ekonomisk Förening and the Landshypotek Bank AB Group.*
2) *Item includes other contributed equity.*
3) *As of 31 December 2021, Finansinspektionen's assessment of Pillar II capital requirements has been included even though the actual amounts have yet to be formally determined.*
4) *The calculation includes both Pillar I and Pillar II in the minimum capital requirement. Other communication from the bank only encompasses Pillar I.*

continued Note 1 Capital requirements

SEK million	Consolidated situation 30 Sep 2024	Consolidated situation 31 Dec 2023
Internally assessed capital requirement [1]		
Pillar I capital requirement	3,055	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	785	702
Percentage of total risk-weighted exposure amount	2.1	1.8
Combined buffer requirement	1,719	1,723
Percentage of total risk-weighted exposure amount	4.5	4.5
Capital requirement, Pillar II guidance	–	–
Percentage of total risk-weighted exposure amount	–	–
Total capital requirement (incl. Pillar II guidance)	**5,559**	**5,487**
Percentage of total risk-weighted exposure amount	**14.6**	**14.3**
Own funds (Tier 1 capital + Tier 2 capital)	**7,437**	**7,045**
Percentage of total risk-weighted exposure amount	**19.5**	**18.4**
Capital requirement as assessed by Finansinspektionen [2]		
Pillar I capital requirement	3,055	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	771	773
Percentage of total risk-weighted exposure amount	2.0	2.0
Combined buffer requirement	1,719	1,723
Percentage of total risk-weighted exposure amount	4.5	4.5
Capital requirement, Pillar II guidance	0.0	0.0
Percentage of total risk-weighted exposure amount	0.0	0.0
Total capital requirement (incl. Pillar II guidance)	**5,545**	**5,558**
Percentage of total risk-weighted exposure amount	**14.5**	**14.5**
Own funds (Tier 1 capital + Tier 2 capital)	**7,437**	**7,045**
Percentage of total risk-weighted exposure amount	**19.5**	**18.4**
Leverage ratio requirement [3]		
Leverage ratio requirement	3,640	3,525
Percentage of total exposure amount for the leverage ratio	3.0	3.0
Pillar II capital requirement	0	–
Percentage of total exposure measure for the leverage ratio	0	–
Capital requirement, Pillar II guidance	364	352
Percentage of total exposure measure for the leverage ratio	0.3	0.3
Total capital requirement (incl. Pillar II guidance)	**4,004**	**3,877**
Percentage of total exposure measure for the leverage ratio	**3.3**	**3.3**
Tier 1 capital	**6,937**	**6,536**
Percentage of total exposure amount for the leverage ratio	**5.7**	**5.6**

1) *Pertains to Pillar I capital requirements pursuant to the Capital Requirements Regulation (EU) No 575/2013, Pillar II capital requirements according to the bank's (ICAAP 2022) and the combined buffer requirement pursuant to the Capital Buffers Act (2014:966).*

2) *Pertains to Pillar I capital requirements pursuant to the Capital Requirements Regulation (EU) No 575/2013, Pillar II capital requirements according to Finansinspektionen's (SREP 2021) and the combined buffer requirement pursuant to the Capital Buffers Act (2014:966).*

3) *Pertains to the leverage ratio requirement pursuant to the Capital Requirements Regulation (EU) No 575/2013 and Pillar II capital requirements according to Finansinspektionen's (SREP 2021). The leverage ratio requirement was introduced in June 2021.*

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

30 Sep 2024 SEK million	Consolidated situation Exposure value[1)]	Risk-weighted exposure amount[2)]	Own funds requirement[3)]	Average risk weight[4)]
Credit risk – IRB approach	**107,383**	**22,267**	**1,781**	**21%**
Retail – real estate collateral	63,927	5,237	419	8%
Corporates	43,370	16,944	1,356	39%
Other non-credit-obligation assets	86	86	7	100%
Credit risk – Standardised approach	**14,877**	**1,347**	**108**	**9%**
Central governments or central banks	292	0	0	0%
Regional governments or local authorities	5,213	0	0	0%
Institutions	1,317	413	33	31%
Corporates	9	9	1	100%
Retail	30	21	2	71%
Secured by mortgage liens on immovable property	326	133	11	41%
Exposures in default	1	1	0	120%
Covered bonds	7,688	769	62	10%
Operational risk – Basic indicator approach		**2,039**	**163**	
Credit valuation adjustment risk – Standardised approach	**991**	**644**	**51**	**65%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**10,745**	**860**	
Additional stricter prudential requirements based on Article 3 CRR		**1,149**	**92**	
Total	**123,251**	**38,191**	**3,055**	

31 Dec 2023 SEK million	Consolidated situation Exposure value[1)]	Risk-weighted exposure amount[2)]	Own funds requirement[3)]	Average risk weight[4)]
Credit risk – IRB approach	**105,103**	**22,701**	**1,816**	**22%**
Retail – real estate collateral	63,865	5,224	418	8%
Corporates	41,134	17,372	1,390	42%
Other non-credit-obligation assets	104	104	8	100%
Credit risk – Standardised approach	**13,379**	**1,217**	**97**	**9%**
Central governments or central banks	14	0	0	0%
Regional governments or local authorities	5,024	0	0	0%
Institutions	1,130	370	30	33%
Corporates	9	9	1	100%
Retail	28	20	2	72%
Secured by mortgage liens on immovable property	305	128	10	42%
Exposures in default	2	3	0	131%
Covered bonds	6,866	687	55	10%
Operational risk – Basic indicator approach		**1,826**	**146**	
Credit valuation adjustment risk – Standardised approach	**911**	**644**	**52**	**71%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**10,742**	**859**	
Additional stricter prudential requirements based on Article 3 CRR		**1,149**	**92**	
Total	**119,392**	**38,278**	**3,062**	

1) *Exposure value calculated in accordance with the CRR.*

2) *After application of the relevant risk weights. Risk weights for the IRB approach are based on internal risk classification and internal historical data while risk weights as prescribed in the CRR are applied for the standardised approach.*

3) *Calculated by multiplying the risk-weighted exposure amount by 8 percent. Does not include any buffer requirements.*

4) *Calculated by dividing the risk-weighted exposure amounts by exposure value for the respective risk/exposure class.*

continued Note 1 EU KM1 – Key metrics template

		Consolidated situation				
	SEK million	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
	Available own funds (amounts)					
1	CET1 capital	6,342	6,281	6,313	6,243	6,038
2	Tier 1 capital	6,937	6,872	6,598	6,536	6,335
3	Total capital	7,437	7,370	7,094	7,045	6,849
	Risk-weighted exposure amount					
4	Total risk-weighted exposure amount	38,191	37,952	38,171	38,278	38,038
	Capital ratios (as a percentage of REA)					
5	CET1 capital ratio (%)	16.6	16.5	16.5	16.3	15.9
6	Tier 1 capital ratio (%)	18.2	18.1	17.3	17.1	16.7
7	Total capital ratio (%)	19.5	19.4	18.6	18.4	18.0
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of REA)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.0	2.0	2.0	2.0	2.0
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.1	1.1	1.1	1.1	1.1
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.5	1.5	1.5	1.5	1.5
EU 7d	Total SREP own funds requirements (%)	10.0	10.0	10.0	10.0	10.0
	Combined buffer and overall capital requirements (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9	Institution-specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0
11	Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
EU 11a	Overall capital requirements (%)	14.5	14.5	14.5	14.5	14.5
12	CET1 available after meeting the total SREP own funds requirements (%)	9.4	9.4	8.6	8.4	8.0
	Leverage ratio					
13	Total exposure measure	121,348	119,599	119,005	117,497	122,066
14	Leverage ratio (%)	5.7	5.8	5.5	5.6	5.2
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	–	–	–	–	–
EU 14b	of which: to be made up of CET1 capital (percentage points)	–	–	–	–	–
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	–	–	–	–	–
EU 14e	Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
	Liquidity coverage ratio					
15	Total high-quality liquid assets (HQLA) (weighted value – average)	9,530	9,700	10,592	10,827	12,909
EU 16a	Cash outflows – total weighted value	4,373	3,740	3,655	3,598	4,537
EU 16b	Cash inflows – total weighted value	424	215	446	341	197
16	Total net cash outflows (adjusted value)	3,949	3,525	3,209	3,257	4,340
17	Liquidity coverage ratio (%)	241.3	275.2	330.1	332.4	297.4
	Net stable funding ratio					
18	Total available stable funding	104,907	105,113	100,900	100,848	101,960
19	Total required stable funding	87,424	86,102	85,319	84,915	84,991
20	Net stable funding ratio (%)	120.0	122.1	118.3	118.3	120.0

Finansinspektionen's Pillar II capital requirements have been included in the above table even though the actual amounts have yet to be formally determined.

continued Note 1 EU CC1 – Composition of regulatory own funds

		Landshypotek Bank AB	
	SEK million	30 Sep 2024	31 Dec 2023
1	Capital instruments and the related share premium accounts	2,253	2,253
	of which: member contributions		
	of which: share capital	2,253	2,253
2	Retained earnings [1]	4,261	3,794
3	Accumulated other comprehensive income (and other reserves)	-1	-22
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	155	497
6	**CET1 capital before regulatory adjustments**	**6,668**	**6,521**
7	Additional value adjustments	-13	-12
8	Intangible assets (net of related tax liability) (negative amount)	-41	-47
12	Negative amounts resulting from the calculation of expected loss amounts	-336	-390
27a	Other regulatory adjustments	-2	-1
28	**Total regulatory adjustments to CET1 capital**	**-392**	**-450**
29	**CET1 capital**	**6,276**	**6,071**
30	Capital instruments and the related share premium accounts	900	400
31	of which: classified as equity under applicable accounting standards	900	400
34	Qualifying Tier I capital included in consolidated AT1 capital issued by subsidiaries and held by third parties	–	–
44	**Additional Tier 1 (AT1) capital**	**900**	**400**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**7,176**	**6,471**
46	Capital instruments and the related share premium accounts	600	600
48	Qualifying own funds instruments included in consolidated Tier 2 capital issued by subsidiaries and held by third parties		
58	**Tier 2 (T2) capital**	**600**	**600**
59	**Total capital (TC = T1 + T2)**	**7,776**	**7,071**
60	**Total risk-weighted exposure amount**	**38,193**	**38,277**
61	CET1 capital ratio (%)	16.4	15.9
62	Tier 1 capital ratio (%)	18.8	16.9
63	Total capital (%)	20.4	18.5
64	Institution CET1 overall capital requirements (%)	10.2	10.1
65	of which: capital conservation buffer requirement (%)	2.5	2.5
66	of which: countercyclical capital buffer requirement (%)	2.0	2.0
EU-67b	of which: additional own funds requirements to address risks other than the risk of excessive leverage (%) [2]	1.2	1.1
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements [3]	9.8	8.5

[1] *Item includes other contributed equity*

[2] *As of 31 December 2021, Finansinspektionen's assessment of Pillar II capital requirements has been included even though the actual amounts have yet to be formally determined.*

[3] *The calculation includes both Pillar I and Pillar II in the minimum capital requirement. Other communication from the bank only encompasses Pillar I.*

continued Note 1 Capital requirements

	Landshypotek Bank AB	
SEK million	30 Sep 2024	31 Dec 2023
Internally assessed capital requirement [1]		
Pillar I capital requirement	3,055	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	785	702
Percentage of total risk-weighted exposure amount	2.1	1.8
Combined buffer requirement	1,719	1,722
Percentage of total risk-weighted exposure amount	4.5	4.5
Capital requirement, Pillar II guidance	–	–
Percentage of total risk-weighted exposure amount	–	–
Total capital requirement (incl. Pillar II guidance)	**5,560**	**5,487**
Percentage of total risk-weighted exposure amount	**14.6**	**14.3**
Own funds (Tier 1 capital + Tier 2 capital)	**7,776**	**7,071**
Percentage of total risk-weighted exposure amount	**20.4**	**18.5**
Capital requirement as assessed by Finansinspektionen [2]		
Pillar I capital requirement	3,055	3,062
Percentage of total risk-weighted exposure amount	8.0	8.0
Pillar II capital requirement	772	773
Percentage of total risk-weighted exposure amount	2.0	2.0
Combined buffer requirement	1,719	1,722
Percentage of total risk-weighted exposure amount	4.5	4.5
Capital requirement, Pillar II guidance	0.0	0.0
Percentage of total risk-weighted exposure amount	0.0	0.0
Total capital requirement (incl. Pillar II guidance)	**5,546**	**5,558**
Percentage of total risk-weighted exposure amount	**14.5**	**14.5**
Own funds (Tier 1 capital + Tier 2 capital)	**7,776**	**7,071**
Percentage of total risk-weighted exposure amount	**20.4**	**18.5**
Leverage ratio requirement [3]		
Leverage ratio requirement	3,641	3,525
Percentage of total exposure amount for the leverage ratio	3.0	3.0
Pillar II capital requirement	–	–
Percentage of total exposure measure for the leverage ratio	–	–
Capital requirement, Pillar II guidance	0	0
Percentage of total exposure measure for the leverage ratio	0	0
Total capital requirement (incl. Pillar II guidance)	**3,641**	**3,525**
Percentage of total risk-weighted exposure amount	**3.0**	**3.0**
Tier 1 capital	**7,176**	**6,471**
Percentage of total exposure amount for the leverage ratio	**5.9**	**5.5**

1) *Pertains to Pillar I capital requirements pursuant to the Capital Requirements Regulation (EU) No 575/2013, Pillar II capital requirements according to the bank's (ICAAP 2022) and the combined buffer requirement pursuant to the Capital Buffers Act (2014:966).*

2) *Pertains to Pillar I capital requirements pursuant to the Capital Requirements Regulation (EU) No 575/2013, Pillar II capital requirements according to Finansinspektionen's (SREP 2021) and the combined buffer requirement pursuant to the Capital Buffers Act (2014:966).*

3) *Pertains to the leverage ratio requirement pursuant to the Capital Requirements Regulation (EU) No 575/2013 and Pillar II capital requirements according to Finansinspektionen's (SREP 2021). The leverage ratio requirement was introduced in June 2021.*

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

30 Sep 2024 SEK million	Landshypotek Bank AB Exposure value[1]	Risk-weighted exposure amount[2]	Own funds requirement[3]	Average risk weight[4]
Credit risk – IRB approach	**107,385**	**22,269**	**1,782**	**21%**
Retail – real estate collateral	63,927	5,237	419	8%
Corporates	43,370	16,944	1,356	39%
Other non-credit-obligation assets	88	88	7	100%
Credit risk – Standardised approach	**14,877**	**1,347**	**108**	**9%**
Central governments or central banks	292	0	0	0%
Regional governments or local authorities	5,213	0	0	0%
Institutions	1,317	413	33	31%
Corporates	9	9	1	100%
Retail	31	22	2	71%
Secured by mortgage liens on immovable property	326	133	11	41%
Exposures in default	1	1	0	120%
Covered bonds	7,688	769	62	10%
Operational risk – Basic indicator approach		**2,039**	**163**	
Credit valuation adjustment risk – Standardised approach	**991**	**644**	**51**	**65%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**10,745**	**860**	
Additional stricter prudential requirements based on Article 3 CRR		**1,149**	**92**	
Total	**123,253**	**38,193**	**3,055**	

31 Dec 2023 SEK million	Landshypotek Bank AB Exposure value[1]	Risk-weighted exposure amount[2]	Own funds requirement[3]	Average risk weight[4]
Credit risk – IRB approach	**105,101**	**22,699**	**1,816**	**22%**
Retail – real estate collateral	63,865	5,224	418	8%
Corporates	41,134	17,372	1,390	42%
Other non-credit-obligation assets	103	103	8	100%
Credit risk – Standardised approach	**13,378**	**1,217**	**97**	**9%**
Central governments or central banks	14	0	0	0%
Regional governments or local authorities	5,024	0	0	0%
Institutions	1,129	370	30	33%
Corporates	9	9	1	100%
Retail	29	21	2	72%
Secured by mortgage liens on immovable property	305	128	10	42%
Exposures in default	2	3	0	131%
Covered bonds	6,866	687	55	10%
Operational risk – Basic indicator approach		**1,826**	**146**	
Credit valuation adjustment risk – Standardised approach	**911**	**644**	**52**	**71%**
Additional risk exposure amount under Article 458 CRR (risk-weight floor)		**10,742**	**859**	
Additional stricter prudential requirements based on Article 3 CRR		**1,149**	**92**	
Total	**119,390**	**38,277**	**3,062**	

1) *Exposure value calculated in accordance with the CRR.*
2) *After application of the relevant risk weights. Risk weights for the IRB approach are based on internal risk classification and internal historical data while risk weights as prescribed in the CRR are applied for the standardised approach.*
3) *Calculated by multiplying the risk-weighted exposure amount by 8 percent. Does not include any buffer requirements.*
4) *Calculated by dividing the risk-weighted exposure amounts by exposure value for the respective risk/exposure class.*

continued Note 1 EU KM1 – Key metrics template

		Landshypotek Bank AB				
	SEK million	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
	Available own funds (amounts)					
1	CET1 capital	6,276	6,229	6,181	6,071	5,962
2	Tier 1 capital	7,176	7,129	6,581	6,471	6,362
3	Total capital	7,776	7,729	7,181	7,071	6,962
	Risk-weighted exposure amount					
4	Total risk-weighted exposure amount	38,193	37,952	38,171	38,277	38,037
	Capital ratios (as a percentage of REA)					
5	CET1 capital ratio (%)	16.4	16.4	16.2	15.9	15.7
6	Tier 1 capital ratio (%)	18.8	18.8	17.2	16.9	16.7
7	Total capital ratio (%)	20.4	20.4	18.8	18.5	18.3
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of REA)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.0	2.0	2.0	2.0	2.0
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.1	1.1	1.1	1.1	1.1
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.5	1.5	1.5	1.5	1.5
EU 7d	Total SREP own funds requirements (%)	10.0	10.0	10.0	10.0	10.0
	Combined buffer and overall capital requirements (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
9	Institution-specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0
11	Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
EU 11a	Overall capital requirements (%)	14.5	14.5	14.5	14.5	14.5
12	CET1 available after meeting the total SREP own funds requirements (%)	9.8	9.0	8.8	8.5	8.3
	Leverage ratio					
13	Total exposure measure	121,350	119,599	119,005	117,494	122,065
14	Leverage ratio (%)	5.9	6.0	5.5	5.5	5.2
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	–	–	–	–	–
EU 14b	of which: to be made up of CET1 capital (percentage points)	–	–	–	–	–
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	–	–	–	–	–
EU 14e	Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
	Liquidity coverage ratio					
15	Total high-quality liquid assets (HQLA) (weighted value – average)	9,530	9,700	10,592	10,827	12,909
EU 16a	Cash outflows – total weighted value	4,373	3,740	3,655	3,598	4,537
EU 16b	Cash inflows – total weighted value	424	215	446	341	197
16	Total net cash outflows (adjusted value)	3,949	3,525	3,209	3,257	4,340
17	Liquidity coverage ratio (%)	241.3	275.2	330.1	332.4	297.4
	Net stable funding ratio					
18	Total available stable funding	104,873	100,079	100,571	100,480	101,920
19	Total required stable funding	87,424	86,102	85,320	84,916	84,992
20	Net stable funding ratio (%)	120.0	122.0	117.9	118.3	119.9

Finansinspektionen's Pillar II capital requirements have been included in the above table even though the actual amounts have yet to be formally determined.

Note 2 Net interest income

SEK million	Q3 2024	Q3 2023	Q2 2024	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Interest income						
Interest income on loans to credit institutions	1	1	1	5	1	2
Interest income on loans to the public	1,147	1,118	1,187	3,532	3,004	4,200
Interest income on interest-bearing securities	102	135	106	317	314	430
Other interest income	1	0	0	3	8	8
Total interest income	**1,252**	**1,256**	**1,294**	**3,856**	**3,327**	**4,639**
Interest expenses						
Interest expenses for liabilities to credit institutions	-17	-3	-14	-44	-13	-23
Interest expenses for deposits from the public	-238	-248	-264	-774	-607	-882
of which fees for deposit insurance	-7	-4	-7	-21	-12	-21
Interest expenses for interest-bearing securities	-621	-627	-646	-1,907	-1,616	-2,251
Interest expenses for subordinated liabilities	-7	-7	-8	-22	-19	-27
Interest expenses for derivative instruments	-81	-57	-76	-245	-101	-170
Other interest expenses	-18	-17	-18	-53	-51	-67
of which fees for resolution fund	-11	-10	-12	-34	-31	-41
Total interest expenses	**-983**	**-959**	**-1,026**	**-3,045**	**-2,406**	**-3,419**
Total net interest income	**269**	**297**	**268**	**811**	**921**	**1,220**

All interest income is attributable to the Swedish market.

Note 3 Net credit losses

SEK million	Q3 2024	Q3 2023	Q2 2024	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Change in credit loss allowance, Stage 1	1	0	1	2	0	-1
Change in credit loss allowance, Stage 2	-2	0	0	0	2	2
Net credit losses, non-credit-impaired lending	**-1**	**0**	**1**	**1**	**2**	**1**
Change in credit loss allowance, Stage 3	1	-1	2	3	12	14
Write-off for the period for confirmed losses	0	-1	0	0	-8	-12
Recoveries of previously confirmed losses	0	0	0	0	1	2
Net credit losses, credit-impaired lending	**2**	**-1**	**2**	**3**	**4**	**4**
Total net credit losses	**1**	**-1**	**3**	**4**	**6**	**5**

No properties were taken over in foreclosure to protect claims.

Recognition of loss allowance
The bank recognises expected credit losses for financial assets and off-balance-sheet exposures in the credit portfolio, and for the parts of the liquidity portfolio that are classified as financial assets at FVTOCI.

Each asset is categorised to one of three stages:

- Stage 1 comprises performing assets with no significant increase in credit risk compared with initial recognition;
- Stage 2 comprises performing assets with significant increase in credit risk compared with initial recognition; and
- Stage 3 comprises defaulted loans.

Establishing significant increase in credit risk
To establish whether a loan asset has a significantly increased credit risk compared with the credit risk on initial recognition, among other actions, the bank measures how the asset's PD risk class has deteriorated since the asset arose. If the risk classification exceeds the bank's limits for increased credit risk, the asset is classified as Stage 2.

The bank's definition of default corresponds with that set out in external capital adequacy rules.

Individually assessed stage 3 credits
ECLs for Stage 3 assets are estimated mainly through individual and manual valuation of expected losses based on three scenarios. The assessment is based on current information that takes into consideration macro-economic and borrower-specific factors that could impact future cash flows, such as current and expected economic conditions, time until recovery and the value of pledged collateral.

Measurement
For Stage 1 assets, the loss allowance is calculated at an amount corresponding to 12-months' expected credit losses. For assets in stages 2 and 3, the loss allowance corresponds to the expected credit losses (ECLs) for the assets' remaining term.

The bank's expected credit losses are subject to continual assessment at both individual and collective levels. The estimates are based on internally developed statistical models that take into consideration historical data and probability weighted forward-looking macro-economic scenarios.

The most important input data used to measure ECLs is:

- Probability of Default (PD) – estimates the probability of an agreement entering into default;
- Loss Given Default (LGD) – the assessment of how much of the exposure value that Landshypotek Bank stands to lose in the event of default;
- Exposure At Default (EAD) – an estimated credit exposure at a future default date after taking into account expected changes in credit exposure in the form of, inter alia, limit utilisation, extra capital repayments, early redemption and expected risk of default; and
- The expected maturity matches the term of the agreement, limited to not longer than 30 years.

In the majority of the credit portfolio agreements, PD and LGD are based on internal historical data and utilise the bank's capital adequacy IRB models (see description in Landshypotek Bank's Information regarding capital adequacy and risk management 2021). The estimates have been recalibrated to capture the current financial position. For agreements in the bank's liquidity portfolio, ECLs are estimated based on, inter alia, the default rates in the rating matrices from an international rating agency.

In estimating the future risk, PD and LGD are affected by forecasts for future economic development through macro-economic scenarios.

Probability weighted macro-economic scenarios
The calculation model weighs together the ECL outcomes based on three macro-economic scenarios (base, improved and deteriorated) for annual expected credit losses over the assets' lifetimes.

In the case of the credit portfolio, one of the bank's scenarios includes the macro parameters for interest, GDP and the property price index. The macro parameters are based on forecasts from reputable, external sources and the assessments of internal experts. Parameter projections are made for the first five years and, thereafter, the scenario returns to a long-term expected trend of up till 30 years for the macro parameters. The bank's three scenarios for future economic developments (base, improved and deteriorated) are weighed together using the likelihood of 60 percent for the base scenario, and 20 percent each for the deteriorated and improved scenarios.

In general, a deterioration in the future economic trend will lead to increased credit loss allowances based either on the projected macro parameters or on an increase in the likelihood of the deteriorated scenario taking place. In the same way, improvements in the future economic development will lead to lower credit loss allowances.

An example follows of what the bank's credit loss allowance would look like if the respective improved or the deteriorated scenarios were assigned a probability of 100 percent, which would impact the mechanically calculated credit loss allowances (individually assessed stage 3 credits have not been included). For more information, refer to Note 4.

Scenario	Expected credit loss
Current loss allowance (including credit reserves for loan commitments are included in the balance-sheet item Provisions)	SEK 14.0 million
Improved scenario	SEK 14.9 million
Deteriorated scenario	SEK 13.2 million

Note 4 Loans to the public

SEK million	30 Sep 2024	30 Sep 2023	30 Jun 2024	31 Dec 2023
Loan receivables, stage 1	103,247	101,094	101,931	101,118
Loan receivables, stage 2	3,017	2,661	2,847	2,694
Loan receivables, stage 3	810	942	806	957
Gross loan receivables	**107,074**	**104,698**	**105,584**	**104,769**
Less credit loss allowance	-14	-20	-14	-18
Net loan receivables	**107,060**	**104,678**	**105,570**	**104,751**
Disclosures on past due loan receivables, gross				
Loan receivables past due, 5–90 days	11	1	13	25
Loan receivables past due, more than 90 days	279	293	250	355
Total past due loan receivables, gross	**290**	**294**	**263**	**380**

Gross loan receivables January – September 2024 SEK million	Non-credit-impaired lending		Credit-impaired lending	
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**101,118**	**2,694**	**958**	**104,769**
Increases in loan receivables due to origination and acquisition	10,326	78	-17	10,388
Decreases in loan receivables due to derecognition	-7,606	-267	-207	-8,079
Decrease in loan receivables due to confirmed losses			-4	-4
Migration between stages				
from 1 to 2	-1,287	1,287		–
from 1 to 3	-78		78	–
from 2 to 1	734	-734		–
from 2 to 3		-74	74	–
from 3 to 2		33	-33	–
from 3 to 1	39		-39	–
Closing balance	**103,247**	**3,017**	**810**	**107,074**

Gross loan receivables January – December 2023 SEK million	Non-credit-impaired lending		Credit-impaired lending	
	Stage 1	Stage 2	Stage 3	Total
Opening balance	**98,834**	**6,131**	**715**	**105,680**
Increases in loan receivables due to origination and acquisition	9,919	72	23	10,014
Decreases in loan receivables due to derecognition	-10,180	-559	-174	-10,913
Decrease in loan receivables due to confirmed losses			-12	-12
Migration between stages				
from 1 to 2	-1,431	1,431		–
from 1 to 3	-213		213	–
from 2 to 1	4,173	-4,173		–
from 2 to 3		-231	231	–
from 3 to 2		22	-22	–
from 3 to 1	15		-15	–
Closing balance	**101,118**	**2,694**	**958**	**104,769**

continued Loans to the public

Credit loss allowance January – September 2024 SEK million	Non-credit-impaired lending		Credit-impaired lending	Total credit loss allowance lending	Of which credit loss allowance for balance-sheet assets	Of which provisions for off-balance-sheet exposures
	Stage 1	Stage 2	Stage 3			
Opening balance	**-4**	**-6**	**-8**	**-18**	**-18**	**0**
Increases due to origination and acquisition	-1	-1	0	-2	-2	0
Decreases due to derecognition	0	1	2	3	3	0
Decrease in allowance due to write-offs	–	–	0	0	0	–
Changes due to change in credit risk	2	1	1	3	3	0
Changes due to update in the methodology for estimation	0	0	0	0	0	–
Migration between stages						
from 1 to 2	0	-3	0	-3	-3	0
from 1 to 3	0	0	-1	-1	-1	0
from 2 to 1	0	1	0	1	1	0
from 2 to 3	0	0	0	0	0	0
from 3 to 2	0	0	1	1	1	0
from 3 to 1	0	0	0	0	0	0
Closing balance	**-3**	**-6**	**-5**	**-14**	**-14**	**0**

Credit loss allowance January – December 2023 SEK million	Non-credit-impaired lending		Credit-impaired lending	Total credit loss allowance lending	Of which credit loss allowance for balance-sheet assets	Of which provisions for off-balance-sheet exposures
	Stage 1	Stage 2	Stage 3			
Opening balance	**-3**	**-8**	**-22**	**-33**	**-33**	**0**
Increases due to origination and acquisition	-1	-1	0	-2	-2	0
Decreases due to derecognition	1	0	0	1	1	0
Decrease in allowance due to write-offs	–	–	12	12	12	–
Changes due to change in credit risk	-1	0	2	2	2	0
Changes due to update in the methodology for estimation	0	0	0	1	1	–
Migration between stages						
from 1 to 2	0	-2	–	-2	-2	–
from 1 to 3	0		-1	-1	-1	–
from 2 to 1	0	3	–	3	3	–
from 2 to 3	–	1	-1	0	0	–
from 3 to 2	–	0	1	1	1	–
from 3 to 1	0	–	0	0	0	–
Closing balance	**-4**	**-6**	**-8**	**-18**	**-18**	**0**

Collateral exists in the form of immovable property for lending. For more information about the recognition of credit loss allowances, and estimates and critical assessments, refer to Note 3.

Note 5 Fair-value hierarchy for financial instruments

	30 Sep 2024				31 Dec 2023			
SEK million	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVTOCI								
Eligible treasury bills, etc.	3,309			3,309	3,881			3,881
Bonds and other interest-bearing securities	9,593			9,593	8,009			8,009
Derivatives identified as hedging instruments								
Interest-rate swaps		1,076		1,076		1,400		1,400
Cross-currency interest-rate swaps		475		475		447		447
Total assets measured at fair value	**12,902**	**1,551**	**–**	**14,452**	**11,890**	**1,847**	**–**	**13,737**
Derivatives identified as hedging instruments								
Interest-rate swaps		1,390		1,390		1,822		1,822
Cross-currency interest-rate swaps		20		20		22		22
Total liabilities measured at fair value	**–**	**1,411**	**–**	**1,411**	**–**	**1,845**	**–**	**1,845**

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

No transfers were made between the levels. Level 1 only comprises listed mortgage bonds and bonds issued by municipalities and county councils. Level 2 comprises derivative instruments and financial liabilities for which there are well-established measuring models based on market data.

Level 1
The fair value of financial instruments traded on an active market is based on the bid price of quoted market prices.

Level 2
The fair values of financial instruments and derivative instruments not traded on an active market are calculated using the valuation technique of discounting future cash flows. Quoted market rates for the tenor in question are used for discounting. In all cases, listed swap curves are utilised as the basis for measurement. Listed credit spreads relative to the interest-rate swap curve were utilised for measuring the value of bond assets. The interest-rate and cross-currency basis swap curves are used for measurement of interest-rate and cross-currency interest-rate swaps, respectively. Accrued interest is not included in the calculation of fair value.

Level 3
Input for assets/liabilities that are not based on observable market data.

Note 6 Fair Value Disclosures

	30 Sep 2024		31 Dec 2023	
SEK million	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Assets				
Cash and balances with central banks	135	135	0	0
Eligible treasury bills	3,309	3,309	3,881	3,881
Loans to credit institutions	326	326	218	218
Loans to the public	107,060	108,706	104,751	105,912
Bonds and other interest-bearing securities	9,593	9,593	8,009	8,009
Derivatives	1,551	1,551	1,847	1,847
Total assets	**121,973**	**123,620**	**118,706**	**119,867**
Liabilities and provisions				
Liabilities to credit institutions	2,481	2,481	552	552
Deposits from the public	27,989	27,989	29,080	29,080
Debt securities issued, etc.	81,703	81,429	78,750	78,261
Derivatives	1,411	1,411	1,845	1,845
Subordinated liabilities	602	602	602	593
Other liabilities	79	79	412	412
Total liabilities	**114,265**	**113,991**	**111,240**	**110,742**

Alternative performance measures

Alternative performance measures (APMs) are financial metrics of historical or future performance, financial position or cash flows that are not defined in the applicable rules for financial reporting (for example, IFRS or the Swedish Annual Accounts Act for Credit Institutions and Securities Companies) nor in the capital adequacy rules. The bank uses APMs when these are relevant for the presentation and follow-up of the bank's financial performance over time and when these metrics are deemed by the bank to provide additional valuable information to readers of the financial reports.

APMs can be calculated with various approaches and, accordingly, the bank's metrics are not directly comparable with similar metrics presented by other companies. The definitions of the APMs are set out below.

Four APMs have been removed since the previous interim report: Leverage ratio; CET1 capital ratio; Total capital ratio; and Credit-impaired assets, net. The first three have been removed as these metrics are defined in the applicable rules and the latter as it is included in its entirety in the note on credit losses. Accordingly, the APM is not considered relevant to present under APMs.

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

continued Alternative performance measures

SEK million	Q3 2024	Q3 2023	Q2 2024	Jan–Sep 2024	Jan–Sep 2023	Full-year 2023
Change in loans to the public	1,489	-121	494	2,309	-970	-897
Opening balance, loans to the public	105,570	104,798	105,076	104,751	105,647	105,647
Change in loans to the public, %	**1.4**	**-0.1**	**0.5**	**2.2**	**-0.9**	**-0.8**
Net interest income, accumulated LTM	1,111	1,250	1,138	1,111	1,250	1,230
Average loans to the public, LTM	105,342	105,181	105,147	105,342	105,181	105,341
Interest margin, LTM, %	**1.05**	**1.19**	**1.08**	**1.05**	**1.19**	**1.17**
Change in deposits from the public	-529	1,048	-15	-1,091	5,966	5,584
Opening balance deposits from the public	28,518	28,414	28,533	29,080	23,496	23,496
Change in deposits from the public, %	**-1.9**	**3.7**	**-0.1**	**-3.8**	**25.4**	**23.8**
Costs before credit losses	-126	-124	-156	-436	-425	-589
Total operating income	274	303	265	824	929	1220
C/I ratio including financial transactions	**0.46**	**0.41**	**0.59**	**0.53**	**0.46**	**0.48**
Costs before credit losses	-126	-124	-156	-436	-425	-589
Total operating income excluding financial transactions	277	302	272	827	931	1234
C/I ratio excluding financial transactions	**0.46**	**0.41**	**0.58**	**0.53**	**0.46**	**0.48**
Net credit losses calculated on a full-year basis	3	-5	12	6	8	5
Average loans to the public, LTM	105,342	105,181	105,147	105,342	105,181	105,341
Credit loss level, % [1]	**–**	**–**	**–**	**–**	**–**	**–**
Credit-impaired assets, net	796	924	796	796	924	939
Loans to the public	107,060	104,678	105,570	107,060	104,678	104,751
Net credit-impaired assets after allowances as a percentage of total loans outstanding, %	**0.74**	**0.88**	**0.75**	**0.74**	**0.88**	**0.90**
Profit after tax						501
Average LTM equity						6,474
Return on equity, %						**7.7**
Profit after tax						501
Number of shares, million						2
Earnings per share, SEK [2]						**222.4**

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

Auditor’s review report (unofficial translation)

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

Introduction

We have reviewed the interim report of Landshypotek Bank AB (publ) as of 30 September 2024 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Stockholm, 5 November 2024
KPMG AB

Dan Beitner
Authorised Public Accountant

Reporting calendar 2024/2025

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

Year-end report	30 January 2025
Annual Report 2024	12 March 2025
General Meeting	29 April 2025

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Landshypotek Bank