

# Länsförsäkringar Hypotek

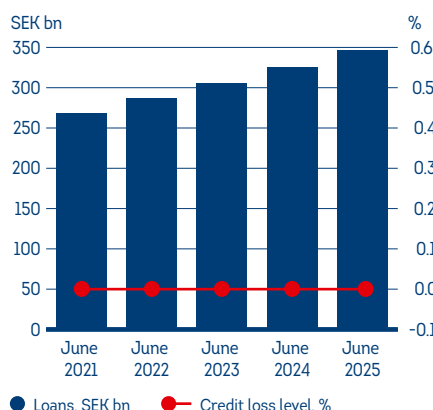
## Interim Report January-June 2025

### The period in brief

- Operating profit increased 11% to SEK 954 M (860) and the return on equity amounted to 8.5% (8.0).
- Net interest income declined 11% to SEK 1,223 M (1,372).
- Credit losses amounted to SEK 3 M (2), net, corresponding to a credit loss level of 0.00% (0.00).
- Operating profit was impacted by fees levied of SEK 134 M (128), of which risk tax comprised SEK 72 M (69).
- Lending increased 7% to SEK 347 billion (326).
- The Common Equity Tier 1 capital ratio amounted to 18.4% (19.0\*) on 30 June 2025.

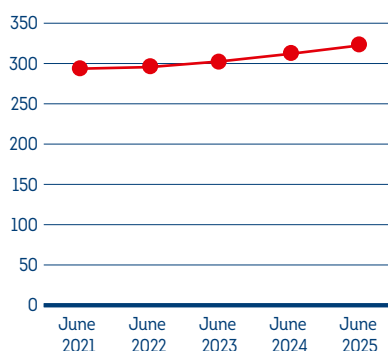
Figures in parentheses pertain to the same period in 2024.  
\* Pertains to 31 December 2024.

#### Loans to the public



#### Customer trend

Number of customers, 000s



### President's comment

The financial markets were dominated by high volatility in the first half of the year due to geopolitical turmoil and global trade and tariff discussions. We can also see continued concerns about a recession. The housing market continued to recover in the first half of the year, resulting in slightly higher prices.

Länsförsäkringar's mortgage business continued to perform well in the first half of 2025. Länsförsäkringar has remained successful and was the player with the highest growth in mortgage lending. With a high level of activity locally, combined with the strength of our brand, we were able to continue to help existing and new customers.

Inflation was relatively low, leading the Riksbank to cut interest rates several times. We can continue to see that our customers have good resilience even though costs of living remain high for many.

Länsförsäkringar Hypotek's very high credit quality and strong financial position remain firm, and in light of this, we are convinced that we will be able to continue to offer security in people's everyday lives, and aim to continue to do new mortgage business with a rising number of Länsförsäkringar Hypotek's and see volumes grow.

**Anders Larsson**

President of Länsförsäkringar Hypotek

## Key figures

	Jan-Jun 2025	July-Dec 2024	Jan-Jun 2024	Full-year 2024
Return on equity, %	8.5	7.6	8.0	7.8
Return on total assets, %	0.41	0.37	0.38	0.38
Investment margin, %	0.66	0.82	0.78	0.80
Cost/income ratio before credit losses and fees levied	0.07	0.07	0.07	0.07
Common Equity Tier 1 capital ratio, %	18.4	19.0	19.2	19.0
Total capital ratio, %	18.4	19.0	19.2	19.0
Share of credit-impaired loan receivables (stage 3), %	0.10	0.11	0.11	0.11
Reserve ratio for loan receivables stage 1, %	0.00	0.00	0.00	0.00
Reserve ratio for loan receivables stage 2, %	0.16	0.16	0.16	0.16
Reserve ratio for loan receivables stage 3, %	1.93	1.77	1.59	1.77
Reserve ratio for loan receivables stage 3, incl. withheld remuneration to regional insurance companies, %	9.63	8.86	7.97	8.86
Credit loss level, %	0.00	0.00	0.00	0.00

## Income statement, six-month period

SEK M	Jan-Jun 2025	July-Dec 2024	Jan-Jun 2024
Net interest income	1,223.2	1,485.8	1,372.4
Net commission income	-56.3	-444.8	-299.4
Net gains/losses from financial items	1.2	9.9	-8.6
<b>Total operating income</b>	<b>1,168.2</b>	<b>1,050.9</b>	<b>1,064.3</b>
Staff costs	-8.6	-7.3	-7.8
Other administration expenses	-68.3	-67.4	-67.6
<b>Total operating expenses</b>	<b>-77.0</b>	<b>-74.7</b>	<b>-75.4</b>
<b>Profit before credit losses and fees levied</b>	<b>1,091.2</b>	<b>976.2</b>	<b>988.9</b>
Credit losses, net	-3.4	-0.7	-1.6
Risk tax levied and resolution fee	-133.7	-127.8	-127.7
<b>Operating profit</b>	<b>954.0</b>	<b>847.7</b>	<b>859.6</b>

The first half of 2025 was characterised by continued uncertainty related to growing geopolitical concerns and US trade policy announcements, resulting in a slightly gloomier outlook for the global economy. The financial markets were impacted by greater uncertainty surrounding US trade and tariff policies and experienced extensive movements in the second quarter, with significant fluctuations both in the equity and in the fixed-income markets. The US administration's announcement of sharply increased tariffs initially led to stock markets plummeting, later followed by a recovery. A dampening effect on global economic activity is expected even in the event of a relatively favourable outcome of tariff negotiations. Although stock markets rebounded strongly after the initial turbulence, incoming economic statistics now suggest weaker growth than the level expected at the beginning of the year.

The outlook for the US economy has bleakened in recent months. At the end of the first quarter, growth was expected to reach 2.2% this year, while current expectations now indicate GDP growth of 1.4%. Expectations for 2026 have also been lowered. The main reason for this considerable downward revision is the uncertainty surrounding tariffs, which is making companies and households more cautious. A slight decline can also be seen in incoming confidence indicators in the form of lower consumer sentiment and, to some extent, also among companies. The apparent slowdown in growth does not mean that the US is on the brink of recession, rather that the risk of this happening has increased.

Inflation eased during the spring. However, there is a risk that the recently introduced tariffs could push prices up in the autumn. The trade-off between a weaker economic climate and inflation risks is expected to complicate matters for the Federal Reserve, but current market pricing still seems to suggest that interest rates will be cut twice this year.

The near-term outlook for the eurozone remains weak, although some indicators were unexpectedly strong. While surveys indicate some optimism, actual data still suggests a muted trend with an economy beset by uncertainty and a lack of clear growth drivers. Concerns about global trade tensions have diminished companies' confidence and investment appetites. Hopes that Europe's fiscal support, in the form of large public spending initiatives and a pause in trade conflicts, will boost the economy have yet to result in any clear uptick. The ECB cut interest rates again in June and a further cut is likely to come in the autumn.

In Sweden, the positive tendencies noted in the beginning of the year have – to a certain extent – disappeared. GDP decreased in the first quarter, with household sentiment weakening considerably in the spring. The situation can now be described as weak, and this level of pessimism among households has not been seen since the end of 2023, which is negative since the outlook for 2025 is largely based on consumption picking up. Forecasts suggest that the Swedish economy will improve in 2025 compared with 2024 based on expectations that rising real wages, lower interest rates and tax cuts will boost growth. However, such growth is expected to be lower than predicted at the beginning of the year.

Inflation in Sweden remains slightly high, but is gradually moving in the right direction, which has given the Riksbank scope to continue to cut its policy rate, most recently by 25 basis points in June. Nevertheless, inflation for June was significantly higher than expected, which increases the likelihood that the Riksbank will hold off on further interest rate cuts until inflation eases again. Weak household sentiment was reflected in the housing market, with Valueguard's HOX Price Index showing a weak trend in house prices, rising 0.8% in the first half of 2025.

Uncertainty regarding the US trade and tariff policies led to stock market declines all around the world in the first quarter. Unease in global stock markets then rose significantly following Trump's tariff announcement in early April, leading to sharp downturns around the world. However, stock markets made a strong recovery in the second quarter. In the first half of the year, the S&P 500 rose 6.6%, the MSCI AC World 7.7% and the Stockholm Stock Exchange 3.7%.

The Swedish ten-year government bond rate fell slightly in the first half of the year, mainly on the back of a weaker growth outlook. The spread between five-year mortgage bonds and government bonds was stable, remaining at roughly the same level as at the beginning of the year. The key event in the fixed-income market was the rise in US long-term interest rates in the second quarter, driven by concerns about the sustainability of the country's public finances. Following the downturn in the first quarter, the US 30-year Treasury yield was up 26 basis points in the second quarter, despite lower growth expectations.

# January–June 2025 compared with January–June 2024

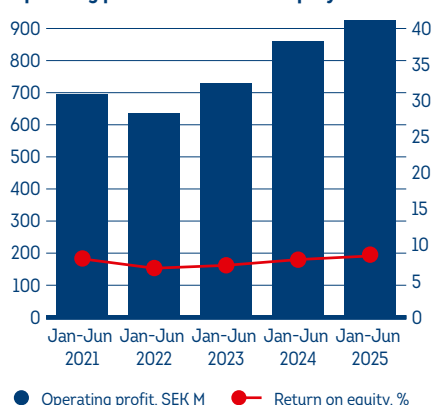
## Growth and customer trend

Loans to the public increased 7%, or SEK 21 billion, to SEK 347 billion (326), and retained their very high credit quality. The total number of customers was about 322,000 (311,000) and 86% of mortgage customers have Länsförsäkringar as their primary bank.

## Earnings and profitability

Operating profit increased 11% to SEK 954 M (860) due to improved net commission income. The investment margin amounted to 0.66% (0.78). Profit before credit losses and fees levied increased 10% till SEK 1,091 M (989). Return on equity amounted to 8.5% (8.0).

### Operating profit and return on equity

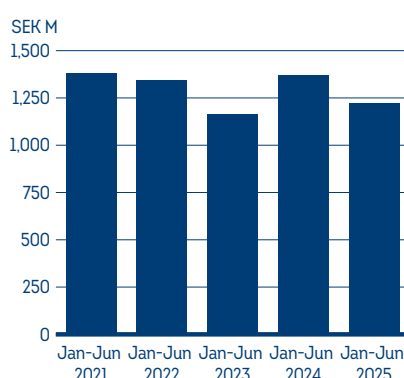


## Income

Net interest income declined 11% to SEK 1,223 M (1,372) due to a lower investment margin. Net commission income improved to SEK -56 M (-299) as a result of lower remuneration to the regional insurance companies, driven by lower net interest income. Net gains from financial items amounted to SEK 1 M (-9).

Total operating income increased 10% to SEK 1,168 M (1,064).

### Net interest income



## Expenses

Operating expenses amounted to SEK 77 M (75). The cost/income ratio before credit losses and fees levied amounted to 0.07 (0.07).

## Credit losses

Global uncertainty has increased and households are facing higher interest rates and costs of living. At the same time, the repayment capacity and resilience of customers remains strong and the credit quality of the loan portfolio is very high.

Credit losses amounted to SEK 3 M (2), net, corresponding to a credit loss level of 0.00% (0.00).

Credit-impaired loan receivables (stage 3) before provisions amounted to SEK 366 M, corresponding to a share of credit-impaired loan receivables of 0.10%. The loss allowance for credit-impaired loan receivables was SEK 7.1 M. The reserve ratio for credit-impaired loan receivables amounted to 1.93%. In addition, SEK 28.2 M of the remuneration to the regional insurance companies regarding credit-impaired loan receivables\* is withheld. Including the withheld remuneration to the regional insurance companies, the loss allowance for credit-impaired loan receivables totalled SEK 35.3 M. The reserve ratio for credit-impaired loan receivables, including withheld remuneration to the regional insurance companies, amounted to 9.6%, and the total recognised loss allowance was SEK 79.9 M, of which SEK 63.8 M refers to withheld remuneration to the regional insurance companies\*.

### Loss allowance, stage 3

SEK M	30 Jun 2025	30 Jun 2024
Loans to the public	347,483	325,797
Credit-impaired loan receivables (stage 3)	366.4	358.9
Total loss allowance for credit-impaired loan receivables (stage 3), incl. withheld remuneration to regional insurance companies	35.3	28.6
of which loss allowance for credit-impaired loan receivables (stage 3)	7.1	5.7
of which withheld remuneration to regional insurance companies for credit-impaired loan receivables (stage 3)	28.2	22.9

For further information on credit losses and credit-impaired loan receivables, refer to notes 1, 6 and 8.

\* In accordance with the settlement model for the regional insurance companies' credit-risk commitments for generated business.

## Loans

All loans are granted in Sweden, in SEK and have a well-diversified geographic distribution. At the beginning of the year, the level of activity in the mortgage market was relatively low. At the same time, Länsförsäkringar continued to capture market shares and maintain high credit quality.

Loans to the public increased 7%, or SEK 21 billion, to SEK 347 billion (326). The loan portfolio, of which 70.9% (70.6) comprises loans with collateral in single-family homes, 23.5% (24.0) with collateral in tenant-owned apartments, and 4.5% (4.3) with collateral in multi-family housing, continues to maintain a high level of credit quality. As of 31 May 2025, the market share of household mortgages increased to 7.8% (7.5) according to Statistics Sweden.

## Cover pool

The cover pool, which forms the basis for issues of covered bonds, contains mortgages of SEK 323.0 billion, corresponding to 93% of the loan portfolio. The collateral comprises only private homes, of which 73% (73) are single-family homes, 25% (25) tenant-owned apartments and 2% (2) vacation homes. The geographic spread throughout Sweden is favourable and the average loan commitment is low at SEK 1.58 M (1.52). The weighted average loan-to-value ratio, LTV, was 61% (62) and the nominal, current OC (overcollateralisation) amounted to 33% (28).

Länsförsäkringar Hypotek's cover pool has a healthy buffer to manage any downturns in house prices. In a stress test of the cover pool based on a 20% price drop in the market value of the mortgages' collateral, the weighted average LTV amounted to 69% (70) on 30 June 2025. No impaired loans are included in the cover pool.

Cover pool	30 Jun 2025	30 Jun 2024
Cover pool, SEK bn	332	312
OC <sup>1)</sup> , %	33	28
Weighted average max LTV, %	61	62
Collateral	Private homes	Private homes
Seasoning, months	74	73
Number of loans	469,703	454,625
Number of borrowers	204,180	197,823
Number of properties	202,885	196,121
Average commitment, SEK 000s	1,582	1,524
Average loan, SEK 000s	688	663
Interest rate type, variable, %	72	70
Interest rate type, fixed, %	28	30
Loans past due 60 days	None	None

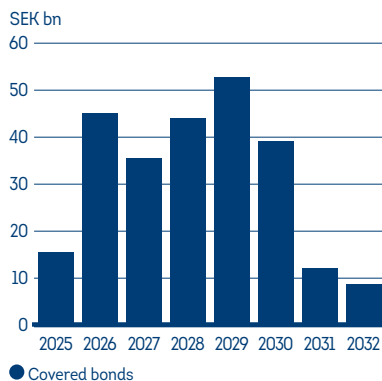
<sup>1)</sup> OC is calculated using nominal values and excludes accrued interest rates. Debt securities in issue in other currencies than SEK are translated into SEK using the swap rate. Debt securities in issue include repurchase agreements.

## Funding

Länsförsäkringar Hypotek continuously issues bonds to finance future growth in lending and current funding falling due. The funding structure remains favourable and the maturity profile is well diversified. Debt securities in issue increased 4% to a nominal SEK 252 billion (243). Issued covered bonds during the period totalled a nominal SEK 33.1 billion (25.5) and repurchases of a nominal SEK 11.4 billion (8.8) were executed. Matured covered bonds amounted to a nominal SEK 7.2 billion (4.7).

During the first half of 2025, Länsförsäkringar Hypotek issued a new seven-year Swedish covered bond (LFH525), which matures in September 2032 and a five-year Euro benchmark covered bond for a nominal EUR 500 M.

## Maturity profile



## Liquidity

Liquidity remains healthy and holdings in liquid assets totalled SEK 9.3 billion (10.4) on 30 June 2025. The liquidity reserve comprised 100% (100) Swedish covered bonds with the credit rating of AAA/Aaa.

## Rating

Länsförsäkringar Hypotek is one of three issuers in the Swedish market with the highest credit rating for covered bonds from both Standard & Poor's and Moody's. The Parent Company Länsförsäkringar Bank's credit rating is A/Positive from Standard & Poor's and A1/Stable from Moody's.

## Capital ratio<sup>1</sup>

On 30 June 2025, the total Risk Exposure Amount (REA) in Länsförsäkringar Hypotek was SEK 96,193 M (92,082).

The Common Equity Tier 1 capital ratio amounted to 18.4% (19.0). Common Equity Tier 1 capital strengthened in the first six months of the year, with continued profit generation.

Länsförsäkringar Hypotek AB (SEK M)	30 Jun 2025	31 Dec 2024
IRB Approach	13,173	15,704
of which retail exposures	9,082	8,765
of which exposures to corporates	4,090	6,939
Standardised Approach	1,167	1,003
CVA	62	49
Operational risk (standardised)	5,138	2,677
Additional requirements (risk weight floor, Article 458 CRR)	76,653	72,649
<b>Total REA</b>	<b>96,193</b>	<b>92,082</b>
Common Equity Tier 1 capital	17,741	17,470
Tier 1 capital	17,741	17,470
Total capital	17,741	17,470
Common Equity Tier 1 capital ratio	18.4%	19.0%
Tier 1 ratio	18.4%	19.0%
Total capital ratio	18.4%	19.0%
<b>Risk-based capital requirements</b>		
Own funds requirements (Pillar I)	7,695	7,367
Pillar II Requirements (P2R)	1,126	1,077
Combined buffer requirement	4,329	4,144
Pillar II Guidance (P2G)	0	0
Overall adequate level of own funds and P2G	13,150	12,588
<b>Risk-based capital requirements as a percentage of REA</b>		
Own funds requirements (Pillar I)	8.0%	8.0%
Pillar II Requirements (P2R)	1.2%	1.2%
Combined buffer requirement	4.5%	4.5%
Pillar II Guidance (P2G)	0.0%	0.0%
Overall adequate level of own funds and P2G	13.7%	13.7%

For more information on capital adequacy, see note 12.

## Capital requirements and buffers

### Risk-based capital requirements

In the third quarter of 2022, the Swedish Financial Supervisory Authority (FSA) completed its Supervisory Review and Evaluation Process regarding the P2R for Länsförsäkringar Hypotek AB at an individual level. The FSA decided on a P2R of 1.2% and a Pillar II Guidance (P2G) of 0.0%. Together, this means a total own funds requirement and P2G of 13.7% on 30 June 2025 compared with the

Rating			
Company	Agency	Long-term rating	Short-term rating
Länsförsäkringar Hypotek <sup>1)</sup>	Standard & Poor's	AAA/Stable	-
Länsförsäkringar Hypotek <sup>1)</sup>	Moody's	Aaa	-
Länsförsäkringar Bank	Standard & Poor's	A/Positive	A-1(K-1)
Länsförsäkringar Bank	Moody's	A1/Stable	P-1

<sup>1)</sup> Pertains to the company's covered bonds.

total capital ratio of 18.4% (19.0). The process of updating the internal ratings-based (IRB) models has been ongoing for some time. The work is extensive and approval has been received for parts of the model review. In the event of a protracted process for the other parts, it cannot be ruled out that this may entail a risk of a temporary capital surcharge in the future.

The countercyclical capital buffer amounted to SEK 1,924 M (2.0% of REA), while the capital conservation buffer amounted to SEK 2,405 M (2.5% of REA) on 30 June 2025.

For more information on capital adequacy, see note 12.

#### *Leverage ratio requirement*

In the third quarter of 2022, the FSA decided that no additional requirements (P2R and P2G) other than the minimum requirement of 3.0% were to apply to Länsförsäkringar Hypotek AB at an individual level.

The leverage ratio amounted to 4.6% (4.9) on 30 June 2025.

For more information on capital adequacy, see note 12.

<sup>1</sup> The comparative period pertains to 31 December 2024. Periodic information according to the FSA's regulations regarding prudential requirements and capital buffers, (FFFS 2014:12) and regarding management of liquidity risks in credit institutions and investment firms (FFFS 2010:7) is provided in this section, the sections on funding and liquidity and in note 12.

#### **Interest-rate risk**

On 30 June 2025, an increase in market interest rates of 1 percentage point would have changed the value of interest-bearing assets and liabilities, including derivatives, by SEK -157 M (-137).

#### **Risks and uncertainties**

The operations are characterised by a low risk profile. Länsförsäkringar Hypotek is exposed to a number of risks, primarily credit risks, liquidity risks and market risks. The macroeconomic situation in Sweden is critical for credit risk, since all loans are granted in Sweden. Market risks primarily comprise interest-rate risks that are restricted through narrow limits. Credit losses remain low and the refinancing of business activities was highly satisfactory during the period.

However, it can be stated that the macroeconomic trend is unusually uncertain due to such factors as the ongoing intense trade and tariff war and monetary policy tighten-

ing, which could have further negative effects for households. In addition, it cannot be ruled out that future declines in house prices could lead to negative effects for households and for the value of collateral in the bank's mortgage lending. The impact of market changes caused due to the international trade and tariff war is deemed to be direct mainly in the form of risk of lower fund volumes resulting from changes in market values, and indirect given that a weaker economy could affect credit losses and could impact on volume growth, among other items.

Furthermore, fraud and money laundering have become an increasing problem in society, and the risks related to these areas also apply to the mortgage lending operations. The currently high geopolitical risks, which have further risen with recent developments in the Middle East, could also result in further macroeconomic consequences and increased cyber and other security risks.

For more information about macroeconomic developments, refer to page 3. A more detailed description of risks is available in the 2024 Annual Report.

#### **First half of 2025 compared with second half of 2024**

Operating profit increased 13% to SEK 954 M (848), due to net commission income improving more than net interest income declined. Return on equity amounted to 8.5% (7.6). Total operating income amounted to SEK 1,168 M (1,051). Net interest income declined to SEK 1,223 M (1,486) due to a lower investment margin. Net commission income improved to SEK -56 M (-445) as a result of lower remuneration to the regional insurance companies. Net gains from financial items amounted to SEK 1 M (10). Operating expenses amounted to SEK 77 M (75) and the cost/income ratio before credit losses and fees levied amounted to 0.07 (0.07). Credit losses amounted to SEK 3.4 M (0.7), net.

#### **New Chairman**

Martin Rydin, Acting President of Länsförsäkringar Bank AB, became the new Chairman of the Board of Länsförsäkringar Hypotek in April 2025, succeeding Sven Eggefalk.

## Income statement

SEK M	Note	Jan-Jun 2025	Jul-Dec 2024	Change	Jan-Jun 2024	Change	Full-Year 2024
Interest income		5,909.2	7,567.6	-22%	8,347.5	-29%	15,915.1
Interest expense		-4,686.0	-6,081.8	-23%	-6,975.1	-33%	-13,056.9
<b>Net interest income</b>	3	<b>1,223.2</b>	<b>1,485.8</b>	<b>-18%</b>	<b>1,372.4</b>	<b>-11%</b>	<b>2,858.2</b>
Commission income		16.6	16.8	-1%	14.1	18%	30.9
Commission expense		-72.9	-461.6	-84%	-313.5	-77%	-775.1
<b>Net commission income</b>	4	<b>-56.3</b>	<b>-444.8</b>	<b>-87%</b>	<b>-299.4</b>	<b>-81%</b>	<b>-744.2</b>
Net gains/losses from financial items	5	1.2	9.9	-88%	-8.6		1.2
<b>Total operating income</b>		<b>1,168.2</b>	<b>1,050.9</b>	<b>11%</b>	<b>1,064.3</b>	<b>10%</b>	<b>2,115.3</b>
Staff costs		-8.6	-7.3	18%	-7.8	10%	-15.0
Other administration expenses		-68.3	-67.4	1%	-67.6	1%	-134.9
<b>Administration expenses</b>		<b>-76.9</b>	<b>-74.7</b>	<b>3%</b>	<b>-75.3</b>	<b>2%</b>	<b>-150.0</b>
Depreciation and impairment of tangible assets		-0.1	-0.1		-0.1		-0.1
<b>Total operating expenses</b>		<b>-77.0</b>	<b>-74.7</b>	<b>3%</b>	<b>-75.4</b>	<b>2%</b>	<b>-150.1</b>
<b>Profit before credit losses</b>		<b>1,091.2</b>	<b>976.2</b>	<b>12%</b>	<b>988.9</b>	<b>10%</b>	<b>1,965.2</b>
Credit losses, net	6	-3.4	-0.7		-1.6		-2.3
Risk tax levied and resolution fee		-133.7	-127.8	5%	-127.7	5%	-255.5
<b>Operating profit</b>		<b>954.0</b>	<b>847.7</b>	<b>13%</b>	<b>859.6</b>	<b>11%</b>	<b>1,707.4</b>
Appropriations		-	-78.0		-		-78.0
Tax		-201.7	-167.2	21%	-182.7	10%	-350.0
<b>Profit for the period</b>		<b>752.4</b>	<b>602.5</b>	<b>25%</b>	<b>676.9</b>	<b>11%</b>	<b>1,279.4</b>

## Statement of comprehensive income

SEK M	Jan-Jun 2025	Jul-Dec 2024	Change	Jan-Jun 2024	Change	Full-Year 2024
<b>Profit for the period</b>	<b>752.4</b>	<b>602.5</b>	<b>25%</b>	<b>676.9</b>	<b>11%</b>	<b>1,279.4</b>
<b>Other comprehensive income</b>						
<b>Items that have been reclassified or may subsequently be reclassified to the income statement</b>						
Cash-flow hedges	20.0	-56.1		-73.9		-130.0
Change in fair value of debt instruments measured at FVOCI	9.3	-10.9		17.1	-46%	6.2
Tax attributable to items that have been transferred or can be transferred to profit for the period	-6.0	13.8		11.7		25.5
<b>Total other comprehensive income for the period, net after tax</b>	<b>23.2</b>	<b>-53.2</b>		<b>-45.1</b>		<b>-98.3</b>
<b>Total comprehensive income for the period</b>	<b>775.6</b>	<b>549.3</b>	<b>41%</b>	<b>631.8</b>	<b>23%</b>	<b>1,181.1</b>

## Balance sheet

SEK M	Note	30 June 2025	31 December 2024	30 June 2024
<b>Assets</b>				
Loans to credit institutions	7	6,242.4	3,153.9	7,032.3
Loans to the public	8	347,482.8	335,727.4	325,797.3
Bonds and other interest-bearing securities		9,294.7	7,840.2	10,634.8
Derivatives	9	6,633.6	5,113.6	5,825.9
Fair value changes of interest-rate-risk hedged items in the portfolio hedge		309.6	-125.4	-817.7
Tangible assets		0.3	0.4	0.4
Deferred tax assets		35.6	39.7	28.2
Other assets		0.6	124.3	0.9
Prepaid expenses and accrued income		128.1	70.6	147.1
<b>Total assets</b>		<b>370,127.8</b>	<b>351,944.7</b>	<b>348,649.3</b>
<b>Liabilities, provisions and equity</b>				
Due to credit institutions	7	91,257.6	91,187.6	82,863.5
Debt securities in issue		252,011.8	237,914.8	242,233.9
Derivatives	9	3,242.2	4,595.0	6,171.7
Fair value changes of interest-rate-risk hedged items in the portfolio hedge		983.1	-2,080.5	-3,841.3
Deferred tax liabilities		-	-	-
Other liabilities		166.5	213.2	278.4
Accrued expenses and deferred income		3,742.8	2,166.4	3,105.6
Provisions		1.2	1.0	1.4
<b>Total liabilities and provisions</b>		<b>351,405.1</b>	<b>333,997.5</b>	<b>330,813.3</b>
<b>Untaxed reserves</b>		<b>2,177.0</b>	<b>2,177.0</b>	<b>2,099.0</b>
<b>Equity</b>				
<i>Restricted equity</i>				
Share capital		3,129.9	3,129.9	3,129.9
Statutory reserve		14.1	14.1	14.1
<i>Total restricted equity</i>		<i>3,144.0</i>	<i>3,144.0</i>	<i>3,144.0</i>
<i>Non-restricted equity</i>				
Fair value reserves		-122.9	-146.1	-92.9
Retained earnings		12,772.3	11,492.9	12,009.0
Profit for the period		752.4	1,279.4	676.9
<i>Total non-restricted equity</i>		<i>13,401.7</i>	<i>12,626.2</i>	<i>12,593.0</i>
<b>Total equity</b>		<b>16,545.7</b>	<b>15,770.1</b>	<b>15,737.0</b>
<b>Total liabilities, provisions and equity</b>		<b>370,127.8</b>	<b>351,944.7</b>	<b>348,649.3</b>
<b>Other notes</b>				
Accounting policies	1			
Segment reporting	2			
Pledged assets, contingent liabilities and commitments	10			
Fair value valuation techniques	11			
Capital-adequacy analysis	12			
Disclosures on related parties	13			

## Cash-flow statement in summary, indirect method

SEK M	Jan-Jun 2025	Jan-Jun 2024
<b>Cash and cash equivalents, 1 January</b>	<b>1,871.3</b>	<b>3,455.5</b>
<b>Operating activities</b>		
Operating profit	954.0	859.6
Adjustment of non-cash items	-727.3	-714.6
<b>Change in assets of operating activities</b>		
Change in interest-bearing securities	-1,269.8	11.4
Change in loans to the public	-11,757.1	-11,551.9
Change in other assets	-2,078.1	-2,771.0
<b>Change in liabilities of operating activities</b>		
Change in debt securities in issue	14,426.5	11,755.7
Change in other liabilities	1,397.1	1,503.7
<b>Cash flow from operating activities</b>	<b>945.3</b>	<b>-907.1</b>
<b>Financing activities</b>		
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash flow for the period</b>	<b>945.3</b>	<b>-907.1</b>
<b>Cash and cash equivalents, 30 June</b>	<b>2,816.6</b>	<b>2,548.4</b>

Cash and cash equivalents is defined as cash and balances with central banks and loans to credit institutions payable on demand.

## Statement of changes in Shareholders' equity

SEK M	Restricted equity		Non-restricted equity				Total
	Share capital	Statutory reserve	Fair value reserve		Retained earnings	Profit for the period	
			Fair value reserve	Hedge reserve			
Opening balance, 1 January 2024	3,129.9	14.1	2.1	-49.9	10,895.2	1,113.8	15,105.2
Profit for the period						676.9	676.9
Other comprehensive income for the period			13.5	-58.6			-45.1
Comprehensive income for the period			13.5	-58.6		676.9	631.8
According to resolution by Annual General Meeting					1,113.8	-1,113.8	-
Closing balance, 30 June 2024	3,129.9	14.1	15.6	-108.5	12,009.0	676.9	15,737.0
Opening balance, 1 July 2024	3,129.9	14.1	15.6	-108.5	12,009.0	676.9	15,737.0
Profit for the period						602.5	602.5
Other comprehensive income for the period			-8.6	-44.7			-53.3
Comprehensive income for the period			-8.6	-44.7		602.5	549.2
Group contributions paid					-650.0		-650.0
Tax on group contributions paid					133.9		133.9
Closing balance, 31 December 2024	3,129.9	14.1	7.0	-153.2	11,492.9	1,279.4	15,770.1
Opening balance 1 January 2025	3,129.9	14.1	7.0	-153.2	11,492.9	1,279.4	15,770.1
Profit for the period						752.4	752.4
Other comprehensive income for the period			7.4	15.8			23.2
Comprehensive income for the period			7.4	15.8		752.4	775.6
According to resolution by Annual General Meeting					1,279.4	-1,279.4	-
Closing balance, 30 June 2025	3,129.9	14.1	14.4	-137.3	12,772.3	752.4	16,545.7

# Notes

Amounts in SEK million if not otherwise stated. Comparative figures in parentheses: income-statement items are compared with the immediately preceding six months, balance-sheet items are compared with the immediately preceding year-end, unless otherwise stated.

## Note 1 Accounting policies

### STANDARDS AND LEGISLATION

Länsförsäkringar Hypotek AB (publ) prepares its accounts in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), the Swedish Securities Market Act (2007:528) and Swedish Financial Supervisory Authority's (SFSA) regulations and general guidelines (FFFS 2008:25). The company also applies the Swedish Corporate Reporting Board's recommendation RFR 2 Accounting for Legal Entities and statements issued pertaining to listed companies. The regulations in RFR 2 stipulate that the company, in the annual accounts for the legal entity, is to apply all IFRS adopted by the EU and statements to the extent that this is possible within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act, and with consideration to the relationship between accounting and taxation. The recommendation stipulates the permissible exceptions from and additions to IFRS. This interim report was prepared in accordance with IAS 34 Interim Financial Reporting. Disclosures in accordance with IAS 34 appear in the financial statements and their associated notes as well as other parts of the interim report.

This note describes the areas in which changes have been made due to new or amended accounting policies compared with the 2024 Annual Report. For all other areas, the same accounting policies and calculation methods were applied.

### AMENDED ACCOUNTING POLICIES APPLIED FROM 1 JANUARY 2025

New or amended standards and interpretations that come into effect for fiscal years beginning on or after 1 January 2025 are not deemed to have any material impact on the financial statements, capital requirements, own funds or other circumstances according to the applicable regulatory requirements.

### NEW IFRS AND INTERPRETATIONS THAT HAVE NOT YET BEEN APPLIED

New or amended standards and interpretations that come into effect for fiscal years beginning on or after 1 January 2026 were not applied in advance when this financial statement was prepared. The expected effects of the application on the financial reporting are described below.

### IFRS 18 Presentation and Disclosure in Financial Statements

On 9 April 2024, the IASB published IFRS 18 Presentation and Disclosure in Financial Statements that will replace IAS 1 Presentation of Financial Statements on 1 January 2027. The standard has not yet been endorsed by the EU but is expected to be adopted before it comes into effect. IFRS 18 introduces new requirements for the presentation and disclosure in financial statements, with a particular focus on the income statement and disclosures of management-defined performance measures. The standard is not expected to have any financial impact on the company, but will introduce new requirements for presentation and disclosure in the financial statements. The company intends to start work on the standard in pace with the SFSA incorporating any changes to regulation FFFS 2008:25.

### Amendments to the classification and measurement of financial instruments (IFRS 9 and IFRS 7)

The IASB has published amendments to the classification and measurement of financial instruments in IFRS 9 and IFRS 7. The amendments mainly provide guidance on the assessment of contractual cash flows of financial assets that include terms that are dependent on future events and related disclosure requirements. The amendments are to be applied from 1 January 2026 and have been endorsed by the EU. The impact on the company's financial statements is currently being evaluated.

No other new or revised IFRSs and interpretations that had been adopted by the IASB on the closing date but that have not yet come into effect are deemed to have any material effect on the company's financial statements, capital requirements, own funds or other circumstances according to the applicable regulatory requirements.

## Note 2 Segment reporting

The business of the company represents one operating segment and reporting to the chief operating decision maker thus agrees with the interim report.

### Note 3 Net interest income

SEK M	Jan-Jun 2025	Jul-Dec 2024	Change	Jan-Jun 2024	Change	Full-Year 2024
<b>Interest income</b>						
Loans to credit institutions	183.1	243.0	-25%	384.4	-52%	627.4
Loans to the public	5,522.9	6,575.9	-16%	6,743.7	-18%	13,319.7
Interest-bearing securities	92.1	75.7	22%	69.4	33%	145.0
Derivatives	114.6	672.4	-83%	1,150.0	-90%	1,822.4
Other interest income	-3.5	0.6		0.0		0.6
<b>Total interest income according to the effective interest method</b>	<b>5,909.2</b>	<b>7,567.6</b>	<b>-22%</b>	<b>8,347.5</b>	<b>-29%</b>	<b>15,915.1</b>
<b>Interest expense</b>						
Due to credit institutions	-1,240.7	-1,627.2	-24%	-1,957.2	-37%	-3,584.4
Debt securities in issue	-2,603.3	-2,370.9	10%	-2,195.0	19%	-4,565.9
Derivatives	-842.0	-2,083.7	-60%	-2,821.3	-70%	-4,905.0
Other interest expense	-0.0	-		-1.6		-1.6
<b>Total interest expense according to the effective interest method</b>	<b>-4,686.0</b>	<b>-6,081.8</b>	<b>-23%</b>	<b>-6,975.1</b>	<b>-33%</b>	<b>-13,056.9</b>
<b>Total net interest income</b>	<b>1,223.2</b>	<b>1,485.8</b>	<b>-18%</b>	<b>1,372.4</b>	<b>-11%</b>	<b>2,858.2</b>
Average interest rate on loans to the public during the period, %	3.2	4.0		4.2		4.1

### Note 4 Net commission income

SEK M	Jan-Jun 2025	Jul-Dec 2024	Change	Jan-Jun 2024	Change	Full-Year 2024
<b>Commission income</b>						
Loans	16.6	16.8	-1%	14.1	18%	30.9
<b>Total commission income</b>	<b>16.6</b>	<b>16.8</b>	<b>-1%</b>	<b>14.1</b>	<b>18%</b>	<b>30.9</b>
<b>Commission expense</b>						
Remuneration to regional insurance companies	-72.7	-461.4	-84%	-313.3	-77%	-774.7
Other commission	-0.2	-0.2		-0.2		-0.4
<b>Total commission expense</b>	<b>-72.9</b>	<b>-461.6</b>	<b>-84%</b>	<b>-313.5</b>	<b>-77%</b>	<b>-775.1</b>
<b>Total net commission income</b>	<b>-56.3</b>	<b>-444.8</b>	<b>-87%</b>	<b>-299.4</b>	<b>-81%</b>	<b>-744.2</b>

### Note 5 Net gains / losses from financial items

SEK M	Jan-Jun 2025	Jul-Dec 2024	Change	Jan-Jun 2024	Change	Full-Year 2024
Interest-bearing assets and liabilities and related derivatives	-5.7	3.2		-9.8	-42%	-6.7
Other financial assets and liabilities	0.0	0.0		0.0		0.0
Interest compensation (refer to items measured at amortised cost)	6.9	6.7	3%	1.2		7.9
<b>Total net gains / losses from financial items</b>	<b>1.2</b>	<b>9.9</b>	<b>-88%</b>	<b>-8.6</b>		<b>1.2</b>

## Note 6 Credit losses

Net credit losses, SEK M	Jan-Jun 2025	Jul-Dec 2024	Change	Jan-Jun 2024	Change	Full-Year 2024
<b>Change in loss allowance for loan receivables</b>						
Stage 1 (not credit-impaired)	-1.1	-0.2		-0.3		-0.5
Stage 2 (not credit-impaired)	-0.3	-0.4	-25%	-0.6	-50%	-1.0
Stage 3 (credit-impaired)	-0.2	-1.2	-83%	-0.5	-60%	-1.7
<b>Total change in loss allowance for loan receivables</b>	<b>-1.6</b>	<b>-1.8</b>	<b>-11%</b>	<b>-1.4</b>	<b>14%</b>	<b>-3.2</b>
Expense for confirmed credit losses	-1.5	-0.6		-1.3	15%	-1.9
Payment received for prior confirmed credit losses	0.0	2.1		0.8		2.9
<b>Net expense for the period for credit losses for loan receivables<sup>1)</sup></b>	<b>-3.2</b>	<b>-0.3</b>		<b>-1.9</b>	<b>68%</b>	<b>-2.2</b>
Change in loss allowance for commitments	-0.1	0.0		-0.1		0.0
Net expense for other credit losses for the period	-	-		0.5		0.5
Net expense of the modification result for the period	-0.1	-0.4	-75%	-0.2	-50%	-0.6
<b>Net expense for credit losses for the period</b>	<b>-3.4</b>	<b>-0.7</b>		<b>-1.6</b>		<b>-2.3</b>

<sup>1)</sup> A condition for full payment of the regional insurance companies' remuneration by Länsförsäkringar Hypotek AB is that the loans generated by each regional insurance company for Länsförsäkringar Hypotek AB are of high quality. If this is not the case, up to 80% of any credit losses are off-set against the accrued remuneration to the regional insurance companies. This model for settlement of credit losses is kept separate and is taken into consideration when the provisions are established. During the first six months of 2025, total credit losses amounted to SEK -15.5 M (-9.4), of which Länsförsäkringar Hypotek recognised credit losses amounted to SEK -3.4 M (-0.7) and the remainder of SEK -12.1 M (-8.8) was settled against remuneration to the regional insurance companies.

The table below shows the forward-looking macroeconomic scenarios used for calculating the loss allowance. The macroeconomic scenarios applied in the model calculations were updated in the second quarter to reflect the current macroeconomic situation. Three potential macroeconomic scenarios are considered when calculating expected credit losses: a base scenario that is currently weighted at 60%, and a more positive scenario and a more negative scenario that are both weighted at 20%.

30 June 2025	Base scenario			Negative scenario			Positive scenario		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
Housing prices, annual change in %	0.4%	5.7%	4.0%	-1.1%	0.5%	4.0%	1.9%	10.8%	4.0%
GDP, annual change in %	1.1%	3.0%	2.4%	1.0%	1.7%	2.0%	1.2%	4.3%	2.8%
Unemployment, level in %	8.6%	8.2%	7.7%	8.6%	8.8%	8.2%	8.5%	7.7%	7.4%
31 December 2024	Base scenario			Negative scenario			Positive scenario		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
Housing prices, annual change in %	6.5%	4.3%	4.0%	0.2%	4.3%	4.0%	13.7%	4.3%	4.0%
GDP, annual change in %	2.2%	2.6%	1.7%	1.6%	1.3%	2.2%	2.8%	3.9%	1.2%
Unemployment, level in %	8.3%	7.6%	7.4%	8.7%	8.2%	7.6%	7.9%	7.4%	7.4%
30 June 2024	Base scenario			Negative scenario			Positive scenario		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
Housing prices, annual change in %	7.0%	5.5%	4.0%	3.1%	2.6%	4.0%	11.0%	8.6%	4.0%
GDP, annual change in %	1.1%	2.6%	2.8%	0.9%	1.9%	2.8%	1.4%	3.3%	2.3%
Unemployment, level in %	8.4%	8.2%	7.7%	8.6%	8.8%	8.3%	8.2%	7.7%	7.4%

## Note 7 Loans / due to credit institutions

On 30 June 2025, Loans to credit institutions amounted to SEK 6,242.4 M (3,153.9) and was included in Stage 1. Loss allowance for credit losses amounted to SEK 0.0 M (0.0). Loans to credit institutions include deposits with the Parent Company of SEK 3,030.8 M (2,317.6). Balances in the Parent Company's bank accounts pertaining to the covered bond operations are recognised as Loans to credit institutions.

Due to credit institutions amounted to SEK 91,257.6 M (91,187.6) on 31 June 2025. Due to credit institutions includes borrowings from the Parent Company of SEK 88,058.9 M (90,298.1).

**Note 8 Loans to the public**

Loan receivables are geographically attributable in their entirety to Sweden

SEK M	30 June 2025	31 December 2024	30 June 2024
Corporate sector	16,137.9	15,247.7	14,532.1
Retail sector	331,360.9	320,494.1	311,277.8
<b>Loans to the public before loss allowance</b>	<b>347,498.9</b>	<b>335,741.8</b>	<b>325,810.0</b>
Loss allowance	-16.1	-14.4	-12.6
<b>Loans to the public</b>	<b>347,482.8</b>	<b>335,727.4</b>	<b>325,797.3</b>

Reconciliation of loss allowance	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
<b>Opening balance, 1 January 2025</b>	<b>-2.6</b>	<b>-5.0</b>	<b>-6.9</b>	<b>-14.4</b>
Increase due to new or acquired loans	-0.6	0.0	-0.1	-0.7
Change in loss allowance model or method	0.0	0.0	-	0.1
Decrease due to repayment	0.2	0.6	1.3	2.0
Change due to changed credit risk	-1.9	-0.9	-0.5	-3.3
Transfer between stages	1.2	0.0	-1.1	0.1
Other adjustments	0.0	0.0	-	0.0
Decrease due to write-off	-	-	0.2	0.2
<b>Closing balance, 30 June 2025</b>	<b>-3.7</b>	<b>-5.3</b>	<b>-7.1</b>	<b>-16.1</b>

Allocation of loss allowance requirement	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
<b>Loans to the public before loss allowances</b>	<b>343,886.1</b>	<b>3,246.3</b>	<b>366.4</b>	<b>347,498.9</b>
Credit reserve requirement	-18.3	-26.3	-35.3	-79.9
Withheld remuneration to the regional insurance companies	14.6	21.0	28.2	63.8
<b>Recognised loss allowance</b>	<b>-3.7</b>	<b>-5.3</b>	<b>-7.1</b>	<b>-16.1</b>
<b>Loans to the public</b>	<b>343,882.4</b>	<b>3,241.1</b>	<b>359.3</b>	<b>347,482.8</b>

Länsförsäkringar Hypotek's operations comprise one operating segment, which is why the table above shows information about loans to the public and credit reserve requirements per segment and stage.

## Note 8 Loans to the public, cont.

	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
<b>Reconciliation of loss allowance</b>				
Opening balance, 1 January 2024	-2.1	-4.0	-5.2	-11.3
Increase due to new or acquired loans	-0.4	-	0.0	-0.4
Change in loss allowance model or method	0.0	0.0	-0.1	-0.1
Decrease due to repayment	0.1	0.4	1.0	1.6
Change due to changed credit risk	-1.4	-1.3	0.0	-2.7
Transfer between stages	1.3	0.3	-1.7	-0.1
Other adjustments	0.0	0.0	0.0	0.0
Decrease due to write-off	-	-	0.4	0.4
<b>Closing balance, 30 June 2024</b>	<b>-2.4</b>	<b>-4.5</b>	<b>-5.7</b>	<b>-12.6</b>
	Not credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
<b>Allocation of loss allowance requirement</b>				
Loans to the public before loss allowances	322,604.3	2,846.8	358.9	325,810.0
Credit reserve requirement	-11.9	-22.7	-28.6	-63.2
Withheld remuneration to the regional insurance companies	9.5	18.2	22.9	50.6
<b>Recognised loss allowance</b>	<b>-2.4</b>	<b>-4.5</b>	<b>-5.7</b>	<b>-12.6</b>
<b>Loans to the public</b>	<b>322,601.9</b>	<b>2,842.3</b>	<b>353.2</b>	<b>325,797.3</b>

A condition for full payment of the regional insurance companies' remuneration by Länsförsäkringar Hypotek AB is that the loans generated by each regional insurance company for Länsförsäkringar Hypotek AB are of high quality. If this is not the case, up to 80% of any credit losses are off-set against the accrued remuneration to the regional insurance companies. This model for settlement of credit losses is kept separate and is taken into consideration when the provisions are established. As of the first half of 2025, there are no manual adjustments.

## Note 9 Derivatives

SEK M	30 June 2025		31 December 2024		30 June 2024	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
<b>Derivatives with positive values</b>						
<i>Derivatives in hedge accounting</i>						
Interest-related	134,270.0	5,092.9	106,235.0	2,485.3	132,205.0	3,773.1
Currency-related	24,769.1	1,540.7	37,735.8	2,628.3	21,149.9	2,052.8
<b>Total derivatives with positive values</b>	<b>159,039.1</b>	<b>6,633.6</b>	<b>143,970.8</b>	<b>5,113.6</b>	<b>153,354.9</b>	<b>5,825.9</b>
<b>Derivatives with negative values</b>						
<i>Derivatives in hedge accounting</i>						
Interest-related	158,985.0	3,000.8	164,785.0	4,407.2	148,605.0	5,664.8
Currency-related	13,551.1	241.4	3,414.8	187.9	21,510.8	506.9
<b>Total derivatives with negative values</b>	<b>172,536.1</b>	<b>3,242.2</b>	<b>168,199.8</b>	<b>4,595.0</b>	<b>170,115.8</b>	<b>6,171.7</b>

Financial hedging agreements were signed to hedge against interest-rate risks and currency risks stemming from the Company's operations. Hedge accounting is applied to funding, lending, deposits, bonds and other securities. Hedging instruments primarily comprise interest and currency interest-rate swaps.

## Note 10 Pledged assets, contingent liabilities and commitments

SEK M	30 June 2025	31 December 2024	30 June 2024
For own liabilities, pledged assets	335,384.7	320,162.5	315,610.0
Commitments <sup>1)</sup>	20,885.8	15,793.5	16,955.6

<sup>1)</sup> On 30 June 2025 there are no commitments to related parties.

Commitments comprise approved but not disbursed loans. For additional information about provisions for credit losses on commitments, see note 6.

## Note 11 Fair value valuation techniques

SEK M	30 June 2025		31 December 2024		30 June 2024	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
<b>Financial assets</b>						
Loans to credit institutions	6,242.4	6,242.4	3,153.9	3,153.9	7,032.3	7,032.3
Loans to the public	347,482.8	347,866.8	335,727.4	336,071.6	325,797.3	324,658.5
Bonds and other interest-bearing securities	9,294.7	9,294.7	7,840.2	7,840.2	10,634.8	10,634.8
Derivatives	6,633.6	6,633.6	5,113.6	5,113.6	5,825.9	5,825.9
Other assets	-	-	-	-	-	-
Prepaid expenses and accrued income	51.5	51.5	56.9	56.9	76.1	76.1
<b>Total</b>	<b>369,705.0</b>	<b>370,089.0</b>	<b>351,892.0</b>	<b>352,236.2</b>	<b>349,366.4</b>	<b>348,227.6</b>
<b>Financial liabilities</b>						
Due to credit institutions	91,257.6	91,345.6	91,187.6	91,270.1	82,863.5	82,919.2
Debt securities in issue	252,011.8	257,211.9	237,914.8	237,444.1	242,233.9	241,653.5
Derivatives	3,242.2	3,242.2	4,595.0	4,595.0	6,171.7	6,171.7
Other liabilities	0.3	0.3	0.3	0.3	0.9	0.9
Accrued expenses and deferred income	3,324.0	3,324.0	1,428.4	1,428.4	2,682.9	2,682.9
<b>Total</b>	<b>349,835.8</b>	<b>355,124.0</b>	<b>335,126.1</b>	<b>334,738.0</b>	<b>333,952.9</b>	<b>333,428.2</b>

The carrying amount of loans to credit institutions, other assets, prepaid expenses and accrued income, due to credit institutions, other liabilities and accrued expenses and deferred income comprises a reasonable approximation of the fair value based on the cost of the assets and liabilities.

Determination of fair value through published price quotations or valuation techniques where

Level 1 includes Instruments with published price quotations

Level 2 includes Valuation techniques based on observable market prices

Level 3 includes Valuation techniques based on unobservable market price

Financial instruments measured at fair value in the balance sheet

30 June 2025, SEK M	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Bonds and other interest-bearing securities	9,294.7			<b>9,294.7</b>
Derivatives		6,633.6		<b>6,633.6</b>
<b>Liabilities</b>				
Derivatives		3,242.2		<b>3,242.2</b>
<b>31 December 2024, SEK M</b>				
<b>Assets</b>				
Bonds and other interest-bearing securities	7,840.2			<b>7,840.2</b>
Derivatives		5,113.6		<b>5,113.6</b>
<b>Liabilities</b>				
Derivatives		4,595.0		<b>4,595.0</b>
<b>30 June 2024, SEK M</b>				
<b>Assets</b>				
Bonds and other interest-bearing securities	10,634.8			<b>10,634.8</b>
Derivatives		5,825.9		<b>5,825.9</b>
<b>Liabilities</b>				
Derivatives		6,171.7		<b>6,171.7</b>

## Note 12 Capital-adequacy analysis – key figures

The capital-adequacy analysis was prepared in accordance with FFFS 2008:25. Under this regulation, an institution is to present the disclosures stipulated in Article 447 of the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation). The capital-adequacy analysis is also to include an overview of the total risk exposure amount in accordance with Article 438 d of the Capital Requirements Regulation. The Group's disclosures on its total own funds requirements and its own funds in accordance with the Swedish Financial Supervisory Authority's regulation and general guideline regarding prudential requirements and capital buffers (FFFS 2014:12) are found in the section Capital adequacy on page 6.

Other information that is to be disclosed in accordance with Part Eight of the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms is published on <https://www.lansforsakringar.se/stockholm/other-languages>.

	Consolidated situation	Consolidated situation	Consolidated situation
SEK M	30 Jun 2025	31 Dec 2024	30 Jun 2024
<b>Available own funds (amounts)</b>			
Common Equity Tier 1 (CET1) capital	17,741.3	17,469.7	17,329.0
Tier 1 capital	17,741.3	17,469.7	17,329.0
Total capital	17,741.3	17,469.7	17,329.0
<b>Risk-weighted exposure amounts</b>			
Total risk-weighted exposure amount	96,192.9	92,081.7	90,168.2
Total risk exposure pre-floor	96,192.9	-	
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>			
Common Equity Tier 1 ratio (%)	18.4%	19.0%	19.2%
Common Equity Tier 1 ratio considering unfloored TREA (%)	18.4%	-	-
Tier 1 ratio (%)	18.4%	19.0%	19.2%
Tier 1 ratio considering unfloored TREA (%)	18.4%	-	-
Total capital ratio (%)	18.4%	19.0%	19.2%
Total capital ratio considering unfloored TREA (%)	18.4%	-	-
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>			
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.2%	1.2%	1.2%
of which: to be made up of CET1 capital (percentage points)	0.7%	0.7%	0.7%
of which: to be made up of Tier 1 capital (percentage points)	0.9%	0.9%	0.9%
Total SREP own funds requirements (%)	9.2%	9.2%	9.2%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>			
Capital conservation buffer (%)	2.5%	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0%	0%	0%
Institution specific countercyclical capital buffer (%)	2%	2%	2%
Systemic risk buffer (%)	0%	0%	0%
Global Systemically Important Institution buffer (%)	0%	0%	0%
Other Systemically Important Institution buffer	0%	0%	0%
Combined buffer requirement (%)	4.5%	4.5%	4.5%
Overall capital requirements (%)	13.7%	13.7%	13.7%
CET1 available after meeting the total SREP own funds requirements (%)	9.3%	9.8%	10.1%
<b>Leverage ratio</b>			
Leverage ratio total exposure measure	383,241.9	355,935.2	365,407.3
Leverage ratio (%)	4.6%	4.9%	4.7%
<b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>			
Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%	0%
of which: to be made up of CET1 capital (percentage points)	0%	0%	0%
Total SREP leverage ratio requirements (%)	3%	3%	3%

**Note 12 Capital-adequacy analysis – key figures, cont.**

	Consolidated situation	Consolidated situation	Consolidated situation
SEK M	30 Jun 2025	31 Dec 2024	30 Jun 2024
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>			
Leverage ratio buffer requirement (%)	0%	0%	0%
Overall leverage ratio requirements (%)	3%	3%	3%
<b>Liquidity Coverage Ratio (12 months average)</b>			
Total high-quality liquid assets (HQLA) (Weighted value - average)	0,5	0,3	0,0
Cash outflows - Total weighted value	18,347.4	16,324.0	12,923.5
Cash inflows - Total weighted value	13,000.1	13,642.4	14,801.3
Total net cash outflows (adjusted value)	9,656.0	9,132.0	6,514.2
Liquidity coverage ratio (%)	0%	0%	0%
<b>Net Stable Funding Ratio</b>			
Total available stable funding	259,506.0	283,855.1	238,447.0
Total required stable funding	288,060.9	269,855.6	266,405.9
NSFR ratio (%)	90%	105%	90%

**Note 12 Capital-adequacy analysis - overview of risk weighted exposure amounts**

	Risk weighted exposure amounts			Total own funds requirements		
	30 Jun 2025	31 Dec 2024	30 Jun 2024	30 Jun 2025	31 Dec 2024	30 Jun 2024
<b>Credit risk (excluding CCR)</b>	<b>90,924.1</b>	<b>89,260.3</b>	<b>87,178.1</b>	<b>7,273.9</b>	<b>7,140.8</b>	<b>6,974.2</b>
Of which: the standardised approach	1,098.3	907.6	1,217.0	87.9	72.6	97.4
Of which: the foundation IRB (FIRB) approach	4,090.2	6,938.6	6,616.5	327.2	555.1	529.3
Of which: the advanced IRB (AIRB) approach	9,082.4	8,765.0	8,685.8	726.6	701.2	694.9
Of which: risk exposure amounts according to Article 458 CRR	76,653.2	72,649.2	70,658.9	6,132.3	5,811.9	5,652.7
<b>Counterparty credit risk - CCR</b>	<b>130.6</b>	<b>144.0</b>	<b>312.8</b>	<b>10.4</b>	<b>11.5</b>	<b>25.0</b>
Of which: the standardised approach	68.9	95.0	209.4	5.5	7.6	16.8
Of which: exposures to a CCP	-	-	-	-	-	-
Of which: credit valuation adjustment - CVA	61.7	49.0	103.3	4.9	3.9	8.3
Of which: the basic approach (R-BA)	61.7	-	-	4.9	-	-
Of which: other CCR	-	-	-	-	-	-
<b>Operational risk</b>	<b>5,138.2</b>	<b>2,677.4</b>	<b>2,677.4</b>	<b>411.1</b>	<b>214.2</b>	<b>214.2</b>
Output floor applied (%)	50%	-	-	-	-	-
Floor adjustment (before application of transitional cap)	0%	-	-	-	-	-
Floor adjustment (after application of transitional cap)	0%	-	-	-	-	-
<b>Total</b>	<b>96,192.9</b>	<b>92,081.7</b>	<b>90,168.2</b>	<b>7,695.4</b>	<b>7,366.5</b>	<b>7,213.5</b>

**Note 13 Disclosures on related parties**

Significant agreements for Länsförsäkringar Hypotek AB mainly consist of Länsförsäkringar Bank AB's outsourcing agreements with the 23 regional insurance companies, as well as Länsförsäkringar Hypotek's outsourcing agreements with Länsförsäkringar Bank and Länsförsäkringar AB, regarding, among other things, development, service, finance, and IT. Ordinary business transactions have taken place between group companies as part of the outsourced operations.

**Note 14 Significant events after the end of the period**

There has been no significant events after the end of the period.

This interim report is a translation of the Swedish interim report that has been reviewed by the company's auditors.

The Board of Directors and the President affirm that this interim report provides a true and fair view of the company's operations, financial position and earnings and describes the significant risks and uncertainties to which the company is exposed.

Stockholm, 22 July 2025

Martin Rydin  
*Chairman*

Susanne Calner  
*Board Member*

Jonas Ekegren  
*Board Member*

Marie Scherstein  
*Board Member*

Tobias Ternstedt  
*Board Member*

Anders Larsson  
*President*

# Review report

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To the Board of Directors of Länsförsäkringar Hypotek AB (publ)

Corp. id. 556244-1781

## Introduction

We have reviewed the attached condensed interim report of Länsförsäkringar Hypotek AB (publ) as of 30 June 2025 and the six-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this attached interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this attached interim report based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Inter-

national Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

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

Stockholm, 22 July 2025

Deloitte AB

Patrick Honeth

Authorized Public Accountant

# Definitions

## Glossary

### Return on total assets

Profit for the year, after tax, in relation to average total assets.

### Own funds

Own funds comprises the sum of Tier 1 capital and Tier 2 capital, less items indicated in the capital adequacy rules. Own funds in relation to capital requirements.

### Credit-impaired loan receivables

Loan receivables that have fallen due, have defaulted on issue or acquisition and thus are in stage 3 of the rules on expected credit losses under IFRS 9.

### Common Equity Tier 1 capital

Common Equity Tier 1 capital comprises equity less intangible assets, goodwill, prudent valuation, investments in financial companies and IRB deficit.

### Common Equity Tier 1 capital ratio

Common Equity Tier 1 capital in relation to the total risk exposure amount.

### Liquidity Coverage ratio

Qualitative liquid assets (12-month average) in relation to their net cash outflow measured over a period of 30 days.

### Tier 1 capital

The sum of Common Equity Tier 1 capital and Additional Tier 1 instruments.

### Tier 1 ratio

Tier 1 capital in relation to the total risk exposure amount.

### Risk Exposure Amount (REA)

The Risk Exposure Amount comprises assets in the balance sheet and off-balance sheet commitments valued in accordance with credit risk, market risk, operational risk and credit valuation adjustment risk in accordance with the capital adequacy rules.

### Loan receivables

Comprises loans to the public and loans to credit institutions.

### Fixed-interest period

The agreed period during which the interest rate on an asset or liability is fixed.

### Tier 2 capital

Primarily comprises fixed-term subordinated debt.

### Total capital ratio

Total own funds in relation to the total risk exposure amount.

### Net stable funding ratio

Available stable funding in relation to the assets that require stable funding over one year.

## Alternative performance measures

The European Securities and Markets Authority's (ESMA) Guidelines on Alternative Performance Measures came into effect on 3 July 2016. In accordance with these guidelines, disclosures on financial performance measures that are not defined by IFRS have been provided. Investment margin and return on equity show the organisation's earnings in relation to various investment measures. The share of credit-impaired loan receivables, credit losses and performance measures concerning loss allowance are presented to provide an understanding of lending, collateral and credit risk. The common factor for all of the alternative performance measures is that they describe the development of the operations and aim to improve comparability between different periods. The measures may differ from similar performance measures presented by other organisations.

### Share of credit-impaired loan receivables

Credit-impaired loan receivables (stage 3) before loss allowance in relation to loans to the public and credit institutions before loss allowance.

### Credit loss level

Credit losses, net, for loan receivables in relation to loans to the public and credit institutions after loss allowance.

### Investment margin

Net interest income in relation to average total assets.

### Reserve ratio for loan receivables

Recognised loss allowance for loan receivables in relation to loan receivables before loss allowance.

### Return on equity

Operating profit less standard tax in relation to average equity, adjusted for items in equity recognised in other comprehensive income and for Additional Tier 1 Capital loans.

### Financial calendar

Interim report January-September 2025 Länsförsäkringar Bank	23 October 2025
Year-end report Länsförsäkringar Bank	10 February 2026
Year-end report Länsförsäkringar Hypotek	10 February 2026
Interim report January-Mars Länsförsäkringar Bank	24 April 2026
Interim report January-June Länsförsäkringar Bank	22 July 2026
Interim report January-June Länsförsäkringar Hypotek	22 July 2026

### For further information, please contact:

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