

Swedbank



Interim report

Swedbank Mortgage AB

First half year | January – June 2025

17 July 2025

First half of 2025

January-June 2025 compared with July-December 2024

- Lower net interest income due to decreased margins
- Increased net financial result
- Continued low credit losses
- Strong capital position

Financial information

SEKm	2025	2024	%	2024	%
	Jan-Jun	Jul-Dec		Jan-Jun	
Net interest income	4 330	5 467	-21	4 888	-11
Net commissions	-13	-10	28	-10	32
Net gains and losses on financial items	336	304	10	586	-43
Other income	3	3	-3	3	-14
Total income	4 656	5 764	-19	5 467	-15
Total general administrative expenses	137	141	-3	138	-1
Profit before impairments, Swedish bank tax and resolution fees	4 520	5 623	-20	5 330	-15
Credit impairments, net	51	42	21	18	
Swedish bank tax and resolution fees	295	298	-1	298	-1
Operating profit	4 174	5 284	-21	5 014	-17
Tax	860	1 088	-21	1 033	-17
Profit for the period	3 314	4 196	-21	3 981	-17

Business performance

	2025	2024	2024	2023	2023	2022	2022
	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
Lending to the public, SEKbn	1 115	1 117	1 120	1 115	1 112	1 116	1 110
- Private	1 001	1 000	1 002	997	994	997	991
of which private, mortgage	911	911	914	911	909	913	907
- Corporate	114	117	118	118	118	119	119
Number of customers, thousand	990	1 005	1 020	1 029	1 039	1 054	1 066
Private lending							
Market share mortgages % ¹	22	22	22	22	22	22	23
Market share of net growth, full and half year % ¹	neg	neg	18	neg	neg	16	17
Volume growth market, Δ 12-months % ¹	2	1	1	1	2	5	7
Volume growth Swedbank Mortgage, Δ 12-months % ¹	0	0	0	-1	0	3	5
LTV total portfolio %	57	56	58	57	58	54	52
LTV new mortgages, current year	69	68	69	69	69	68	68
Share of total portfolio which amortises %	74	74	74	74	74	75	75
Share of portfolio which amortises, new mortgages, current year %	87	86	85	86	86	88	89
Funding							
Issued in last six months							
Swedish market, SEKbn	54	32	56	38	38	10	36
Outside Sweden, SEKbn	44				12		41
Average maturity of outstanding issued covered bonds, months	40	36	35	32	32	32	34

1) Market share and volume growth are presented as of May. Source Statistics Sweden (SCB).

Financial overview

SEKm	2025	2024	%	2024	%
	Jan-Jun	Jul-Dec		Jan-Jun	
Net interest income	4 330	5 467	-21	4 888	-11
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Key ratios and data per share	2025	2024	2024	2023	2023
	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
Net interest margin, % ¹	0.74	0.89	0.84	0.72	0.75
Return on equity, %	11.9	15.0	14.7	11.4	12.2
Earnings per share, SEK	144.1	355.6	173.1	248.6	127.8
Number of shares in issue at beginning/end of period, million	23	23	23	23	23
Equity per share, SEK	2 408	2 378	2 347	2 331	2 099
Common Equity Tier 1 capital ratio, %	19.0	19.2	18.7	18.2	16.6
Total capital ratio, %	19.0	19.3	18.9	18.3	16.7
Credit impairment ratio, %	0.01	0.01	0.00	0.05	0.05
Share of Stage 3 loans, gross, %	0.38	0.43	0.43	0.23	0.11
Total credit impairment provision ratio, %	0.12	0.12	0.11	0.11	0.09

1) Starting from 2025, the key ratio net interest margin replaces the previously reported key ratio net investment margin.

Balance sheet data, SEKbn	2025	2024	2024	2023	2023
	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
Loans to the public	1 115	1 117	1 120	1 115	1 112
Loans to credit institutions	24	23	62	23	25
Average equity	55	55	54	50	48
Average total assets	1 174	1 170	1 166	1 169	1 176
Risk exposure amount	291	284	286	293	288

For more information on definitions and calculation of key ratios, please see page 31 and the 2024 Annual Report, page 61.

Overview

About Swedbank Mortgage AB

Swedbank Mortgage AB (publ) ("Swedbank Mortgage") corporate identification number 556003-3283, is a wholly owned subsidiary of Swedbank AB (publ) 502017-7753 ("Swedbank") and is responsible for mortgage lending in Sweden. Swedbank Mortgage has its registered office in Stockholm, Sweden. With nearly one million customers, Swedbank Mortgage has a leading position on the Swedish market. Mortgages are mainly sold through Swedbank's and the Swedish savings banks' retail network, one of the largest bank-owned retail networks in Sweden, as well as through the telephone services and Internet Bank.

Swedbank Mortgage issues loans collateralised with properties and individual tenant-owned apartments. The company also lends directly to municipalities or other borrowers with municipal guarantees as collateral.

No lending with collateral outside of Sweden is performed.

Swedbank Mortgage's operations are partly integrated in Swedbank, which creates economies of scale for Swedbank and Swedbank Mortgage.

Important to note

The interim report contains alternative key figures that Swedbank Mortgage considers provide valuable information to the reader. These figures are used by both the management of Swedbank Mortgage and the management of the Swedbank Group for internal governance, performance monitoring, and for comparison across reporting periods. Further information on the alternative performance measures used in the interim report can be found on page 31.

The company's development

Result first half of 2025 compared with second half of 2024

Swedbank Mortgage reported a profit of SEK 3 314m in the first half of 2025, compared with SEK 4 196m in the second half of 2024. The decrease is mainly explained by a lower net interest income.

Net interest income amounted to SEK 4 330m (5 467). Lower net interest income due to decreased margins.

Net gains and losses on financial items amounted to SEK 336m (304).

Expenses amounted to SEK 137m (141).

Credit impairments amounted to SEK 51m (42) corresponding to a 0.01 per cent credit impairment ratio (0.01). Credit impairments for individually assessed loans increased to SEK 46m (-14), rating and stage migrations decreased to SEK -42m (161), updated macroeconomic scenarios increased credit impairments by SEK 24m (-84), while post-model expert credit adjustments decreased by SEK -51m (-7).

The tax expense amounted to SEK 860m (1 088), corresponding to an effective tax rate of 20.6 per cent (20.6).

Result first half of 2025 compared with first half of 2024

Swedbank Mortgage reported a profit of SEK 3 314m for the first half of 2025, compared with SEK 3 981m in the first half of 2024. The decrease is mainly due to lower net interest income.

Net interest income amounted to SEK 4 330m (4 888). Lower net interest income due to decreased margins.

Net gains and losses on financial items decreased to SEK 336m (586). The decrease is due to derivatives outside hedge accounting and inefficiencies in cash flow hedges.

Expenses amounted to SEK 137m (138).

Credit impairments amounted to SEK 51m (18), corresponding to a 0.01 per cent credit impairment ratio (0.00). Credit impairments for individually assessed loans increased to SEK 46m (31), rating and stage migrations decreased to SEK -42m (165), updated macroeconomic scenarios increased credit impairments by SEK 24m (-105), while post-model expert credit adjustments decreased by SEK -51m (-85).

The tax expense amounted to SEK 860m (1 033), corresponding to an effective tax rate of 20.6 per cent (20.6).

Lending

Total loans to the public amounted to SEK 1 115bn as of 30 June 2025 (SEK 1 117bn as of 31 December 2024), a decrease by SEK 2bn. Compared to 30 June 2024, the loan volume decreased by SEK 5bn.

	30 Jun 2025	31 Dec 2024	30 Jun 2024
Lending to general public, SEKbn			
Private customers	1 001	1 000	1 002
Private, mortgage	911	911	914
Tenant owner associations	90	89	88
Corporate customers	114	117	118
Agricultural, forestry, fishing	42	43	43
Property management	62	65	65
Other corporate lending	10	9	10
Total	1 115	1 117	1 120

Mortgage lending to the private segment was unchanged compared to 31 December 2024 and amounted to SEK 911bn. The market share for mortgages was 22 per cent as of May 2025 (22 per cent as of 31 December 2024). Lending to tenant-owner associations increased by SEK 1bn, to SEK 90bn (89bn as of 31 December 2024).

Corporate lending amounted to SEK 114bn (117bn as of 31 December 2024).

Funding and liquidity

Swedbank Mortgage funds its lending by issuing covered bonds on the Swedish and international capital market and by intragroup funding through loans from Swedbank.

As of 30 June 2025, outstanding funding through covered bonds amounted to SEK 394bn (362bn as of 31 December 2024) while intragroup funding from Swedbank amounted to SEK 651bn (681bn as of 31 December 2024).

Demand for Swedbank Mortgage's bonds has been stable. Swedbank Mortgage issued SEK 98bn in covered bonds in the first half of 2025 (32bn second half of 2024). Maturities in the first half of 2025 were nominally SEK 53bn (46bn second half of 2024).

	30 Jun 2025	31 Dec 2024	30 Jun 2024
Amounts owed to credit institutions and issued debt, SEKbn			
Amounts owed to credit institutions	651	681	706
Debt securities in issue	394	362	377
Eligible liabilities	44	44	44
Total	1 089	1 086	1 127

Funding needs and issuance volumes, are mainly affected by lending volumes as well as changes in available funding from Swedbank. The funding process is streamlined as Swedbank Mortgage has several standardised borrowing programmes that are adapted to meet the legal requirements of various types of markets and investors.

As part of its liquidity planning, Swedbank Mortgage aims to actively buy back a portion of its issuance in the Swedish bond market starting about 1.5 years before maturity. In the first half of 2025, SEK 18bn was repurchased in the Swedish market (10bn second half of 2024). The average maturity of all outstanding covered bonds was 40 months on 30 June 2025 (36bn as of 31 December 2024).

Capital adequacy

Swedbank Mortgage's legal capital requirement is based on the Capital Requirements Regulation (CRR), which sets the minimum requirement for Swedbank Mortgage per 30th of June 2025. Swedbank Mortgage's total capital ratio was 19.0 per cent as of 30 June 2025 (19.3 per cent as of 31 December 2024), to be compared with the capital requirement of 16.4 per cent (16.4 per cent as of 31 December 2024).

Total own funds unchanged during the second half of the year and amounted to SEK 55bn (55 bn as of 31 December 2024). REA (Risk exposure amount) increased by SEK 7bn to SEK 291bn (284bn as of 31 December 2024). The increase was mainly driven by LGD (Loss Given Default) add on according to the Return to Compliance plan and were offset by decreased REA for mortgage floor. The capital adequacy is further disclosed in note 15.

Swedbank Mortgage's leverage ratio as of 30 June 2025 was 4.9 per cent (4.9 as of 31 December 2024).

Capital and resolutions regulations

On account of the guideline from the European Banking Authority, as well as the forthcoming implementation of CRR 3, Swedbank is applying for approval of new internal models for risk classification. The bank estimated that the review process will continue with approvals being granted during 2025 and 2026.

Swedbank previously decided on an Article 3 add-on corresponding to the bank's estimate of the remaining impact on REA after the introduction of the remaining risk classification models. The Swedish FSA has also introduced a temporary add-on of 2.4 per cent in the Pillar 2 requirement (P2R) related to the ongoing review of the IRB models. The IRB models are likely to result in a lower capital requirement than the add-on in P2R.

Risks

The main risks within Swedbank Mortgage consist of credit risk and operational risk. Swedbank Mortgage has a low risk appetite with a well-diversified credit portfolio and limited market risk.

Credit and asset quality

Swedbank Mortgage's credit portfolio saw stable levels of impairments and late payments during the year, slightly decreasing towards the later period, primarily driven by falling interest rates. The macroeconomic outlook has somewhat worsened compared to year end 2024, leading to slightly higher impairments. High geopolitical and macroeconomic uncertainty remain. Expert adjustments to address potential underestimation in the models also decreased and mostly relate to property management. At the same time a higher interest rate environment than previous years and increasing unemployment means increases in stage 3 impairments.

House price development impacts the loan to value ratio for properties in the portfolio. During the year the average loan-to-value ratio for private lending was 57 per cent (56 as of 31 December 2024), based on property level. For new private lending in the half-year the loan to-value ratio was 69 per cent (68 as of 31 December 2024).

In the origination process, customers' long-term solvency including a stressed add-on to interest rates is key. This ensures high credit quality and low risk also in times of financial stress as it decreases the risk of defaults due to higher interest rates. Despite higher impairments during the year the mortgage portfolio remains of high quality with low credit losses in relation to total lending.

For more information on asset quality, see the fact book for the Swedbank Group as well as Swedbank Mortgage Risk and Capital Adequacy report (Pillar 3).

Operational risks

During first half of 2025, no incidents occurred which materially affected Swedbank Mortgage negatively. Losses related to operational risks remained very low.

Rating

Swedbank Mortgage is one of the largest participants in the Swedish covered bond market. The bonds have the highest credit rating (Aaa/AAA) from both Moody's Investors Service and S&P Global Ratings.

Events after 30 June 2025

No material events have occurred after 30 June 2025.

Income statement, condensed

SEKm	2025	2024	%	2024	%
	Jan-Jun	Jul-Dec		Jan-Jun	
Interest income on financial assets measured at amortised cost	18 529	22 110	-16	22 605	-18
Interest income	18 529	22 110	-16	22 605	-18
Interest expense	-14 199	-16 643	-15	-17 717	-20
Net interest income (note 3)	4 330	5 467	-21	4 888	-11
Net commissions	-13	-10	28	-10	32
Net gains and losses on financial items (note 4)	336	304	10	586	-43
Other income	3	3	-3	3	-14
Total income	4 656	5 764	-19	5 467	-15
Total general administrative expenses	137	141	-3	138	-1
Profit before impairments, Swedish bank tax and resolution fees	4 520	5 623	-20	5 330	-15
Credit impairments (note 5)	51	42	21	18	
Swedish bank tax and resolution fees (note 6)	295	298	-1	298	-1
Operating profit	4 174	5 284	-21	5 014	-17
Tax	860	1 088	-21	1 033	-17
Profit for the period	3 314	4 196	-21	3 981	-17

Statement of comprehensive income, condensed

SEKm	2025	2024	%	2024	%
	Jan-Jun	Jul-Dec		Jan-Jun	
Profit for the period reported via income statement	3 314	4 196	-21	3 981	-17
Items that may be reclassified to the income statement					
Cash flow hedges:					
Gains and losses arising during the period	-3 087	718		198	
Reclassification adjustments to income statement, net gains and losses	2 904	-726		-215	
Foreign currency basis risk:					
Gains/losses arising during the period	199	-147		-514	
Tax relating to components of other comprehensive income	-3	32		109	
Total comprehensive income attributable to shareholders of Swedbank Mortgage AB	3 326	4 073	-18	3 560	-7

Balance sheet, condensed

SEKm	2025	2024	Δ	2024		
	30 Jun	31 Dec	mkr	%	30 Jun	%
Assets						
Loans to credit institutions (note 7)	24 195	22 665	1 530	7	61 560	-61
Loans to the public (note 7)	1 114 941	1 117 251	-2 310	0	1 120 396	0
Value change of interest hedged items in portfolio hedge	-118	-2 723	2 605	-96	-5 905	-98
Derivatives (note 9)	13 915	17 710	-3 795	-21	17 103	-19
Other assets	657	611	46	8	737	-11
Total assets	1 153 591	1 155 514	-1 923	0	1 193 890	-3
Liabilities and equity						
Amounts owed to credit institutions	650 635	680 703	-30 068	-4	705 693	-8
Debt securities in issue (note 10)	394 040	361 616	32 425	9	376 770	5
Derivatives (note 9)	5 509	5 144	366	7	8 030	-31
Other liabilities	3 884	9 182	-5 297	-58	5 233	-26
Eligible liabilities	44 149	44 172	-23	0	44 182	0
Total liabilities	1 098 218	1 100 816	-2 598	0	1 139 908	-4
Equity	55 373	54 698	675	1	53 982	3
Total liabilities and equity	1 153 591	1 155 514	-1 923	0	1 193 890	-3

Statement of changes in equity, condensed

SEKm	Restricted equity		Non-restricted equity				Total equity
	Share capital	Statutory reserve	Cash flow hedges	Foreign currency basis risk reserve	Retained earnings		
Opening balance 1 January 2025	11 500	3 100	160	-801	40 740	54 698	
Group contributions paid					-3 339	-3 339	
Tax on group distributions paid					688	688	
Total comprehensive income for the year			-146	158	3 314	3 326	
Closing balance 30 June 2025	11 500	3 100	14	-643	41 403	55 373	
of which, conditional shareholders' contributions					2 400	2 400	
<hr/>							
Opening balance 1 January 2024	11 500	3 100	180	-276	39 103	53 607	
Group contributions paid					-8 239	-8 239	
Tax on group distributions paid					1 697	1 697	
Total comprehensive income for the year			-19	-525	8 178	7 634	
Closing balance 31 December 2024	11 500	3 100	160	-801	40 740	54 698	
of which, conditional shareholders' contributions					2 400	2 400	
<hr/>							
Opening balance 1 January 2024	11 500	3 100	180	-276	39 103	53 607	
Group contributions paid					-4 012	-4 012	
Tax on group distributions paid					826	826	
Total comprehensive income for the year			-13	-408	3 981	3 560	
Closing balance 30 June 2024	11 500	3 100	167	-684	39 899	53 982	
of which, conditional shareholders' contributions					2 400	2 400	

Cash flow statement, condensed

SEKm	2025 Jan-Jun	2024 Full-year	2024 Jan-Jun
Operating activities			
Operating profit	4 174	10 298	5 014
Adjustments for non-cash items in operating activities	6 860	10 279	7 621
Taxes paid ¹	-300	-600	-300
Cash flow from operating activities before changes in operating assets and liabilities	10 734	19 977	12 335
Increase (-) /decrease (+) assets	2 154	-2 066	-5 000
Increase (+) /decrease (-) in liabilities	-3 118	-15 511	33 959
Cash flow from operating activities	9 769	2 400	41 295
Financing activities			
Minskning av övrig upplåning			
Issuance of eligible liabilities		18 000	3 000
Redemption of eligible liabilities		-15 000	
Group contributions paid	-8 239	-5 760	-5 760
Cash flow from financing activities	-8 239	-2 760	-2 760
Cash flow for the period	1 530	-360	38 535
Cash and cash equivalents at the beginning of the period	22 665	23 025	23 025
Cash flow for the period	1 530	-360	38 535
Cash and cash equivalents at end of the period	24 195	22 665	61 560

1) Including also the tax effect of the Group contribution, amounting to SEK 688m.

Notes

The interim report has been prepared on a going concern basis.

On 16 July 2025, the Board of Directors and the CEO approved the interim report for publication.

Note 1 Accounting policies

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The report is also compliant with the Annual Accounts Act for Credit Institutions and Securities Companies, the directives of the Swedish Financial Supervisory Authority, and recommendation RFR 2 of the Sustainability and Financial Reporting Council.

The accounting policies applied in the interim report conform to those applied in the Annual Report for 2024, which was prepared in accordance with International

Financial Reporting Standards (IFRS accounting standards) as adopted by the European Union and interpretations thereof. There have been no significant changes to Swedbank Mortgage's accounting policies set out in the 2024 Annual Report.

The financial statements are presented in Swedish kronor and all figures are rounded to millions of kronor (SEKm) unless otherwise indicated. No adjustments for rounding are made, therefore summation differences may occur.

Changes in Swedish regulations

The amended Swedish regulations that have been adopted from 1 January 2025 have not had a significant impact on Swedbank Mortgage's financial position, results, cash flows or disclosures.

Note 2 Business segments

SEKm	2025 Jan-Jun					2024 Jan-Jun				
	Private	Cor- porate	Forestry and Agricultural	Not distributed	Total	Private	Cor- porate	Forestry and Agricultural	Not distributed	Total
Net interest income	1 948	444	161	1 777	4 330	3 014	723	250	900	4 888
Net commissions	-10	-2	-1		-13	-8	-1	0		-10
Net gains and losses on financial items				336	336				586	586
Other income				3	3				3	3
Total income	1 938	442	161	2 116	4 656	3 006	722	250	1 489	5 467
Total general administrative expenses	95	0	7	34	137	98	0	7	32	138
Profit before impairments, Swedish bank tax and resolution fees	1 843	442	154	2 081	4 520	2 908	721	243	1 457	5 330
Credit impairments	115	-61	-3		51	64	-23	-24		18
Swedish bank tax and resolution fees	241	41	13		295	243	41	14		298
Operating profit	1 486	462	144	2 081	4 174	2 601	703	253	1 457	5 014
Loans to the public	911 139	153 600	50 202		1 114 941	913 589	154 905	51 902		1 120 396

Results and balance in the Private segment relate to consumer loans to finance residential housing. The corresponding items for Corporate relate primarily to loans to property management companies and tenant-owner associations with underlying collateral in multi-family housing. The Forestry and Agricultural segment comprises loans to finance forest and agricultural properties. Items in operating profit that are not included in the segments consist of changes in the value of financial instruments, the return of legal equity and other undistributed minor items. Return on legal equity comprises interest income on assets funded by equity.

Note 3 Net interest income

SEKm	2025	2024	%	2024	%
	Jan-Jun	Jul-Dec		Jan-Jun	
Interest income					
Loans to credit institutions	627	785	-20	668	-6
Loans to the public	17 902	21 322	-16	21 937	-18
Other Interest income	0	3	-98	1	-93
Total interest income	18 529	22 110	-16	22 605	-18
Interest expense					
Amounts owed to credit institutions	-9 257	-11 756	-21	-13 271	-30
Debt securities in issue	-4 647	-3 985	17	-3 636	28
Derivatives	498	165		377	32
Eligible liabilities	-791	-1 065	-26	-1 186	-33
Other	-2	-1	60	-2	23
Total interest expense	-14 199	-16 643	-15	-17 717	-20
Total net interest income	4 330	5 467	-21	4 888	-11
Negative yield on financial assets		0		0	
Interest expense on financial liabilities at amortised cost	14 693	16 805	-13	18 091	-19

Note 4 Net gains and losses on financial items

SEKm	2025	2024	%	2024	%
	Jan-Jun	Jul-Dec		Jan-Jun	
Fair value through profit and loss					
Debt securities in issue	0	-2	-70	3	
Derivatives	88	184	-52	296	-70
Total fair value through profit and loss	87	182	-52	299	-71
Hedge accounting					
Ineffective part in hedge accounting at fair value	19	-118		-24	
of which hedging instruments	3 136	4 038	-22	375	
of which hedged items	-3 118	-4 156	-25	-398	
Ineffective part in portfolio hedge accounting at fair value	61	95	-36	78	-22
of which hedging instruments	-2 544	-3 087	-18	-2 506	2
of which hedged items	2 605	3 182	-18	2 584	1
Ineffective part in cash flow hedge	90	-30		223	-60
Total hedge accounting	169	-53		278	-39
Derecognition gain or loss for financial liabilities at amortised cost	57	143	-60	-8	
Derecognition gain or loss for loans at amortised cost	30	28	6	5	
Change in exchange rates	-8	3		12	
Total net gains and losses on financial items	336	304	10	586	-43

Note 5 Credit impairments

SEKm	2025	2024	2024		
	Jan-Jun	Jul-Dec	% Jan-Jun	%	
Credit impairments for loans at amortised cost					
Credit impairments – stage 1	-15	-20	-28	-45	-68
Credit impairments – stage 2	-107	-6		-101	6
Credit impairments – stage 3	151	45		148	2
Total	30	18	62	2	
Write-offs	29	26	8	19	51
Recoveries	-7	-3		-4	
Total	21	24	-10	15	38
Total - credit impairments for loans at amortised cost	51	42	21	18	
Total credit impairments	51	42	21	18	
Credit impairment ratio, %	0.01	0.01	0	0.00	

Calculation of credit impairment provisions

The measurement of expected credit losses is described in Note 3a Credit risk on pages 26-28 of the 2024 Annual Report. There have been no significant changes during the year to the methodology.

Measurement of 12-month and lifetime expected credit losses

Geopolitical tensions, supply chain disruptions and increased global tariffs result in uncertainty regarding potential deteriorations in credit quality, beyond what is currently captured in the quantitative risk models. Therefore, post-model expert credit adjustments continue to be made to capture increased credit risk, such as potential future rating and stage migrations.

Post-model expert credit adjustments amounted to SEK 56m (SEK 107m as of 31 December 2024) and are allocated as SEK 13m in stage 1 and SEK 43m in stage 2. Customers and industries are reviewed and analysed considering the current situation, particularly in more vulnerable sectors. During the first half of 2025, the releases of post-model expert credit adjustments were due to the risks being increasingly captured in the macroeconomic scenarios and the quantitative risk models. The post-model adjustments are mainly in the Property management sector.

Determination of a significant increase in credit risk

The tables below show the quantitative thresholds used by Swedbank Mortgage for assessing a significant increase in credit risk, namely:

- Changes in the 12-month PD and internal risk rating grades, which have been applied for the portfolio of loans originated before 1 January 2018. For instance, for exposures originated with risk grades 0 to 5, a downgrade by 1 grade from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with risk grades 18 to 21, a downgrade by 5 to 7 grades from initial recognition is considered significant. Internal risk ratings are assigned according to the risk management framework outlined in Note 3a Credit risk in the Annual Report for 2024.
- Changes in the lifetime PD, which have been applied for the portfolio of loans originated on or after 1 January 2018. For instance, for exposures originated with risk grades 0 to 5, a 50 per cent increase in the lifetime PD from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with risk grades 18 to 21, a relative increase of 200-300 per cent and an absolute increase in the 12-month PD above 7.5 basis points from initial recognition is considered significant.

These limits reflect a lower sensitivity to change in the low-risk end of the risk scale and a higher sensitivity to change in the high-risk end of the scale. The Group has performed a sensitivity analysis on how credit impairment provisions would

change if thresholds applied were increased or decreased. A lower threshold would increase the number of loans that have migrated from Stage 1 to Stage 2 and also increase the estimated credit impairment provisions. A higher threshold would have the opposite effect.

The tables below disclose the impacts of this sensitivity analysis on the credit impairment provisions. Positive amounts represent higher credit impairment provisions that would be recognised.

Significant increase in credit risk - financial instruments with initial recognition before 1 January 2018

Internal risk grade at initial recognition	12-month PD band at initial recognition, %	Threshold, rating downgrade ^{1,2,3}	Impairment provision impact of		Recognised credit impairment provisions 30 June 2025	Share of total portfolio in terms of gross carrying amount, % 30 June 2025
			Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %		
18-21	<0,1	5 - 7 grades	0.0	0.0	31	17
13-17	0,1 - 0,5	3 - 5 grades	-0.1	0.1	67	14
9-12	>0,5 - 2,0	1 - 2 grades	-0.2	0.1	65	4
6-8	>2,0 - 5,7	1 grade	-0.1	0.1	19	1
0-5	>5,7 - 99,9	1 grade	0.0	0.0	9	0
			-0.1	0.1	191	36
					Post-model expert credit adjustment ⁴	10
					Sovereigns and financial institutions with low credit risk	0
					Stage 3 financial instruments	352
					Total	552
						36

1) Downgrade by 2 grades corresponds to approximately 100% increase in 12-month PD.

2) Thresholds vary within given ranges depending on the borrower's geography, segment and internal risk grade.

3) The threshold used in the sensitivity analyses is floored to 1 grade.

4) Represents post-model expert credit adjustments for stages 1 and 2.

Significant increase in credit risk - financial instruments with initial recognition on or after 1 January 2018

Impairment provision impact of					
Internal risk grade at initial recognition	Threshold, increase in lifetime PD ¹ , %	Increase in threshold by 100%, %	Decrease in threshold by 50%, %	Recognised credit impairment provisions 30 June 2025	Share of total portfolio in terms of gross carrying amount, % 30 June 2025
18-21	200-300 ²	-0.1	0.1	72	38
13-17	100-200	0.0	0.1	118	18
9-12	100	0.0	0.1	158	6
6-8	50	0.0	0.2	45	1
0-5	50	-0.1	0.0	12	0
		0.0	0.1	404	64
				Post-model expert credit adjustment ³	46
				Sovereigns and financial institutions with low credit risk	0
				Stage 3 financial instruments	371
				Total	821
					64

1) Thresholds vary within given ranges depending on the borrower's geography, segment and internal risk grade.

2) For Swedish mortgages originated in risk grades 18-21 besides a relative increase in lifetime PD of 200-300% an absolute increase in the 12-month PD above 7.5bps is applied.

3) Represents post-model expert credit adjustments for stages 1 and 2.

Significant increase in credit risk, financial instruments with initial recognition before 1 January 2018

Impairment provision impact of						Recognised credit impairment provisions 31 December 2024	Share of total portfolio in terms of gross carrying amount, % 31 December 2024
Internal risk grade at initial recognition	12-month PD band at initial recognition, %	Threshold, rating downgrade ^{1, 2, 3}	Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %			
18-21	<0.1	5 - 7 grades	-3.1	2.9		34	17
13-17	0.1 - 0.5	3 - 5 grades	-6.3	7.4		71	15
9-12	>0.5 - 2.0	1 - 2 grades	-19.2	11.2		74	4
6-8	>2.0 - 5.7	1 grade	-13.4	4.9		19	1
0-5	>5.7 - 99.9	1 grade	-5.0	0.0		6	0
			-12.6	8.5		203	38
						Post-model expert credit adjustment ⁴	20
						Sovereigns and financial institutions with low credit risk	0
						Stage 3 financial instruments	299
						Total	522
							38

1) Downgrade by 2 grades corresponds to approximately 100% increase in 12-month PD.

2) Thresholds vary within given ranges depending on the borrower's geography, segment and internal risk grade.

3) The threshold used in the sensitivity analyses is floored to 1 grade.

4) Represents post-model expert credit adjustments for stages 1 and 2.

Significant increase in credit risk, financial instruments with initial recognition on or after 1 January 2018

Impairment provision impact of					Recognised credit impairment provisions 31 December 2024	Share of total portfolio in terms of gross carrying amount, % 31 December 2024
Internal risk grade at initial recognition	Threshold, increase in lifetime PD ¹ , %	Increase in threshold by 100%, %	Decrease in threshold by 50%, %			
18-21	200-300 ²	-7.9	6.9		69	37
13-17	100-200	-2.4	8.3		114	18
9-12	100	-1.6	5.3		176	6
6-8	50	-0.5	5.1		84	1
0-5	50	-2.7	1.4		19	0
		-3.0	7.5		462	62
					Post-model expert credit adjustment ³	87
					Sovereigns and financial institutions with low credit risk	0
					Stage 3 financial instruments	262
					Total	811
						62

1) Thresholds vary within given ranges depending on the borrower's geography, segment and internal risk grade.

2) For Swedish mortgages originated in risk grades 18-21 besides a relative increase in lifetime PD of 200-300% an absolute increase in the 12-month PD above 7.5bps is applied.

3) Represents post-model expert credit adjustments for stages 1 and 2.

Incorporation of forward-looking macroeconomic scenarios

The Swedbank Economic Outlook was published on 6 May 2025 and the baseline scenario was updated by Swedbank Macro Research as of 10 June 2025. The baseline scenario, with an assigned probability weight of 66.6 per cent, is aligned with the published outlook and incorporates updated observed outcome and data points. The alternative scenarios are aligned with the updated baseline scenario, with probability weights of 16.7 per cent assigned to both the upside and downside scenario.

IFRS 9 scenarios

The US tariffs and related policy uncertainty are primarily expected to affect the US economy, but will also continue to weigh on the global economy. We expect uncertainty to diminish towards the end of the year. At the same time, the European economy is being supported by increased investments in defence and infrastructure. In China, consumer confidence remains subdued despite various stimulus measures, and the economic outlook looks weak.

Growth in the US has started to slow, but inflation is likely to rise as tariffs are raised. This puts the Federal Reserve in a difficult position and policy rate cuts are being delayed. Capital flows from the US as a result of policy uncertainty have weighed on the dollar this year – a trend we believe will continue. In the euro area, inflation has returned to target and the ECB is expected to continue to cut its policy rate after the summer.

The recovery in the Swedish economy is taking a break. Growth turned negative again in the first quarter of 2025 and indicators point to continued weak growth. Once uncertainty about US trade policy eases, we expect higher real household incomes and lower interest rates to contribute to stronger domestic demand. Inflation has been subdued and we believe that the Riksbank will lower the policy rate to 1.75 per cent this autumn. The labour market situation is not expected to improve significantly until next year.

30 Jun 2025			
Credit impairment provisions (probability weighted)	Of which: post-model expert credit	Credit impairment provisions	
		Negative scenario	Positive scenario
1 374	56	1 544	1 311

31 Dec 2024			
Credit impairment provisions (probability weighted)	Of which: post-model expert credit	Credit impairment provisions	
		Negative scenario	Positive scenario
1333	107	1504	1298

Note 6 Swedish bank tax and resolution fees

	2025	2024	2024
SEKm	Jan-Jun	Jul-Dec	Jan-Jun
Swedish bank tax	106	107	107
Resolution fees	189	190	190
Total	295	298	298

Note 7 Loans

30 Jun 2025	Stage 1			Stage 2			Stage 3			Total
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
SEKm										
Loans to the public at amortised cost										
Private customers	945 982	57	945 925	53 037	191	52 847	3 257	569	2 688	1 001 460
Private mortgage	858 532	51	858 481	49 965	183	49 782	3 242	568	2 674	910 937
Tenant owner associations	87 450	6	87 444	3 072	8	3 064	15	1	14	90 523
Corporate customers	92 594	58	92 536	20 410	345	20 065	1 034	154	880	113 481
Agriculture, forestry, fishing	35 981	11	35 971	5 822	71	5 751	221	46	175	41 897
Manufacturing	414	0	414	89	1	88	5	1	4	506
Public sector and utilities	907	1	906	319	10	310	7	4	4	1 220
Construction	1 938	1	1 937	450	9	441	10	2	8	2 386
Retail and wholesale	625	0	624	138	2	137	0	0	0	761
Transportation	250	0	250	54	1	52	0	0	0	302
Shipping and offshore	1	0	1	2	0	2	0	0	0	3
Hotels and restaurants	309	0	309	215	7	207	15	2	13	529
Information and communication	143	0	143	25	0	24	0	0	0	167
Finance and insurance	468	0	468	64	1	62	0	0	0	530
Property management, including	49 185	43	49 142	12 607	229	12 377	752	94	658	62 177
Residential properties	35 445	32	35 413	9 532	175	9 357	718	86	632	45 403
Commercial	8 820	5	8 815	1 465	24	1 441	21	5	16	10 272
Industrial and Warehouse	727	0	727	80	1	79	2	0	2	808
Other	4 192	6	4 186	1 530	29	1 501	11	3	8	5 695
Professional services	1 406	1	1 405	305	4	302	10	3	7	1 714
Other corporate lending	967	1	966	321	9	312	12	2	10	1 288
Loans to the public	1 038 576	115	1 038 460	73 447	536	72 912	4 292	723	3 569	1 114 941
Loans to credit institutions	24 195	0	24 195	0	0	0	0	0	0	24 195
Loans to the public and credit institutions	1 062 771	115	1 062 656	73 447	536	72 912	4 292	723	3 569	1 139 136
Share of loans, %	93.18			6.44			0.38			100.00
Credit impairment provision ratio, %	0.01			0.73			16.84			0.12

31 Dec 2024

SEKm	Stage 1			Stage 2			Stage 3			Summa
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
Loans to the public at amortised cost										
Private customers	944 679	57	944 622	51 877	190	51 687	3 926	462	3 464	999 773
Private mortgage	858 693	51	858 642	48 712	181	48 531	3 900	460	3 440	910 613
Tenant owner associations	85 986	6	85 980	3 164	9	3 156	25	2	23	89 160
Corporate customers	95 389	73	95 315	21 716	452	21 263	998	99	900	117 478
Agriculture, forestry, fishing	36 117	9	36 107	6 336	75	6 262	288	48	240	42 609
Manufacturing	457	0	457	105	2	104	5	1	4	565
Public sector and utilities	1 047	1	1 046	210	7	202	7	1	6	1 255
Construction	2 079	1	2 078	370	6	364	21	5	16	2 459
Retail and wholesale	650	0	650	253	4	248	3	0	3	901
Transportation	252	0	252	58	1	57	0	0	0	309
Shipping and offshore	3	0	3							3
Hotels and restaurants	309	0	309	233	6	227	6	1	5	541
Information and communication	167	0	167	16	0	15				183
Finance and insurance	589	0	589	98	1	97	0	0	0	686
Property management, including	51 356	59	51 297	13 410	335	13 075	659	42	617	64 989
Residential properties	36 936	45	36 890	9 731	270	9 461	606	33	573	46 924
Commercial	9 016	8	9 008	2 072	35	2 037	25	5	20	11 065
Industrial and Warehouse	795	1	795	91	2	89				884
Other	4 609	5	4 604	1 516	28	1 488	28	4	24	6 116
Professional services	1 503	1	1 502	270	4	266	6	0	6	1 774
Other corporate lending	860	1	859	356	11	345	3	1	2	1 206
Loans to the public	1 040 068	130	1 039 938	73 593	642	72 950	4 924	561	4 363	1 117 251
Loans to credit institutions	22 665	0	22 665	0	0	0	0	0	0	22 665
Loans to the public and credit institutions	1 062 733	130	1 062 603	73 593	642	72 950	4 924	561	4 363	1 139 916
Share of loans, %	93.12			6.45			0.43			100
Credit impairment provision ratio, %	0.01			0.87			11.39			0.12

30 Jun 2024

SEKm	Stage 1			Stage 2			Stage 3			Total
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
Loans to the public at amortised cost										
Private customers	944 945	74	944 872	53 678	240	53 439	3 922	404	3 517	1 001 828
Private mortgage	860 323	67	860 256	49 811	228	49 583	3 920	404	3 516	913 354
Tenant owner associations	84 623	7	84 616	3 868	12	3 856	2	0	1	88 473
Corporate customers	99 602	77	99 525	18 402	409	17 994	1 151	102	1 049	118 568
Agriculture, forestry, fishing	37 339	12	37 327	5 973	74	5 898	298	39	258	43 484
Manufacturing	505	0	505	81	1	80	5	1	4	590
Public sector and utilities	1 165	1	1 164	156	4	151	7	1	6	1 322
Construction	2 052	1	2 051	438	7	431	54	5	49	2 531
Retail and wholesale	748	0	747	167	4	163	3	0	3	913
Transportation	274	0	274	54	1	53	1	0	1	328
Shipping and offshore	3	0	3							3
Hotels and restaurants	287	0	287	260	7	253	1	0	1	541
Information and communication	187	0	186	11	0	11				197
Finance and insurance	570	0	570	99	2	97	0	0	0	667
Property management, including	54 118	59	54 059	10 603	296	10 307	768	53	715	65 081
Residential properties	38 972	43	38 929	8 086	244	7 842	721	45	676	47 447
Commercial	9 180	7	9 172	1 763	32	1 731	29	6	23	10 927
Industrial and Warehouse	814	1	813	98	2	96				909
Other	5 152	8	5 145	657	19	638	18	2	16	5 799
Professional services	1 538	1	1 537	224	3	222	6	0	6	1 765
Other corporate lending	815	1	814	336	10	327	8	2	6	1 147
Loans to the public	1 044 547	151	1 044 397	72 081	648	71 432	5 073	506	4 567	1 120 396
Loans to credit institutions	61 560	0	61 560							61 560
Loans to the public and credit institutions	1 106 107	151	1 105 957	72 081	648	71 432	5 073	506	4 567	1 181 956
Share of loans, %	93.48			6.09			0.43			100
Credit impairment provision ratio, %	0.01			0.90			9.97			0.11

Note 8 Credit impairment provisions

Reconciliation of credit impairment provisions for loans

The below table provides a reconciliation of the gross carrying amount and credit impairment provisions for loans to the public and credit institutions at amortised cost.

Loans to the public and credit institutions				
SEKm	Stage 1	Stage 2	Stage 3	Total
Carrying amount before provisions				
Opening balance as of 1 January 2025	1 062 733	73 593	4 924	1 141 249
Closing balance as of 30 June 2025	1 062 771	73 447	4 292	1 140 510
Credit impairment provisions				
Opening balance as of 1 January 2025	130	642	561	1 333
Movements affecting credit impairments				
New and derecognised financial assets, net	12	-59	-92	-140
Changes in PD	12	-49	0	-37
Changes in other risk factors	-2	-1	207	204
Changes in macroeconomic scenarios	1	21	1	24
Post-model expert credit adjustments	-14	-37	0	-51
Individual assessments	0	0	46	46
Stage transfers	-23	18	0	-5
from 1 to 2	-30	106		76
from 1 to 3	0		3	3
from 2 to 1	7	-36	0	-29
from 2 to 3	0	-59	32	-27
from 3 to 2	0	7	-28	-21
from 3 to 1	0	0	-7	-7
Other	0	0	-11	-11
Total movements affecting credit impairments	-15	-107	151	30
Movements recognised outside credit impairments				
Interest	0	0	11	11
Closing balance as of 30 June 2025	115	536	723	1 374
Carrying amount				
Opening balance as of 1 January 2025	1 062 603	72 950	4 363	1 139 916
Closing balance as of 30 June 2025	1 062 655	72 912	3 569	1 139 136

Loans to the public and credit institutions

SEKm	Stage 1	Stage 2	Stage 3	Total
Carrying amount before provisions				
Opening balance as of 1 January 2024	1 052 799	84 278	2 626	1 139 703
Closing balance as of 30 June 2024	1 106 107	72 081	5 073	1 183 260
Credit impairment provisions				
Opening balance as of 1 January 2024	196	749	348	1 293
Movements affecting credit impairments				
New and derecognised financial assets, net	15	-45	-53	-83
Changes in PD	29	3	0	32
Changes in other risk factors	-2	-12	102	89
Changes in macroeconomic scenarios	-10	-82	-13	-105
Changes to models	0	0	0	0
Post-model expert credit adjustments	-36	-49	0	-85
Individual assessments	0	0	31	31
Stage transfers	-41	84	91	133
from 1 to 2	-54	196	0	142
from 1 to 3	0	0	32	32
from 2 to 1	13	-59	0	-46
from 2 to 3	0	-57	68	11
from 3 to 2		4	-7	-3
from 3 to 1	0		-2	-2
Other			-9	-9
Total movements affecting credit impairments	-45	-101	148	2
Movements recognised outside credit impairments				
Interest			9	9
Closing balance as of 30 June 2024	151	648	506	1 305
Carrying amount				
Opening balance as of 1 January 2024	1 052 603	83 528	2 278	1 138 410
Closing balance as of 30 June 2024	1 105 957	71 432	4 567	1 181 956

Note 9 Derivatives

SEKm	2025 30 Jun			2024 31 Dec		
	Interest	Currency	Total	Interest	Currency	Total
Derivatives with positive book value	9 029	4 886	13 915	10 098	7 612	17 710
of which in hedge accounting	9 023	4 821	13 844	10 090	7 520	17 610
Derivatives with negative book value	5 233	276	5 509	5 095	49	5 144
of which in hedge accounting	5 233		5 399	5 076		5 076
Nominal amount	592 729	111 163	703 892	627 258	85 483	712 741

Note 10 Debt securities in issue

SEKm	2025	2024	2024		
	30 Jun	31 Dec	%	30 Jun	%
Covered bonds	391 507	362 313	8	381 603	3
Change in value due to hedge accounting at fair value	2 533	-697		-4 833	
Total	394 040	361 616	9	376 770	5

Turnover during the period SEKm	2025	2024	2024		
	Jan-Jun	Jul-Dec	%	Jan-Jun	%
Opening balance	361 616	376 770	-4	361 435	0
Issued	98 085	32 202		56 464	74
Repurchased	-18 076	-9 859	83	-13 719	32
Repaid	-52 954	-46 488	14	-34 255	55
Interest	4 646	3 985	17	3 636	28
Change in market values or in hedged item in hedge accounting at fair value	3 060	4 015	-24	404	
Changes in exchange rates	-2 337	991		2 805	
Closing balance	394 040	361 616	9	376 770	5

Note 11 Valuation categories of financial instruments

Financial assets	30 Jun 2025				
	Fair value through profit or loss				
	Amortised cost	Mandatorily Trading	Hedging instruments	Total	Fair value
Carrying Amount in SEKm					
Loans to credit institutions	24 195			24 195	24 195
Loans to the public	1 114 941			1 114 941	1 116 389
Value change of interest hedged items in portfolio hedge	-118			-118	-118
Derivatives			13 845	13 915	13 915
Other financial assets	294			294	294
Total	1 139 312	70	13 845	1 153 227	1 154 675

Financial liabilities	30 Jun 2025						
	Fair value through profit or loss						
	Amortised cost	Trading	Designated	Total	Hedging instruments	Total	Fair value
Carrying Amount in SEKm							
Amounts owed to credit institutions	650 635					650 635	652 434
Debt securities in issue ¹	393 920		120	120		394 040	393 722
Derivatives		111		111	5 398	5 509	5 509
Other financial liabilities	3 479					3 479	3 479
Eligible liabilities	44 149					44 149	45 609
Total	1 092 183	111	120	231	5 398	1 097 812	1 100 753

1) Nominal amount of debt securities in issue designated at fair value through profit or loss was SEK 111m.

Financial assets	31 Dec 2024				
	Fair value through profit or loss				
	Amortised cost	Mandatorily Trading	Hedging instruments	Total	Fair value
Carrying Amount in SEKm					
Loans to credit institutions	22 665			22 665	22 665
Loans to the public	1 117 251			1 117 251	1 117 889
Value change of interest hedged items in portfolio hedge	-2 723			-2 723	-2 723
Derivatives		100	17 610	17 710	17 710
Other financial assets	445			445	445
Total	1 137 638	100	17 610	1 155 348	1 155 986

Financial liabilities	31 Dec 2024						
	Fair value through profit or loss						
	Amortised cost	Trading	Designated	Total	Hedging instruments	Total	Fair value
Carrying Amount in SEKm							
Amounts owed to credit institutions	680 703					680 703	681 819
Debt securities in issue ¹	361 490		126	126		361 616	360 263
Derivatives		68		68	5 076	5 144	5 144
Other financial liabilities	8 877					8 877	8 877
Eligible liabilities	44 172					44 172	45 825
Total	1 095 242	68	126	194	5 076	1 100 512	1 101 928

1) Nominal amount of debt securities in issue designated at fair value through profit or loss was SEK 115m.

Note 12 Financial instruments at fair value

30 Jun 2025	Instruments with quoted market prices in an active market	Valuation techniques using observable market data	Valuation techniques using non-observable market data	
SEKm	(Level 1)	(Level 2)	(Level 3)	Total
Assets				
Derivatives		13 915		13 915
Total		13 915		13 915
Liabilities				
Debt securities in issue		120		120
Derivatives		5 509		5 509
Total		5 630		5 630

The table above contains financial instruments measured at fair value by valuation level. The Swedbank Mortgage uses various methods to determine the fair value for financial instruments depending on the degree of observable market data in the valuation and activity in the market. Market activity is continuously evaluated by analysing factors such as differences in bid and ask prices.

The methods are divided into three different levels:

- Level 1: Unadjusted, quoted price on an active market
- Level 2: Adjusted, quoted price or valuation model with valuation parameters derived from an active market
- Level 3: Valuation model where significant valuation parameters are non-observable and based on internal assumptions.

When financial assets and financial liabilities in active markets have market risks that offset each other, an average of bid and ask prices is used as a basis to determine the fair values of the risk positions that offset each other. For any open net positions, bid rates are applied for long positions and ask rates for short positions.

Swedbank Mortgage has a continuous process whereby financial instruments that indicate a high level of internal estimates or low level of observable market data are captured. The process determines the way to calculate and how the internal assumptions are expected to affect the valuation. In cases where internal assumptions have a significant impact on fair value, the financial instrument is reported in level 3. The process also includes an analysis and evaluation based on the quality of the valuation data as well as whether a type of financial instrument is to be transferred between levels.

When transfers occur between fair value hierarchy levels those are reflected as taking place at the end of each period. There were no transfers of financial instruments between valuation levels 1 and 2 during the period.

31 Dec 2024	Instruments with quoted market prices in an active market	Valuation techniques using observable market data	Valuation techniques using non-observable market data	
SEKm	(Level 1)	(Level 2)	(Level 3)	Total
Assets				
Derivatives		17 710		17 710
Total		17 710		17 710
Liabilities				
Debt securities in issue		126		126
Derivatives		5 144		5 144
Total		5 270		5 270

Note 13 Assets pledged, contingent liabilities and commitments

SEKm	2025	2024	%	2024	%
	30 Jun	31 Dec		30 Jun	
Loans, used as collateral for covered bonds ¹	406 904	374 936	9	397 653	2
Commitments ²	21 144	10 122		8 870	
Pledged assets and contingent liabilities	428 048	385 058	11	406 523	5

1) Consist of collateral for covered bonds. Liabilities for covered bonds are reported as Debt securities in issue or, when sold in a repurchase transaction, as Amounts owed to credit institution. Collateral refers to customers' nominal debt including accrued interest.

2) Binding offers are included in accordance with the new mortgage directive and fair value option loans are excluded in accordance with IFRS 9.

Note 14 Related parties

The table specifies transactions with other companies in the Swedbank Group.

SEKm	2025	2024	2024
	30 Jun	31 Dec	30 Jun
Group receivables			
Loans to credit institutions	24 195	22 665	61 560
Derivatives	13 915	17 710	17 103
Other assets	27	65	46
Total	38 137	40 440	78 709
Group payables			
Amounts owed to credit institutions	650 635	680 703	705 693
Debt securities in issue	35 135	8 185	7 725
Derivatives	5 509	5 144	8 030
Other liabilities	3 345	8 250	4 017
Eligible liabilities	44 149	44 172	44 182
Total	738 773	746 454	769 647
Income statement			
Interest income	638	1 489	685
Interest expense	-9 791	-27 043	-14 327
Other expenses	-6	-12	-6
Total	-9 159	-25 566	-13 647

Note 15 Capital Adequacy

Capital adequacy analysis

The capital adequacy regulation is the legislators' requirement of how much capital, designated as the own funds, a bank must have in relation to the size of the risks it faces. For Swedbank Mortgage, the capital adequacy regulation (CRR) states that the minimum capital requirement for credit risks, with permission from the Swedish Financial Supervisory Authority (SFSA), is based on internal risk measurement according to the Internal Risk Classification Method (IRB method) developed by Swedbank. For a small part of the assets, the capital requirement for credit risks is calculated according to the standard method. The capital requirement for operational risk is calculated according to the new standard method in CRR3.

Swedbank's own methods and processes are also established and documented to evaluate the Group's capital needs. This evaluation includes Swedbank Mortgage. The need for capital is systematically assessed based on the total level of risks that Swedbank Mortgage is exposed to. All risks are considered, including risks in addition to those included in the calculation of capital adequacy.

The note contains the information that must be published according to the SFSA's regulations (FFFS 2008:25). Additional periodic information according to the European Parliament's and the Council's regulation (EU) No 575/2013 on prudential requirements for credit institutions and the Commission's implementing regulation (EU) nr 2024/3172 can be found in Swedbank group reporting at Swedbank's website <https://www.swedbank.com/investor-relations/reports-and-presentations/risk-reports>

SEKm	2025 30 Jun	2025 31 Mar	2024 31 Dec	2024 30 Sep	2024 30 Jun
Available own funds (amounts)					
Common Equity Tier 1 (CET1) capital	55 204	54 992	54 453	54 076	53 687
Tier 1 capital	55 204	54 992	54 453	54 076	53 687
Total capital	55 211	55 019	54 775	54 399	54 009
Risk-weighted exposure amounts					
Total risk exposure amount	291 182	289 565	284 070	286 372	286 376
Capital ratios as a percentage of risk-weighted exposure amount					
Common Equity Tier 1 ratio	19.0	19.0	19.2	18.9	18.7
Tier 1 ratio	19.0	19.0	19.2	18.9	18.7
Total capital ratio	19.0	19.0	19.3	19.0	18.9
Additional own funds requirements to address risks other than the risk of excessive leverage as a percentage of risk-weighted exposure amount					
Additional own funds requirements to address risks other than the risk of excessive leverage	3.9	3.9	3.9	3.9	4.2
of which: to be made up of CET1 capital	2.7	2.7	2.7	2.7	2.8
of which: to be made up of Tier 1 capital	2.9	2.9	2.9	2.9	3.2
Total SREP own funds requirements	11.9	11.9	11.9	11.9	12.2
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount					
Capital conservation buffer	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State					
Institution specific countercyclical capital buffer	2.0	2.0	2.0	2.0	2.0
Systemic risk buffer	0.0	0.0	0.0	0.0	0.0
Global Systemically Important Institution buffer					
Other Systemically Important Institution buffer					
Combined buffer requirement	4.5	4.5	4.5	4.5	4.5
Overall capital requirements	16.4	16.4	16.4	16.4	16.7
CET1 available after meeting the total SREP own funds requirements	7.0	7.1	7.4	7.1	6.6
Leverage ratio					
Total exposure measure	1 118 033	1 114 904	1 117 315	1 121 503	1 119 776
Leverage ratio, %	4.9	4.9	4.9	4.8	4.8
Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure					
Additional own funds requirements to address the risk of excessive leverage					
of which: to be made up of CET1 capital					
Total SREP leverage ratio requirements	3.0	3.0	3.0	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure					
Leverage ratio buffer requirement					
Overall leverage ratio requirement	3.0	3.0	3.0	3.0	3.0

	2025	2024
Common Equity Tier 1 Capital, SEKm	30 Jun	31 Dec
Shareholders' equity according to the balance sheet	55 373	54 698
Value changes in own financial liabilities	-105	-66
Cash flow hedges	-14	-160
Additional valuation adjustments	-30	-19
Insufficient coverage for non-performing exposures	-1	0
Net provisions for reported IRB credit exposures	-19	
Total	55 204	54 453

	2025	2024
Risk exposure amount, SEKm	30 Jun	31 Dec
Credit risks, IRB	90 520	53 684
Operational risks	16 063	15 986
Additional risk exposure amount, Article 458 CRR	184 599	214 399
Total	291 182	284 070

	SEKm		Per cent	
Capital requirements¹	2025	2024	2025	2024
SEKm / per cent	30 Jun	31 Dec	30 Jun	31 Dec
Capital requirement Pillar 1	36 398	35 509	12.5	12.5
of which Buffer requirements ²	13 104	12 784	4.5	4.5
Total capital requirement Pillar 2 ³	11 443	11 164	3.9	3.9
Total capital requirement including Pillar 2 guidance	47 842	46 673	16.4	16.4
Own funds	55 211	54 775		

1) Swedbank Morgage's calculation based on the SFSA's announced capital requirements, including Pillar 2 requirements and Pillar 2 guidance.

2) Buffer requirements includes capital conservation buffer and countercyclical capital buffer.

3) Individual Pillar 2 requirement according to decision from SFSA SREP 2024.

	SEKm		Per cent	
Leverage ratio requirements¹	2025	2024	2025	2024
SEKm / per cent	30 Jun	31 Dec	30 Jun	31 Dec
Leverage ratio requirement Pillar 1	33 541	33 519	3.0	3.0
Total leverage ratio requirement including Pillar 2 guidance	33 541	33 519	3.0	3.0
Tier 1 capital	55 204	54 453		

1) Swedbank Morgage's calculation based on the SFSA's announced leverage ratio requirements, including Pillar 2 requirements and Pillar 2 guidance.

Alternative performance measures

The interim report includes several alternative performance measures, which provide more comparative information between the reporting periods. The executive management believes that inclusion of these measures provides information to the readers that enable comparability between periods. These alternative performance measures are set out below.

Measure and definition

Credit Impairment ratio

Credit impairment on loans and other credit risk provisions, net, in relation to the opening balance of loans to credit institutions and loans to public after provisions.

Credit impairment provision ratio Stage 1 loans

Credit impairment provisions Stage 1 in relation to the gross carrying amount Stage 1 loans

Credit impairment provision ratio Stage 2 loans

Credit impairment provisions Stage 2 in relation to the gross carrying amount Stage 2 loans.

Credit impairment provision ratio Stage 3 loans

Credit impairment provisions Stage 3 in relation to the gross carrying amount Stage 3 loans.

Return on equity

Profit for the period allocated to shareholders in relation to average equity attributable to shareholders. The average is calculated using month-end figures.

Equity per share

Shareholders equity in relation to the number of shares outstanding.

Net interest margin

Net interest margin is calculated as Net interest income in relation to average total assets. The average is calculated using month-end figures, including the prior year end.

Share of stage 1 loans, gross

Carrying amount of Stage 1 loans, gross, in relation to the carrying amount of loans to credit institutions and the public excluding provisions.

Share of stage 2 loans, gross

Carrying amount of Stage 2 loans, gross, in relation to the carrying amount of loans to credit institutions and the public excluding provisions.

Share of Stage 3 loans, gross

Carrying amount of Stage 3 loans, gross, in relation to the carrying amount of loans to credit institutions and the public excluding provisions.

Total credit impairment provision ratio

Credit impairment provisions in relation to the gross carrying amount loans.

Common Equity Tier 1 capital ratio

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

Total capital ratio

Own funds in relation to the total risk exposure amount.

Risk exposure amount

Risk-weighted exposure value i.e. the exposure value after considering the risk inherent in the asset.

Average equity

The average is calculated using month-end figures, including the prior year end.

Average total assets

The average is calculated using month-end figures, including the prior year end.

Earnings per share

Profit for the period in relation to the number of shares outstanding during the period.

Signatures of the Board of Directors and the President

The Board of Directors and the CEO certify that the interim report for 2025 provides a fair and accurate overview of the operations, financial position and the results of the Company and that it describes the significant risks and uncertainties faced by the Company.

Stockholm 16 July 2025

Jennifer Barck
Chairman

Annika Lundberg
CEO

Mattias Persson

Karin Mattsson

Mats Lindgren

Pia Gisgård

Auditor's report

Introduction

We have conducted a limited review of the condensed interim financial information (interim report) for Swedbank Hypotek AB as of June 30, 2025, and the six-month period ending on that date. The board of directors and the managing director are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our limited review.

Scope of Review

We have conducted our limited review in accordance with the International Standard on Review Engagements ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A limited review consists of making inquiries, primarily of persons responsible for financial and accounting matters, performing analytical procedures, and other review procedures. A limited review has a different focus and a significantly smaller scope compared to the focus and scope of an audit conducted in accordance with ISA and generally accepted auditing standards. The review procedures taken in a limited review do not enable us to obtain the assurance that we would become aware of all significant matters that might have been identified in an audit. Therefore, the conclusion expressed based on a limited review does not have the assurance that a conclusion expressed based on an audit has.

Conclusion

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

Stockholm, 16 July 2025

Öhrlings PricewaterhouseCoopers AB

Anneli Granqvist
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Auditor in charge

Martin By
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