



# LF Hypotek

Pillar III Annual Report 2025

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# Capital position

## EU OV1 – Overview of total risk exposure amounts

Disclosure according to point (d) of Article 438 in EU Regulation No 575/2013

SEK m		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		2025-12-31	2025-09-30	2025-12-31
1	Credit risk (excluding CCR)	92 527,94	91 772,47	7 402,24
2	Of which the standardised approach	1 000,77	1 080,07	80,06
3	Of which the foundation IRB (FIRB) approach	4 083,42	4 023,44	326,67
4	Of which slotting approach			
EU 4a	Of which equities under the simple riskweighted approach			
5	Of which the advanced IRB (AIRB) approach	8 939,83	9 024,76	715,19
6	Counterparty credit risk - CCR	27,23	53,11	2,18
7	Of which the standardised approach	27,23	53,11	2,18
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
9	Of which other CCR			
10	Credit valuation adjustments risk - CVA risk	25,31	38,50	2,02
10a	Of which the standardised approach (SA)			
10b	Of which the basic approach (F-BA and R-BA)	25,31	38,50	2,02
10c	Of which the simplified approach			
11	Empty set in the EU			
12	Empty set in the EU			
13	Empty set in the EU			
14	Empty set in the EU			
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap)			
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA approach			
EU 19a	Of which 1250%/ deduction			
20	Position, foreign exchange and commodities risks (Market risk)			
21	Of which the Alternative standardised approach (A-SA)			
21a	Of which the Simplified standardised approach (S-SA)			
22	Of which the Alternative Internal Models Approach (A-IMA)			
EU 22a	Large exposures			
23	Reclassifications between trading and non-trading books			
24	Operational risk	5 138,23	5 138,23	411,06
24a	Exposures to crypto-assets			
25	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	63,34	67,71	5,07
26	Output floor applied (%)	50%	50%	
27	Floor adjustment (before application of transitional cap)			
28	Floor adjustment (after application of transitional cap)			
29	Total	97 718,71	97 002,31	7 817,50

## EU KM1 – Key metrics template

Disclosure according to points (a) to (g) of Article 447 and point (b) of Article 438 in EU Regulation No 575/2013

SEK m		a	b	c	d	e
		2025-12-31	2025-09-30	2025-06-30	2025-03-31	2024-12-31
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	17 433,09	17 840,31	17 741,32	17 625,00	17 469,69
2	Tier 1 capital	17 433,09	17 840,31	17 741,32	17 625,00	17 469,69
3	Total capital	17 433,09	17 840,31	17 741,32	17 625,00	17 469,69
<b>Risk-weighted exposure amounts</b>						
4	Total risk exposure amount	97 718,71	97 002,31	96 192,89	94 179,36	92 081,74
4a	Total risk exposure pre-floor	97 718,71	97 002,31	96 192,89	94 179,36	
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	17,84%	18,39%	18,44%	18,71%	18,97%
5a	Not applicable					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	17,84%	18,39%	18,44%	18,71%	
6	Tier 1 ratio (%)	17,84%	18,39%	18,44%	18,71%	18,97%
6a	Not applicable					
6b	Tier 1 ratio considering unfloored TREA (%)	17,84%	18,39%	18,44%	18,71%	
7	Total capital ratio (%)	17,84%	18,39%	18,44%	18,71%	18,97%
7a	Not applicable					
7b	Total capital ratio considering unfloored TREA (%)	17,84%	17,84%	18,44%	18,44%	
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>						
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1,74%	1,74%	1,17%	1,17%	1,17%
EU 7e	of which: to be made up of CET1 capital (percentage points)	0,98%	0,98%	0,66%	0,66%	0,66%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	1,31%	1,31%	0,88%	0,88%	0,88%
EU 7g	Total SREP own funds requirements (%)	9,74%	9,74%	9,17%	9,17%	9,17%
<b>Combined buffer requirement (as a percentage of riskweighted exposure amount)</b>						
8	Capital conservation buffer (%)	2,50%	2,50%	2,50%	2,50%	2,50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9	Institution specific countercyclical capital buffer (%)	2,00%	2,00%	2,00%	2,00%	2,00%
EU 9a	Systemic risk buffer (%)					
10	Global Systemically Important Institution buffer (%)					
EU 10a	Other Systemically Important Institution buffer					
11	Combined buffer requirement (%)	4,50%	4,50%	4,50%	4,50%	4,50%
EU 11a	Overall capital requirements (%)	14,24%	14,24%	13,67%	13,67%	13,67%
12	CET1 available after meeting the total SREP own funds requirements (%)	8,10%	8,65%	9,27%	9,54%	9,80%
<b>Leverage ratio</b>						
13	Leverage ratio total exposure measure	383 259,91	382 792,60	383 241,88	369 989,79	355 935,16
14	Leverage ratio	4,55%	4,66%	4,63%	4,76%	4,91%
<b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>						
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 (%)	3,00%	3,00%	3,00%	3,00%	3,00%
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>						
EU 14d	Leverage ratio buffer requirement (%)					
EU 14e	Overall leverage ratio requirements (%)	3,00%	3,00%	3,00%	3,00%	3,00%
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)					
EU 16a	Cash outflows - Total weighted value					
EU 16b	Cash inflows - Total weighted value					
16	Total net cash outflows (adjusted value)					
17	Liquidity coverage ratio (%)					
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding					
19	Total required stable funding					
20	NSFR ratio (%)					

Note: Länsförsäkringar Hypotek is a liquidity subgroup and has a waiver from the SFSA according to Article 8 (EU) 575/2013. It is therefore to be exempted from the minimum liquidity requirements on Liquidity Coverage Ratio (LCR) and Net Stable

## EU CMS1 – Comparison of modelled and standardised risk weighted exposure amounts at risk level

Disclosure according to points (da) of Article 438 in EU Regulation No 575/2013

SEK m		a	b	c	d	EU d
		Risk weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs (a + b)	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
1	Credit risk (excluding counterparty credit risk)	13 023,25	1 000,77	14 024,02	118 770,49	118 660,49
2	Counterparty credit risk		27,23	27,23	27,23	27,23
3	Credit valuation adjustment		25,31	25,31	41,67	41,67
4	Securitisation exposures in the banking book					
5	Market risk					
6	Operational risk		5 138,23	5 138,23	5 138,23	5 138,23
7	Other risk weighted exposure amounts		78 503,92	78 503,92	78 503,92	0,00
8	Total	13 023,25	84 695,46	97 718,71	202 481,54	123 867,62

## EU CMS2 – Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level

Disclosure according to points (da) of Article 438 in EU Regulation No 575/2013

SEK m	a	b	c	d	EU d
	Risk weighted exposure amounts (RWEAs)				
	RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
1	Central governments and central banks				
EU 1a	Regional governments or local authorities				
EU 1b	Public sector entities				
EU 1c	Categorised as Multilateral Development Banks in SA				
EU 1d	Categorised as International organisations in SA				
2	Institutions				
3	Equity				
4	Not applicable				
5	4 083,42	6 648,53	4 083,42	6 758,53	6 648,53
5.1	4 083,42	6 648,53	4 083,42	6 758,53	6 648,53
5.2	Of which: A-IRB is applied				
EU 5a	21,66	52,18	21,66	56,59	52,18
EU 5b	Of which: Corporates - Specialised lending				
EU 5c	Of which: Corporates - Purchased receivables				
6	8 664,70	110 659,35	8 664,70	110 659,35	110 659,35
6.1	Of which: Retail - Qualifying revolving				
EU 6.1a	Of which: Retail - Purchased receivables				
EU 6.1b	201,97	1 598,31	201,97	1 598,31	1 598,31
6.2	8 462,73	109 061,05	8 462,73	109 061,05	109 061,05
7	Not applicable				
EU 7a	17 067,33	116 864,30	17 067,33	116 864,30	116 864,30
EU 7b	Collective investment undertakings (CIU)				
EU 7c	275,13	351,84	275,13	351,84	351,84
EU 7d	Categorised as subordinated debt exposures in SA				
EU 7e	Categorised as covered bonds in SA				
EU 7f	Categorised as claims on institutions and corporates with a short-term credit assessment in SA				
8	Others				
9	13 023,25	117 659,72	14 024,02	118 770,49	118 660,49

## EU OVC - ICAAP information

Disclosure according to points (a) and (c) of Article 438 in EU Regulation No 575/2013

### Article 438(a) CRR

#### Approach to assessing the adequacy of the internal capital

LF Hypotek's approach to assessing the adequacy of the internal capital lies within the Bank Group's internal capital adequacy assessment process (ICAAP). The Bank Group's ICAAP is part of the capital planning and is to ensure that the operations, at any given time, have a sufficiently large amount of capital in relation to its current and future risk exposure level. A buffer of the statutory minimum capital requirements, the owner's yield requirements and external requirements from investors and rating agencies are taken into account in capital planning in addition to the assessment of the Bank Group's internal capital requirements performed under the ICAAP. The ICAAP is also to take the development of the operations into consideration. A capital forecast is prepared when the capital requirement is determined and reported four times a year to the ALCO, the Risk and Capital Committee and the Board. The forecast is prospective and is to provide a view of the capital requirements over both the long and the short term. The purpose of the forecast is to ensure that the Bank Group have sufficient own funds and the correct capital composition. The process, which is to be performed at least once annually, is to be documented in respect of the approach taken, the implementation and the results of the ICAAP, and reported to the Swedish Financial Supervisory Authority in accordance with its supervisory review and evaluation. The process includes the following activities:

- Identifying all risks
- Risk assessment
- Stress tests
- Capital calculations

All of the operations' identified risks are included in the calculation of the capital requirements in the ICAAP. The Bank Group apply methods used to calculate the

capital requirement under the framework of Pillar I. For risks not included in Pillar I, known as Pillar II risks, the Bank Group uses the pillar II requirement decided by the Swedish FSA.

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The internal capital requirement provides a view of the Bank Group's current position. Scenario analyses and stress tests are performed under the ICAAP framework to ensure that the Bank Group are well capitalised for the future. Work on stress tests is based on a number of scenarios and the impact of these scenarios on the risks of the operations. The base scenario is based on the business plan and the most probable trend in volumes, earnings and credit losses. Assumptions in this base scenario are stress-tested by applying the most unfavorable conditions in the external business world for the Bank Group that could be expected to occur once every 20–25 years. The purpose of the stress-test scenario is to ensure that the amount and composition of own funds are sufficient to absorb losses arising as a result of a serious financial stress. The performance in this scenario forms the basis for calculating a capital planning buffer by taking into account the change in the capital requirement and own funds.

### Article 438(c) CRR

#### Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process

It is available upon demand from Finansinspektionen

## EU TLAC2b: Creditor ranking - Entity that is not a resolution entity

Disclosure according to point (b) of Article 45i.3 in EU Regulation No 2014/59

SEK m		Insolvency ranking			Sum
		Resolution entity	Resolution entity	Resolution entity	
1	Empty set in the EU				
2	Description of insolvency rank (free text)	Common Equity Tier 1 (CET1) capital	Tier 2 capital	Other subordinated debt	
3	Empty set in the EU				
4	Empty set in the EU				
5	Empty set in the EU				
6	Own funds and eligible liabilities for the purpose of internal MREL	17 433	0	11 000	28 433
7	of which residual maturity ≥ 1 year < 2 years	0	0	5 000	5 000
8	of which residual maturity ≥ 2 year < 5 years	0	0	6 000	6 000
9	of which residual maturity ≥ 5 years < 10 years	0	0	0	0
10	of which residual maturity ≥ 10 years, but excluding perpetual securities	0	0	0	0
11	of which perpetual securities	17 433	0	0	17 433

## EU ILAC - Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs

Disclosure according to point (a), (b) and (c) of Article 45i.3 in EU Regulation No 2014/59

SEK m	a	b	c
	Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)	Qualitative information
<b>Applicable requirement and level of application</b>			
EU-1	Is the entity subject to a non-EU G-SII requirement for own funds and eligible liabilities? (Y/N)		N
EU-2	If EU-1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)		
EU-2a	Is the entity subject to an internal MREL? (Y/N)		Y
EU-2b	If EU-2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)		I
<b>Own funds and eligible liabilities</b>			
EU-3	Common Equity Tier 1 capital (CET1)	17 433	
EU-4	Eligible Additional Tier 1 capital	0	
EU-5	Eligible Tier 2 capital	0	
EU-6	Eligible own funds	17 433	
EU-7	Eligible liabilities	11 000	
EU-8	of which permitted guarantees	0	
EU-9a	(Adjustments)	0	
EU-9b	Own funds and eligible liabilities items after adjustments	28 433	
<b>Total risk exposure amount and total exposure measure</b>			
EU-10	Total risk exposure amount (TREA)	97 719	
EU-11	Total exposure measure (TEM)	383 260	
<b>Ratio of own funds and eligible liabilities</b>			
EU-12	Own funds and eligible liabilities as a percentage of the TREA	29,10	
EU-13	of which permitted guarantees	0,00	
EU-14	Own funds and eligible liabilities as a percentage of the TEM	7,42	
EU-15	of which permitted guarantees	0,00	
EU-16	CET1 (as a percentage of the TREA) available after meeting the entity's requirements	8,10	
EU-17	Institution-specific combined buffer requirement		
<b>Requirements</b>			
EU-18	Requirement expressed as a percentage of the TREA	21,98	
EU-19	of which part of the requirement that may be met with a guarantee	n/a	
EU-20	Requirement expressed as percentage of the TEM	6,00	
EU-21	of which part of the requirement that may be met with a guarantee	n/a	
<b>Memorandum items</b>			
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013		

## EU CC1 - Composition of regulatory own funds

Disclosure according to points (a), (d), (e) and (f) of Article 437 in EU Regulation No 575/2013

SEK m

	(a)	(b)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>		
1	3 129,91	d1
of which: Instrument type 1	3 129,91	d1
of which: Instrument type 2		
of which: Instrument type 3		
2	11 819,51	d5(a)
3	1 592,30	c1*+d3+d4
EU-3a		
4		
Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		
5		
Minority interests (amount allowed in consolidated CET1)		
EU-5a	926,62	d5(b)**
6	17 468,34	d6+c1*
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>		
7	-11,68	
8		
Intangible assets (net of related tax liability) (negative amount)		
9		
Empty set in the EU		
10		
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
11	97,65	d3
12	-116,29	
13		
Negative amounts resulting from the calculation of expected loss amounts		
14		
Any increase in equity that results from securitised assets (negative amount)		
15		
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		
16		
Defined-benefit pension fund assets (negative amount)		
17		
Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)		
18		
Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
19		
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
20		
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
21		
Empty set in the EU		
EU-20a		
Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		
EU-20b		
of which: qualifying holdings outside the financial sector (negative amount)		
EU-20c		
of which: securitisation positions (negative amount)		
EU-20d		
of which: free deliveries (negative amount)		
22		
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
23		
Amount exceeding the 17,65% threshold (negative amount)		
24		
of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		
25		
Empty set in the EU		
EU-25a		
of which: deferred tax assets arising from temporary differences		
EU-25b		
Losses for the current financial year (negative amount)		
26		
Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
27		
Empty set in the EU		
28		
Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
27a	-4,92	
Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)		
28	-35,25	
Total regulatory adjustments to Common Equity Tier 1 (CET1)		
29	17 433,09	
Common Equity Tier 1 (CET1) capital		
<b>Additional Tier 1 (AT1) capital: instruments</b>		
30		
Capital instruments and the related share premium accounts		
31		
of which: classified as equity under applicable accounting standards		
32		
of which: classified as liabilities under applicable accounting standards		
33		
Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR		
EU-33a		
Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
EU-33b		
Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
34		
Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35		
of which: instruments issued by subsidiaries subject to phase out		
36		
Additional Tier 1 (AT1) capital before regulatory adjustments		
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>		
37		
Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		

38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
41	Empty set in the EU		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
42a	Other regulatory adjustments to AT1 capital		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		
44	Additional Tier 1 (AT1) capital		
45	Tier 1 capital (T1 = CET1 + AT1)	17 433,09	
<b>Tier 2 (T2) capital: instruments</b>			
46	Capital instruments and the related share premium accounts	0,00	
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Credit risk adjustments		
51	Tier 2 (T2) capital before regulatory adjustments	0,00	
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
54a	Empty set in the EU		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
56	Empty set in the EU		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
EU-56b	Other regulatory adjustments to T2 capital		
57	Total regulatory adjustments to Tier 2 (T2) capital		
58	Tier 2 (T2) capital	0,00	
59	Total capital (TC = T1 + T2)	17 433,09	
60	Total Risk exposure amount	97 718,71	
<b>Capital ratios and buffers</b>			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	17,84%	
62	Tier 1 (as a percentage of total risk exposure amount)	17,84%	
63	Total capital (as a percentage of total risk exposure amount)	17,84%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	9,97%	
65	of which: capital conservation buffer requirement	2,50%	
66	of which: countercyclical buffer requirement	1,99%	
67	of which: systemic risk buffer requirement		
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0,98%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	8,10	
69	[non relevant in EU regulation]		
70	[non relevant in EU regulation]		
71	[non relevant in EU regulation]		
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)		
74	Empty set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	25,34	a7
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	12,85	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	78,14	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)</b>			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

## EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

Disclosure according to point (a) of Article 437 in EU Regulation No 575/2013

SEK m

		a	c
		Balance sheet as in published financial statements & under regulatory scope of consolidation 2025-12-31	Reference
<b>Assets - Breakdown by asset classes according to the balance sheet in the published financial statements</b>			
1	Loans to credit institutions	3 185	a1
2	Loans to the public	356 814	a2
3	Bonds and other interest-bearing securities	9 300	a3
4	Derivatives	3 117	a4
5	Fair value changes of interest-rate-risk hedged items in the portfolio hedge	86	a5
6	Property and equipment	0	a6
7	Deferred tax assets	25	a7
8	Other assets	97	a8
9	Prepaid expenses and accrued income	48	a9
10	<b>Total assets</b>	<b>372 673</b>	
<b>Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements</b>			
1	Due to credit institutions	95 052	b1
2	Debt securities in issue	254 446	b2
3	Derivatives	3 394	b3
4	Fair value changes of interest-rate-risk hedged items in the portfolio hedge	-707	b4
5	Deferred tax liabilities	-	b5
6	Other liabilities	82	b6
7	Accrued expenses and deferred income	1 957	b7
8	Provisions	1	b8
9	<b>Total liabilities and provisions</b>	<b>354 225</b>	
<b>Untaxed reserves</b>			
1	<b>Untaxed reserves</b>	<b>2 089</b>	c1
<b>Shareholders' Equity</b>			
<b>Restricted reserves</b>			
1	Share capital	3 130	d1
2	Statutory reserve	14	d2
	<b>Total restricted reserve</b>	<b>3 144</b>	
<b>Non-restricted reserve</b>			
3	Fair value reserve - Cashflow hedges	-98	d3
4	Reserves	20	d4
5	Retained earnings	11 820	d5(a)
6	Profit for the period	1 474	d5(b)
	<b>Total non-restricted equity</b>	<b>13 216</b>	
7	<b>Total shareholders' equity</b>	<b>16 360</b>	d6
	<b>Total liabilities, provisions, untaxed reserves and shareholders equity</b>	<b>372 673</b>	

## EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

Disclosure according to points (b) och (c) of Article 437 in EU Regulation No 575/2013

	SEK m Legal basis	Disclosure		
1	Issuer	Länsförsäkringar Hypotek AB (publ)	Länsförsäkringar Hypotek AB (publ)	Länsförsäkringar Hypotek AB (publ)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A
2a	Public or private placement	N/A	Private	Private
3	Governing law(s) of the instrument	Swedish	Swedish	Swedish
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	Yes	Yes
<b>Regulatory treatment</b>				
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	N/A	N/A
5	Post-transitional CRR rules	Common Equity Tier 1	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Share capital following CRR Article 28	Senior non-preferred following CRR Article 72(b)	Senior non-preferred following CRR Article 72(b)
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	SEK 3 130m	SEK 5 000m	SEK 6 000m
9	Nominal amount of instrument	SEK 3 130m	SEK 5 000m	SEK 6 000m
EU-9a	Issue price	N/A	100 per cent of nominal amount	100 per cent of nominal amount
EU-9b	Redemption price	N/A	100 per cent of nominal amount	100 per cent of nominal amount
10	Accounting classification	Shareholders' equity	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	N/A	2024-12-27	2025-09-25
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	No maturity	2027-06-27	2030-09-25
14	Issuer call subject to prior supervisory approval	No	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	2026-06-27 In addition regulatory call/eligible liabilities event redemption. 100 per cent of nominal amount plus accrued interest.	2029-09-25 In addition regulatory call/eligible liabilities event redemption. 100 per cent of nominal amount plus accrued interest.
16	Subsequent call dates, if applicable	N/A	N/A	N/A
<b>Coupons / dividends</b>				
17	Fixed or floating dividend/coupon	N/A	Floating	Floating
18	Coupon rate and any related index	N/A	Stibor 3 months + 1.25 per cent per annum	Stibor 3 months + 1.25 per cent per annum
19	Existence of a dividend stopper	N/A	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	N/A	No	No
22	Noncumulative or cumulative	N/A	Cumulative	Cumulative
23	Convertible or non-convertible	N/A	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	N/A	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	6	6
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior non-preferred debt	Senior unsecured debt	Senior unsecured debt
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A	N/A

## EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

Disclosure according to point (a) of Article 440 in EU Regulation No 575/2013

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk		Securitisati on exposures	Total exposure value	Own fund requirements			Risk- weighted exposure amounts	Own fund requirement s weights (%)	Countercyc lical buffer rate (%)	
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book	Relevant credit risk exposure s - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisati on positions in the non- trading book	Total				
010	Breakdown by country:												
	Sweden	9 932,83	367 357,69			377 290,51	1 121,57			1 121,57	14 019,57	100%	2.00%
020	<b>Total</b>	9 932,83	367 357,69			377 290,51	1 121,57			1 121,57	14 019,57	100%	

## EU CCyB2 - Amount of institution-specific countercyclical capital buffer

Disclosure according to point (b) of Article 440 in EU Regulation No 575/2013

SEK m		a
1	Total risk exposure amount	97 718,71
2	Institution specific countercyclical capital buffer rate	2,00%
3	Institution specific countercyclical capital buffer requirement	1 954,37

## EU LR1 - Summary reconciliation of accounting assets and leverage ratio exposures

Disclosure according to point (b) of Article 451(1) in EU Regulation No 575/2013

SEK m

A

		Applicable amount
1	Total assets as per published financial statements	372 673,40
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-0,78
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of point (i) of Article 429a(1) CRR)	
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustment for eligible cash pooling transactions	
8	Adjustments for derivative financial instruments	2 885,05
9	Adjustment for securities financing transactions (SFTs)	
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	10 483,60
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-2 563,07
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	
12	Other adjustments	-218,29
13	Leverage ratio total exposure measure	383 259,91

## EU LR2 - Leverage ratio common disclosure

Disclosure according to points (a), (b) and (c) of Article 451(1) and Article 451(2) in EU Regulation No 575/2013

SEK m		CRR leverage ratio exposures	
		A	B
		2025-12-31	2025-06-30
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	369 470,53	359 986,28
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	-132,90	-125,66
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	369 337,63	359 860,62
<b>Derivative exposures</b>			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	4 005,77	8 639,30
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	1 995,97	2 021,12
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original exposure method)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	<b>Total derivatives exposures</b>	6 001,75	10 660,43
<b>Securities financing transaction (SFT) exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions		3 197,40
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		0,89
16	Counterparty credit risk exposure for SFT assets		1,20
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	<b>Total securities financing transaction exposures</b>		3 199,49
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposures at gross notional amount	18 652,58	20 885,81
20	(Adjustments for conversion to credit equivalent amounts)	-8 168,98	-8 333,69
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)		
22	<b>Off-balance sheet exposures</b>	10 483,60	12 552,11
<b>Excluded exposures</b>			
EU-22a	EU-22a. (Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	-2 563,07	-3 030,77
EU-22b	EU-22b. (Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))		
EU-22c	EU-22c. (Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	EU-22d. (Excluded exposures of public development banks (or units) - Promotional loans)		
EU-22e	EU-22e. (Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	EU-22f. (Excluded guaranteed parts of exposures arising from export credits)		
EU-22g	EU-22g. (Excluded excess collateral deposited at triparty agents)		
EU-22h	EU-22h. (Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	EU-22i. (Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	EU-22j. (Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k	EU-22k. (Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)		
EU-22l	EU-22l. (Exposures deducted in accordance with point (q) of Article 429a(1) CRR)		
EU-22m	EU-22m. (Total exempted exposures)	-2 563,07	-3 030,77
<b>Capital and total exposure measure</b>			
23	Tier 1 Capital	17 433,09	17 741,32
24	<b>Total exposure measure</b>	383 259,91	383 241,88
<b>Leverage Ratio</b>			
25	Leverage Ratio	4,55%	4,63%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	4,55%	4,63%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	4,55%	4,63%
26	Regulatory minimum leverage ratio requirement (%)	3,00%	3,00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	of which: to be made up of CET1 capital (percentage points)		
27	Required leverage buffer (%)		
EU-27a	Overall leverage ratio requirement (%)	3,00%	3,00%
<b>Choice on transitional arrangements and relevant exposures</b>			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		

Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	449,12	3 318,04
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		3 198,29
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	383 709,03	383 361,64
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	383 709,03	383 361,64
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4,54%	4,63%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4,54%	4,63%

## EU LR3 - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

Disclosure according to point (b) of Article 451(1) in EU Regulation No 575/2013

SEK m

A

		CRR leverage ratio exposures
<b>EU-1</b>	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	<b>366 907,46</b>
EU-2	Trading book exposures	
EU-3	Banking book exposures, of which:	366 907,46
EU-4	Covered bonds	9 300,26
EU-5	Exposures treated as sovereigns	97,41
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	
EU-7	Institutions	17,71
EU-8	Secured by mortgages of immovable properties	353 541,61
EU-9	Retail exposures	2 460,48
EU-10	Corporates	531,82
EU-11	Exposures in default	324,66
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	633,51

## EU LRA - Free format text boxes for disclosure on qualitative items

Disclosure according to points (d) and (e) of Article 451(1) in EU Regulation No 575/2013

### Description of the processes used to manage the risk of excessive leverage

The risk of excessive leverage is managed by an established capital target for the leverage ratio with an adequate margin to the regulatory requirement. The outcome is regularly monitored and analyzed. Furthermore, within the capital planning process the capitalization is forecasted – the risk-based as well as the leverage ratio – where, inter alia, projected volume growth, profitability and risks are considered. An unexpected increase in leverage can, for example, be managed by a shareholder contribution from the parent company. The potential need for capital is part of the capital planning process.

### Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers

The leverage ratio decreased slightly during the period. The leverage exposure amount increased mainly driven by mortgage lending growth. Profits increased the tier 1 capital, although a dividend to the parent company had the opposite effect.

# Credit risk

## EU CRB: Additional disclosure related to the credit quality of assets

Disclosure according to points (a) and (b) of Article 442 in EU Regulation No 575/2013

**The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR.**

Past due is defined on exposure level for accounting purposes and a materiality threshold of 100 SEK is applied to exclude roundoff errors and similar. This differs from days past due used in the definition of default, which is defined on obligor level and where materiality thresholds in Delegated Regulation (EU) 2018/171 are applied.

The definition of credit-impaired is consistent with the Bank Group's regulatory definition of default. A counterparty is considered to be in default if a material payment is more than 90 days past due. A counterparty is also considered to be in default if there are other reasons to expect that the counterparty cannot meet its undertakings. The return to non-defaulted and not credit impaired is subject to a probation period during which no indications of default continues to apply, in accordance with EBA/GL/2016/07.

**The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.**

There are a small amount of agreements which are more than 90 days past due, but not credit-impaired. In those cases, the amount past due is below the threshold or the overdraft is technical (i.e. it was caused by deficiencies in systems outside the control of the customer).

**Description of methods used for determining general and specific credit risk adjustments.**

Assets are divided in three stages; stage 1 contains assets whose credit quality has not decreased significantly since initial recognition, stage 2 contains assets whose credit quality has decreased significantly since initial recognition that is not considered impaired and stage 3 contains credit impaired assets and assets originated credit impaired. Estimating and recognising the loss allowance for stage 1 corresponds to the expected credit losses associated with a default event occurring during the coming 12-months. For stages 2 and 3, estimating and recognizing the loss allowance corresponds to the full lifetime expected credit losses. The estimates of expected credit losses for loans to the public, and issued financial guarantees and loan commitments, are based on existing internal ratings-based models and take into account forward-looking information using at least three different macro scenarios. The estimates of expected credit losses for loans to credit institutions, and debt instruments measured at fair value through other comprehensive income, start from PD based on the external rating and LGD based on the regulatory amounts under the capital adequacy rules, Regulation (EU) No 575/2013 (CRR). For accounts receivable, the Group uses the simplified method, which entails that a loss allowance is always measured at an amount corresponding to the full lifetime of the expected credit losses.

**The institution's own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014.**

N/A, all forborne exposures are considered restructured for the purpose of point (d) of article 178(3).

## EU CR1 - Performing and non-performing exposures and related provisions

Disclosure according to points (c) and (e) of Article 442 in EU Regulation No 575/2013

SEK m	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received			
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures	
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3				
005	<b>Cash balances at central banks and other demand deposits</b>	2 309,95		2 309,95												
010	<b>Loans and advances</b>	357 248,61		353 550,93	3 697,68	500,44	58,55	328,48	-8,00	-3,59	-4,41	-7,34	-0,24	-7,04	353 375,91	472,64
020	<i>Central banks</i>	604,27		604,27												
030	<i>General governments</i>															
040	<i>Credit institutions</i>	270,98		270,98												
050	<i>Other financial corporations</i>															
060	<i>Non-financial corporations</i>	16 453,25		16 145,14	308,11	69,90	7,54	59,88	-1,59	-0,96	-0,64	-2,48	-0,07	-2,41	15 102,70	51,39
070	<i>Of which SMEs</i>	16 373,75		16 065,64	308,11	69,90	7,54	59,88	-1,58	-0,95	-0,64	-2,48	-0,07	-2,41	15 016,21	51,39
080	<i>Households</i>	339 920,10		336 530,53	3 389,57	430,54	51,01	268,59	-6,40	-2,63	-3,77	-4,86	-0,18	-4,62	338 273,21	421,25
090	<b>Debt securities</b>	9 300,44		9 300,44					-0,09	-0,09						
100	<i>Central banks</i>															
110	<i>General governments</i>															
120	<i>Credit institutions</i>	9 300,44		9 300,44					-0,09	-0,09						
130	<i>Other financial corporations</i>															
140	<i>Non-financial corporations</i>															
150	<b>Off-balance-sheet exposures</b>	18 650,38		18 646,87	3,51	2,20			0,22	0,22	0,00	0,04			8 015,41	2,20
160	<i>Central banks</i>															
170	<i>General governments</i>															
180	<i>Credit institutions</i>															
190	<i>Other financial corporations</i>															
200	<i>Non-financial corporations</i>	298,63		298,63					0,04	0,04					19,82	
210	<i>Households</i>	18 351,74		18 348,23	3,51	2,20			0,18	0,18	0,00	0,04			7 995,59	2,20
220	<b>Total</b>	387 509,38		383 808,18	3 701,20	502,64	58,55	328,48	-8,30	-3,90	-4,41	-7,38	-0,24	-7,04	361 391,32	474,84

## EU CR1-A - Maturity of exposures

Disclosure according to point (g) of Article 442 in EU Regulation No 575/2013

SEK m		a	b	Net exposure value			f
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	3 185,06	25 319,34	25 189,01	324 949,72	8,50	378 651,62
2	Debt securities		3 840,35	5 460,00			9 300,35
3	<b>Total</b>	3 185,06	29 159,69	30 649,01	324 949,72	8,50	387 951,97

## EU CR2 - Template EU CR2: Changes in the stock of non-performing loans and advances

Disclosure according to point (f) of Article 442 in EU Regulation No 575/2013

SEK m		a
		Gross carrying amount
010	<b>Initial stock of non-performing loans and advances</b>	650,24
020	Inflows to non-performing portfolios	228,39
030	Outflows from non-performing portfolios	-378,20
040	Outflows due to write-offs	-10,75
050	Outflow due to other situations	-367,45
<b>060</b>	<b>Final stock of non-performing loans and advances</b>	<b>500,44</b>

## EU CQ1 - Credit quality of forborne exposures

Disclosure according to point (c) of Article 442 in EU Regulation No 575/2013

SEK m	a	b	c	d	e	f	g	h	
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures		
	Performing forborne	Non-performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
005	<b>Cash balances at central banks and other demand deposits</b>								
010	<b>Loans and advances</b>	2 021,24	52,02	46,73	49,60	-0,10	-1,34	2 062,42	50,69
020	<i>Central banks</i>								
030	<i>General governments</i>								
040	<i>Credit institutions</i>								
050	<i>Other financial corporations</i>								
060	<i>Non-financial corporations</i>	28,79	25,82	25,82	25,82	-0,03	-1,00	52,81	24,82
070	<i>Households</i>	1 992,45	26,20	20,91	23,78	-0,07	-0,34	2 009,62	25,87
080	<b>Debt Securities</b>								
090	<b>Loan commitments given</b>								
100	<b>Total</b>	2 021,24	52,02	46,73	49,60	-0,10	-1,34	2 062,42	50,69

## EU CQ3: Credit quality of performing and non-performing exposures by past due days

Disclosure according to point (d) of Article 442 in EU Regulation No 575/2013

SEK m		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
005	<b>Cash balances at central banks and other demand deposits</b>	2 309,95	2 309,95										
010	<b>Loans and advances</b>	357 248,61	357 089,53	159,08	500,44	339,83	28,69	43,55	60,70	26,99	0,67		331,75
020	<i>Central banks</i>	604,27	604,27										
030	<i>General governments</i>												
040	<i>Credit institutions</i>	270,98	270,98										
050	<i>Other financial corporations</i>												
060	<i>Non-financial corporations</i>	16 453,25	16 452,55	0,71	69,90	51,33	0,49		4,60	13,49			59,88
070	<i>Of which SMEs</i>	16 373,75	16 373,04	0,71	69,90	51,33	0,49		4,60	13,49			59,88
080	<i>Households</i>	339 920,10	339 761,73	158,38	430,54	288,51	28,20	43,55	56,10	13,50	0,67		271,86
090	<b>Debt securities</b>	9 300,44	9 300,44										
100	<i>Central banks</i>												
110	<i>General governments</i>												
120	<i>Credit institutions</i>	9 300,44	9 300,44										
130	<i>Other financial corporations</i>												
140	<i>Non-financial corporations</i>												
150	<b>Off-balance-sheet exposures</b>	18 650,38			2,20								2,20
160	<i>Central banks</i>												
170	<i>General governments</i>												
180	<i>Credit institutions</i>												
190	<i>Other financial corporations</i>												
200	<i>Non-financial corporations</i>	298,63											
210	<i>Households</i>	18 351,74			2,20								2,20
220	<b>Total</b>	387 509,38	368 699,92	159,08	502,64	339,83	28,69	43,55	60,70	26,99	0,67		333,95

## EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

Disclosure according to points (c) and (e) of Article 442 in EU Regulation No 575/2013

SEK m		a	b	c	d	e	f
		Gross carrying amount			Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which defaulted			
010	Agriculture, forestry and fishing	58,43			58,43	-0,00	
020	Mining and quarrying	9,91			9,91	-0,01	
030	Manufacturing	224,57	5,06	5,06	224,57	-0,15	
040	Electricity, gas, steam and air conditioning supply	5,92			5,92	-0,00	
050	Water supply	8,98			8,98	-0,00	
060	Construction	538,51			538,51	-0,05	
070	Wholesale and retail trade	359,51	2,04	2,04	359,51	-0,16	
080	Transport and storage	36,76			36,76	-0,00	
090	Accommodation and food service activities	138,82			138,82	-0,05	
100	Information and communication	53,27			53,27	-0,01	
110	Real estate activities	65,91			65,91	-0,01	
120	Financial and insurance activities	65,91			65,91	-,01	
130	Professional, scientific and technical activities	14 668,77	62,31	52,29	14 668,77	-3,60	
140	Administrative and support service activities	77,08			77,08	-0,01	
150	Public administration and defense, compulsory social security						
160	Education	26,26			26,26	-0,00	
170	Human health services and social work activities	21,59			21,59	-0,00	
180	Arts, entertainment and recreation	6,81	0,49	0,49	6,81	-0,01	
190	Other services	53,68			53,68	-0,01	
200	<b>Total</b>	16 523,15	69,90	59,88	16 523,15	-4,08	

## EU CQ7 - Collateral obtained by taking possession and execution processes

Disclosure according to point (c) of Article 442 in EU Regulation No 575/2013

SEK m		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	<b>Property, plant and equipment (PP&amp;E)</b>		
020	<b>Other than PP&amp;E</b>		
030	<i>Residential immovable property</i>		
040	<i>Commercial Immovable property</i>		
050	<i>Movable property (auto, shipping, etc.)</i>		
060	<i>Equity and debt instruments</i>		
070	<i>Other collateral</i>		
080	<b>Total</b>		

## EU CRC – Qualitative disclosure requirements related to CRM techniques

Disclosure according to points (a) to (e) of Article 453 in EU Regulation No 575/2013

### Article 453 (a) CRR

**A description of the core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting;**

A financial asset and a financial liability are offset and recognised as a net amount in the balance sheet only when a legal right exists to offset the amounts and the intention is present to settle the item in a net amount or simultaneously realise the asset and settle the liability. The Bank Group applies balance sheet netting for derivatives. No netting is applied for off balance sheet items.

### Article 453 (b) CRR

**The core features of policies and processes for eligible collateral evaluation and management;**

Länsförsäkringar Bank has a comprehensive framework for valuation. Relevant valuation method and process depends on the type, location and the size of the exposure secured by the collateral. For specific collateral, tenant-owned apartments and small houses in homogenous areas, statistical methods can be used under certain circumstances. In most other cases a manual valuation conducted by a valuer is used.

### Article 453 (c) CRR

**A description of the main types of collateral taken by the institution to mitigate credit risk;**

Länsförsäkringar Banks (and Länsförsäkringar Hypoteks) collateral consists mainly of real estate properties. The largest part are private homes (small houses and tenant-owned apartments) but there are also apartment buildings, commercial real estates and industrial real estates.

### Article 453 (d) CRR

**For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures;**

Länsförsäkringar Bank uses municipal guarantees for certain commercial credit exposures, but does not use private guarantees. Derivatives as credit protection are not used.

### Article 453 (e) CRR

**Information about market or credit risk concentrations within the credit mitigation taken;**

Länsförsäkringar Bank uses credit mitigation such as derivatives to hedge market risk. Credit risk concentrations are very low since the business strategy does not target large customers or highly concentrated businesses.

## EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

Disclosure according to point (f) of Article 453 in EU Regulation No 575/2013

SEK m		Unsecured carrying amount	Secured carrying amount	Of which secured by		Of which secured by credit derivatives
				collateral	financial guarantees	
		a	b	c	d	e
1	Loans and advances	6 195,10	353 848,56	353 848,56		
2	Debt securities	9 300,35				
3	Total	15 495,46	353 848,56	353 848,56		
4	<i>Of which non-performing exposures</i>	20,45	472,64	472,64		
5	<i>Of which defaulted</i>	13,56	306,02			

## EU CR4 - Standardised approach - Credit risk exposure and CRM effects, excluding counterparty credit exposures

Disclosure according to points (g), (h) and (i) of Article 453 and of point (e) of Article 444 in EU Regulation No 575/2013

SEK m	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	97,41		97,41			
2	Non-central government public sector entities						
EU 2a	Regional governments or local authorities						
EU 2b	Public sector entities						
3	Multilateral development banks						
EU 3a	International organisations						
4	Institutions	2 580,78		2 580,78		3,54	0,14%
5	Covered bonds	9 300,26		9 300,26		930,03	10.00%
6	Corporates						
6.1	Of which: Specialised Lending						
7	Subordinated debt exposures and equity						
EU 7a	Subordinated debt exposures						
EU 7b	Equity						
8	Retail						
9	Secured by mortgages on immovable property and ADC exposures						
9.1	Secured by mortgages on residential immovable property - non IPRE						
9.2	Secured by mortgages on residential immovable property - IPRE						
9.3	Secured by mortgages on commercial immovable property - non IPRE						
9.4	Secured by mortgages on commercial immovable property - IPRE						
9.5	Acquisition, Development and Construction ADC						
10	Exposures in default						
EU 10a	Claims on institutions and corporates with a short-term credit assessment						
EU 10b	Collective investment undertakings CIU						
EU 10c	Other items	633,47		633,47		67,20	10,61%
11	not applicable						
12	TOTAL	12 611,92		12 611,92		1 000,77	7,94%

## EU CR7 - IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques, excluding counterparty credit exposures

Disclosure according to point (j) of Article 453 in EU Regulation No 575/2013

		Pre-credit derivatives risk weighted exposure amount	Actual risk weighted exposure amount
		a	b
1	Central governments and central banks - F-IRB		
EU 1a	Regional governments and local authorities -F-IRB		
EU 1b	Public sector entities - F-IRB		
2	Central governments and central banks - A-IRB		
EU 2a	Regional governments and local authorities A-IRB		
EU 2b	Public sector entities A-IRB		
3	Institutions - F-IRB		
4	not applicable		
5	Corporates – F-IRB	4083,42	4083,42
EU 5a	Corporates - General	4083,42	4083,42
EU 5b	Corporates - Specialised lending		
EU 5c	Corporates - Purchased receivables		
6	Corporate – A-IRB		
EU 6a	Corporates - General		
EU 6b	Corporates - Specialised lending		
EU 6c	Corporates - Purchased Receivables		
7	not applicable		
8	not applicable		
EU 8a	Retail - A-IRB	8939,83	8939,83
9	Retail – Qualifying revolving QRRE		
10	Retail – Secured by residential immovable property	8716,00	8716,00
EU 10a	Retail – Purchased receivables		
EU 10b	Retail- Other retail exposures	223,82	223,82
11	not applicable		
12	not applicable		
13	not applicable		
14	not applicable		
15	not applicable		
16	not applicable		
17	Exposures under F-IRB	4083,42	4083,42
18	Exposures under A-IRB	8939,83	8939,83
19	Total Exposures	13 023 ,25	13 023 ,25

## EU CR7-A - IRB approach – Disclosure of the extent of the use of CRM techniques

Disclosure according to point (g) of Article 453 in EU Regulation No 575/2013

### A-IRB

SEK m

Total exposures		Credit risk Mitigation techniques										Credit risk Mitigation methods in the calculation of RWEAs		
		Funded credit Protection (FCP)								Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)	
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)			Part of exposures covered by Credit Derivatives (%)
a	b	c	d	e	f	g	h	i	j	k	l	m	n	
1	Central governments and central banks													
2	Regional governments and local authorities													
3	Public sector entities													
5	Corporates													
5.1	Corporates – General													
5.2	Corporates – Specialised lending													
5.3	Corporates - Purchased Receivables													
6	Retail	348 055,72	99,16%	99,16%										8 939,83
6.1	Retail – Qualifying revolving													
6.2	Retail – secured by residential immovable property	345 228,45	99,98%	99,98%										8 716,00
6.3	Retail - Purchased Receivables													
6.4	Retail - Other retail exposures	2 827,27												223,82
7	Total	348 055,72	99,16%	99,16%										8 939,83

F-IRB

SEK m

Credit risk Mitigation techniques

Credit risk Mitigation methods in the calculation of RWEAs

	Total exposures	Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks													
2	Regional governments and local authorities													
3	Public sector entities													
4	Institutions													
5	Corporates	19 301,97	95,72%	95,72%										4 083,42
5.1	Corporates – General	19 301,97	95,72%	95,72%										4 083,42
5.2	Corporates – Specialised lending													
5.3	Corporates - Purchased Receivables													
6	Total	19 301,97	95,72%	95,72%										4 083,42

## EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach

Disclosure according to point (h) of Article 438 in EU Regulation No 575/2013

SEK m

Risk weighted exposure  
amount

		a
<b>1</b>	<b>Risk weighted exposure amount as at the end of the previous reporting period</b>	13 048,21
2	Asset size (+/-)	186,67
3	Asset quality (+/-)	-211,63
4	Model updates (+/-)	
5	Methodology and policy (+/-)	
6	Acquisitions and disposals (+/-)	
7	Foreign exchange movements (+/-)	
8	Other (+/-)	
<b>9</b>	<b>Risk weighted exposure amount as at the end of the reporting period</b>	13 023,25

# Liquidity risk

## EU LIQA - Liquidity risk management

Disclosure according to Article 435(1) and 451a(4) in EU Regulation No 575/2013

Note: Länsförsäkringar Hypotek is a liquidity subgroup and has a waiver from the SFSA according to Article 8 (EU) 575/2013. It is therefore to be exempted from the minimum liquidity requirements on Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as liquidity risk is managed in Länsförsäkringar Bank AB (LFAB). Hence, EU LIQA is excluded.

## **EU LIQB - On qualitative information on LCR, which complements template EU LIQ1**

Disclosure according to Article 451a(2) in EU Regulation No 575/2013

Note: Länsförsäkringar Hypotek is a liquidity subgroup and has a waiver from the SFSA according to Article 8 (EU) 575/2013. It is therefore to be exempted from the minimum liquidity requirements on Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as liquidity risk is managed in Länsförsäkringar Bank AB (LFAB). Hence, EU LIQA is excluded.

## **EU LIQ1 - Quantitative information of LCR**

Disclosure according to Article 451a(2) in EU Regulation No 575/2013

Note: Länsförsäkringar Hypotek is a liquidity subgroup and has a waiver from the SFSA according to Article 8 (EU) 575/2013. It is therefore to be exempted from the minimum liquidity requirements on Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as liquidity risk is managed in Länsförsäkringar Bank AB (LFAB). Hence, EU LIQA is excluded.

## **EU LIQ2 - Net Stable Funding Ratio**

Disclosure according to Article 451a(3) in EU Regulation No 575/2013

Note: Länsförsäkringar Hypotek is a liquidity subgroup and has a waiver from the SFSA according to Article 8 (EU) 575/2013. It is therefore to be exempted from the minimum liquidity requirements on Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) as liquidity risk is managed in Länsförsäkringar Bank AB (LFAB). Hence, EU LIQA is excluded.

# ESG Risk

**Table 1 - Qualitative information on Environmental risk**

Disclosure according to Article 449a CRR

## Business strategy and processes

**Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning**

The management body has implemented the business strategy to integrate environmental factors and risks via the approval of business plans and through internal policies such as policy for sustainability, risk policy, finance policy and credit policy.

**Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes**

Länsförsäkringar Hypotek is committed to reaching net zero emissions by 2045, the target (short, medium and long term) is integrated into business strategy. LF Hypotek aligns with industry frameworks, including the Swedish Bankers' Association's climate roadmap, and has adopted global sustainability principles, incorporating environmental considerations into its operations and risk management.

Environmental risk limits are included in the credit policy, risk appetite and risk indicators are developed to address short-term risks. Forward-looking elements, such as stress tests, are integrated into strategic planning and processes to ensure resilience and alignment with long-term sustainability objectives.

**Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities**

Investment activities are limited to investments in the liquidity portfolio which primarily includes government, supranational and agency bonds and covered bonds. Targets has been set for a defined share of the liquidity portfolio to be invested in green bonds. A significant negative change in the environmental risk profile of an issuer will result in a review of the investment limits.

**Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks**

The credit portfolio is to be analysed based on carbon intensity focusing on the volumes in which the banking business has the largest negative and positive impact and, based on this, actively work to reduce carbon emissions. The credit policy and credit instructions comprise the basis for lending operations. By offering green mortgages, energy efficiency loans and transition finance for companies, the goal is to support the transition to a more sustainable society, provide customers with an incentive to make sustainable choices and contribute to the climate target.

Sustainability-related risk considerations are integrated into the credit dialogue through assessments of customers' exposure and vulnerability to material environmental risks. Where relevant, customers are required to demonstrate credible measures to mitigate these risks and support their transition, enabling informed credit decisions and risk mitigation over time.

## Governance

**Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels**

The management body sets the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management through internal policies e.g. Risk policy, Credit policy, Sustainability policy.

**Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions**

Responsibilities between business lines and internal control functions are governed by the management body through internal governance policies, sustainability policy and guidelines. An operational governance model to manage environmental factors and risks has also been implemented.

**Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the LF Hypotek**

**allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels**

The management of environmental factors and risks follows the same approach, format and steering as for other risk types within the bank.

**Lines of reporting and frequency of reporting relating to environmental risk**

The lines of reporting for environmental risk follow the same reporting structure as for other risk types. The reporting of substantial environmental factors and risks is conducted on ad hoc basis to risk committee and management body in the form of drivers of financial risks e.g. acute climate risks such as draught, flooding and storms. A sustainability report is reported on a quarterly basis to business management.

**Alignment of the remuneration policy with institution's environmental risk-related objectives**

Remuneration policy includes a requirement to consider sustainability related risks in the design of conditions for compensation.

**Risk management**

**Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework**

Environmental factors and risks are integrated in the risk framework in internal policies and reporting, credit approval process, procurement process and new product approval process. Main focus is on short and medium term effects and the improvement of tools and models for identifying and measuring environmental factors and risks.

**Definitions, methodologies and international standards on which the environmental risk management framework is based**

The environmental risk management framework aligns with key international standards, including TCFD, PCAF, PRB, PRI, and are adapting to the mandatory reporting standard ESRS. These frameworks guide the bank in assessing and disclosing climate-related risks, measuring carbon footprints, and integrating sustainability into business strategies and investment processes. Additionally, the bank follows the BIS Principles for the effective management of climate-related financial risks and EBA's ESG risk management guidelines.

**Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels**

Material climate-related risks are identified through the double materiality assessment in accordance with CSRD/ESRS. Based on the identified material risks, an in-depth portfolio analyses have been performed to assess exposures and relevant transmission channels. A prudential transition plan has been established that sets out how material sustainability-related risks are to be managed, monitored and mitigated over time.

**Activities, commitments and exposures contributing to mitigate environmental risks**

The overall commitment is to reach net zero emissions by 2045. Within the credit approval process, sector-based exclusions are applied, including exclusion of lending to corporates engaged in the extraction or sale of fossil fuels. Environmental and climate-related risks are assessed as part of the credit risk evaluation, including the borrower's transition readiness where relevant.

LF Hypotek actively supports the green transition through dedicated green financing products, such as green mortgages, transition loans and energy loans, aimed at improving energy efficiency and reducing emissions.

Environmental risks are also monitored at portfolio level through sustainability indicators and emissions data (Scope 1, 2 and relevant Scope 3), which are used to inform target-setting, risk assessment and the ongoing transition planning.

**Implementation of tools for identification, measurement and management of environmental risks**

A sustainability scorecard is applied in the credit process for selected lending categories for the identification, measurement and management of environmental and climate-related risks. Since 2023, the methodology from Partnership for Carbon Accounting Financials (PCAF) has been used for financed emissions calculations. Climate stress tests on residential real estate are

conducted using geographical risk analysis tools, and energy performance certificates are applied in the credit approval process for green mortgages. Key risk indicators for environmental risks are established and reported to the management body.

**Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile**

Based on the results of the Bank's double materiality assessment and in-depth portfolio analysis, physical climate risk is assessed to be material in the long term for lending to forestry, agriculture and real estate, primarily driven by risks related to flooding and drought.

A climate stress test has been conducted for the residential real estate portfolio and concluded that exposures in high risk areas for rising sea levels and flooding, which are considered most severe climate related changes, are limited. The impact is low because of the diversified lending portfolio. Effects on capital are minor and covered by the Swedish risk weight floor for mortgages.

**Data availability, quality and accuracy, and efforts to improve these aspects**

Data availability for environmental factors and risk are limited and challenging. It is an ongoing process to improve quality and accuracy of environmental related data. As part of these efforts, LF Hypotek participates in a research project led by

Research Institutes of Sweden (RISE), together with other banks and insurance companies, which aims to develop a standardized approach for assessing physical climate risk for single-family houses in Sweden.

**Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits**

Risk indicators for environmental risks have been established and trigger escalation in the case of breach. In addition, certain industries are entirely excluded from credit granting (e.g. fossil fuel).

**Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework**

The majority of environmental risks are linked to credit risk and the bank primarily manage environmental factors and risks as drivers of financial risks in terms of credit losses due to decreasing property values and increased operating costs.

## Table 2 - Qualitative information on Social risk

Disclosure according to Article 449a CRR

### Business strategy and processes

#### Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning

Social factors and risks are integrated into the business strategy and processes through group-wide governance frameworks and due diligence practices within the Länsförsäkringar AB Group. The Group applies a due diligence process to identify and address risks related to human rights, labour conditions, bribery and corruption across its operations and value chain. International standards for responsible business conduct are embedded through Codes of Conduct for employees, suppliers and business partners, as well as governing documents for investments, credit granting, procurement and business collaborations.

#### Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes

Limits regarding social risks have been implemented in the credit policy. The industry, operations and forms of employment are analysed for lending to businesses so as to assess risks associated with human rights, discrimination, labour, child labour, forced labour, corruption or other criminal activities. For lending to businesses, assessments are conducted covering industry exposure, business operations and forms of employment in order to identify and address risks related to human rights, discrimination, labour conditions, child labour, forced labour, corruption and other criminal activities. No loans are granted to business that the bank believes has the risk of the borrower being unable to comply with laws and regulations in these areas. Lending is not granted where it is assessed that the borrower is unable to comply with applicable laws and regulations in these areas.

#### Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities

Credit policy restricts lending to corporate customers operating in industries deemed inappropriate from a sustainability perspective and requires sustainability assessments for certain corporate borrowers, including assessments of risks related to human rights, discrimination, corruption and other socially harmful activities. Lending is not granted where such risks are assessed to be material and unmitigated.

Separately, policies and procedures for engagement with suppliers and business partners are implemented at group level within the Länsförsäkringar AB Group and are based on a due diligence approach. These include screening, sanction checks, risk assessments covering labour, human rights and corruption risks, and follow-up through dialogue, enhanced due diligence or exclusion where risks cannot be adequately mitigated.

### Governance

#### Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:

- i. Activities towards the community and society
- ii. Employee relationships and labour standards
- iii. Customer protection and product responsibility
- iv. Human rights

The management body sets the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management through internal policies e.g. Credit policy, Procurement policy, Code of conduct and Credit instruction for financial counterparties. This framework covers financial counterparties, suppliers and corporates.

#### Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body

The management of social factors and risks follows the same approach, format and steering as for other risk types.

#### Lines of reporting and frequency of reporting relating to social risk

Social risks are reported through mandatory reporting frameworks, including CSRD and the EU Taxonomy, as well as through voluntary commitments such as the Principles for Responsible Banking. Relevant social risk information is reported on an annual basis through these reporting channels.

#### Alignment of the remuneration policy in line with institution's social risk-related objectives

Remuneration policy includes a requirement to consider sustainability related risks in the design of conditions for compensation.

### Risk management

#### Definitions, methodologies and international standards on which the social risk management framework is based

One of the main focuses for the bank associated with social risk is to prevent over-indebtedness. The credit approval process and thus a major part of the social risk management framework is based on definitions and methodologies from EBA guidelines on loan origination and monitoring.

The social risk management framework is aligned with group-level commitments within the Länsförsäkringar AB Group to internationally recognised standards for responsible business conduct, including the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the ILO core labour standards and the OECD Guidelines for Multinational Enterprises.

#### Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels

Identification and measurement of social risks is managed in the credit approval process. One of the main focuses for the institute associated with social risk is to prevent over-indebtedness, especially with regard to retail customers. A baseline requirement in the credit process is a sound credit assessment, where the primary source of repayment is based on the client's income, disregarding any collateral.

In addition, certain industries are entirely excluded from credit granting (e.g. tobacco production, gambling and the weapon industry). The credit process for corporates also includes a client specific analysis of the industry, operations and employment conditions to assess social risks. LF Hypotek does not offer credits if the client does not comply with regulations on human rights, discrimination, child labor, forced labor, corruption or is associated with any other criminal activity.

Social risks are monitored by industry concentration on portfolio level as well as in annual credit reviews for corporate clients.

#### Activities, commitments and assets contributing to mitigate social risk

Products and services mitigate social risks by promoting responsible financial behaviour and long-term financial resilience.

#### Implementation of tools for identification and management of social risk

Implementation of a sustainability scorecard in the client onboarding process to support the identification and management of social risks. In addition, key risk indicators, including staff turnover, sick leave and gender distribution in management, are used to monitor and manage social risks on an ongoing basis.

#### Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits

Current activities within the credit approval process includes exclusion of lending to corporates in non ethical businesses e.g. tobacco production, gambling and the weapon industry.

Breach of key risk indicators for social risks will trigger actions and escalation to management.

#### Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

In the short term social risk occur in terms of reputational risk. In the medium to long term social risks also occur in terms of credit risk through credit losses due to reduced earnings.

### Table 3 - Qualitative information on Governance risk

Disclosure according to Article 449a CRR

#### Governance

**Institution's integration in their governance arrangements governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics**

The management body sets the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of governance arrangements through internal policies e.g. Credit policy, Procurement policy, Sustainability Policy and Credit instruction for financial counterparties.

**Institution's accounting of the counterparty's highest governance body's role in non-financial reporting**

LF Hypotek is a retail bank with very limited exposure to large counterparties. Non financial ESG-reporting is not applicable for these counterparties.

**Institution's integration in governance arrangements of the governance performance of their counterparties including:**

- **Ethical considerations**
- **Strategy and risk management**
- **Inclusiveness**
- **Transparency**
- **Management of conflict of interest**
- **Internal communication on critical concerns**

LF Hypotek has a code of conduct for suppliers and credit policy covering governance performance of the counterparties.

The credit policy clarifies that lending for corporate loans is not to be offered to businesses in specific industries that are deemed inappropriate from a sustainability perspective. Sustainability analyses are carried out for lending to corporate customers of a certain size regarding their commitments with the Bank Group. The analysis aims at identifying sustainability risks, both physical and transition risks. The credit policy also states that risks of the operations of corporate customers not meeting requirements for human rights, discrimination, corruption, ethical treatment of animals etc. are to be assessed since such operations are not to be financed.

#### Risk management

**Institution's integration in risk management arrangements the governance performance of their counterparties considering:**

- **Ethical considerations**
- **Strategy and risk management**
- **Inclusiveness**
- **Transparency**
- **Management of conflict of interest**
- **Internal communication on critical concerns**

LF Hypotek has a code of conduct for suppliers and business partners and credit policy covering governance performance of the counterparties.

## Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity - with accompanying comments underneath

Disclosure according to Article 449a of EU Regulation No 575/2013

Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount (SEK m)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (SEK m)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column l): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity	
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions									
1 Exposures towards sectors that highly contribute to climate change*	16 050,19		0,00	307,90	69,41	-4,01	-0,69	-2,47	6 764	1		2 920,27	12 526,96	15,41	587,55	8
2 A - Agriculture, forestry and fishing	58,43				0,00	-0,0			36			9,55	45,87	1,43	1,58	8
3 B - Mining and quarrying	9,91		0,00	4,17		-0,01	-0,01		8			1,70	8,21			7
4 B.05 - Mining of coal and lignite																0
5 B.06 - Extraction of crude petroleum and natural gas																0
6 B.07 - Mining of metal ores																0
7 B.08 - Other mining and quarrying	9,91		0,00	4,17		-0,01	-0,01		8			1,70	8,21			7
8 B.09 - Mining support service activities																0
9 C - Manufacturing	224,57			7,11	5,06	-0,15	-0,01	-0,12	122			42,06	174,06		8,46	8
10 C.10 - Manufacture of food products	19,19					0,00			19			3,68	15,51			8
11 C.11 - Manufacture of beverages	16,25					0,00			4				14,40		1,85	12
12 C.12 - Manufacture of tobacco products																0
13 C.13 - Manufacture of textiles	0,51					0,00			1				0,51			5
14 C.14 - Manufacture of wearing apparel																0
15 C.15 - Manufacture of leather and related products																0
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	6,09					0,00			4				6,09			9
17 C.17 - Manufacture of pulp, paper and paperboard																0
18 C.18 - Printing and service activities related to printing	0,79					0,00			2				0,72		0,07	9
19 C.19 - Manufacture of coke oven products																0
20 C.20 - Production of chemicals	0,80			0,80		0,00	0,00		1						0,80	30
21 C.21 - Manufacture of pharmaceutical preparations																0
22 C.22 - Manufacture of rubber products	13,21					0,00			4			0,30	11,74		1,17	10
23 C.23 - Manufacture of other non-metallic mineral products	9,11					0,00			8			0,98	8,13			7



Template 1 include information on those assets more exposed to the risks Länsförsäkringar Hypotek may face from transitioning to a low-carbon and climate-resilient economy. These exposures are not expected to have any significant implications in terms of credit, market, operational, reputational and liquidity risks for Länsförsäkringar Hypotek.

Companies excluded from EU Paris-aligned benchmarks (PAB) (column b):

To identify counterparties that are excluded from the EU PAB, Länsförsäkringar Hypotek has conducted an internal screening against the exclusion-criteria for exposures within sector codes covering oil and gas, tobacco, mining of coal, and power generation.

Proportion classified as environmentally sustainable towards CCM (column c):

The data on proportion classified as environmentally sustainable towards CCM is based on information in Taxonomy template 1 Turnover.

GHG financed emissions (columns i-k):

Calculations of financed emissions are performed using the standards set by the Partnership for Carbon Accounting Financials (PCAF).

For exposures secured by real estate, Länsförsäkringar Hypotek is disclosing building emissions estimated using the calculation methods described in the PCAF Commercial Real Estate and PCAF Mortgage asset classes. Where information from energy labels is available, building emissions are estimated based on floor area. Energy labels are collected from the Swedish National Board of Housing, Building and Planning (Boverket). If energy label information is not available, building emissions are estimated based on the numbers of buildings.

For exposures related to the financing of motor vehicles, Länsförsäkringar Hypotek is disclosing estimated vehicle emissions using the PCAF Motor Vehicle loans asset class method. Vehicle-specific emissions are estimated when driving cycle standard data is available, retrieved from Vroom (provider of information in the Swedish automotive market), else estimations are done using vehicle-unspecific emissions.

For corporate exposures not included in the above mentioned methods, Länsförsäkringar Hypotek is disclosing economic activity-based emissions using the PCAF Business Loans asset class method. Economic activity indicators have been collected from UC (Sweden's leading business and credit reference agency).

Exposures allocated to maturity buckets (column l-p):

To allocate the data in the correct maturity bucket, contractual maturity was used. Where the amount is not repaid in installments and has no contractual end date, the maturity is set to 30 years, in line with expected behavioral maturity. This applies to a low number of loans

## Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral - with accompanying comments underneath

Disclosure according to Article 449a of EU Regulation No 575/2013

Counterparty sector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Total gross carrying amount amount (in SEK m)															
	Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral		
	0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	
1 <b>Total EU area</b>	354 479,07	152 231,08	181 667,95	18 816,16	1 559,71	180,84	23,33	1 500,47	12 617,32	22 144,67	29 226,53	25 042,92	11 170,97	4 983,20	247 792,98	100,00%
2 Of which Loans collateralised by commercial immovable property	9 512,44	4 869,14	4 148,93	434,42	55,63	4,26	0,04	3,65	310,57	138,76	294,95	191,95	151,86	33,89	8 386,83	100,00%
3 Of which Loans collateralised by residential immovable property	344 966,63	147 361,94	177 519,02	18 381,73	1 504,07	176,57	23,29	1 496,82	12 306,75	22 005,92	28 931,59	24 850,97	11 019,11	4 949,31	239 406,15	100,00%
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties																
5 Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	247 792,98	97 685,04	134 234,04	14 591,67	1 164,62	94,39	23,22								247 792,98	100,00%
6 <b>Total non-EU area</b>																
7 Of which Loans collateralised by commercial immovable property																
8 Of which Loans collateralised by residential immovable property																
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties																
10 Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated																

### Comments

The data on EPC labels and EP scores for this template are retrieved from the Swedish National Board of Housing, Building and Planning (Boverket). Where buildings do not have an EP score from Boverket, estimations have been made based on year of construction and type of building using data from Boverket and the Swedish Energy Agency (Energimyndigheten).

### Template 3: Banking book - Climate change transition risk: Alignment metrics - with accompanying comments underneath

Disclosure according to Article 449a of EU Regulation No 575/2013

a	b	c	d	e	f	g
Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (SEK m)	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
1 Automotive		4,84				
2 Aviation		9,32				
3 Cement, clinker and lime production		11,55				
4 Chemicals		0,80				
5 Fossil fuel combustion		11,75				
6 Iron and steel, coke, and metal ore production		83,78				
7 Maritime transport		6,83				
8 Power		20,70				

\*\*\* PiT distance to 2030 NZE2050 scenario in % (for each metric)

#### Comments

Länsförsäkringar Hypotek does not have any exposure to the mandatory sectors deemed material, hence no metrics are disclosed for these sectors. The previously reported portfolio alignment metric is no longer considered material. Länsförsäkringar Hypotek intend to evaluate the possibilities to disclose an alignment metric for other non-financial corporate sectors that can be defined, based on materiality and on applicable emission-reduction pathways applied by the institution.

\* List of NACE sectors to be considered

IEA sector	Column b - NACE Sectors (a minima) - Sectors required		**Examples of metrics - non-exhaustive list. Institutions shall apply metrics defined by the IEA scenario
Sector in the template	sector	code	
Maritime transport	shipping	301	Average tonnes of CO2 per passenger-km and Average gCO <sub>2</sub> /MJ and Average share of high carbon technologies (ICE).
Maritime transport	shipping	3011	
Maritime transport	shipping	3012	
Maritime transport	shipping	3315	
Maritime transport	shipping	50	
Maritime transport	shipping	501	
Maritime transport	shipping	5010	
Maritime transport	shipping	502	
Maritime transport	shipping	5020	
Maritime transport	shipping	5222	
Maritime transport	shipping	5224	
Maritime transport	shipping	5229	
Power	power	27	
Power	power	2712	
Power	power	3314	
Power	power	35	
Power	power	351	
Power	power	3511	
Power	power	3512	
Power	power	3513	
Power	power	3514	
Power	power	4321	
Fossil fuel combustion	oil and gas	91	Average tons pf CO2 per GJ. and Average share of high carbon technologies (ICE).
Fossil fuel combustion	oil and gas	910	
Fossil fuel combustion	oil and gas	192	
Fossil fuel combustion	oil and gas	1920	
Fossil fuel combustion	oil and gas	2014	

<i>Fossil fuel combustion</i>	<i>oil and gas</i>	352	
<i>Fossil fuel combustion</i>	<i>oil and gas</i>	3521	
<i>Fossil fuel combustion</i>	<i>oil and gas</i>	3522	
<i>Fossil fuel combustion</i>	<i>oil and gas</i>	3523	
<i>Fossil fuel combustion</i>	<i>oil and gas</i>	4612	
<i>Fossil fuel combustion</i>	<i>oil and gas</i>	4671	
<i>Fossil fuel combustion</i>	<i>oil and gas</i>	6	
<i>Fossil fuel combustion</i>	<i>oil and gas</i>	61	
<i>Fossil fuel combustion</i>	<i>oil and gas</i>	610	
<i>Fossil fuel combustion</i>	<i>oil and gas</i>	62	
<i>Fossil fuel combustion</i>	<i>oil and gas</i>	620	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	24	Average tonnes of CO2 per tonne of output and Average share of high carbon technologies (ICE).
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	241	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	2410	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	242	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	2420	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	2434	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	244	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	2442	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	2444	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	2445	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	245	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	2451	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	2452	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	25	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	251	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	2511	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	4672	
<i>Iron and steel, coke, and metal ore production</i>	<i>coal</i>	5	
<i>Iron and steel, coke, and metal ore production</i>	<i>coal</i>	51	
<i>Iron and steel, coke, and metal ore production</i>	<i>coal</i>	510	
<i>Iron and steel, coke, and metal ore production</i>	<i>coal</i>	52	
<i>Iron and steel, coke, and metal ore production</i>	<i>coal</i>	520	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	7	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	72	
<i>Iron and steel, coke, and metal ore production</i>	<i>steel</i>	729	
<i>Fossil fuel combustion</i>	<i>coal</i>	8	Average tons pf CO2 per GJ. and Average share of high carbon technologies (ICE).
<i>Fossil fuel combustion</i>	<i>coal</i>	9	
<i>Cement, clinker and lime production</i>	<i>cement</i>	235	Average tonnes of CO2 per tonne of output and Average share of high carbon technologies (ICE).
<i>Cement, clinker and lime production</i>	<i>cement</i>	2351	
<i>Cement, clinker and lime production</i>	<i>cement</i>	2352	
<i>Cement, clinker and lime production</i>	<i>cement</i>	236	
<i>Cement, clinker and lime production</i>	<i>cement</i>	2361	
<i>Cement, clinker and lime production</i>	<i>cement</i>	2363	
<i>Cement, clinker and lime production</i>	<i>cement</i>	2364	
<i>Cement, clinker and lime production</i>	<i>cement</i>	811	Average share of sustainable aviation fuels and
<i>Cement, clinker and lime production</i>	<i>cement</i>	89	
<i>aviation</i>	<i>aviation</i>	3030	Average tonnes of CO2 per passenger-km
<i>aviation</i>	<i>aviation</i>	3316	
<i>aviation</i>	<i>aviation</i>	511	
<i>aviation</i>	<i>aviation</i>	5110	

<i>aviation</i>	<i>aviation</i>	512	Average tonnes of CO2 per passenger-km and Average share of high carbon technologies (ICE).
<i>aviation</i>	<i>aviation</i>	5121	
<i>aviation</i>	<i>aviation</i>	5223	
<i>automotive</i>	<i>automotive</i>	2815	
<i>automotive</i>	<i>automotive</i>	29	
<i>automotive</i>	<i>automotive</i>	291	
<i>automotive</i>	<i>automotive</i>	2910	
<i>automotive</i>	<i>automotive</i>	292	
<i>automotive</i>	<i>automotive</i>	2920	
<i>automotive</i>	<i>automotive</i>	293	
<i>automotive</i>	<i>automotive</i>	2932	

## Template 4: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms - with accompanying comments underneath

Disclosure according to Article 449a of EU Regulation No 575/2013

a	b	c	d	e
Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1				

\*For counterparties among the top 20 carbon emitting companies in the world

### Comments

To identify the top 20 carbon-intensive firms in the world, Länsförsäkringar Hypotek used the list on Carbon Majors from Climate Accountability Institute as source (using the latest data). The analysis against this list was performed at consolidated level for the counterparties. Länsförsäkringar Hypotek does not have any exposures to the top 20 carbon-intensive firms in the world.

## Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk - with accompanying comments underneath

To identify the top 20 carbon- Disclosure according to Article 449a of EU Regulation No 575/2013

a		b	c	d	e	f	g	h	i	j	k	l	m	n	o	
SWEDEN		Gross carrying amount (SEK m)														
		of which exposures sensitive to impact from climate change physical events														
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity						of which Stage 2 exposures	Of which non-performing exposures			
1	A - Agriculture, forestry and fishing	58,43					0									
2	B - Mining and quarrying	9,91					0									
3	C - Manufacturing	224,57					0									
4	D - Electricity, gas, steam and air conditioning supply	5,92					0									
5	E - Water supply; sewerage, waste management and remediation activities	8,98					0									
6	F - Construction	538,51					0									
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	359,51					0									
8	H - Transportation and storage	36,76					0									
9	L - Real estate activities	14 668,77					0									
10	Loans collateralised by residential immovable property	344 966,63	3,17	167,40	1 399,83	27	394,15	1 104,55	71,69	23,24	1,37	-0,07	-0,03	-0,03		
11	Loans collateralised by commercial immovable property	9 512,44					0									
12	Repossessed colaterals						0									

### Comments

Gross carrying amount (column b):

The geographical area covered is Sweden. The loans are distributed across all of Sweden.

Loans collateralised by residential immovable property (row 10):

Breakdown of exposures towards physical risks are made on the private mortgage portfolio, which makes up the vast majority of the assets.

For the private mortgage portfolio, the acute climate risk considered is Flooding defined by using the 1/100 year flooding scenario in data provided by the Swedish Civil Contingencies Agency (MSB). Secondly, for the private mortgage portfolio, the chronic climate risk considered is Sea level rise defined by using the mean water level (according to RCP 8,5) in year 2100, found in data provided by MSB and the Swedish Meteorological and Hydrological Institute (SMHI).

Remaining parts of the NFC portfolio and additional chronic and acute risk factors will be included in future reporting when relevant.

Breakdown by maturity bucket (column c-g):

To allocate the data in the correct maturity bucket, contractual maturity was used. Where the amount is not repaid in installments and has no contractual end date, the maturity is set according to internal data quality policies. This applies to a low number of loans

This report constitutes LF Hypotek's Pillar 3 disclosures and has been prepared in accordance with the requirements set out in Part Eight of Regulation (EU) No 575/2013 (CRR), the Commission Implementing Regulation (EU) 2024/3172 regarding public disclosure. The disclosures have been compiled in accordance with LF's internal policies, procedures, systems and controls for Pillar 3 reporting.

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