



Landshypotek Bank

Landshypotek Bank Investor presentation

- fourth quarter 2024

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Executive summary:

- Low-risk market leading agriculture and forestry bank with sustainability integrated in the strategy with a market share of 23%
- Sustainable governance where profit is reinvested or returned to the agriculture and forestry sectors
- The bank for the conscious choice of mortgage loans and savings
- 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 359m, average per year 0.026%
- Very well capitalised with a CET1 buffer of 5.5% to MDA restrictions and a leverage ratio of 5.6%, despite big deductions



Landshypotek Bank

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

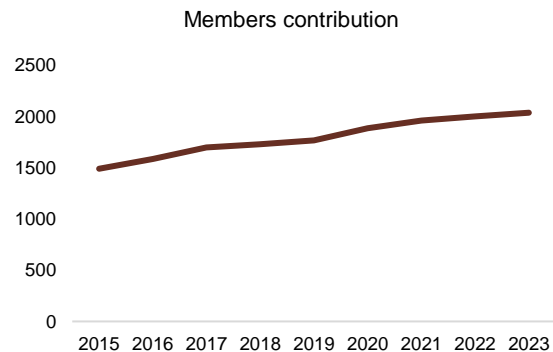
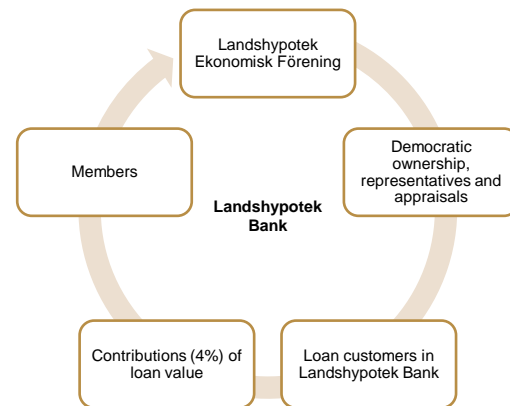


With the same purpose since 1836. Boring? Never.

- 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

- 32,300 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 82bn and residential mortgages SEK 29bn
- We started offering mortgage loans to condominium owners during Q4 2024.

Low risk actor

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

Circular economy

- Long term governance structure being owned by 32,300 loan customers, members of Landshypotek Ekonomisk Förening
- Profit is reinvested or returned to the agriculture and forestry sectors

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

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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 as part of the bank's work to comply with the new CSRD/ESRS requirements.
- The double materiality assessment concluded that the bank's material sustainability topics are:
 - Climate change (E1)
 - Biodiversity and ecosystems (E4)
 - Own workforce (S1)
 - Governance (G1)
- Policies, actions and targets within each material sustainability topic will be the foundation of Landshypotek's sustainability agenda.
- Landshypotek will report in accordance with the CSRD/ESRS requirements from the financial year 2025 onwards.



Climate change E1

- Financial materiality (risk and opportunity)
- Impact materiality (direct and indirect)



Biodiversity and ecosystems E4

- Financial materiality (risk)
- Impact materiality (indirect)



Own workforce S1

- Financial materiality (risk)
- Impact materiality (direct)



Governance G1

- Financial materiality (risk)
- Impact materiality (direct)

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, CO₂-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 (E1)

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)

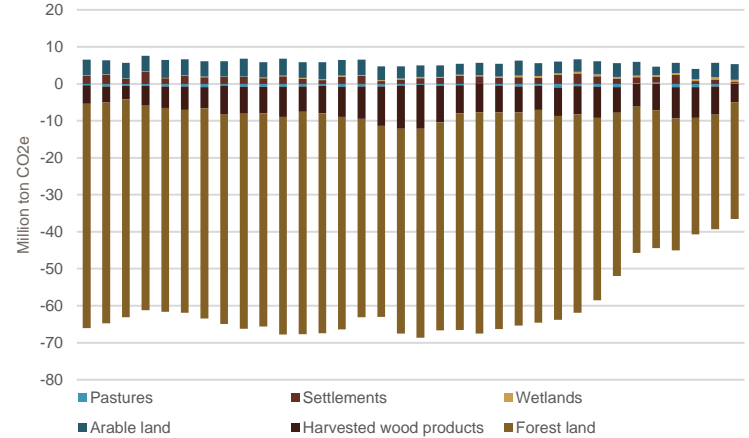
Emissions from agriculture

- 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

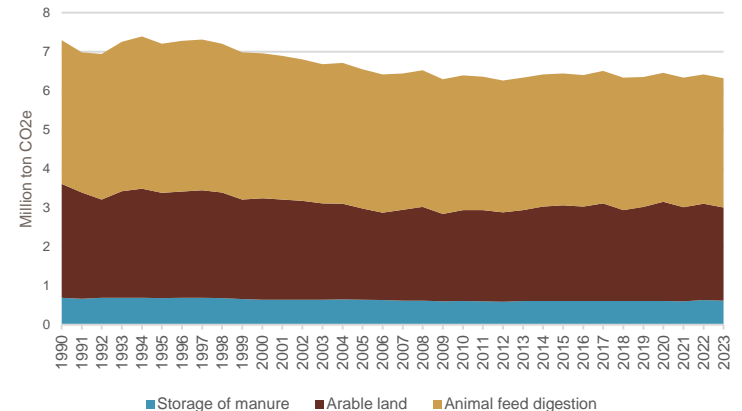
Emissions from housing

- Emissions from housing, primarily heating, have decreased by 91% between 1990 (6.2 million tons CO₂e) and 2023 (0.3 million tons CO₂e). Remaining emissions are driven by energy sources for heating and consumption.

Emissions and absorption from land use 1990-2023



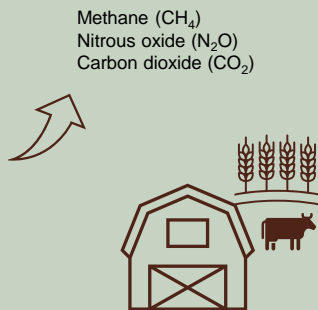
Emissions from agriculture 1990-2023



Financed emissions and CO₂ absorption in the lending portfolio

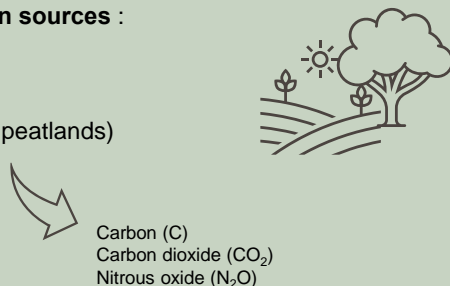
Emission sources from activities on the land:

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 ₂ e)	Financed substitution effect with reference to LTV ratio (ton CO ₂ 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
Land use total		- 1 540 000	
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
Emissions from segments		+ 810 000	
Residential Housing		+ 3 000	N/A
Buildings		+ 24 000	N/A
Total emissions and absorption		- 725 000	
Total emissions, absorption and substitution effect		- 1 790 000	

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How can we increase the effect through reduced emissions?

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Biodiversity and ecosystems (E4)

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

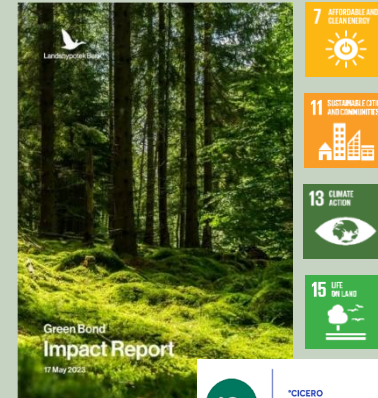
Green Bond Ratio

15.4%

of the covered bonds issued by Landshypotek Bank are green

14.5%

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



Own workforce (S1)

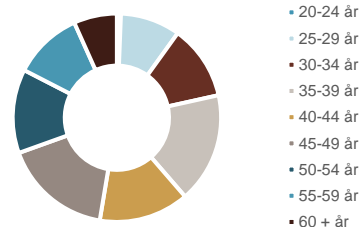
- Landshypotek has a significant impact on the bank's employees.
- With fewer than 250 employees across 19 offices all over Sweden, employees work with a broad range of tasks. This provides the opportunity for employees to develop and provides opportunities for internal recruitment.
- The overall gender balance within the bank and at management level is even but there are significant discrepancies within the management group and board.
- This gender imbalance at the highest levels of the bank will be the focus of the bank's on-going efforts related to the reporting requirements under this part of the CSRD/ESRS.
- Being a Swedish-based bank, the bank already fulfils many of the reporting requirements under the CSRD/ESRS, including in relation to right of association, paid parental leave and retirement benefits.

eNPS
(Q1 2024)

+39

scale -100 - +100

Age Distribution (2023-12-31)



Gender balance

women/men per 2023-12-31 unless otherwise indicated

In total

51/49

Managers

54/46

Management Group (per 2024-12-31)

25/75

Board (per 2024-12-31)

29/71

Governance (G1)

- 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 line with CSRD/ESRS from financial year 2025 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 (E1)	Biodiversity and ecosystems (E4)	Own workforce (S1)	Governance (G1)
Implementation of the bank's climate transition plan.	Further incorporate ESG-related risks into the bank's risk management and credit assessment processes.	Continue work to ensure compliance ahead of the new requirements under the Corporate Sustainability Reporting Directive (CSRD) from financial year 2025.	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 ahead of the new requirements under the Corporate Sustainability Reporting Directive (CSRD) from financial year 2025.	Develop targets relating to own workforce, in particular with regards to gender diversity and male/female pay gap.	Continue work to ensure compliance ahead of the new requirements under the Corporate Sustainability Reporting Directive (CSRD) from financial year 2025.
Further incorporate ESG-related risks into the bank's risk management and credit assessment processes.		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 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.			



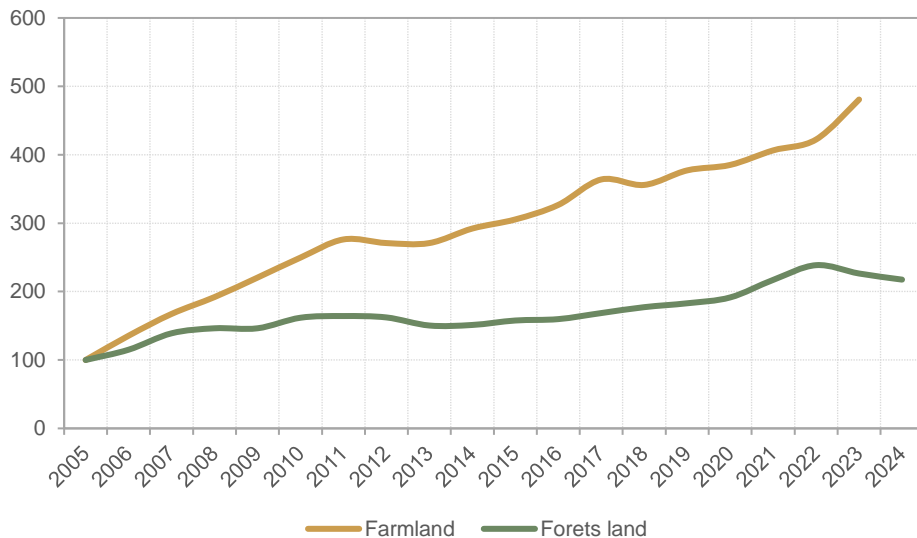
Agriculture market overview

In short:

- Forest owners experience historically high profitability. However, prices of forest land have fallen slightly, driven by higher interest rates and political uncertainty
- The harvest in 2024 is estimated to be slightly lower than normal, but an improvement compared to 2023. The harvest shows great regional and local differences
- Animal producers have improved cash flow. Costs are lower. Slaughter prices have increased slightly, and milk prices have a positive trend
- A good economic situation among forest owners and animal producers, along with a better harvest than last year, has contributed to increased optimism. Reduced interest rates, and the belief that interest rates will continue to fall, reinforce that development. Investments, which previously were on hold, are being resumed and the pace of both necessary and offensive investments is increasing. This is primarily evident among farmers with animals
- The willingness to invest remains restrained among owners of smaller agricultural real estates



Property price development 2005-2024

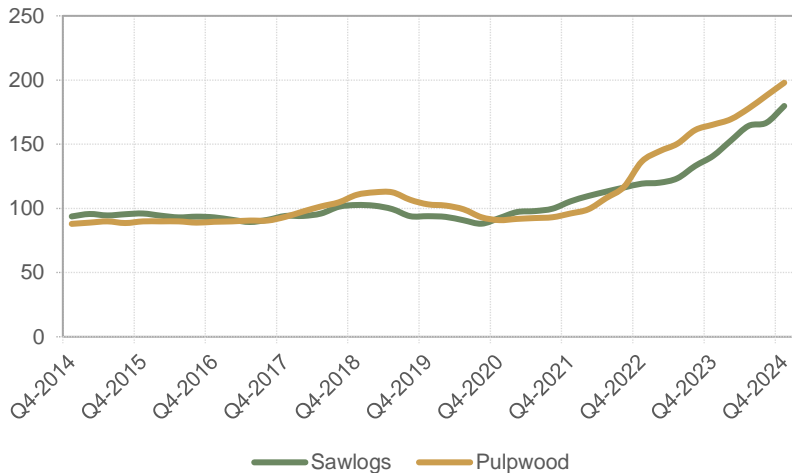


	1Y	5Y
Farmland*	+14%	+35%
Forestry	-4%	+19%

- Market activity has increased by 5.5% more properties were sold compared to 2023. Still, the market has been cautious because of macroeconomic and political uncertainty. Compared to previous five years 7.5% fewer properties were sold
- The price of forest land dropped by 3.9% in 2024. The long-term trend is increasing price levels in all areas
- The average property price of farmland increased in 2023, but with regional differences. The long-term trend is increasing price levels

Forestry

Roundwood price trend (Q4 2014 – Q4 2024)



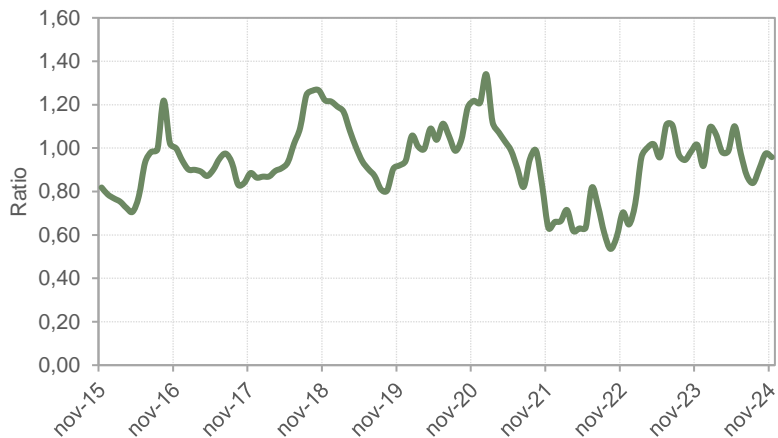
- Rising roundwood prices has given forest owners a higher net profit. The price rise is driven by increased production capacity in industry, lower supply and high energy prices. In Q4 2024 the roundwood prices on delivery timber increased by 7.8% on sawlogs and by 5.3% on pulpwood

Economic tendency Forest Industry (Dec 2014 – Dec 2024)



Crops

Development grain / fertilizer price ratio (Nov 2015 - Nov 2024)



- Grain / fertilizer price ratio decreased by 1.7% in November compared to October due to stable grain prices and increasing fertilizer price. The ratio was 6% lower than November 2023

Production (1,000 tonnes)

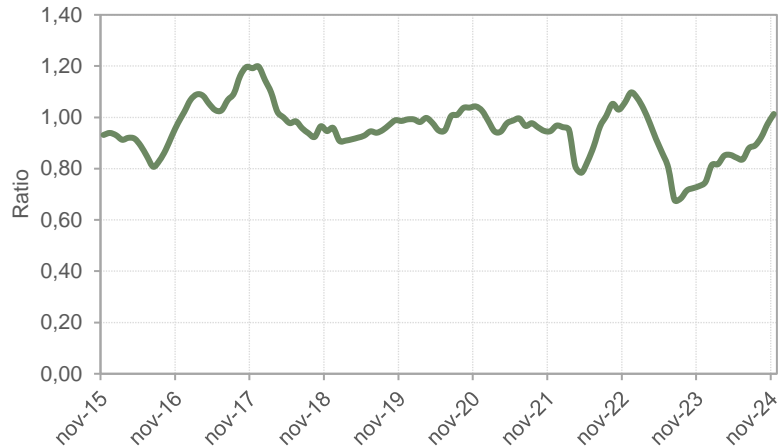


- The harvest volume is expected to be slightly lower than normal, but higher than 2023. The harvest shows great regional and local differences.



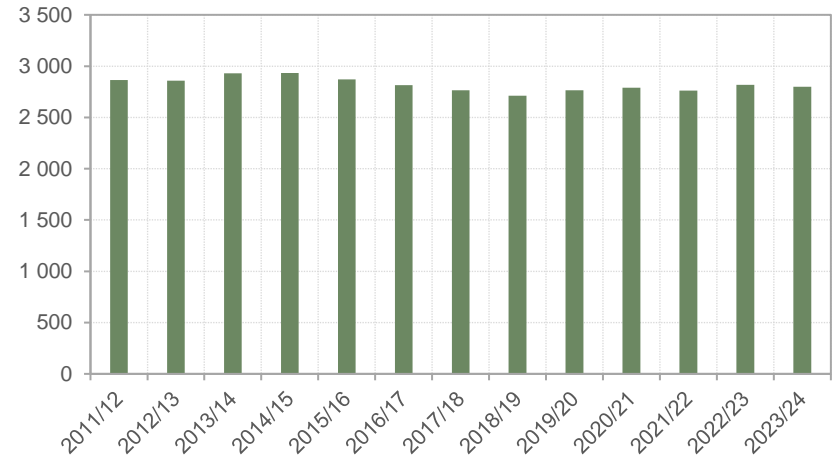
Dairy

Development milk / feed price ratio (Nov 2015 – Nov 2024)



- Milk / feed price ratio increased by 4.0% in November compared to October due to higher milk price and stable feed price. The ratio was 38% higher than November 2023
- Average milk price in December was approx. 34% higher than December 2023

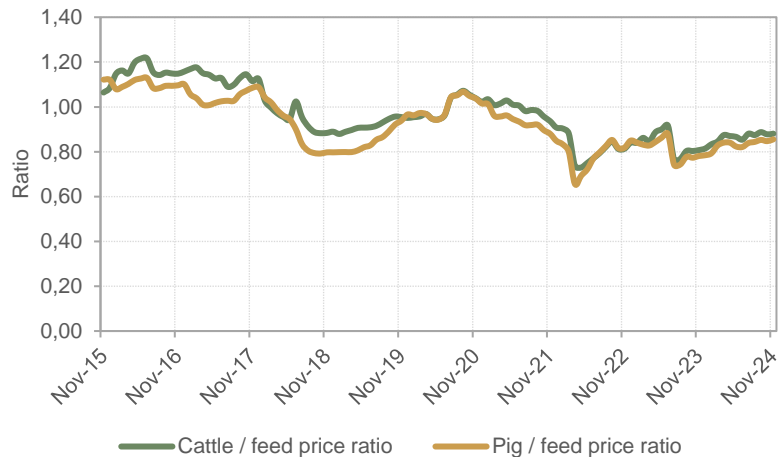
Production, Dec – Nov (1,000 tonnes)



- Total production decreased by 0.6% the past 12 months due to fewer dairy cows

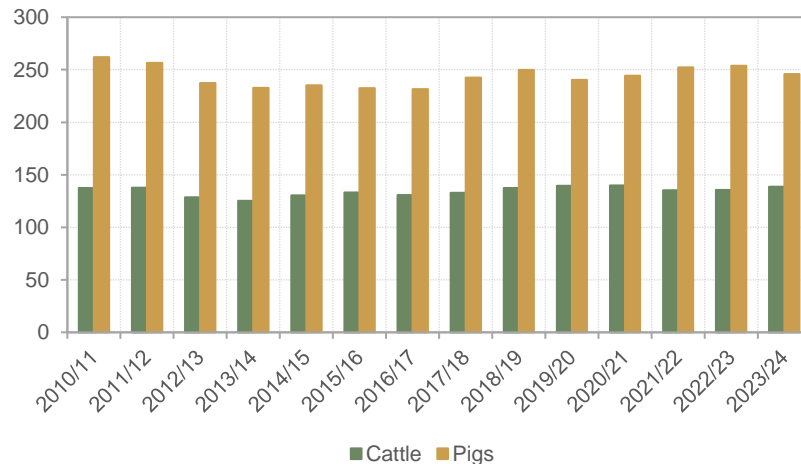
Cattle and Pig

Dev. cattle/pig / feed price ratio (Nov 2015 – Nov 2024)



- The price ratio improved in November compared to October for both cattle and pig as an effect of slightly rising slaughter prices and stable feed prices. Compared to November 2023 the pig/feed respectively cattle/feed ratio improved by 10% and 9%

Production, Dec – Nov (1,000 tonnes)



- Past twelve months pig production decreased by 0.2%. In September-November production was 3.6% higher compared to same period 2023. Cattle production increased by 0.9% past twelve months

Data source: Swedish Board of Agriculture



Housing market overview

In short:

- The consumer confidence indicator fell 4.9 points in December to 96.7, below the historical average. This occurred after 14 months of non-stop climbing. The decline was due to consumers expressing less optimistic expectations for both their personal finances and the Swedish economy. The forward-looking questions in the indicator nevertheless remain the strongest and above the historical average
- The market stabilized at the end of 2024 compared to previous quarters. More properties have been sold, with stable to slightly rising prices
- In the fourth quarter of 2024, more properties have been sold compared to the same period in 2023. The increase in sold properties accounts for 4.3%. However, the number is lower than historical figures

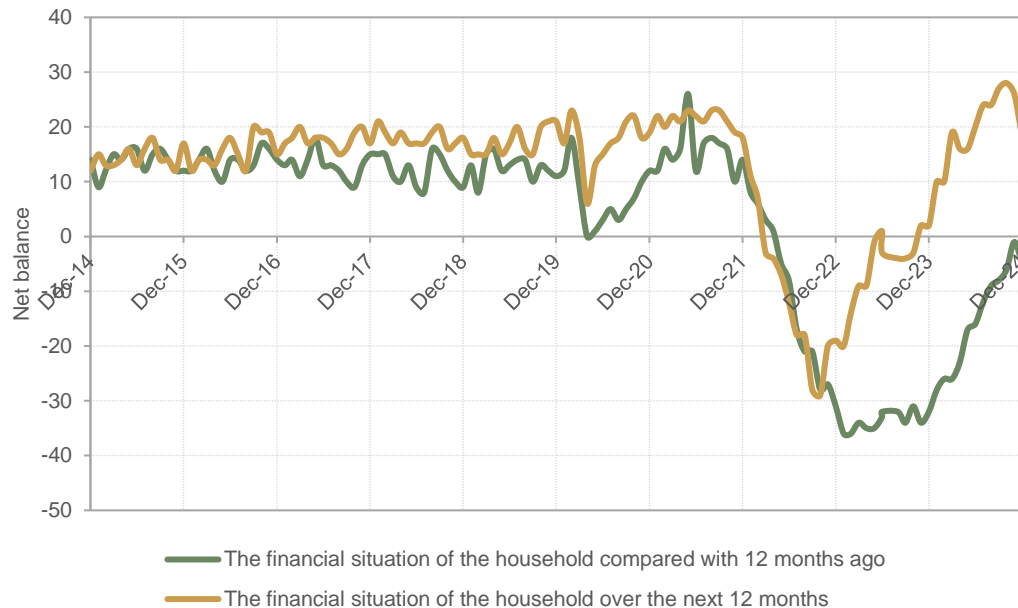
House price development Q4 2014 – Q4 2024



	1Y	5Y
Houses	+3%	+18%

- The market stabilized in the end of 2024 compared with previous quarters. Increased objects have been sold, with stable to slightly rising prices. The price has leveled off above pre-pandemic price levels
- In fourth quarter of 2024, increased objects have been sold compared to same period 2023. The increase in sold objects accounts 4.3%. Still the number is lower than to historical figures

Consumer confidence indicator 2014-2024



- The consumer confidence indicator slipped 4.9 points in December to 96.7, after climbing non-stop for more than a year. The change was mainly due to consumers expression less optimistic expectations for both their personal finances and the Swedish economy. The forward-looking questions in the indicator remain the strongest.
- Still there is an unusually large gap between forward-looking and backward-looking indicators.

Financial update

In short:

- Lower net interest income during 2024 compared with 2023
- Higher expenses due to higher IT expenses and personnel increases
- Credit losses still on low levels



5-year financial KPI development

Financial KPIs, SEKm	2020	2021	2022	2023	2024	2024vs2023 Δ	%
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



Q4 result

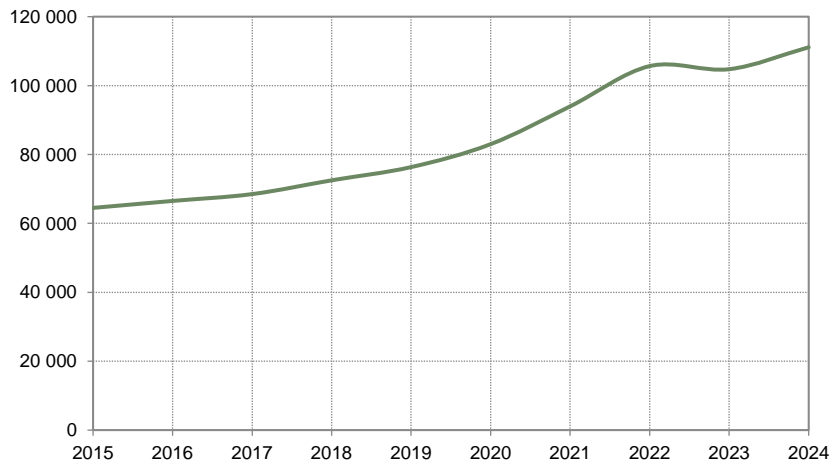
Landshypotek AB						
SEKm	2024 Q4	2024 Q3	Δ QoQ	YTD 2024	YTD 2023	Δ YoY
Net interest income	266	269	-3	1 078	1 220	-142
Net commission income	7	7	1	19	10	9
Net gain financial items	-3	-3	0	-7	-14	7
Other income	1	1	0	5	4	1
Total income	272	274	-3	1 096	1 220	-124
Total expenses	-167	-126	-41	-603	-589	-14
Profit before impairments	105	148	-43	492	631	-138
Credit impairments	-8	1	-9	-4	5	-9
Operating profit	97	149	-52	489	636	-147
Tax expense for the period	-22	-32	10	-108	-135	27
Net profit	75	117	-42	381	501	-120

- Net interest income decreased compared to 2023, primarily due to reduced deposit margins and volumes
- Net commission income totalled SEK 19 million (10), up mainly due to the farm package introduced during the third quarter for all agriculture customers of the bank
- Expenses are higher than Q4 2023, up primarily due to higher IT expenses and personnel increases
- Credit losses generated a negative net earnings impact of SEK -4 million for the year

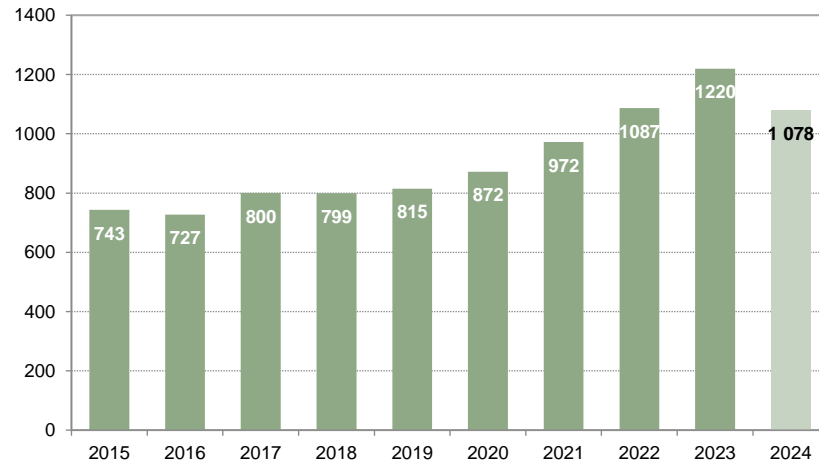


Long term growth in loan portfolio

Loan portfolio, SEKm



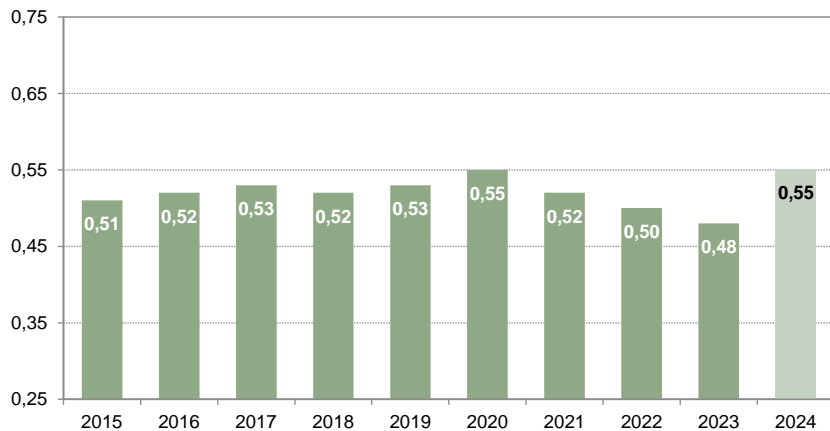
Net interest income, SEKm



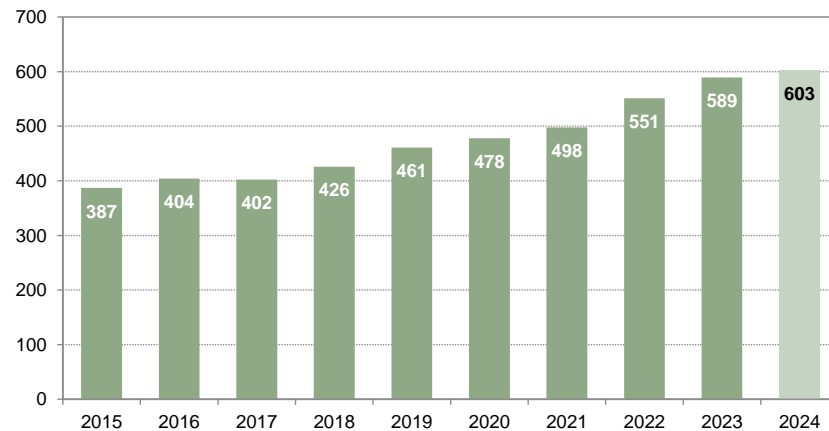


Stable cost levels

Cost income ratio excl loan losses



Total expenses





Asset quality

In short:

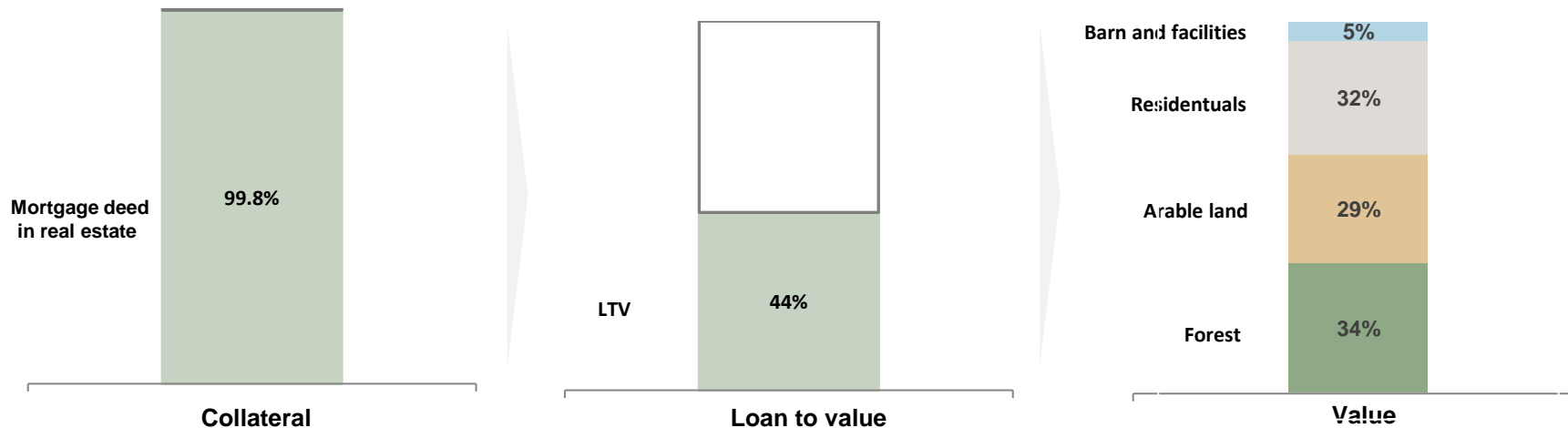
- Landshypotek Bank has 3 lines of defence that work together at different stages in order to mitigate risks. Risk organisation is the second line that is in charge of risk governance and control
- 99% of customers have personal liability and 99.8% have post collateral with mortgage deed in real estate
- Loan portfolio is collateralized with low LTV assets (43%)
- The value of arable land and forestry compose the majority of the collateral
- Well diversified portfolio in terms of geographical and business distribution
- Exposures are classified out of loan size, turnover and income
- Excellent performance



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

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

Loan portfolio is collateralised with low LTV assets

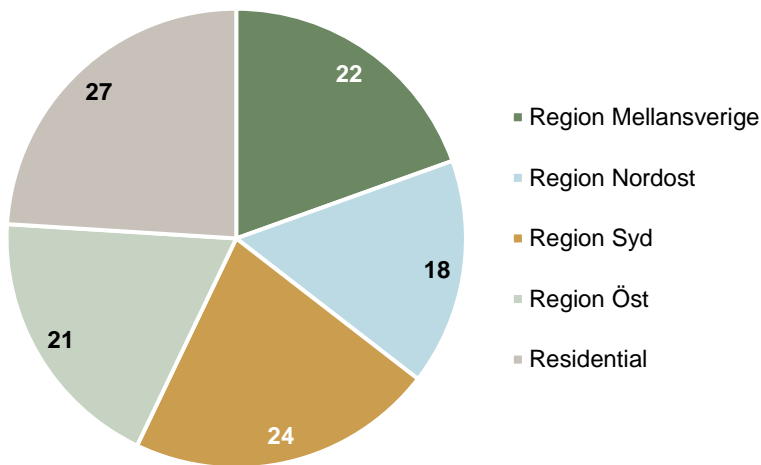


99.8% of the loan portfolio is first-lien mortgages with LTV of 44%

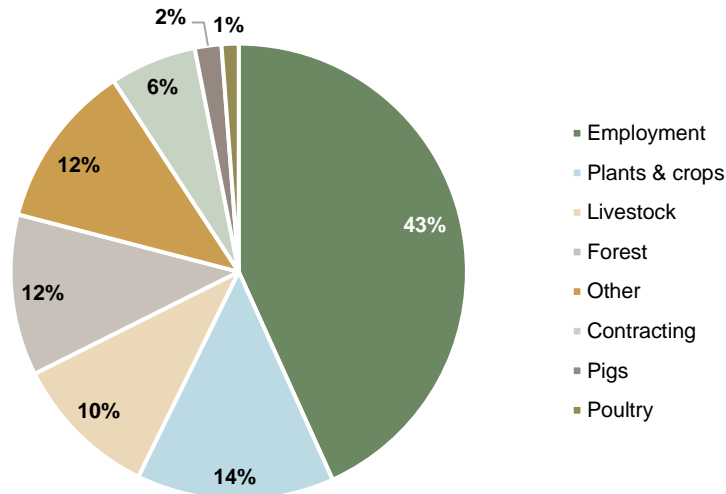


Well diversified portfolio in terms of geographical and business distribution

Asset portfolio per business unit, SEKbn



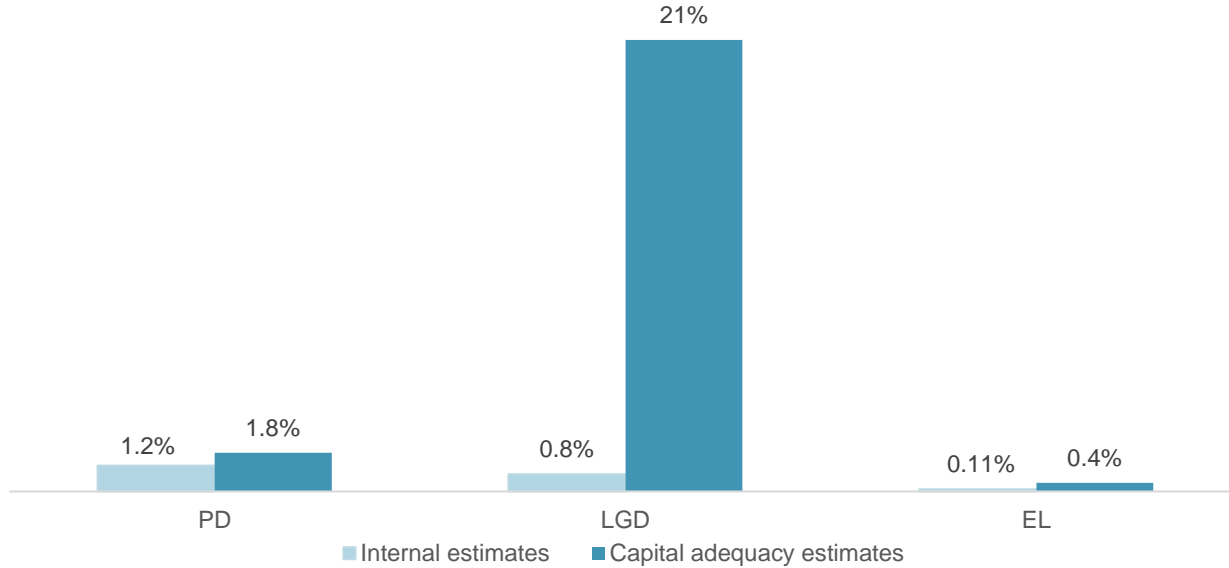
Asset portfolio, business distribution, %



Average loan per customer is SEK 2.0m



Internally used estimates are significantly lower than estimates for capital adequacy

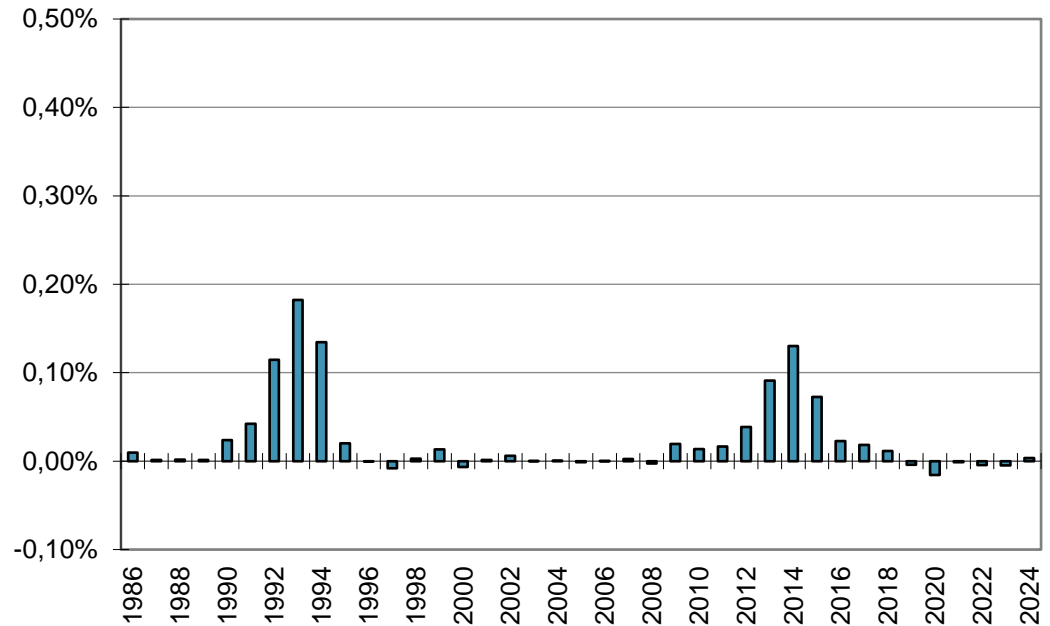


Internally used estimates are significantly lower for PD, LGD and consequently EL. Exposure weighted LTV ratio is 44%



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

- Losses in 2024 amounted to SEK 3.7m in reversals (0.003%), compared with SEK -4.9m in reversals for 2023 (-0.01%).
- Total credit losses since 1985 amounts to SEK 359m 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



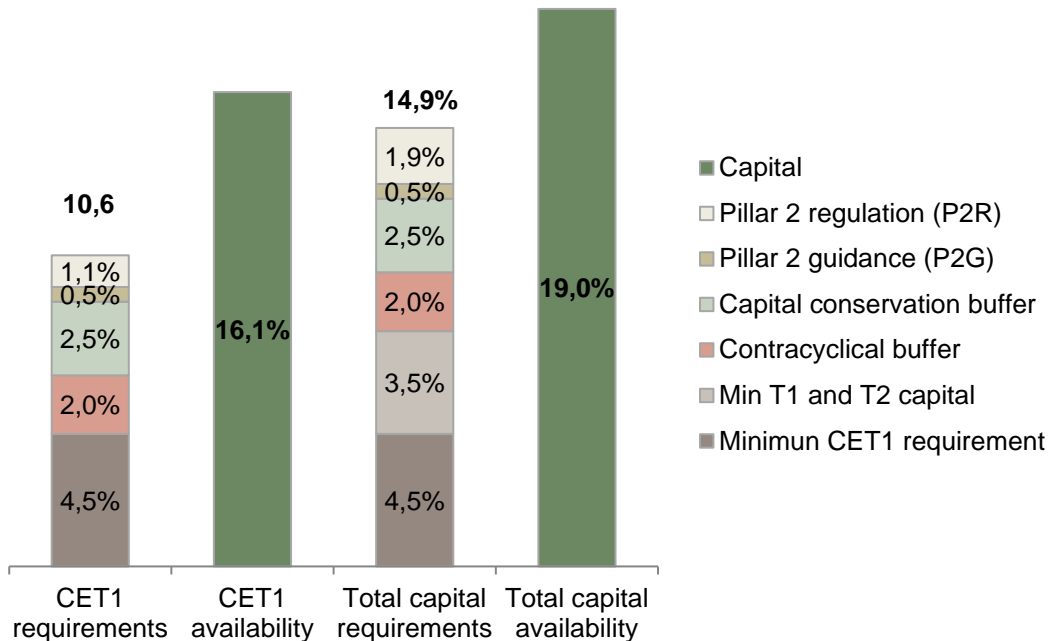
Capital adequacy

In short:

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



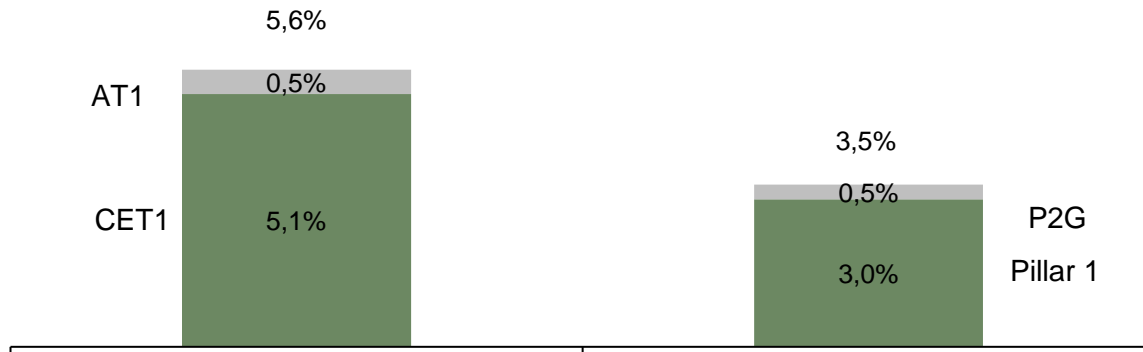
Total capital and capital requirements- Consolidated situation



- The CET1 capital target is to have a CET1 ratio of at least 12.6%. The margin to the capital target as of Q4 2024 is 5.5%
- The Total capital target is to have a Total capital ratio of at least 15.9%. The margin to the capital target as of Q4 2024 is 4.1%
- The stress tests performed by the bank for recovery planning and ICAAP confirms that the bank is very well capitalized and can sustain its business operations also under extremely adverse macro conditions

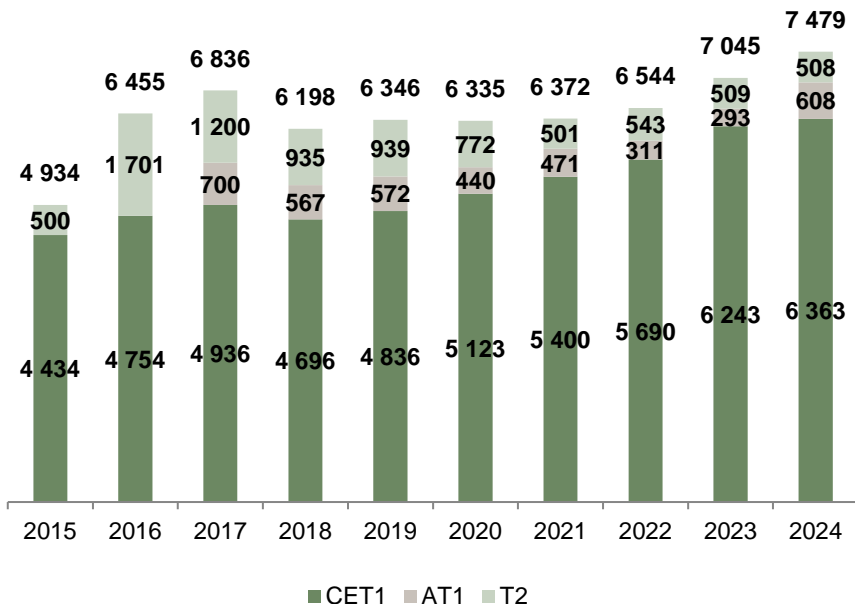


Leverage ratio and capital requirements- Consolidated situation



Capital development over the years

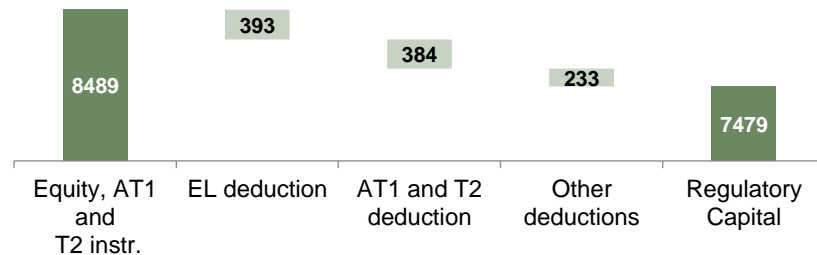
Total capital, SEKm - Consolidated situation



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

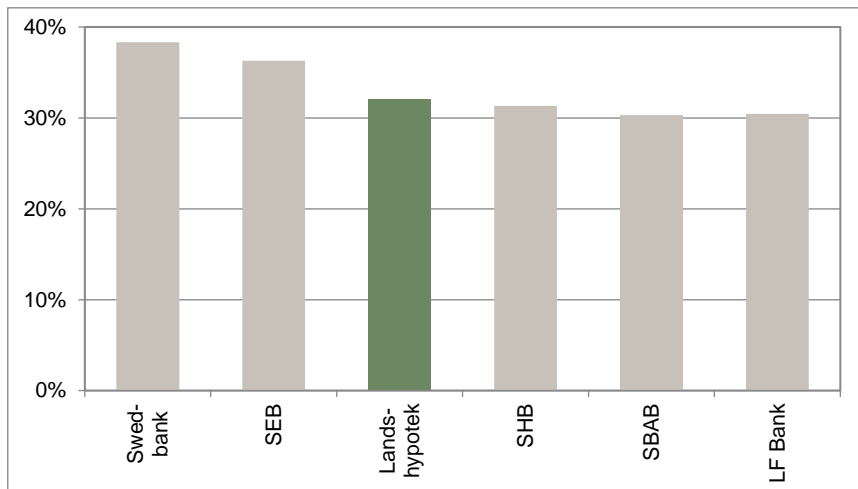
The deduction regarding AT1 and T2 capital at the consolidated situation is explained by the fact that subordinated loans issued by Landshypotek Bank cannot be fully utilized in the calculation of capital at the consolidated situation. However, as the utilization rate is calculated based on the surplus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

Deductions, SEKm

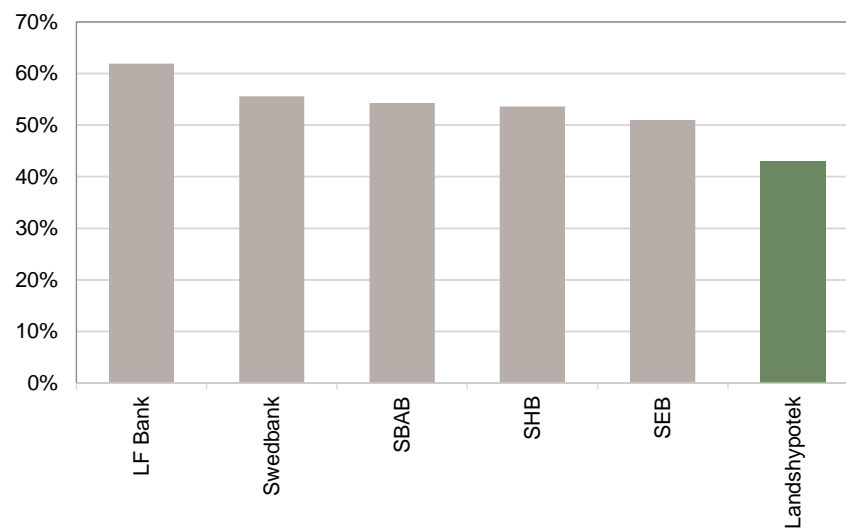


Higher riskweights despite lower LTV

Riskweights



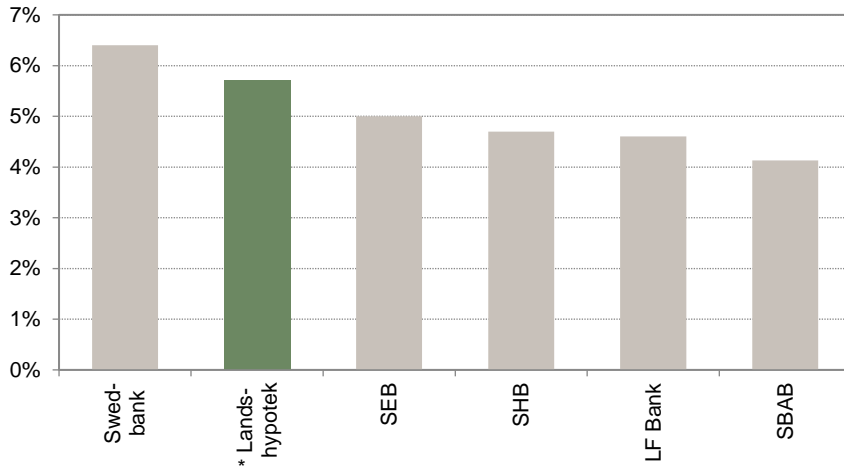
Cover Pool LTV



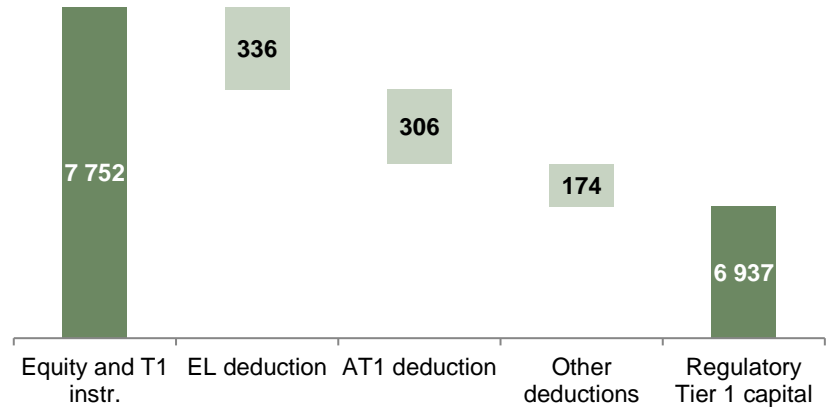


High leverage ratio despite large deductions

Leverage ratio



Deductions





Funding, liquidity and cover pool

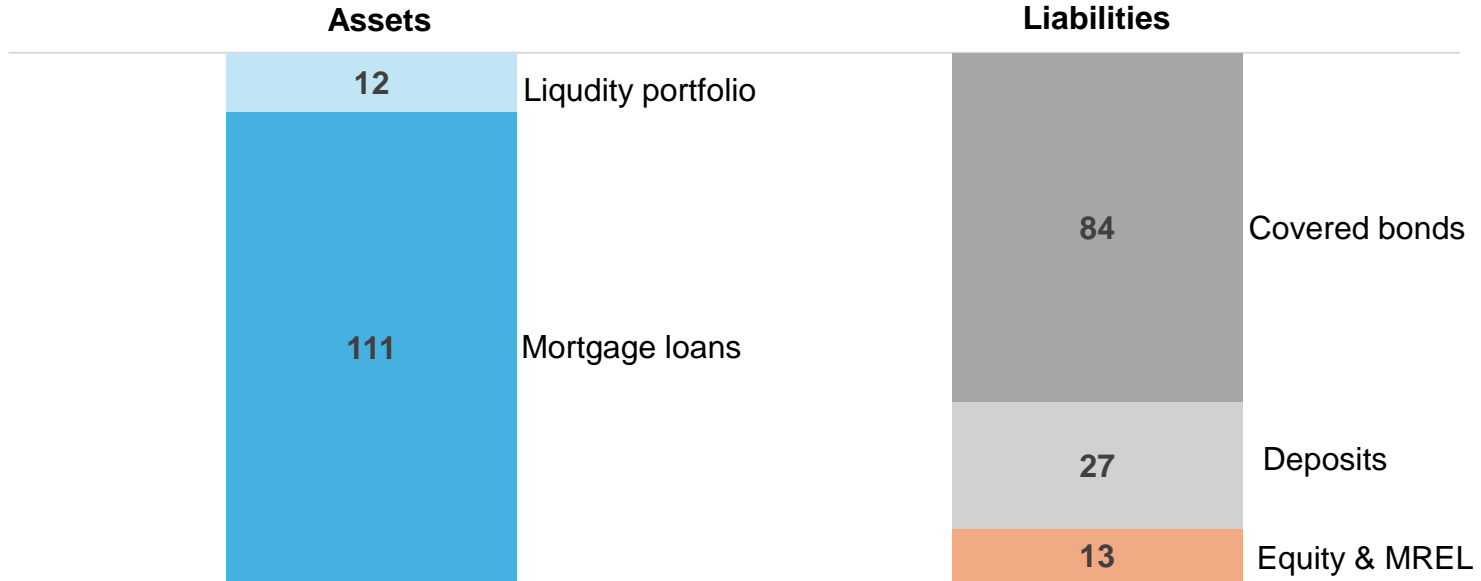
In short:

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



Core balance sheet structure SEKbn

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



- 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 2024
 - Total risk weighted 22.54% of REA
 - Total leverage 6.00% of TEA
 - Subordinated risk weighted 20.04% of REA
 - Subordinated leverage 5.50% of TEA
- The plan is to have one outstanding issue per calendar year to have a good balance between granularity and liquidity
- MREL fulfilment Q4
 - Total risk weighted 23.39% of REA
 - Total leverage 8,90% of TEA
 - Subordinated risk weighted 20,73% of REA
 - Subordinated leverage 8.05% of TEA



Funding plan 2024

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



Conservative liquidity and funding position

- LCR 275%
- NSFR 121%
- Stressed liquidity coverage is 292 days, internal limit 180 days
- Liquid assets SEK 11.3 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 27.8bn

Focus on stickiness

- Target members and smaller deposits included in deposit insurance
- Closed for new corporate deposits
- Increased competition and lower margins 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	19%	60%
Excluded from deposit insurance	9%	12%



Cover pool

Rating S&P	AAA
Lending volume	SEK 103,689m
Geographic distribution	Sweden 100%
Average loan size	SEK 984,308
Number of loans	105,342
Number of properties	40,328
Substitute Assets	SEK 900m
Swedish Covered Bonds, AAA	SEK 800m
Municipalities	SEK 100m
Cover bonds	SEK -81,332m
Over Collateralisation	SEK 23,143m
Over Collateralisation	28.48%

Interest	
Floating	72%
Fixed	28%
Amortisation	
Amortising	98%
Non amortising	2%
Mortgage type	
Agriculture properties	76%
Residential properties	24%
Average LTV	
Volume weighted	43,67%

Cover pool and geographical distribution

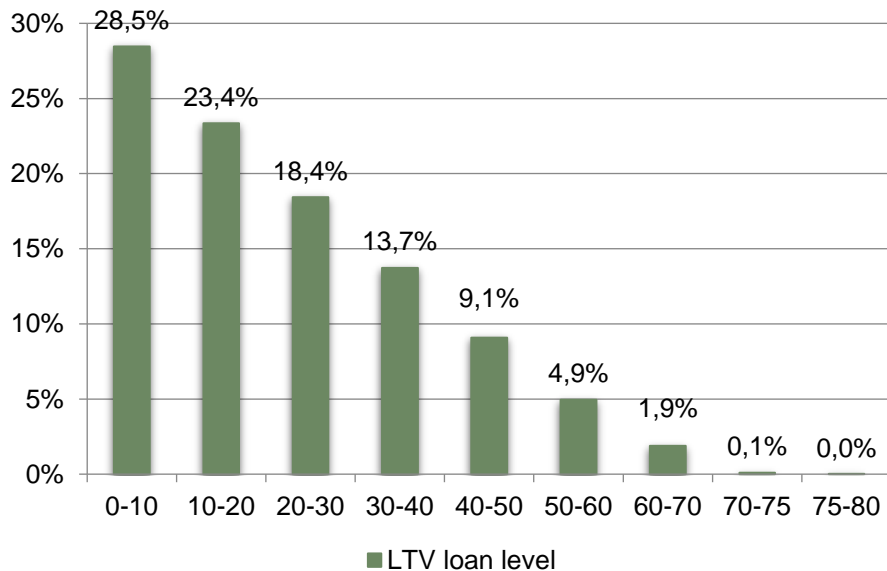
Seasoning	Years	Month
Loan level	5.83	70
Customer level	13.92	167
Property level	19.43	233
Concentration (borrowers)	Volume	% of volume
Top 5	SEK 1,279m	1.23%
Top 10	SEK 2,103m	2.03%
Top 20	SEK 3,491m	3.37%



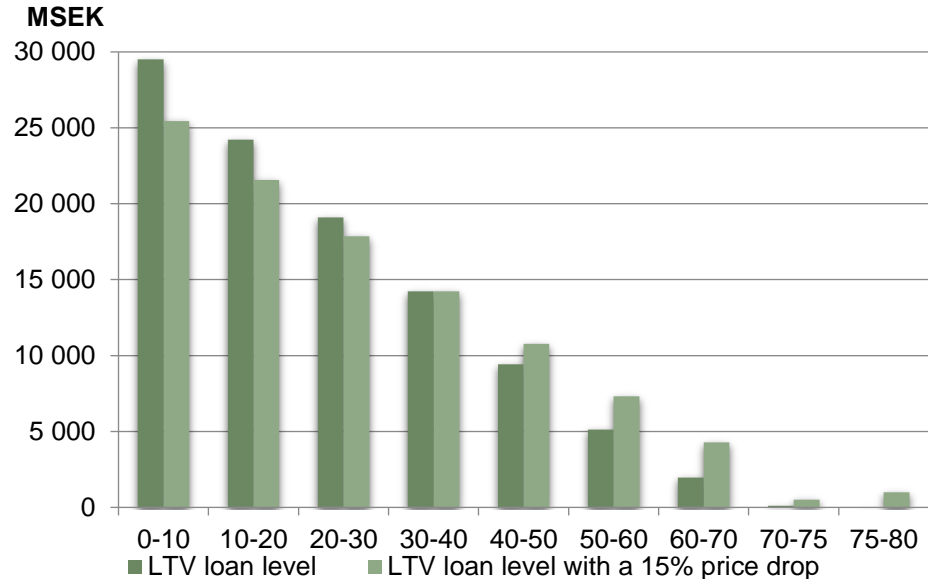
County	% of total volume
Stockholm	10%
Uppsala	4%
Södermanland	5%
Östergötland	10%
Jönköping	4%
Kronoberg	3%
Kalmar	4%
Gotland	3%
Blekinge	1%
Skåne	15%
Halland	4%
Västra Götaland	14%
Värmland	4%
Örebro	6%
Västmanland	2%
Dalarna	2%
Gävleborg	2%
Västernorrland	2%
Jämtland	2%
Västerbotten	2%
Norrbottn	1%

Cover pool

Loan amount by LTV bucket



Stress test LTV -15% price drop



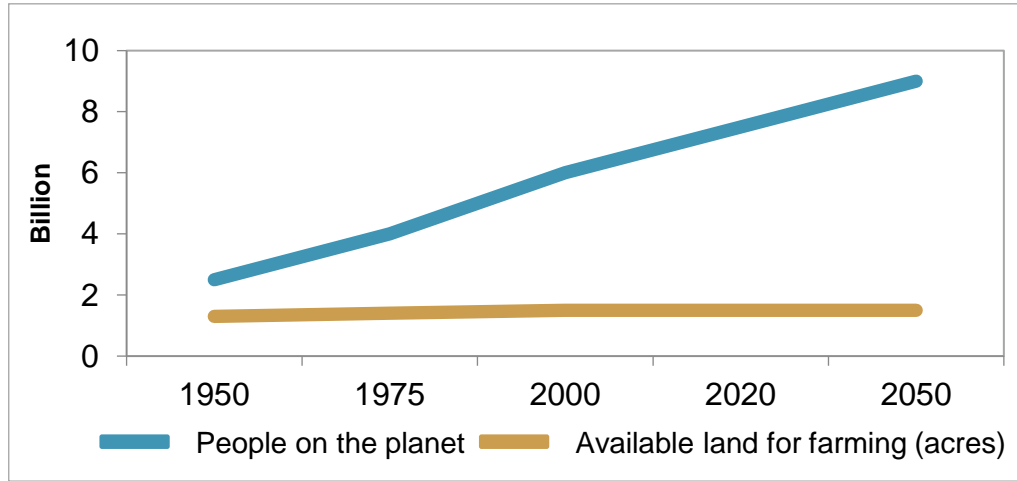
Total change in cover pool -0.72%

Executive summary:

- Low-risk market leading agriculture and forestry bank with sustainability integrated in the strategy with a market share of 23%
- Sustainable governance where profit is reinvested or returned to the agriculture and forestry sectors
- The bank for the conscious choice of mortgage loans and savings
- 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 359m, average per year 0.026%
- Very well capitalised with a CET1 buffer of 6.6% to MDA restrictions and a leverage ratio of 5.5%, despite big deductions



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



Source: UN

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



Landshypotek Bank

Contact and financial calendar

Financial calendar 2025:

Q1-2025 report 8th of May 2025

Q2-2025 report 21st of July 2025

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