Individual Solvency Need 30 June 2025

Nordea Kredit Realkreditaktieselskab

Business registration number 15134275

1. Introduction

This report presents the individual solvency need (tilstrækkelig basiskapital og solvensbehov for pengeinstitutter) for Nordea Kredit Realkreditaktieselskab (Nordea Kredit). This report fulfils external disclosure requirements regarding the solvency need according to EU regulation No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, and the Danish Financial Business Act ("Bekendtgørelse af lov om finansiel virksomhed nr 1013 af 21 August 2024") and Danish Executive Order no. 677 of 12 June 2025 ("Bekendtgørelse om opgørelse af risikoeksponeringer, kapitalgrundlag og solvensbehov").

The individual solvency need is updated and published each quarter. Details about Nordea Kredit's risk profile and key exposures are available in the disclosed Capital and Risk Management (Pillar 3) report for Nordea Kredit. From Q2 2025 a Pillar 3 report is disclosed quarterly. Both reports are available on Nordea's Investor Relations website (nordea.com/en/investor-relations/) and links can be found on Nordea Kredit's website. Reference to the individual solvency need reporting is made in the annual report and the interim report for Nordea Kredit. The Internal Capital Adequacy Assessment Process (ICAAP) results report for Nordea Kredit is produced on an annual basis with quarterly follow-up. The results reports and the follow-up material are approved by the Board of Directors and presented to the Danish Financial Supervisory Authority (DFSA).

All amounts are in DKK unless stated otherwise.

Main conclusions

Individual solvency need ratio excluding combined buffer requirement

9.82%

Decreased from 9.94% in Q1 2025

Total capital ratio

21.53%

Decreased from 21.54% in Q1 2025

Capital situation

Nordea Kredit is adequately capitalised at end Q2 2025 and has access to available capital from the parent company if deemed necessary.

Stress Testing

Nordea Kredit conducts capital adequacy stress testing in collaboration with the Nordea Group to ensure that adequate capital is available in the event of, for instance, severe credit losses or changes in regulatory capital requirements. Stress testing is also conducted using DFSA scenarios and methods.

Individual solvency need and combined buffer requirement

17.1bn

Decreased from 17.2bn in Q1 2025

Excess capital above individual solvency need and combined buffer requirement

4.6bn

Increased from 4.5bn in Q1 2025

2. Description of the individual solvency need

Approach

Nordea Kredit uses a Pillar I plus Pillar II approach in calculating the individual solvency need. Each component and its capital requirement are shown graphically on page 3 in Figure 1, along with the Individual Solvency Need in Table 1, and the Own Funds and Risk exposure amount (REA) in Table 2.

This methodology uses the Pillar I capital requirements for credit risk, Credit Value Adjustment (CVA), market risk and operational risk as outlined in the Capital Requirements Regulation (CRR) as the starting point for its risk assessment. For each of these types, the risk is measured solely according to models and processes approved by the DFSA for use in the calculation of legal capital requirements.

Pillar II add-ons

In addition to Pillar I, Pillar II risks, i.e. risks not included in the CRR or not adequately covered, are considered.

At the end of Q2 2025 the total Pillar II add-on reflects the requirements stated by the DFSA in the 2024 Supervisory Review and Evaluation process (SREP) and Nordea Kredit's own assessment. Concentration risk and interest rate risk in the banking book (IRRBB) are included in the total Pillar II add-on.

Combined buffer requirement

The combined buffer requirement consists of the Capital Conversation Buffer (2.5%), the SIFI (Systemic Important Financial Institute) buffer in the form of an O-SII (Other Systemically Important Institutions) buffer (1.5%), the Systemic Risk Buffer (0.6%) and the Countercyclical Capital Buffer (2.5%). The combined buffer requirement is not included in the individual solvency need ratio set by the Nordea Kredit Board of Directors.

Excess capital above requirements

At the end of Q2 2025 the own funds held by Nordea Kredit resulted in a capital buffer above the individual solvency need and the combined buffer requirement of DKK 4.6bn in total, which is increased from Q1 2025.

3. Individual solvency need, own funds and REA

The components of the capital requirement are shown in Figure 1. The individual solvency need, the own funds and the total risk exposure amounts for Nordea Kredit at end Q2 2025 are presented in detail in Tables 1 and 2 below.

Figure 1 Individual solvency need and combined buffer requirement as well as actual capital for Nordea Kredit at end Q2 2025

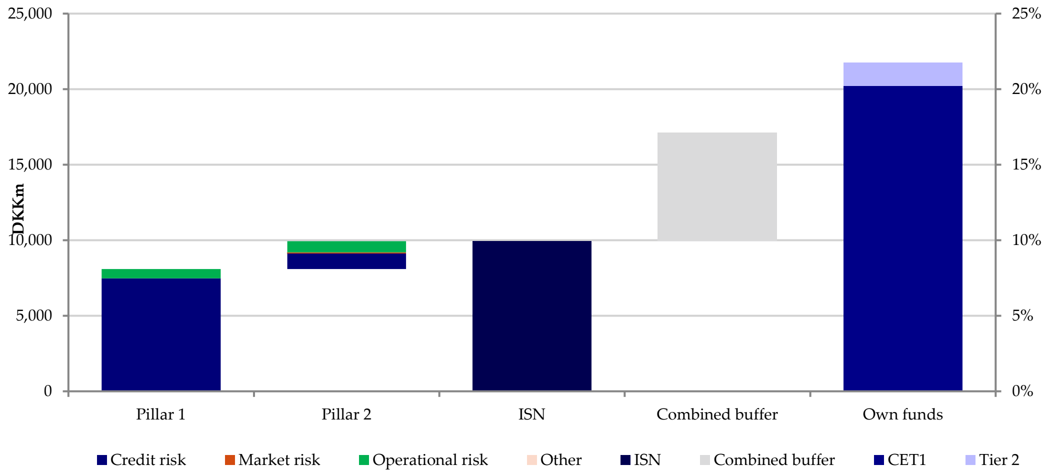

Table 1 Individual solvency need for Nordea Kredit at end Q2 2025

DKKm / pct.	Q2 2025	Q1 2025	Delta	Q2 2025	Q1 2025	Delta
Pillar I						
Credit risk	7,474	7,447	27	7.39%	7.39%	0.00%
Market risk	0	0	0	0.00%	0.00%	0.00%
Operational risk	613	614	0	0.61%	0.61%	0.00%
Other	0	0	0	0.00%	0.00%	0.00%
Total Pillar I	**8,087**	**8,061**	**27**	**8.00%**	**8.00%**	**0.00%**
Pillar II						
Credit risk	1,052	1,129	-77	1.04%	1.12%	-0.08%
Market risk	63	96	-33	0.06%	0.10%	-0.03%
Operational risk	729	728	2	0.72%	0.72%	0.00%
Other	0	0	0	0.00%	0.00%	0.00%
Total Pillar II	**1,844**	**1,953**	**-109**	**1.82%**	**1.94%**	**-0.11%**
Individual solvency need	**9,931**	**10,013**	**-82**	**9.82%**	**9.94%**	**-0.11%**
Combined capital buffer requirement	7,190	7,172	18	7.11%	7.12%	-0.01%
Individual solvency need and combined buffer	**17,122**	**17,185**	**-64**	**16.94%**	**17.06%**	**-0.12%**
Own funds	21,768	21,701	66	21.53%	21.54%	-0.01%
Excess capital above individual solvency need and combined buffer	**4,646**	**4,516**	**130**	**4.60%**	**4.48%**	**0.11%**

Pillar II add-ons, not included or adequately covered in the CRR, consist of

	Credit	Market	Operational	Other
Concentration risk	x			
Changes in credit risk due to potential fair value increase	x			
IRRBB		x		
Add-ons related to SREP	x		x	

Table 2 Own funds and total risk exposure amount for Nordea Kredit at end Q2 2025

DKKm / pct.	Q2 2025	Q1 2025	Delta	Q2 2025	Q1 2025	Delta
Common Equity Tier 1 capital	20,216	20,150	67	20.00%	20.00%	0.00%
Tier 1 capital	20,216	20,150	67	20.00%	20.00%	0.00%
Total own funds	21,768	21,701	66	21.53%	21.54%	-0.01%
REA						
Total Risk Exposure Amount	101,094	100,758	336			