

Nordea



Nordea Hypotek AB (publ)
Annual Report 2025

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Board of Directors' report

The Board of Directors and the Managing Director of Nordea Hypotek AB (publ) (corp. id no. 556091-5448), hereby present the Annual Report for 2025. The Company is a wholly owned subsidiary of Nordea Bank Abp (corp. id no. 2858394-9).

5 year overview

Income statement

SEKm	2025	2024	2023	2022	2021
Net interest income	4,856	5,245	4,498	7,048	7,514
Net fee and commission income	-227	-209	-141	-63	-62
Net result from items at fair value	51	118	59	246	-45
Total operating income	4,680	5,154	4,415	7,231	7,407
General administrative expenses:					
- Staff costs	-39	-42	-35	-37	-36
- Other expenses	-1,864	-2,206	-2,409	-4,300	-4,089
Regulatory fee ¹	-495	-481	-461	-425	-246
Total operating expenses	-2,398	-2,729	-2,905	-4,762	-4,371
Profit before loan losses	2,282	2,425	1,510	2,469	3,036
Net loan losses	86	-129	-65	-120	-10
Operating profit	2,368	2,296	1,445	2,349	3,026
Income tax expense	-488	-492	-267	-490	-630
Net profit for the year	1,880	1,804	1,178	1,859	2,396

1) In 2022 Nordea began presenting resolution fees and the Swedish bank tax separately under the new line item "Regulatory fees" in the income statement. The earlier policy was to present similar expenses in the line item "Other expenses". The new presentation provides a more transparent view of Nordea's underlying performance and the impact of regulatory fees. Resolution fees will continue to be recognised in full in the first quarter, while the Swedish bank tax will be amortised linearly over the course of the year. Comparative figures have been restated accordingly.

Balance sheet

SEKm	2025	2024	2023	2022	2021
Assets					
Loans to credit institutions	11,933	8,723	10,788	4,304	6,554
Loans to the public	782,015	739,158	716,540	700,282	664,615
Interest-bearing securities	19,358	20,049	19,858	20,002	21,053
Derivatives	4,724	5,634	10,599	15,185	4,126
Fair value changes of hedged items in portfolio hedges of interest rate risk	242	-316	-3,674	-10,852	-1,157
Deferred tax assets	1	1	-	-	42
Current tax assets	92	68	2	16	380
Other assets	158	1,162	2,028	1,381	739
Prepaid expenses and accrued income	0	1	20	63	106
Total assets	818,523	774,480	756,161	730,381	696,458
Liabilities					
Deposits by credit institutions	381,253	321,845	293,904	294,980	274,306
Debt securities in issue	397,157	409,927	416,110	382,084	386,135
Derivatives	2,698	4,311	8,082	14,792	1,481
Fair value changes of hedged items in portfolio hedges of interest rate risk ¹	-	-	-	-	-
Current tax liabilities	-	37	36	-1	-
Other liabilities	2,697	3,425	3,210	3,741	4,007
Accrued expenses and prepaid income	121	341	493	734	618
Deferred tax liabilities	-	-	-	3	-
Provisions	6	5	4	8	11
Subordinated liabilities ¹	-	-	1,651	1,650	1,650
Equity	34,590	34,589	32,671	32,390	28,250
Total liabilities and equity	818,523	774,480	756,161	730,381	696,458

1) As of 2022 Nordea presents the fair value changes of hedged items under fair value hedge accounting at micro level in the same balance sheet line item as hedged items instead of, as earlier, in the balance sheet line item "Fair value changes of hedged items in hedges of interest rate risk". Fair value changes of hedged items under fair value hedge accounting at macro level are, as earlier, presented on a separate balance sheet item, which from 2022 has been renamed from "Fair value changes of hedged items in hedges of interest rate risk" to "Fair value changes of hedged items in portfolio hedges of interest rate risk". The comparison figure for 2021 in the table above has been restated accordingly.

Ratios and key figures

	2025	2024	2023	2022	2021
Return on average shareholders equity, % ¹	5.4	5.4	3.6	6.3	8.4
Return on assets, %	0.2	0.2	0.2	0.3	0.3
Investment margin, %	0.61	0.69	0.60	0.97	1.10
Cost/income ratio, % ¹	51.2	53.0	65.8	65.8	59.0
Risk-weighted exposure amount, SEKm	180,509	175,114	186,679	182,295	180,554
Capital base, SEKm	34,148	34,338	34,093	34,063	29,962
Total capital ratio, %	18.9	19.6	18.3	18.7	16.6
Tier 1 capital ratio, %	18.9	19.6	17.3	17.7	15.7
Average number of employees (recalculated to FTEs)	22	22	23	24	24

1) In Sweden, a bank tax was introduced on 1 January 2022 in Sweden, which Nordea Hypotek is covered by. This tax has increased operating costs by SEK 186m, which has resulted in a higher K/I ratio in 2022 compared to 2021. Furthermore, this tax has also negatively affected the return on equity in 2022 compared to 2021.

Definitions

Return on average shareholders equity	Net profit for the year as percentage of equity, quarterly average.
Return on assets	Net profit for the year as a percentage of total assets at end of the year.
Investment margin	Net interest income as a percentage of average total assets, monthly average.
Cost/income ratio	Total operating expenses divided by total operating income
Risk-weighted amount	Total assets as shown in balance sheet and off-balance-sheet items valued on the basis of credit and market risks in accordance with regulations governing capital adequacy.
Capital base	The capital base constitutes the numerator in calculating the capital ratio. It consists of the sum of tier 1 capital (equity) and supplementary capital (subordinated debenture loans).
Total capital ratio	Capital base as a percentage of risk-weighted amounts.
Tier 1 capital ratio	Tier 1 capital as a percentage of risk-weighted amounts.

Alternative Performance Measures

SEKm	2025	2024
Average equity, SEKm	35,101	33,329
Net profit attributable to shareholders (annualised); SEKm	1,880	1,804
Return on average shareholders equity, %	5.4	5.4
Total operating income, Tsek	4,679,881	5,154,455
Total operating expenses, Tsek	-2,397,647	-2,729,322
Cost/income ratio, %	51.2	53.0
Net loan losses, Tsek	85,825	-129,003
Divide with loans to the public, Tsek	782,015,454	739,157,568
Loan loss ratio, bps	-1.1	1.7
Impaired loans (+) Tsek	1,169,842	1,190,628
Divide with loans before allowances, Tsek	794,285,896	748,324,819
Impairment rate (stage 3), gross, bps	14.7	15.9
Impaired loans (+) Tsek	1,169,842	1,190,628
Deduct allowances for individually assessed impaired loans, Tsek	-112,770	-140,443
Impaired loans after allowances, Tsek	1,057,073	1,050,185
Divide with loans before allowances, Tsek	794,285,896	748,324,819
Impairment rate (stage 3), net, bps	13.3	14.0
Total allowances, Tsek	-337,216	-444,439
Divide with loans before allowances, Tsek	794,285,896	748,324,819
Total allowance ratio (stage 1, 2 and 3), bps	4.2	5.9
Allowances for individually assessed impaired loans, Tsek	-112,770	-140,443
Divide with impaired loans (+), Tsek	1,169,842	1,190,628
Allowances in relation to impaired loans (stage 3), %	9.6	11.8
CET 1 capital	34.1	34.3
Risk exposure amount, SEKbn	180.5	175.1
Common Equity Tier 1 capital ratio %	18.9	19.6
Tier 1 capital, SEKbn	34.1	34.3
Risk exposure amount, SEKbn	180.5	175.1
Tier 1 capital ratio %	18.9	19.6
Total Own funds	34.1	34.3
Risk exposure amount, SEKbn	180.5	175.1
Total capital ratio %	18.9	19.6

Alternative Performance Measures – Definitions

Nordea Hypotek's Alternative Performance Measures (APMs) are presented to provide users of Nordea Hypotek's financial reporting with relevant information and tools to be able to establish a view on Nordea Hypotek's performance. APMs on capital adequacy are disclosed to give the user a view on Nordea Hypotek's balance between capital and risk, while lending related APMs are disclosed to provide information on Nordea Hypotek's provisions in relation to credit

risk. Return on equity (RoE) is intended to provide the user of financial statements with relevant information on Nordea Hypotek's performance in relation to investment measurement. The cost/income (C/I) ratio is finally disclosed to provide the user with information on the correlation between income and expense. The development compared with earlier periods is, in order to better reflect the underlying business performance, generally presented in local currencies.

Return on average shareholders equity	Net profit for the year as percentage of equity, quarterly average.
Cost/income ratio	Total operating expenses divided by total operating income.
Loan loss ratio (IFRS 9)	Net loan losses (annualised) divided by quarterly closing balance of loans to the public (lending) measured at amortised cost.
Impairment rate (Stage 3), gross (IFRS 9)	Impaired loans (Stage 3) before allowances divided by total loans measured at amortised cost before allowances.
Impairment rate (Stage 3), net (IFRS 9)	Impaired loans (Stage 3) after allowances divided by total loans measured at amortised cost before allowances.
Total allowance ratio (Stage 1, 2 and 3) (IFRS 9)	Total allowances divided by total loans measured at amortised cost before allowances.
Allowances in relation to credit impaired loans (stage 3) (IFRS 9)	Allowances for impaired loans (stage 3) divided by impaired loans measured at amortised cost (stage 3) before allowances.
Common Equity Tier 1 capital ratio	The CET 1 ratio is total CET1 Capital divided by total Risk Exposure Amount calculated in accordance to the requirements in the CRR.
Tier 1 capital ratio	Tier 1 ratio is Tier 1 capital as a percentage of risk-weighted amounts. Tier 1 Capital consist of both CET 1 capital and Additional Tier 1 capital.
Total capital ratio	Total capital ratio is total own funds divided by total Risk Exposure Amount. Total own funds is the sum of Tier 1 and Tier 2 capital.

Operations in 2025

Operations

The Company operates in the Swedish market and grants loans, primarily long-term in nature, to households, sole business proprietors, municipalities and other legal entities through the Parent Bank's distribution network. The primary purpose of the lending is to finance properties, tenant-owned apartments, condominiums, agriculture and forestry, and municipal operations. The key emphasis is on financing homes. The loans are secured mainly through liens on residential properties and tenant-owned apartments, or through municipal guarantees.

In 2025, the Swedish economy featured a continued recession with weak GDP growth, but with clear signs of improvement in the latter part of the year. The inflation rate has stabilised and is now close to the Riksbank's target, and the policy rate has been gradually adjusted downwards from previous peak levels, with several cuts implemented during year from 2.75% to 1.75%. This has contributed to improved purchasing power for households and a recovery in the housing market. Activity has increased, reflected in the rise in loan promises and transaction volumes during the year.

The Swedish mortgage market grew by SEK 116bn during the year, corresponding to 2.8%. Nordea Hypotek has performed very well and strengthened its position in the market. The market share for mortgages increased to 14.07% at year-end (13.83), which is a significant improvement compared to the previous year and means that Nordea has grown the most out of all participants in the Swedish mortgage market during the year. Nordea Hypotek's total lending to the public at the end of the year amounted to SEK 782bn – an increase of 5.8%, driven by both the household and corporate segments.

An important milestone in the autumn was the relaunch of the interest-rate cap product, which provides customers with protection against rising interest rates, while enabling them to benefit from any rate cuts at the same time. The product has been positively received by customers and strengthens our mortgage offering with another flexible rate-fixing option.

The Company's capital position remains very strong with a CET 1 ratio and a total capital ratio at the end of the year of 18.9% (19.6), which comfortably exceeds regulatory requirements. Credit quality in the loan portfolio remains good. During the year, realised loan losses were SEK -21m (-9), and net loan losses, including the reversal of allowances, amounted to a positive SEK 86m (-129).

In summary, 2025 has been a year of recovery and growth for Nordea Hypotek. The Company has strengthened its market position, launched new innovative products and continued to deliver secure financing to customers. The Company is well equipped for the future with strong own funds, high credit quality and a competitive offering.

The housing market in Sweden

In 2025, house prices rose 0.3% according to Valueguard's HOXSWE price index. The year started off with a price increase in the first three months, although prices subsequently fell back in the spring and summer. At 30 June, the index was up by 0.8% compared with the end of 2024. During the summer, price progression weakened further before prices recovered somewhat in the autumn and ended the year up slightly. The price level was unchanged for houses (0.0%), while apartment prices increased by 0.8% for FY 2025.

Profit performance for FY 2025 compared with FY 2024

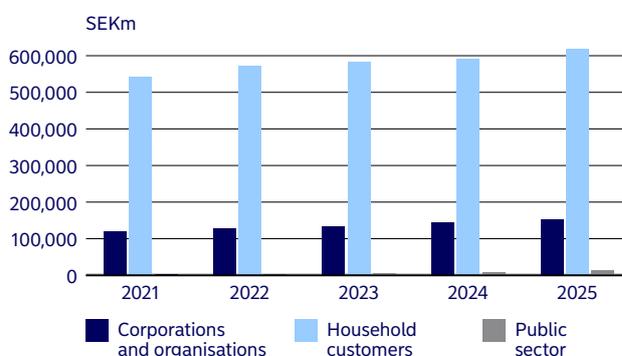
Operating profit amounted to SEK 2,368m (2,296), which is an increase of 3% from the previous year. In a comparison with the previous year, particular account should be taken of the following items affecting the result:

- Net interest income amounted to SEK 4,856m (5,245) – a decline of 7%. The decrease is mainly explained by lower margins as a result of repricing effects and price pressure on the market. Higher lending volumes offset the decrease slightly and have a positive effect on net interest income.
- Net result from items at fair value amounted to SEK 51m (118) at the end of the year. The item is affected by the repurchase of issued bonds entered at amortised cost, early redemption charges and the ineffective portion of portfolio hedges.
- Net commission income decreased by SEK 19m, amounting to SEK -227m (-209) at the end of the year.
- Operating expenses at the end of the year were SEK -2,398m (-2,729) – a decline of SEK 332m or 12% compared to 2024. This is mainly due to a decrease in distribution and selling expenses to the parent company. Otherwise, regulatory fees have increased by SEK 15m, the driving factor being the Riksbank's new deposit requirement. As of 2025, Swedish banks provide free deposits to the Riksbank and the cost of this is entered under regulatory fees.
- Loan losses improved by SEK 215m from SEK -129m in 2024 to SEK 86m in 2025, driven by improved credit quality in the portfolio during the year.
- Return on equity after tax was unchanged at 5.4% (5.4). Reduced costs and improved loan losses were positive factors compared with the previous year, which were offset by poorer net interest income, among other factors.

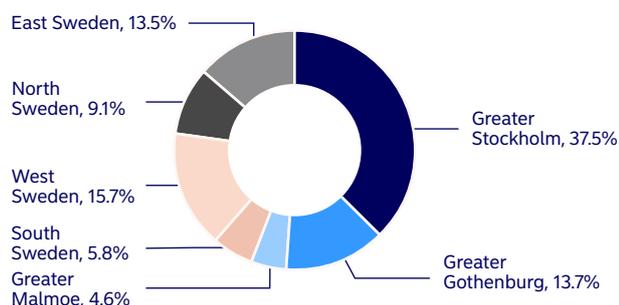
Performance of lending for FY 2025 compared with FY 2024

Lending to the public increased during the year by 5.8% (3.2), amounting at the end of the year to SEK 782,015m (739,158). For corporate and public-sector lending, the increase as a percentage was particularly high at 10.5% (SEK 15,523m), and 4.6% (SEK 27,335m) for private individuals. Lending is spread out across Sweden, with Greater Stockholm being the largest region at 37.5% followed by West Sweden at 15.7% and Greater Gothenburg at 13.7%.

Distribution of the loan portfolio



Geographical distribution of loans in the covered pool



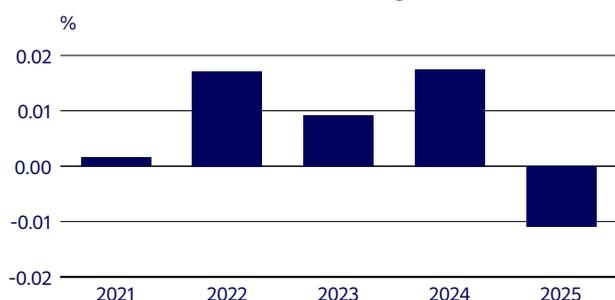
Impaired loans and loan losses

Impaired loans, gross, amounted to SEK 1,170m (1,191). The volume of impaired loans remained stable during the year and the proportion of late payments also remained stable at a slightly reduced level. During the year, net loan losses were SEK +86m (-129), mainly attributable to decreased loan provisions compared with the prior year. Realised loan losses increased by SEK 12m in 2025 and amounted to SEK -21m (-9) at the end of the year, corresponding to 0.003% of the lending portfolio. Developments are mainly explained by effects from previous years' inflation and interest rates, which caused a higher proportion of late payments. Realised loan losses are at a very low level relative to the size of the portfolio.

Hypotek continues to have a guarantee agreement with Nordea Bank Abp, entered into in 2024, containing credit cover for a benchmark portfolio of mortgages in a nominal amount of SEK 47bn at the end of 2025.

The total loan provision has decreased, amounting at the end of the year to SEK 344m (450).

Net loan losses in relation to lending



Provisions as judged by management

The provisions, as judged by management, amounted to SEK 229m at 31 December 2025 (288). The Company holds two reserves – a cyclical reserve because the Company sees an elevated risk of increased loan losses that have not yet been captured by the IFRS 9 models, and a structural reserve to cover identified development needs in the IFRS 9 models. The cyclical reserve has been reduced during the year as a result of improved economic activity and a reduced proportion of customers with late payments.

Foreign exchange risk

The Company's policy is to hedge foreign exchange risk exposure. Significant foreign exchange exposures are hedged through FX swaps.

Funding

In 2025, all long-term market funding was in the form of covered bonds. A covered bond is a funding instrument, regulated under the Covered Bonds (Issuance) Act (SFS 2003:1223), which gives investors special precedence in the event of the borrower's bankruptcy. Covered bonds may only be issued upon special permission from the Swedish FSA and on the basis of high-quality assets. Covered bonds and assigned credit ratings provide the Company with access to a broader base of funding sources. Besides this funding, the Company also has long-term MREL loans.

In 2025, the Company issued bonds with a nominal value of SEK 75bn (78). Issuances take place regularly in existing and new series, with the majority being benchmark bonds. In 2025 the Company held agreements with five banks regarding distribution of the bonds in the benchmark series. Covered bonds at year-end amounted to a nominal value of SEK 344bn (359). In addition, the Company had outstanding MREL loans of SEK 50bn (53). Besides long-term funding as described above, the Company regularly arranged short-term funding with the Parent Company. At the end of the year, such funding was SEK 381bn (322).

In 2025, the Company issued its fourth green covered bond of SEK 7bn and now has an outstanding volume totalling SEK 25bn. Green covered bonds form part of Nordea Hypotek's long-term funding and Nordea Hypotek intends to use the issue proceeds from the bond to directly or indirectly finance or refinance green assets in accordance with the Nordea Green Funding Framework, March 2025, published at www.nordea.com/en/investors/debt-and-rating/sustainable-funding.

Rating

Since June 2006, Nordea Hypotek has been rated Aaa by Moody's Investor Service for the covered bonds that make up the Company's main long-term funding. Since 1 April 2020, Nordea Hypotek has only had Moody's rating on the Company's bond programme for covered bonds.

Counterparty risk and exposures

In total, risk-weighted assets for counterparty risk, which is entirely in relation to the Parent Company, were SEK 1,110m (1,289). The majority of counterparty risk is attributable to derivatives.

Derivatives

Derivative instruments primarily pertain to interest payment exchange contracts (rate swaps) and forward currency exchange contracts (FX swaps). The item "Derivative instruments" in the balance sheet recognises derivative contracts at fair value. The nominal value of derivative contracts is provided in Note 13, "Derivatives and Hedge accounting".

Capital adequacy

Nordea Hypotek uses the Internal Ratings-based (IRB) approach (internal risk classification) for calculating credit risk in the exposure classes corporate, institution and household. At the end of the year, the Company's risk-weighted assets were SEK 180,509m (175,114), Common Equity Tier 1 capital (CET 1) was SEK 34,140m (34,299), and own funds stood at SEK 34,148m (34,338). The calculated CET 1 capital ratio and the capital ratio were 18.9%, compared with 19.6% at the beginning of 2025. The change is mainly driven by

increased REA, which in turn is due to growth in the lending portfolio. For more information about capital adequacy, please refer to Note 23, "Capital adequacy".

Sustainability

In accordance with the Nordea Group's sustainability-related responsibility, Nordea Hypotek is committed to sustainable development by combining financial activity with responsibility for sustainability. The objective is to develop and provide financial services and offerings that support sustainable development by enabling customers to make conscious and sustainable choices. (<https://www.nordea.com/en/sustainability/sustainable-choice>).

Nordea Hypotek offers green loans to households and corporate customers to finance energy-efficient buildings.

For more information on how the Nordea Group works with sustainability, please see Nordea's Annual Report, Sustainability Notes and other relevant sustainability reporting, published at www.nordea.com/en/sustainability/reporting/. These reports also cover the sustainability reporting requirements for Nordea Hypotek in accordance with the Annual Accounts Act 1995:1554, Chapter 7, section 31a.

Legal proceedings

There are no outstanding disputes or legal proceedings in which material claims have been lodged against the Company.

Financial outlook for 2026

Nordea Hypotek has decided not to publish any forecasts for 2026.

Corporate governance

The corporate governance report is included as part of the administration report. See the section Corporate Governance Report 2025.

Changes in management and the Board of Directors

During the year Anders Nicander took office as new Chairman of the Board and Jessica Didrikson took office as new Board member. At the same time, the following three left the Board: Per Långsved (former Chairman), Maria Sahlén (former member) and Emma Henriksson (former member).

During the year, there were no changes in the executive management.

For further information about personnel matters, see Note 6 "Staff costs" and Note 29 "Related party transactions".

Material changes after the end of the financial year

After the end of the year, Jessica Didrikson has left the Company's Board of Directors. No other major events have occurred since 31 December 2025. However, there are risks associated with the heightened geopolitical tensions around the world that could have adverse effects on earnings through lower net interest income, increased loan losses and reduced business activity.

Distribution of earnings

After the Company paid group contributions of SEK 2,369,915,065, profit for the year of SEK 1,880,447,996 and retained earnings of SEK 32,587,685,734, as well as other provisions of SEK 12,207,360 are available for distribution by the annual meeting of shareholders.

The proposed group contribution reflects Nordea Hypotek's solid capital position.

The proposed distribution of earnings is provided in Note 31, "Proposed distribution of earnings".

Risk, Liquidity and Capital management

Maintaining sound risk awareness in the organisation is an important part of Nordea Hypotek's business strategy. The Nordea Group (hereinafter the Group) has defined a clear risk, liquidity and capital management framework, which has also been adopted by Nordea Hypotek (hereinafter Nordea Hypotek or NH). The framework includes guidelines and instructions for managing various types of risk, as well as capital adequacy and capital structure.

Internal Control Framework

Nordea Hypotek's board of directors (board) has adopted Nordea's Group Board Directive on Internal Governance, which describes the internal control framework. The framework has been designed to ensure adequate identification, measurement and mitigation of risks, prudent conduct of business, reliability of financial and non-financial information (both internal and external) and compliance with laws, ordinances, standards and the requirements of authorities. NH's internal control process is conducted by the Company's governing body, which consists of the board of directors, the managing director, senior management, the risk management function and other Nordea Hypotek staff and, through intra-group agreements, by other units in the Group. The internal control process is based on five main components (control environment, risk assessment, control activities, information and communication as well as monitoring) and is designed to create the necessary fundamentals for the entire organisation to contribute to the effectiveness and high quality of internal controls through, for instance, clear assignment of roles and responsibilities and common tools and procedures.

Governing bodies for risk, liquidity and capital management

The board of directors, the board Risk Committee (BRIC) and the managing director are important decision-making bodies for Nordea Hypotek's risk and capital management. Furthermore, the board has delegated credit decisions, in accordance with the Group's internal risk management framework and through intra-group agreements.

Nordea Hypotek's board of directors and the board risk committee

The board has the following overarching risk management responsibilities:

- Decides on the Company's risk strategy and risk appetite framework, including related risk appetite limits with, at minimum, annual reviews and additional updates when needed.
- Decides and follows up on appropriate and effective risk management policy documents and periodically evaluates whether the Company has effective and appropriate risk management controls.

The board has approved Nordea's Group Board Directive on Capital, which ensures adequate capital levels within the Company on an ongoing and forward-looking basis, consistent with the business model, risk appetite, regulatory requirements and expectations. BRIC assists the board in fulfilling its oversight responsibilities concerning the Company's risk management and related controls, encompassing credit, market, liquidity and business risk as well as non-financial risks such as operational risk and compliance.

Nordea Hypotek's managing director

The managing director is responsible to the board for the overall management of the Company's operations and risks. The managing director's responsibilities include ensuring that the risk strategy and risk management decided by the board are implemented and that risks are monitored and limited. The managing director is assisted in this task by Nordea Hypotek's executive management.

Nordea Hypotek's executive management

The executive management consists of the Managing Director, Chief Operating Officer (COO), Chief Credit Officer, Chief Financial Officer (CFO), Chief Risk Officer (CRO), Business Risk Manager, a Compliance Officer appointed for the Company and a Company Legal Counsel.

Credit decision-making bodies

The governing bodies for credit risk and the credit risk management policy documents are the board and BRIC.

The board has delegated credit decisions in accordance with the mandates described in the Group Board Directive on Risk, adopted by Nordea Hypotek. The Group has established a number of committees that also deal with credit decisions for Nordea Hypotek.

According to the Group Board Directive on Risk, all limits in the Group are founded on credit decisions or authorisations from bodies bearing ultimate decision-making responsibility for the limit concerned. A credit decision includes pricing, risk mitigation and terms and conditions related to the limit or expected utilisation. The credit decision also serves to delegate decision-making within the approved limit to lower-level decision-makers unless otherwise explicitly decided.

Governance of risk management and compliance

Risk information is sent from the business areas and group functions to the board via NH's executive management and BRIC. The flow of information starts with the units that monitor and analyse the relevant risk type in accordance with intra-group agreements. The information is presented, discussed and challenged firstly in executive management and in BRIC, prior to presentation to the board.

Group Compliance (GC) in Nordea Bank Abp is responsible for the compliance risks in NH, which encompasses monitoring and control to ensure that the risks are managed by the relevant functions. GC performs this task within the bounds of an intra-group agreement. GC adds value to the Company and its stakeholders by conducting an independent evaluation of the bank's and Nordea Hypotek's compliance with applicable laws, ordinances, standards and supervisory requirements and by means of performing various controls. GC reports to BRIC and the board.

The risk management policy documents ensure consistent processes for identifying, assessing, measuring, mitigating and reporting risks to enable informed decisions on risk-taking. They encompass all risks to which the Company is or could be exposed, including off-balance sheet risks and risks in stressed scenarios. Detailed reports on risks and compliance are sent to the managing director in the executive management, to BRIC and to the board.

The Risk Identification and Materiality Assessment Process starts with identifying risks to which NH is or could be exposed. Risks are then assessed for relevance,

whereupon they are classified and registered in NH's risk taxonomy, which is based on the Group taxonomy for risks.

All risks within the risk taxonomy need to be classified as material or not material for risk and capital management purposes. Material risks are those assessed as having a material impact on the Company's current and/or future financial position, its customers and/or other stakeholders.

Risk appetite

The risk appetite policy documents contribute towards effective risk management and a sound risk culture by enabling well-founded decisions on risk-taking. The objective is to ensure that the risks in the operations are kept within NH's risk appetite and that emerging risks are identified and mitigated in time.

Risk capacity is the maximum level of risk the Company is deemed able to assume given its capital (own funds), its risk management and control capabilities as well as applicable regulations. The risk appetite sets the aggregate level for all types of risks that NH is willing to assume within its risk capacity and in line with its business model to achieve its strategic objectives. The risk appetite limits are the board's wording of the approved risk appetite and comprise qualitative statements and quantitative limits and triggers by main risk type to ensure a conservative and adequate risk profile.

Risk appetite processes

The risk appetite policy documents contain all processes and controls for determining, monitoring and communicating risk appetite:

- Risk capacity-setting based on capital position: On an annual basis, the Company's overall risk capacity is aligned with the financial and capital planning process, based on the risk strategy. The risk capacity is set in line with the capital position, including an appropriate shock-absorbing capacity.
- Risk appetite allocation by risk type: Risk appetite includes risk appetite limits for the main risk types to which NH is or could be exposed according to the Company's risk taxonomy. Also, risk appetite triggers, which shall act as early indicators for decision-makers that the risk profile for a particular risk type is approaching its risk appetite limit.
- Risk limit-setting: Risk appetite limits, which are set by NH's board, serve as a basis for risk limits that are set and approved at lower decision-making levels, including NH's executive management. The risk limits are set in accordance with Swedish regulatory requirements and in line with the risk limits of the Group.
- Controlling and monitoring risk exposures against risk limits: Risk appetite limits and risk limits are subject to regular controls to ensure that risk-taking activity remains within the risk appetite.
- Risk appetite limit breach management process: The CRO ensures that any breaches of risk appetite limits are escalated to executive management, BRIC and the board. The CRO reports at least once a quarter on any breaches to executive management, BRIC and the board and other relevant governing bodies, including follow-up on the status of actions to be taken, until the relevant risk exposure is within risk appetite.

Embedding risk appetite in business processes

The risk appetite process is aligned with other strategic processes, such as the Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Assessment Process (ILAAP) and NH's recovery and resolution planning. Risk appetite is also embedded in business processes and communicated through the organisation with the aim of maintaining a healthy risk culture and to ensure strong alignment with the business plans and the Company's capital and liquidity positions.

Disclosure requirements of the CRR – Nordea's Capital and Risk Management Report 2025

Additional information on risk and capital management is presented in Nordea's Capital and Risk Management Report 2025, in accordance with the Capital Requirements Regulation (CRR). The report is available at www.nordea.com.

Credit risk management

Credits granted must conform to the common principles established for the Nordea Group. Nordea Hypotek aims to have a well-diversified credit portfolio that is adapted to the structure of the domestic market. The key principles for managing Nordea Hypotek's credit risk are as follows:

- three lines of defence, as further described in the Group Board Directive on Internal Governance, adopted by the board.
- independence, i.e. the risk control function should be independent of the business it controls.
- risk-based approach, i.e. the risk control functions shall be aligned with the nature, size and complexity of the business, ensuring that efforts undertaken are proportionate to the risks in question.

The Chief Credit Officer in the first line of defence is responsible for introducing the Nordea Group's credit process, instructions and standard credit risk procedures into Nordea Hypotek. NH's CRO in the second line of defence is responsible for introducing the Nordea Group credit risk framework, which consists of policies and instructions. The CRO and Chief Credit Officer are also responsible for controlling and monitoring the quality of the credit portfolio and the credit process and are supported in this work by resources in the Nordea Group, in accordance with intra-group agreements.

The basis of credit risk management is limits for customers and customer groups that are aggregated and assigned to units responsible for their continuous monitoring. In addition to the procedures for allocating customer and customer group limits, Nordea's credit risk management framework also includes the credit risk appetite framework, which provides a comprehensive and risk-based portfolio perspective through relevant asset quality and concentration risk measures. Within the powers to act granted by the board, internal credit risk limits are determined by credit decision-making bodies at different levels in the Nordea Group. These credit risk limits equal the maximum risk appetite in relation to the customer concerned. Individual credit decisions within the approved internal credit risk limit are taken within the customer responsible unit. The risk categorisation and the overall credit volume determine the level at which the decision will be made.

Responsibility for a credit risk rests with the CRU. Customers are classified according to risk and assigned a rating or a score in accordance with Nordea's rating and scoring guidelines. The rating and scoring of customers aims

to predict their probability of default and consequently rank them according to their respective default risk. Rating and scoring are used as integrated parts of credit risk management and the credit decision-making process. Representatives from the first line of defence credit organisation approve the rating independently.

Credit risk definition and identification

Credit risk is defined as the potential for loss due to failure of a borrower(s) to meet its obligations to clear a debt in accordance with agreed terms and conditions. The potential for loss is lowered by credit risk mitigation techniques. Nordea Hypotek's loan portfolio is broken down by segment and industry. Industry-specific credit policies are established for those industries that have a significant weight in the portfolio and are either highly cyclical/volatile or assessed as vulnerable to climate-related risks or require special industry competencies.

Credit decisions are reached after a credit risk assessment, based on principles that are defined consistently across the entire Nordea Group, and regulated in the intra-group agreement governing credit decisions. These principles emphasise the need to adjust the depth and scope of the assessment according to the risk.

ESG-related credit risk

ESG risk factors are assessed as a material or potentially material driver of (further) credit risk. Nordea has a group-wide taxonomy for climate and environmental risk factors (i.e. threats or hazards) and a list of transmission channels. Credit risk is the risk that is most affected by nature-related transition risks and physical risks, and arises primarily in Nordea's lending activities. For nature-related risks Nordea has defined specific physical and transition risk drivers which could potentially (adversely) impact Nordea.

When lending to both existing and new corporate customers, ESG credit risk factors are investigated, depending on the size of the company and the segment to which the customer belongs internally, and – for identified (ESG) risks – further assessments are made, either at the industry level (inherent risks) or at the customer level. Risks that are material for the borrower's credit risk are managed as credit risk factors and are included in the continuing credit risk assessment. ESG-related risks identified as material at customer level provide input to the credit risk assessment to reach conclusions on the customer group's risk level included in the credit memorandum.

The key components of the assessment include counterparties' greenhouse gas (GHG) emissions intensity developments, the corresponding quality of their transition planning and the resulting impact of climate-related transition and physical risks on customer repayment capacity. This analysis is aligned with the Group targets on financed GHG emissions reductions and transition plan coverage.

Additionally, Nordea follows applicable valuation standards and regulatory requirements, which includes taking ESG factors into account in applying market values for collateralised real estate assets, when available and/or relevant.

Credit risk mitigation

Credit risk mitigation is an inherent part of the credit decision process. Pledging of collateral is fundamental to risk mitigation technique, and collaterals are always sought to minimise the potential for credit losses. Independently of the strength of the collateral position, the repayment capacity is

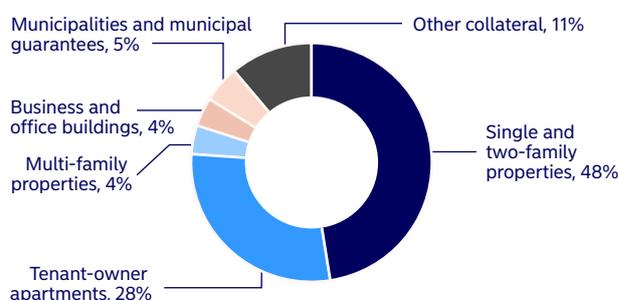
the starting point for the credit assessment and the assignment of credit limits.

Collaterals consist chiefly of residential real estate, tenant-owned homes and various types of municipal guarantees. The collateral value should always be based on the market value. The market value is defined as the estimated amount for which the asset could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. A haircut is applied to the market value to derive the collateral value. The haircut is a percentage by which the market value of the asset is expected to decrease in the event of a forced sale of the collateral. The haircut shall reflect the volatility of market value, liquidity and liquidation cost. A minimum haircut is set for each collateral type. The same principles of calculation must be used for all exposures.

Collateral distribution

The diagram below shows the collateral distribution in Nordea Hypotek's cover pool.

Lending distribution on collaterals



Credit portfolio

The total credit risk exposure, including on- and off-balance-sheet items, amounted to SEK 829bn (786) at year end. Credit risk exposure in the balance sheet (lending to the public) was at SEK 782bn (739) at year end. See more information on, and breakdown of exposure according to the CRR definition in Note 23 and in the "Capital Management" section. Credit risk is measured, monitored and segmented in different ways. On-balance lending consists of amortised cost lending and constitutes the majority of the credit portfolio. Amortised cost lending is the basis for impaired loans, allowances and loan losses. Credit risk in lending is measured and presented as the principal amount of on-balance-sheet claims, i.e. loans to credit institutions and to the public, and off-balance-sheet potential claims on customers, net after allowances.

Loans to corporate customers

Loans to corporate customers and the public sector at the end of 2025 amounted to SEK 162bn (147) – a 10.53% increase. The real estate portfolio is the single largest industry exposure. The real estate portfolio predominantly consists of relatively large and financially strong companies, with 98% (97%) of the lending in rating grades 4- and higher.

Loans to household customers

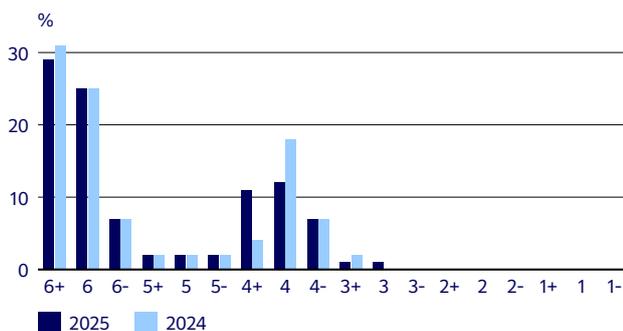
In 2025 loans to household customers increased by 4.6% to SEK 619bn (592). The household customer segment consists

of a great number of customers, with 96% (96) having a score equalling C– or higher.

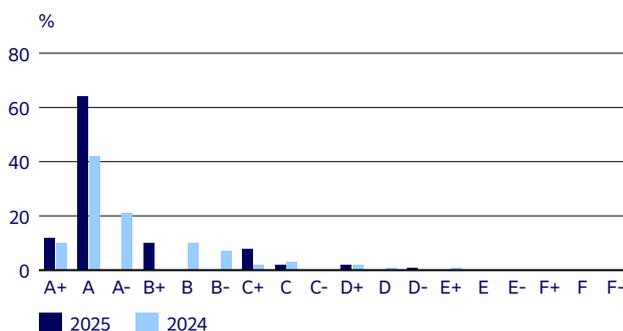
Rating and scoring distribution

One way of assessing credit quality is through analysis of the distribution across rating grades, for rated corporate customers and institutions, as well as risk grades for scored household and small business customers, i.e. retail exposures. The progression of customers' rating and scoring is shown in the graphs below.

Percentage distribution of exposure by rating grade (corporate)



Percentage distribution of exposure by score grade (retail)



Forbearance

Forbearance is eased terms or restructuring due to the borrower experiencing or being about to experience financial difficulties. The intention of granting forbearance for a limited time period is to ensure full repayment of the outstanding debt. Examples of forbearance are changes in amortisation profile, repayment schedule, customer margin as well as ease of covenants. Forbearance is undertaken on a selective and individual basis and is subject to individual impairment testing (corporate customers). Forborne exposures can be performing or non-performing.

Individual and collective assessment of impairment

Requirements for impairment are set forth in IFRS 9 and are based on an expected credit loss model. In impairment testing (individual and collective), three forward-looking and weighted scenarios are applied. Assets to be tested for impairment are divided into three stages depending on the degree of credit deterioration. Stage 1 includes assets where there has been no significant deterioration in credit risk, stage 2 includes assets where there has been a significant deterioration and stage 3 includes defaulting assets. All assets are assessed individually for staging. For significant assets in stage 3, the impairment need is tested and

calculated individually. Assets in stage 1, stage 2 and insignificant assets in stage 3 are assessed for impairment collectively.

Throughout the process of identifying and mitigating credit impairments, Nordea Hypotek continuously reviews the quality of the credit exposures. Weak and impaired exposures are monitored and reviewed at least on a quarterly basis in terms of current performance, business outlook, future debt service capacity and the possible need for provisions.

Nordea Hypotek only reports certain Specific Credit Risk Adjustments (SCRAs). Credit risk adjustments comprise individually and collectively assessed provisions. Credit risk adjustments during the year are recognised as credit losses in the income statement. In the balance sheet, they are recognised as allowances and provisions.

Individual provisioning

A need for individual provisioning is recognised if, based on credit events and observable data, a negative impact is likely on the customer's expected future cash flow to the extent that full repayment is unlikely (pledged collaterals taken into account).

Exposures with individually assigned provisions count as defaulted and belong to stage 3 according to IFRS 9. The size of the provision is equal to the estimated loss, which is the difference between the book value of the outstanding exposure and the discounted value of the expected future cash flow, including the value of pledged collateral.

Collective provisioning

The collective model is executed quarterly. One important driver for provisions is the trigger for transferring assets from stage 1 to stage 2. For assets recognised from 1 January 2018, changes to the lifetime probability of default (PD) are used as the trigger. In addition, customers with forbearance measures and customers with payments more than 30 days past due are also transferred to stage 2. In stage 1, the provisions equal the 12-month expected losses. In stage 2 and 3, the provisions equal the lifetime expected loss. The output is complemented by an expert-based analysis process to ensure adequate provisioning. Defaulted customers without individual provisions have collective provisions.

Further information on impairments and provisions is provided in Note 11.

Sensitivities and forward-looking information

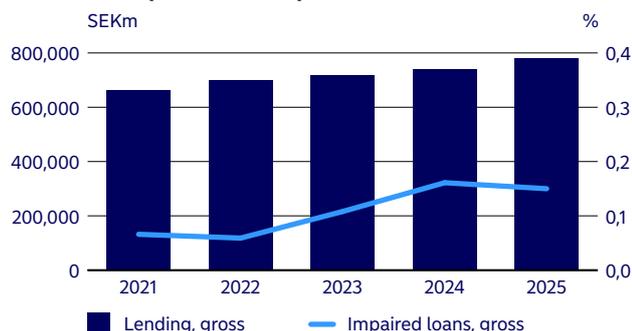
One important factor in estimating expected credit losses in accordance with IFRS 9 is to assess what constitutes a significant increase in credit risk. Nordea Hypotek uses a relative trigger and an absolute trigger. Forward-looking information is used both when judging a significant increase in credit risk and in calculating expected credit losses. Nordea Hypotek uses three macroeconomic scenarios: a base scenario, and a positive and negative scenario. Further information on sensitivities and triggers, as well as a description of the scenarios, is provided in Note 30.

Impaired loans (stage 3)

Impaired loans (gross) fell slightly in 2025 to SEK 1,170m (1,191), equalling 14.7 bps (15.9) of total lending. Allowances for impaired loans in stage 3 are SEK 112.8m (140) and the ratio of allowances for the Company's entire lending

portfolio was 4.2 bps (5.9). Further information on impaired loans is provided in Note 30.

Loans to the public and impaired loans



Loans past due not impaired

The table in Note 30 shows loans past due six days or more that are not considered impaired, split by corporate and household customers. Past due is defined as a loan payment that has not been made as of its due date. Loans past due on the corporate side, which are not considered impaired, amounted to SEK 381m at the end of the year (274), and loans past due on the household side were at SEK 1,071m (943).

Net loan losses

Net loan losses in 2025 amounted to SEK +86m (-129), and are mainly attributable to decreased collective loan provisions. Realised loan losses amounted to SEK -21m for the period (-9). The increase is mainly due to adjusted internal processes regarding write-offs of older loans past due. Actual loan losses remain at very low levels compared to the size of the portfolio.

Counterparty credit risk

Counterparty credit risk is the risk that a counterparty in an FX, interest, commodity, equity or credit derivative contract defaults prior to maturity of the contract and that Nordea Hypotek at that time has a claim on the counterparty. Counterparty credit risk can also exist in repurchasing agreements and other securities financing transactions. Nordea Hypotek only conducts derivative transactions with the Nordea Group. In total, risk-weighted assets for counterparty risk, which is entirely in relation to the Parent Company, were SEK 1,110m (1,289). The majority of counterparty risk is attributable to derivatives.

Liquidity management

Nordea Hypotek has conservative liquidity risk management, with a focus on a strong funding base and a diversified liquidity buffer. Nordea Hypotek had a strong liquidity position throughout the year, despite continued volatility in the global market. Nordea Hypotek had good access to the Swedish covered bond market and has issued long-term funding in line with the funding plan. In 2025 Nordea Hypotek issued covered bonds to a nominal value of SEK 74.5bn (78). Throughout 2025 Nordea remained compliant with the liquidity coverage ratio (LCR) requirement as well as the net stable funding ratio (NSFR).

Liquidity risk definition and identification

Liquidity risk is the risk of only being able to meet liquidity commitments at an unsustainably high cost or, ultimately,

inability to meet obligations as they come due. Nordea Hypotek is exposed to liquidity risk in its lending, investment, funding, loan commitments and other activities that affect cash flow.

Management principles and control

The Company's liquidity risk is managed through three lines of defence:

- The first line of defence (Group Treasury, the business areas and CFO) is responsible for day-to-day management of the liquidity positions, liquidity buffer, funding and internal funds transfer pricing (FTP). Nordea Hypotek and Group Treasury have signed an intra-group agreement covering liquidity risk management.
- The second line of defence (the CRO and Group Risk) performs independent control and monitoring of the first line of defence. Nordea Hypotek and Group Risk have signed an intra-group agreement covering liquidity risk management.
- The third line of defence (Group Internal Audit) examines the independence of both lines of defence.

The board of directors determines the Company's liquidity risk appetite by means of limits based on stress tests and prevailing regulations. The risk appetite is anchored to liquidity stress testing results over selected time horizons as well as regulatory requirements and has implications for the nature and scope of activities undertaken by the Company. The risk appetite framework and related limits and triggers for liquidity risk limit the overall liquidity risk in the Company.

Liquidity risk management strategy

Nordea Hypotek applies a conservative liquidity risk strategy with a focus on a strong diversified funding base and liquidity buffer, as well as long-term funding through covered bonds. The Company publishes regular information on its liquidity and performs regular stress tests, and is also covered by the Group's contingency plan for liquidity crisis management.

Liquidity risk measurement

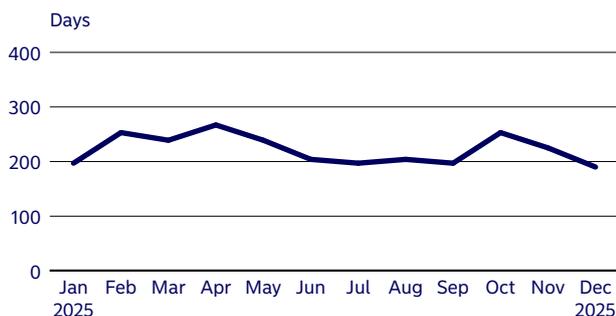
Liquidity risk is measured using both short- and long-term indicators:

- LCR and internal liquidity risk metrics to ensure coverage of short-term outflows
- NSFR to measure structural long-term funding
- The liquidity buffer consists of highly liquid securities of high credit quality that can be sold or used as collateral when needed. The stress tests ensure that the buffer covers large outflows in both market-wide and company-specific stress scenarios.

Liquidity risk analysis

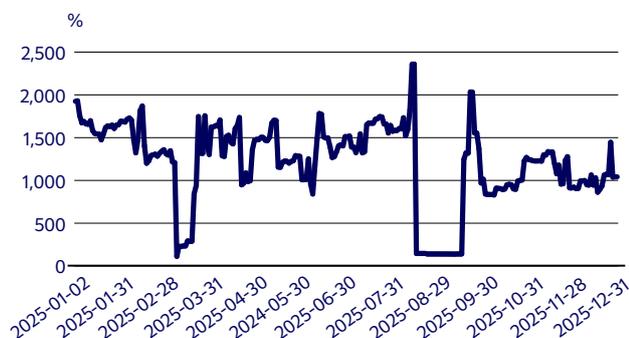
Nordea Hypotek maintains a clear and prudent liquidity risk profile with a strong funding base. At the end of 2025, the total nominal value within the covered bond programme was SEK 344bn (359). More information on Nordea Hypotek's funding sources is provided in the section "Operations in 2025".

Survival horizon



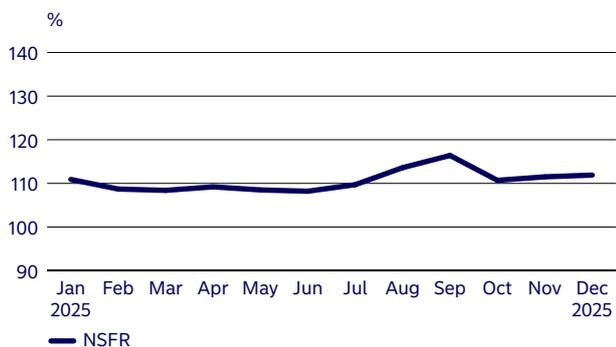
The liquidity risk position remained stable throughout 2025. The internal survival horizon was 190 days (211) at the end of 2025. The liquidity buffer has been sufficient to cover the stressed outflows longer than the Risk Appetite Framework (RAF) of 90 days or trigger of 120 days throughout 2025. The liquidity buffer amounted to SEK 19,358m at 31 December 2025, and was stable with a quarterly average of SEK 19,529m during the year.

Liquidity Coverage Ratio (LCR)



The combined Liquidity Coverage Ratio (LCR), according to EBA Delegated Act rules, has remained above the RAF limit of 105 percent throughout 2025. LCR amounted to 1,042 percent at the end of 2025 (1,980 percent) and with a minimum during the year of 112 percent.

Net Stable Funding Ratio (NSFR)



The net stable funding ratio (NSFR) has been above the Risk Appetite Framework (RAF) of 102% and the trigger of 104% throughout 2025. The lowest level reported for 2025 was in June when it was 108%.

Market risk

Market risk is the risk of loss in Nordea Hypotek’s positions in the banking book as a result of changes in market rates and parameters that affect the market values or net interest income flows. Market risk exists irrespective of the accounting treatment of the positions.

The board of directors determines market risk appetite levels using risk appetite limits, while Group Treasury is responsible for managing the market risk in accordance with internal agreements and set mandates.

As part of the overall risk appetite policy documents, holistic and bespoke stress tests are used to measure the market risk appetite and calibrate limits to monitor and control the full set of material market risk factors to which Nordea Hypotek is exposed.

Non-traded market risk

Non-traded market risk essentially arises from the core operations of Nordea Hypotek, related hedges and regulatory or other external requirements (e.g. liquid asset buffer). Group Treasury is responsible for the comprehensive risk management of all non-traded market risk in the Nordea Group’s balance sheet, including Nordea Hypotek.

For the sake of openness and a clear allocation of responsibilities within Group Treasury, the comprehensive risk management has been divided into four parts, each with a clear risk mandate and specific limits and controls. The other market risks to which Nordea Hypotek is exposed are economic value risk and net interest income risk. The interest-rate risk in the banking-book operations is the current or future risk in Nordea Hypotek’s capital and earnings attributable to unfavourable changes in interest rates. Market risks are managed centrally by Group Treasury with respect to profitability and economic value.

The majority of Nordea Hypotek’s lending consists of floating interest rates while the remainder consists of fixed interest rates with a fixation period of 1–8 years. Nordea Hypotek’s funding essentially carries a fixed rate. This is used in part to hedge fixed-rate lending, although for a substantial part of funding, swaps are used to switch the interest rate to the floating rate to make it consistent with the administrative rate used in lending. The remaining interest-rate risk is managed on behalf of Nordea Hypotek by Group Treasury. The direct interest-rate risk, net, attributable to the repricing gap, together with the limited fixed-interest-rate risk, is hedged using interest-rate swaps (IRS) and overnight index swaps (OIS).

Liquid assets are managed in accordance with the liquidity buffer policy documents. The majority of the risk of changes in interest rates attributable to bond holdings is hedged using maturity-matched IRS agreements and, to a lesser extent, OIS agreements.

Measurement of market risk

IRRBB (interest-rate risk in the banking book) is measured, monitored and managed using three risk metrics:

- economic value (EV risk)
- fair value stress loss (FVSL risk)
- net interest income (NII risk).

These are used to assess differing aspects of the manifestation of interest-rate risk. These are described in more detail below.

Stress tests of EV measure the change in the economic value of assets, liabilities and interest-bearing derivatives in banking-book operations ensuing from changes in interest rates, independently of the accounting classification and

without reference to credit spreads and business margins. The model calculation is performed on the basis of a 'run-off balance sheet' and includes behavioural modelling for prepayments.

FSVL takes account of the potential revaluation risk with respect to positions held below fair value accounting classifications.

The earnings risk metric measures the change in net interest income relative to a base scenario, creating a Net Interest Income Risk (NII Risk) value over a one-year horizon. The model uses a constant balance sheet assumption, implied forward rates and behavioural modelling for prepayments.

FVSL, EV and NII risk sensitivities are measured using internal scenarios determined according to the risk appetite policy documents, the six standard scenarios adopted by the Basel Committee on Banking Supervision and a number of parallel and non-parallel shock scenarios. The exposure limit is measured in relation to the worst outcome from the internal scenarios according to the risk appetite policy documents. The RAF scenarios are calibrated to reflect severe but plausible events and are designed to test specific exposures that are, or may be held, under the approved mandate.

The fair-value risk appetite scenarios are applied to the banking-book portfolios, and the board risk appetite limit considers the combined impact. The fair-value stress metric is monitored daily. A range of EV scenarios are estimated daily for management information purposes, but fully calculated and monitored monthly against risk appetite limits. The NII risk earnings metric is monitored monthly.

The measurement of IRRBB is dependent on key assumptions applied in the models. The most material assumptions relate to the modelling of embedded behavioural options in both assets and liabilities. The behavioural option held by Nordea Hypotek's lending customers to execute early loan prepayments is estimated using prepayment models.

The Pillar 2 IRRBB capital allocations consist of a Fair Value Risk component and an Earnings Risk component. The Fair Value Risk component covers the impact on Nordea Hypotek's equity due to adverse movements of positions accounted for at Fair Value through Profit and Loss (FVTPL) or Fair Value through other comprehensive income (FVOCI). The Earnings Risk component concerns the impact of rate changes on future earnings capacity, and the resulting implications for internal capital buffer levels.

Analysis of market risk

Progression of structural interest income risk (NII-risk)



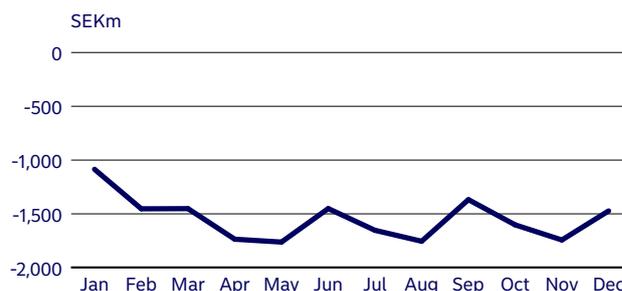
Looking at the net interest income risk, Hypotek benefits from higher interest rates because the interest-bearing assets side is larger than the interest-bearing liabilities side. For the structural interest-rate risk, net interest income is calculated over the next 12 months and based on a constant balance sheet. Hypotek's structural interest-rate risk follows a seasonal pattern due to a concentration of interest-rate adjustments in

March, June, September and December driven by the funding hedged for interest-rate risk through mortgage bonds.

The NII risk for each balance sheet item is at its highest in the month before changes to interest-rate terms, because the parallel shift is then applied to all months in the risk horizon. In the same month in which the change to interest-rate terms is made, risk utilisation is at its lowest level and then gradually increases until the change to interest-rate terms is made three months later.

In 2025, NII risk was measured on the basis of a parallel shift in the yield curve of 200 bps. Risk appetite is set at SEK 1,200m and in 2025 risk was within this limit throughout the year.

Change in economic value



In terms of economic value, Hypotek benefits from falling interest rates because part of the fixed-rate credit portfolio is not hedged against changes in interest rates.

In 2025, EV risk has been within the risk appetite limit of SEK 2,500m.

Floating interest-rate risk, 3-month change to interest-rate terms

Floating interest-rate risk drives the seasonal pattern in risk utilisation due to a concentration of changes to interest-rate terms in March, June, September and December, driven by the funding hedged for interest-rate risk through mortgage bonds. EV risk for each balance sheet item is at its highest in connection with changes to interest-rate terms, because the EV metric discounts the present value until the next change to interest-rate terms. The EV risk for each balance sheet item is thus at its lowest in the month before the change to interest-rate terms – a substantial difference to the NII risk metric.

Interest-rate risk 1–8 years

The proportion of fixed-rate lending continued to decline in 2025 and went from 30% at the start of the year to 24% at the end of the year. Due to high volatility in financial markets, most fixed-rate lending was hedged for interest-rate risk continually over the year.

Other market risks – pension risk

Pension risk (including market and longevity risks) arises from Nordea Hypotek-sponsored defined benefit pension plans for past and current employees. The ability of the pension plans to meet the projected pension payments is maintained through investments and ongoing plan contributions.

The pension risk in Nordea Hypotek is limited because the Company has relatively few employees with defined benefit pension plans, and new, externally recruited employees are not covered by these plans.

Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk. Operational risks are inherent in all of Nordea Hypotek's business and operations. This means that all managers are accountable for the operational risks related to their mandate and for managing these risks within the risk appetite in accordance with the operational risk management framework.

NH's CRO is, supported by the risk control functions in the Nordea Group, the second line of defence for operational risk control and is responsible for developing and maintaining the overall operational risk management framework as well as for monitoring and controlling the operational risk management of the first line of defence. The second line of defence is responsible for monitoring and overseeing that operational risks are appropriately identified, assessed and mitigated, and following up on risk exposures towards risk appetite and assessing the adequacy and effectiveness of the operational risk management framework and the implementation of the framework.

Staff in the second line of defence are responsible for preparing and submitting regular risk reports on all material risk exposures including risk appetite limit utilisation and operational risk incidents to NH's CRO, who then reports to NH's executive management, NH's BRIC and NH's board.

The Risk Appetite Statement for operational risk sets the tone for effective risk management. Risk appetite is specified as limits for (a) different types of operational risk, with numerical values, and (b) total loss amount from operational risk and compliance risk incidents.

Management of operational risk

Management of operational risk includes all activities aimed at identifying, assessing and measuring, responding to and mitigating, controlling and monitoring as well as reporting on risks. Risk management is supported by various processes and instructions including Risk and Control Self-Assessment, Change Risk Management and Approval, Issue Management, Incident Management, Scenario Analysis, Business Continuity and Crisis Management, Information Security Management, Technology and Data Risk Management, Third Party Risk Management, insurance-related risk diversification and Significant Operating Processes. Some of these processes are described below.

Risk and Control Self-Assessment

The Risk and Control Self-Assessment process ensures an overview and assessment of operational and compliance risks at Nordea Hypotek. The process improves risk awareness and enables the effective assessment, control and mitigation of identified risks. The results of the process also form the basis for risk reporting at Nordea Hypotek.

Change Risk Management and Approval

The Change Risk Management and Approval process ensures that risks arising from a change are identified, assessed and managed before a change is approved or implemented. The aim is to ensure that no unexpected incidents occur when the change is implemented. The Change Risk Management and Approval process must be applied to all relevant types of change and development initiatives, including but not limited to new or changed processes, organisational changes, information and communication technology changes and new outsourcing arrangements.

Issue Management

Issues are defined as deficiencies in the control environment, i.e. defects and/or quality matters within the internal control environment for managing risk. When such deficiencies are discovered, they must be reported as issues. The Issue Management Framework consists of multiple processes across all three lines of defence identified in different risk management processes, and they together fall under the purpose of issues and action management.

Incident Management

The Incident Management Framework ensures appropriate handling and reporting of detected incidents to minimise the impact on Nordea Hypotek and its customers, prevent recurrence and reduce the impact of future incidents. When incidents occur, they are immediately assessed to determine their severity. Depending on the nature of the incident and the severity assessed, different requirements on stakeholder involvement and external reporting apply, including incident notification to relevant authorities.

Third Party Risk Management

The objective of Third Party Risk Management is to ensure that risks related to third parties and third party activities, including but not limited to outsourcing, are appropriately identified, assessed and managed before entering into, during as well as when exiting a third party arrangement. Third Party Risk Management ensures that risks associated with third parties and third party activities are kept within risk appetite and risk limits.

Business Continuity and Crisis Management

The Business Continuity and Crisis Management framework at Nordea Hypotek ensures the capability to handle extraordinary events and crises and assures recovery and continued delivery to predefined acceptable levels. The capabilities are validated by testing and exercising the organisation and established plans to ensure to protect Nordea Hypotek's resources (e.g. people, premises, technology and information), supply chain, interested parties and reputation, before a disruptive incident occurs. This includes ensuring that roles and responsibilities are clear, known and communicated to all involved.

Information and Communication Technology Risk Management

The objective of ICT risk management is to ensure that information and communication technology and data management risks are appropriately identified, assessed and managed.

The Nordea Group's Information Security Management System aims to maintain the confidentiality, integrity and availability of information, and information entrusted to Nordea Hypotek.

Cyber security

The Nordea Group focuses not only on maintaining effective basic information security controls but also on enhancing its cyber defence with new tools and functions for security, detection and response. The Group develops innovative security practices to meet new business demands, such as robust mobile banking applications and proactive customer support for fraud detection and prevention. Nordea Hypotek must comply with financial industry legislation, for example European Banking Authority guidelines and other Swedish and European legislation introducing specific information security requirements. In addition, the Nordea Group has

teamed up with partners from governmental organisations, law enforcement agencies, intelligence networks, peers in the industry and others to share intelligence and experience.

Reputational risk

The objective of the reputational risk management framework is to protect the reputation of the Nordea Group and Nordea Hypotek. Reputational risk can arise due to failure to deliver on internal and external promises and expectations. Negative attention from customers and the media, claims and lawsuits can ultimately have adverse financial implications.

Reputational risk often results from, or causes, other types of risks inherent in the operations, such as credit, liquidity, market, operational, compliance and legal risks.

Financial reporting risk

Financial reporting risk is defined as the risk of misstatements or deficiencies in financial reporting, regulatory reporting and disclosures, tax reporting and reporting of ESG disclosures. An internal control system is in place for managing financial reporting risk. The system provides structure and contains standards for designing, operating and evaluating the system of internal control over financial reporting. The framework is the mechanism through which management expresses its financial statement assertions. The control function in the second line of defence is responsible for the independent monitoring, assessment and oversight of the risks and the Company's implementation of policy documents. Group Risk reports to the board on a quarterly basis.

Compliance risk

The Nordea Group defines compliance risk as the risk of failing to comply with statutes, laws, regulations, business principles, ethical standards, sound business practice and equivalent internal provisions governing the bank in a country in which Nordea operates.

The key principle for the management of compliance risk is the three lines of defence. The first line of defence consists of Nordea Hypotek employees, who are risk owners and responsible for their own daily risk management and control of compliance risks. Management on all levels is responsible for operating the business within defined limits for risk exposure and in accordance with decided directives, instructions and risk management processes. Group Compliance constitutes the second line of defence at Nordea Hypotek. The unit coordinates, promotes and monitors the efficiency and integrity of compliance risk management. Group Compliance performs an independent evaluation of Nordea Hypotek's compliance with prevailing rules and regulations, and also advises, supports and trains the first line on various ways to effectively and efficiently handle compliance obligations.

On a quarterly basis, Group Compliance reports on all significant compliance risks to management, the Board and relevant committees such as the Nordea Hypotek Board Risk Committee (BRIC) in order to inform of Nordea Hypotek's current risk exposure in relation to the predefined risk appetite.

Group Internal Audit constitutes the third line of defence and performs audits and provides assurance to stakeholders on internal controls and risk management processes. It is important that prevailing laws and provisions are adhered to, and that controls are carried out to ensure this, partly because Nordea Hypotek is a responsible corporate citizen, and partly to prevent the banking system from being used for criminal activity. Through the classification of Nordea Hypotek into the category "other systemically important

institutions" (O-SII) and the fact that the Parent Company is domiciled in Finland, Nordea Hypotek is subject to a set of stringent standards, under the supervision of both Finansinspektionen (the Swedish FSA) and the European Central Bank.

Compliance independent risk assessment (CIRA)

The CIRA process is an independent risk assessment performed by Group Compliance in the second line of defence. The purpose of the CIRA process is to assess Nordea Hypotek's compliance risk. The assessment is performed based on the Risk Taxonomy for Compliance Risks and covers both external and internal rules. The assessment results in a picture of Nordea Hypotek's compliance risk and the outcome is used as a basis in devising the annual plan.

Ethical guidelines and corporate values

The ethical guidelines and the corporate values reinforce Nordea Hypotek's corporate culture and establish how employees shall act. The overarching principles, which govern how Nordea Hypotek runs its business, how Nordea Hypotek acts towards its customers and the conduct that is expected of its employees, are stipulated in the Nordea Group Ethical Guidelines. Acting the right way does not just mean that Nordea Hypotek asks itself "can we do it?", but also "should we do it?". In connection with this, employees shall consider the consequences of their decisions for all stakeholders. Each year, all employees must attend a compulsory course on the ethical guidelines, thus ensuring requisite awareness and knowledge of the ethical principles.

Customer protection

The objective of customer protection is to ensure that customers are treated fairly, with a fair outcome. Fair treatment means having open and clear communication, meeting the customer's needs (outcome-centric), awareness among employees, responding to customer complaints and communicating honestly and openly as well as developing accurate, relevant and timely management information.

Important customer protection areas are financial advice (for instance within mortgages), product governance, employees' knowledge and competence, and management of customer complaints. Customer protection within the advisory field shall ensure that the advice is adapted to the customer's needs and circumstances, that it concerns appropriate products and that lending is responsible.

Customer protection with respect to products and services concerns delivering good and valuable products and services of high quality, that meet the customer's needs. This involves defining and targeting a specific market, offering value for money and providing accurate product material and customer communication. It is also important to manage conflicts of interest concerning products and services.

Customer complaints are an important part of following up on customer protection. In the past two years, complaints management has been developed and a new process has been introduced, with clear and regular reporting, a strong feedback culture, analysis of underlying causes and implementation of measures.

Managing business ethics

Conduct risk, or the risk of deficient business ethics, is defined as risks associated with an inappropriate corporate culture or inappropriate behaviour among employees, or the risk of somebody acting, intentionally or unintentionally, in a way that could lead to unfair outcomes and detriment to customers, or undermine market integrity.

The methods for managing conduct risk are continually developed to ensure that corporate culture and employee behaviour are consistent with the values and that fair outcomes are delivered for customers throughout all stages of the customer lifecycle. This means that customers shall be given top priority in the business strategy, in devising and developing products, in sales and in the ongoing servicing of Nordea Hypotek's customers.

Reporting suspicious activity (whistleblowing)

The purpose of the whistleblowing process (reporting suspicious activity) is to enable the staff and customers of the Nordea Group to feel safe in the knowledge that they can raise the alarm if they detect or suspect professional misconduct or unethical behaviour.

There are different ways of reporting suspected unethical behaviour or suspected breaches of internal or external rules. Concerns can be raised openly, in confidence or anonymously. There are also rules and procedures for investigating such matters.

Complaints management

The objective of complaints management is to improve customer satisfaction and identify deficiencies that can be remedied through IT development or altered processes. Complaints management is attended to by the customer responsible units together with the customer ombudsman, in accordance with an intra-group agreement. The number of complaints and types of complaint are reported each quarter to the members of NH's executive management, together with information on current and proposed measures per area of complaint.

Environmental, social and governance (ESG) risks

Nordea defines ESG risk as the risk of an adverse financial and non-financial impact deriving from the transpired or potential impact of ESG factors in the short, medium, long and very long term. These risks manifest themselves across existing risk categories; the impact of ESG factors may be direct or indirect, through third parties and counterparties. It is important for Nordea to integrate ESG evaluations into our risk management framework.

Financial crime

Financial crime poses a serious threat to the security and integrity of the global financial system, and combating it calls for cooperation between banks and authorities. Improving security in the global financial system is a joint responsibility.

The Nordea Group is obliged to follow prevailing laws and regulations concerning combating money laundering and terrorist financing, sanctions, bribes and corruption in the bank's countries of operation. Nordea Hypotek refutes being used for money laundering or any other type of financial crime. The Nordea Group therefore has guidelines that stipulate effective and uniform standards for compliance. These have been adopted by NH's board and support the customer management principles and compulsory standards for Nordea Hypotek and the Nordea Group as a whole. It is important for Nordea Hypotek to have thorough risk-based customer due diligence procedures when new customers are welcomed, and continually throughout the customer relationship. A high level of familiarity with customers and counterparties can enable the bank, using screening and monitoring, to detect suspicious or illegal transactions and report them to the authorities for further investigation. Nordea Hypotek has outsourced the work on performing all customer due diligence procedures to customer responsible units in the Nordea Group, and this is regulated in an intra-group agreement.

Nordea Hypotek also has an obligation to follow all international and national sanctions programmes. Nordea Hypotek's customers and their transactions are therefore screened against prevailing sanctions lists to ensure compliance with the sanctions requirements. Since mid-2015, extensive investments have been made in technology, capacity and more advanced assessment methods to reduce the risks associated with financial crime.

Capital management

Nordea Hypotek strives to be efficient in its use of capital and therefore actively manages its balance sheet with respect to different assets, liabilities and risks. The goal is to enhance returns to shareholders while maintaining a prudent capital structure, with due consideration for regulatory requirements and internal targets. The board of directors ultimately decides on the targets for capital ratios, capital policy and the overall capital management framework at Nordea Hypotek. The ability to fulfil objectives and minimum capital adequacy requirements is regularly inspected by management.

Minimum requirements for capital adequacy and risk exposure amount

SEKm	31 Dec 2025		31 Dec 2024	
	Minimum Capital requirement	REA	Minimum Capital requirement	REA
Credit risk	7,269	90,864	7,882	98,521
- of which counterparty credit risk	89	1,110	103	1,289
IRB	6,248	78,098	6,749	84,364
- sovereign	-	-	-	-
- corporate	1,835	22,932	1,696	21,203
- advanced	1,682	21,022	1,696	21,203
- foundation	153	1,910	-	-
- institutions	30	369	40	500
- retail	4,383	54,791	5,012	62,654
- secured by immovable property collateral	3,977	49,708	4,641	58,018
- other retail	407	5,083	371	4,636
- other	1	6	1	7
Standardised	1,021	12,765	1,133	14,158
- central governments or central banks	0	2	0	2
- regional governments or local authorities	-	-	-	-
- public sector entities	-	-	-	-
- multilateral development banks	-	-	-	-
- international organisations	-	-	-	-
- institutions	1,021	12,763	1,133	14,156
- corporate	-	-	-	-
- retail	-	-	-	-
- secured by mortgages on immovable properties	-	-	-	-
- in default	-	-	-	-
- associated with particularly high risk	-	-	-	-
- covered bonds	-	-	-	-
- institutions and corporates with a short-term credit assessment	-	-	-	-
- collective investments undertakings (CIU)	-	-	-	-
- equity	-	-	-	-
- other items	-	-	-	-
Credit Value Adjustment Risk	-	-	-	-
Market risk	-	-	-	-
- trading book, Internal Approach	-	-	-	-
- trading book, Standardised Approach	-	-	-	-
- banking book, Standardised Approach	-	-	-	-
Settlement risk	-	-	-	-
Operational risk	715	8,934	770	9,620
Standardised	715	8,934	770	9,620
Additional risk exposure amount related to Swedish RW floor due to Article 458 CRR	6,442	80,520	5,358	66,972
Additional risk exposure amount due to Article 3 CRR	15	191	-	-
Total	14,441	180,509	14,009	175,114

Summary of items included in own funds

SEKm	31 Dec 2025	31 Dec 2024
Equity	34,592	34,675
Proposed/actual dividend	–	–
Common Equity Tier 1 capital before regulatory adjustments	34,592	34,675
Deferred tax assets	–	–
Intangible assets	–	–
IRB provisions shortfall (-)	-417	-349
Pension assets in excess of related liabilities	-11	-12
Other items, net	-23	-15
Total regulatory adjustments to Common Equity Tier 1 capital	-451	-376
Common Equity Tier 1 capital (net after deduction)	34,140	34,299
Additional Tier 1 capital before regulatory adjustments	–	–
Total regulatory adjustments to Additional Tier 1 capital	–	–
Additional Tier 1 capital	–	–
Tier 1 capital (net after deduction)	34,140	34,299
Tier 2 capital before regulatory adjustments	–	–
IRB provisions excess (+)	8	39
Pension assets in excess of related liabilities	–	–
Other items, net	–	–
Total regulatory adjustments to Tier 2 capital	8	39
Tier 2 capital	8	39
Own funds (net after deduction)	34,148	34,338

Own Funds, including profit

SEKm	31 Dec 2025	31 Dec 2024
Common Equity Tier 1 capital	34,140	34,299
Tier 1 capital (net after deduction)	34,140	34,299
Total Own Funds	34,148	34,338

Capital requirements

The capital requirement and the own funds described in this section follow the CRR rules and not accounting standards, see Note 23 "Capital adequacy" for details.

Capital policy

The current capital policy states that Nordea Hypotek under normal business conditions should have minimum levels for common equity tier 1 (CET1) capital ratio, tier 1 ratio and total capital ratio that exceeds the capital requirements set out by the competent authorities. Nordea Hypotek shall additionally hold a capital buffer.

Minimum capital requirements

Risk exposure amount (REA) is calculated in accordance with the requirements in the Capital Requirements Regulation.

Nordea Hypotek had the majority of the credit risk exposure amount covered by the internal ratings based (IRB) approach at the end of 2025. The Nordea Group is authorised to use internal VaR models for calculating the capital requirement for the majority of the market risk in the trading book; Nordea Hypotek has no such risk, however.

Internal capital requirement

The internal capital requirement is calculated based on Nordea Hypotek's internal Pillar 1 equivalent, plus an additional amount for other risks, and includes an economic stress buffer.

In addition, supervisors require Nordea Hypotek to hold capital for other risks which are identified and communicated as part of the Supervisory Review and Evaluation Process (SREP).

Allocated equity

Allocated equity (AE) is an internal measure of the capital that, in Nordea's opinion, may be required to cover unforeseen losses in the operations, with a certain degree of probability. Allocated equity is calculated using internal models that provide a consistent assessment of the credit risk, market risk, operational risk, business risk and life insurance risk arising in the operations conducted by Nordea's business areas. The models also take account of national capital requirements and tax rates. Goodwill and other key deductions are also included.

Own funds

Own funds are the sum of Tier 1 and Tier 2 capital. Tier 1 capital consists of both Common Equity Tier 1 (CET1) and Additional Tier 1 capital. CET1 capital is considered to be capital of the highest quality with ultimate loss-absorbance characteristics and consists predominately of paid-in capital and retained earnings.

New regulations on capital requirements

This section highlights recent news and updates on regulatory developments and capital requirements, mainly related to the Bank Recovery and Resolution Directive (BRRD), the Capital Requirements Directive (CRD) and the Capital Requirements Regulation (CRR). The current version of CRR is called CRR3 and it introduces the Basel IV standards in the EU. CRR3 entails a major regulatory change from 1 January 2025 for credit risk, market risk and operational risk.

Finansinspektionen (the Swedish FSA) has decided to keep the countercyclical capital buffer at 2% – the same level that has been in place since the second quarter of 2023.

In 2022, Nordea Hypotek was categorised into “other systemically important institutions” (O-SII) and, as such, shall hold a O-SII buffer of 1%. This requirement was confirmed by Finansinspektionen on 10 September 2025.

On 30 April 2025, Finansinspektionen informed the European Commission and the European Systemic Risk Board (ESRB) of its intention to extend the existing risk weight floor for Swedish mortgages by two more years. On 24 June, the European Commission approved Finansinspektionen’s intention to extend the risk weight floors for commercial and residential properties. Following

the EU approval, on 15 September 2025 Finansinspektionen decided to extend the existing risk weight floors by two years from 31 December 2025 to 30 December 2027 for Swedish mortgages, and from 30 September 2025 to 29 September 2027 for Swedish commercial properties.

In March 2025, the Swedish National Debt Office communicated the Minimum Requirement for Eligible Liabilities (MREL) for Nordea Hypotek. The MREL requirements for Nordea Hypotek are 23.20% of the risk exposure amount (REA) plus the combined buffer requirement (CBR) and 6% of the leverage ratio exposure (LRE). The requirements came into force on 30 June 2025.

CRR3 – transitional arrangements

CRR3 introduces, an output floor of 72.5% of the standardised approaches on an aggregate level. This means that the capital requirement amounts to 72.5% of the total Pillar 1 REA calculated using the standardised approaches for credit, market and operational risk. The floor was phased in at 50% from 1 January 2025 to be fully implemented at 72.5% from 1 January 2030 with transitional rules for the calculation of the REA for the output floor extending to end-2032.

Disclosure requirements of the CRR – The Nordea Hypotek Capital and Risk Management Report 2025

Further disclosures concerning risk and capital management are available in the Nordea Hypotek Capital and Risk Management Report 2025.

Corporate governance statement 2025

Corporate governance refers to relations between a company's senior management, its board of directors, its shareholders and other stakeholders, such as employees and their representatives. It also determines the structure used to define a company's objectives as well as the means of achieving them and of monitoring the results obtained. Strong corporate governance is thus about companies having clear and systematic decision-making processes, providing clarity about responsibilities, avoiding conflicts of interest and ensuring satisfactory internal control, risk management, transparency and accountability.

Corporate governance at Nordea Hypotek AB (publ) (the Company) follows generally adopted principles of corporate governance and relevant normative frameworks.

This corporate governance statement was prepared in accordance with the requirements of the Swedish Annual Accounts Act.

1. Corporate Governance at Nordea Hypotek AB (publ)

The Company is a Swedish public limited company. It is a subsidiary of Nordea Bank Abp (in Finland) and thereby part of the Nordea Group. The Company has issued bonds that are listed on the Nasdaq stock exchange in Stockholm and bonds that are listed on Nasdaq First North Bond Market Finland, in Helsinki. The shares of the Parent Company, Nordea Bank Abp, are listed on the Nasdaq stock exchanges in Helsinki, Stockholm and Copenhagen, and its American Depository Receipts (ADR) are traded in the US in US dollars. Furthermore, as part of its funding operations, Nordea Bank Abp issues long-term debt instruments that are usually listed on various stock exchanges.

The corporate governance of the Company is comprehensive and proportionate with respect to the nature, scope and diversity of the Company's operations to ensure effective management in accordance with prudent conduct of business principles. Furthermore, commitment to the Company's purpose, values and vision requires integration of sound corporate governance practices into regular business activities.

The Board of Directors is responsible for overseeing the administration and appropriate organisation of the Company's operations, while the President and Group CEO is responsible for the executive management of the Company. The main emphasis is on the Board undertaking its role in the corporate governance structure and the interaction with the other governing bodies to ensure sound corporate governance, including systems for internal control and risk management regarding financial reporting.

Corporate governance and the duties of the governing bodies of the Company are defined by the applicable external and internal frameworks. The external framework that regulates corporate governance work includes EU law, such as the directive 2013/36/EU (CRD IV), and regulation (EU) No 575/2013 (CRR), as well as rules and guidelines issued by relevant financial supervisory authorities, such as the EBA Guidelines on Internal Governance and Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders, as well as national-level laws, such as the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act, the Annual Accounts Act of Credit Institutions and Investment Firms, Covered Bond Issuance Act. The Company also complies with rules and guidelines issued by other relevant supervisory authorities, as well as EU regulations for the

financial industry and Nasdaq's rules for the exchanges in Stockholm and Helsinki.

The Board has adopted instructions for the CEO specifying the latter's responsibilities as well as other charters, policies and instructions for the operations of the Company. Furthermore, the Company's Code of Conduct provides an ethical framework for the conduct of all members of governing bodies and employees. These mechanisms, together with the Articles of Association, the Charter and the Committee Charters (see section 6.3 below for a description of these charters) as well as applicable directives, instructions and policies, constitute the internal framework that regulates corporate governance at the Company.

The internal framework is designed to enable the prudent conduct of business by defining the powers and responsibilities of the corporate bodies and employees.

Environmental, social and governance (ESG) governance: The Board has a leading role in driving the sustainability strategy and is assisted by its committees. At management level, the ESG area is organisationally integrated into the existing processes for decision-making, risk management and control as well as escalation, including management committee structures. The first line of defence is responsible for managing sustainability and financial impacts, while the second line of defence is responsible for developing the ESG-related risk management framework.

2. Division of Powers and Responsibilities

The management and control of the Company is divided among the shareholders (at general meetings), the Board and the CEO, pursuant to the provisions of the external framework, the Articles of Association and the internal framework set forth by the Board and/or the CEO.

The Company's business is conducted in close integration with its parent company Nordea Bank Abp and the Bank's branch business in Sweden. The Company and the Bank have agreed, in a number of Intra Group Agreements, that the Bank's business areas and Group functions shall provide various services to the Company, including in the following areas: Sale of mortgages including credit decisions, combating financial crime, liquidity and capital management, compliance and risk management, internal audit, funding, accounting and reporting, and administration of IT systems.

3. General Meetings

The general meeting is the Company's highest decision-making body, at which shareholders participate in the supervision and control of the Company through their voting rights and right to speak.

Applicable regulation and the Articles of Association of the Company determine the matters that have to be dealt with at a general meeting. At the general meeting, decisions are taken regarding matters such as the financial statements, dividend, election of Board members and auditor as well as remuneration for Board members and the auditor.

The general meetings are held in Stockholm.

The AGM 2026 will be held on 26 March 2026.

4. Voting Rights

The Company's Articles of Association do not contain any provisions on share classes or voting rights. This means that all shares issued in the Company are ordinary shares and carry equal voting rights. Each share corresponds to one vote at the

general meeting. At the AGM, each shareholder is entitled to vote his/her full number of shares owned or represented. All shares in the Company are held by Nordea Bank Abp.

5. Articles of Association

The Articles of Association are available at www.nordea.com. Amendments to the Articles of Association are resolved by the General Meeting pursuant to Swedish law and are subject to the approval of the Swedish Financial Supervisory Authority.

6. The Board

6.1 Composition and competence of the Board

According to the Articles of Association, the Board shall consist of at least five and no more than twelve members elected by the shareholders at the general meeting. The term of office for Board members is one year and expires at the end of the AGM following election. The Company has neither a specific retirement age for Board members nor a time limit for how long a Board member may serve on the Board. There are no such requirements in the external framework. However, the number of consecutive years a person has served as board member shall be considered when conducting the overall evaluation of independence.

Furthermore, account is taken of applicable European regulatory requirements of the banking sector in the evaluation.

The Company has a diversity policy adopted by the Board that establishes the principles of diversity. According to the diversity policy, all Board member nominations must be based on merit with the prime consideration being to maintain and enhance the Board's overall effectiveness. Within this, a broad set of qualities and competencies is sought, and it is recognised that diversity, including age, gender, geographical provenance and educational and professional background, is an important factor to take into consideration. The objective is to have a fair, equal and balanced representation of genders and other diversifying factors in the Board collectively.

The composition of the Board must reflect the requirements of the Company's operations and current development stage. A Board member must have the competencies required by the position and the possibility to devote sufficient time to attend to the Board duties. The number of Board members and the composition of the Board must be such that they enable the Board to undertake its duties efficiently.

The Board annually conducts a self-evaluation process, whereupon results achieved and the work of the Board are evaluated for the purpose of continuously improving Board work. The evaluation is based on methodology that includes questionnaires to evaluate the Board as a whole, the Chair and the individual Board members. The result of the self-evaluation process is, furthermore, discussed by the Board.

In accordance with applicable European regulatory requirements, a suitability assessment of the individual Board members and of the Board as a whole is completed annually and in connection with the selection process for new Board members. The annual suitability assessment concluded that the Board members individually and collectively were considered suitable and in possession of the requisite knowledge, skills and experience concerning the social, business and cultural conditions of the regions and markets in which the main activities of the Company are carried out, exhibiting adequate diversity and breadth of qualities and competencies, and that the gender distribution is well-balanced.

To enable a good understanding of the Company's organisation and structure, business model, risk profile and governance arrangements, new Board members participate in an introduction programme, generally covering areas related to aspects such as the Company's governance, financials and risk management. Board members may at any time request further training on a specific subject and are continuously provided with opportunities to maintain and deepen their knowledge.

In addition, Board members receive annual training based on their individual and collective needs as well as regulatory and supervisory requirements. The annual training plan is designed to cover the key risk areas of Nordea and ensure up-to-date knowledge of identified relevant knowledge areas. The training activities also take account of the results of the annual self-evaluation, suitability assessments of the Board as well as input on identified training needs from senior management.

The Board currently has five members (three men and two women), Anders Nicander (Chair), Peter Dalmalm (Deputy Chair), Elisabeth Olin, Tina Sandvik and Adam Wastå. Jessica Didriksson was elected as a new board member at an extraordinary general meeting on 14 February 2025. Per Långsved, Emma Henriksson and Maria Sahlén left the Board on 12 March 2025. Anders Nicander was elected as a new Board member and Chair on 12 March 2025. Jessica Didriksson left the Board on 14 January 2026.

The CEO is not a member of the Board. Board composition is shown in the table below.

6.2 Independence of the Board

The Company complies with applicable requirements regarding independence of the Board according to European regulations and Swedish laws and regulations. The Board considers all the members to be independent of the Company. Elisabeth Ohlin, chair of the Risk Committee, is independent in relation to the Company's only shareholder, Nordea Bank Abp.

Name	Year of birth	Position	Other relevant assignments
Anders Nicander	1980	Chair	Head of Personal Banking Sweden, Nordea Bank Abp; board member, GetSwish AB
Peter Dalmalm	1968	Deputy Chair	Head of Personal Banking, Sweden, Nordea Bank Abp
Elisabeth Olin	1961	Board member	No current assignment
Tina Sandvik	1967	Board member	Head of Products & Development Personal Banking, Nordea Bank Abp
Adam Wastå	1983	Board member	Chief Financial Officer for Personal Banking, Nordea Bank Abp

6.3 The Work of the Board

The Board has adopted written work procedures governing its work that also set forth the management and risk reporting to the Board (the Charter) and separate work procedures for its work carried out in the Board Committee (the Committee Charter). For example, the Charter determines the Board's and the Chair's respective areas of responsibility, documentation and quorum as well as the frequency of meetings. It also contains rules regarding conflicts of interest, confidentiality and the Board secretary.

The Board is charged with the organisation of the Company and the administration of the Company's operations in accordance with the external and internal framework and its Charter. The Board shall ensure that the Company's legal and organisational structure is appropriate and transparent with a clear allocation of functions and areas of responsibility that ensure sound and efficient governance by the Company, avoids the creation of complex structures and enables supervisors to conduct efficient supervision.

The Board regularly follows up on the Company's strategy, business development as well as its financial position and performance. Furthermore, the Board regularly updates the policies and internal rules on governance and control on which the Board has decided. The Board also reviews the risk appetite and regularly follows up on the Company's relevant risks, capital and liquidity. Significant organisational changes, appointments for certain senior management and other resolutions of material significance are other matters dealt with by the Board. In 2025, the Board identified and addressed, among other matters, macroeconomic and geopolitical events, interest rate adjustments, financial and non-financial risks, follow-up of late loan payments, follow-up of internal outsourcing and other matters pertaining to internal control and compliance, with a heightened focus on combating financial crime.

The Board must also ensure that the Company's organisation in respect of accounting, management of funds and the Company's financial position in general include satisfactory controls. The Board is ultimately responsible for ensuring that an adequate and effective system of internal control is established and maintained. The Company's internal audit function, supported by its own risk assessment and activity plan, examines and evaluates whether the Company's organisation, governance, risk management and internal control are appropriate and effective. See also below in section 8.4.

In 2025 the Board held 20 meetings, six of which were held *per capsulam*.

6.4 Chair

The Board's Chair and Deputy Chair are elected by the shareholder at the general meeting. The Board meets according to its annual meeting schedule and as necessary. The Chair ensures that the Board's work is conducted efficiently and that the Board fulfils its duties. The Chair leads and organises the Board's work, maintains regular contact with the CEO, ensures that the Board receives sufficient information and documentation, and ensures that the Board annually performs a self-evaluation of its work.

6.5 The Board Committees

In accordance with the external framework and in order to increase the effectiveness of Board work, the Board has established a separate working committee to assist the Board in preparing matters falling within the competence of the Board and in making decisions in matters delegated by the Board.

The duties of the Board Committee, as well as the working procedures, are defined in the Committee Charter. In general, the Board Committee does not have autonomous

decision-making powers and regularly reports on its work to the Board.

In 2025, the Company decided to discontinue the Audit Committee and transfer its duties and responsibilities to the Board.

6.5.1 The Risk Committee

The Risk Committee assists the Board in fulfilling its oversight responsibilities concerning management and control of the risks, risk frameworks, controls and processes associated with the Company's operations, including credit, market, liquidity, operational, compliance, model, ESG (environmental, social and governance) and business model risk as well as related frameworks and processes.

The duties of the Risk Committee include to review and where required make recommendations on the Company's risk and compliance governance and examine the development of the Internal Control Framework, including the Risk Management Framework, in reference to the development of the Company's risk profile, and changes in the regulatory framework. In addition, the Risk Committee shall review and make recommendations concerning the Company's risk appetite and risk strategy.

The members of the Risk Committee are Elisabeth Olin (Chair) and Adam Wastå. Jessica Didriksson left the Company's Board and Risk Committee on 14 January 2026. The Company's CEO, Chief Risk Officer, Chief Compliance Officer, Chief Internal Auditor, Chief Financial Officer, Chief Credit Officer and Business Risk Manager are generally present at meetings, with the right to participate in discussions but not in decisions. The Risk Committee held six meetings in 2025.

The Board annually appoints the members and the chair of the Risk Committee. The Committee must have at least three committee members who are also members of the Board. The chair of the Risk Committee may not be the chair of the Board or of any other Board Committee. The Risk Committee shall be composed of members of the Board who are not part of the Company's executive management. Members of the Risk Committee shall have, individually and collectively, appropriate knowledge, skills and expertise concerning risk management and control practices.

7. CEO and Executive Management

The CEO is charged with the day-to-day management of the Company and the Company's affairs in accordance with the external and internal framework. The internal framework adopted by the Company further regulates the division of responsibilities and the interaction between the CEO and the Board. The CEO works closely with the Chair of the Board in relation to planning Board meetings.

The CEO is accountable to the Board for managing the Company's operations and organisation.

The CEO works together with certain senior managers in Nordea Hypotek's Executive Management (hereinafter the management or NHEM). NHEM meets regularly and whenever necessary upon request by the CEO. These meetings are chaired by the CEO, who takes decisions after consulting with the other members of NHEM. Minutes of meetings, verified by the CEO, are recorded.

At the end of 2025 NHEM members were: Pia Tverin (CEO), Maria Stolpe (Chief Operating Officer), Magnus Svensson (Chief Financial Officer), Malin Fransson (Chief Credit Officer), Ida Näslund (Business Risk Manager), Emma Söderberg (Chief Risk Officer) and Sinda Lanz (Chief Compliance Officer).

The CEO and senior executives in NHEM are presented in the table below (seven people in total).

Name	Year of birth	Position
Pia Tverin	1976	CEO
Maria Stolpe	1969	Chief Operating Officer
Magnus Svensson	1979	Chief Financial Officer
Malin Fransson	1992	Chief Credit Officer
Ida Näslund	1991	Business Risk Manager
Emma Söderberg	1978	Chief Risk Officer ¹
Sinda Lanz	1984	Chief Compliance Officer ¹

1) NHEM member without voting rights.

8. Internal Control Framework

8.1 General provisions

The Board is responsible for setting and overseeing an appropriate and effective Internal Control Framework. The framework sets out the responsibilities of the Board and the senior management regarding internal control, all Group functions and business areas, including outsourced activities and distribution channels. Under the Internal Control Framework, all business areas, Group functions and units are responsible for managing the risks they incur in conducting their activities and for having controls in place that aim to ensure compliance with internal and external requirements. As part of the Internal Control Framework, the Company has established independent control functions with appropriate and sufficient authority, stature and access to the Board to perform their task. This also includes the Risk Management Framework.

The Internal Control Framework ensures effective and efficient operations, adequate identification, measurement and mitigation of risks, prudent conduct of business, sound administrative and accounting procedures, reliability of financial and non-financial information (both internal and external) and compliance with applicable laws, regulations, supervisory requirements and internal rules.

The Internal Control Process is carried out by the Company's executive management and other personnel, and also by the personnel of Nordea Bank Abp who act in accordance with Intra Group Agreements between the companies, and by the Bank's and the Company's respective boards of directors. The Internal Control Process is based on five main components: (i) control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, as well as (v) monitoring. The internal control process aims to create the necessary fundamentals for the entire organisation to contribute to the effectiveness and high quality of internal controls through, for instance, clear definitions, assignment of roles and responsibilities and common tools and procedures.

Roles and responsibilities with respect to internal control and risk management are divided into three lines of defence.

8.2 The First Line of Defence

The first line of defence refers to all units and employees – including employees in Nordea Bank Abp acting in accordance with Intra Group Agreements between the Company and Nordea Bank Abp – who are neither in the second or third lines of defence. These are risk owners and are thus responsible for conducting the business within risk exposure limits and risk appetite, and in accordance with the adopted Internal Control Framework.

8.3 The Second Line of Defence

The Company has two separate and independent functions in the second line of defence: (i) the Risk Control Function, which is responsible for maintaining and monitoring the

implementation of the Risk Management Framework as a fundamental part of the Internal Control Framework, and (ii) the compliance function, which is responsible for maintaining and monitoring the implementation of the Compliance Risk Management Framework.

To ensure effective risk management, the second line of defence has access to all business lines and other internal units that have the potential to generate risk as well as to relevant subsidiaries and branches and outsourced activities.

8.3.1 The Risk Control Function

The Company's Risk Control Function – including employees in Nordea Bank Abp's risk function acting in accordance with Intra Group Agreements – is responsible for maintaining the Risk Management Framework as part of the Internal Control Framework, and for monitoring the implementation of policies and procedures within that framework. The Risk Control Function oversees the implementation of the financial and the non-financial risk policies and, according to a risk-based approach, monitors and controls the Risk Management Framework and must, among other things, ensure that all risks to which the Company is or could become exposed are identified, assessed, monitored, managed and reported.

The Risk Control Function is headed by the Company's Chief Risk Officer, who is a member of the Company management. The Chief Risk Officer is appointed, suspended or dismissed by the Board. The Chief Risk Officer regularly reports to the Risk Committee and the Board.

8.3.2 The Compliance Function

The compliance function is responsible for the monitoring and control of compliance risks to which the Company is or could become exposed. The function is headed by an appointed Compliance Officer, who is employed by the Company and covers all compliance risks and compliance processes in the Company in accordance with an Intra Group Agreement between the Company and the Bank.

The function is also responsible for developing and maintaining the Compliance Risk Management Framework, which ensures effective and efficient identification and management of compliance risks in accordance with regulatory requirements and supervisory expectations. The compliance risk management lifecycle covers key compliance processes for risk identification, independent risk assessment, oversight planning, testing and monitoring, training, advice and reporting.

The Board of Directors approves or rejects appointments and dismissals of the Compliance Officer. The Compliance Officer regularly reports to the Risk Committee and the Board.

8.4 The Third Line of Defence

GIA – i.e., employees in Nordea Bank Abp acting in accordance with Intra Group Agreements – which is the third line of defence, examines and evaluates whether the Company's organisation, governance, risk management and internal control are appropriate and effective. See the next section for further information on the internal audit.

9. Internal Audit

GIA is an independent audit function in the Nordea Group. The Board of Directors of Nordea Bank Abp has issued a "Group Board Directive for Group Internal Audit". This Group Directive sets out the purpose of the internal audit, its scope, GIA's powers and reporting procedures. The Company has issued an equivalent directive (Company Directive for Group Internal Audit), setting out the purpose, scope, powers and reporting procedures of its internal audit function.

As explained above, the Company's internal audit function is performed by GIA in accordance with an Intra Group Agreement between the Company and Nordea Bank Abp. One person in GIA is appointed to be the Company's Chief Internal Auditor (CIA). The Company's Board approves the appointment and dismissal of the CIA in consultation with the GIA.

In relation to the Company, the purpose of GIA is to support the Company's Board and executive management in protecting the Company's assets, reputation and sustainability. GIA does this by assessing whether all significant risks are identified and appropriately reported by management and the risk functions to the Board, the Board Committees and the executive management, by assessing whether all significant risks are adequately controlled; and by challenging the executive management to improve the effectiveness of governance, risk management and internal controls.

GIA does not engage in consulting activities unless otherwise instructed by the Board Audit Committee of Nordea Bank Abp or the Board of the Company. Consulting activities are the range of services, beyond audit services, performed specifically at the request of management for a pre-defined scope and provided to assist management in meeting its objectives.

All activities of the Company – including any outsourced activities, for example to Nordea Bank Abp – fall within the scope of GIA. GIA makes a risk-based decision as to which areas within its scope should be included in the audit plan approved by the Board.

GIA must operate free from interference in determining the scope of internal auditing, in performing its audit work and in communicating its results. This means for example that GIA is authorised to inform the financial supervisory authorities on any matter without further approval. The CIA has unrestricted access to the Company's CEO, the Chair of the Risk Committee and the Chair of the Board. GIA is authorised to conduct all investigations and obtain all information required to discharge its duties. This includes the right to sufficient and timely access to the Company's records, systems, premises and staff. GIA has the right to attend and observe Board committees, executive management, and other key management decision-making fora when relevant and necessary.

10. External Audit

According to the Articles of Association, one or two auditors must be elected by the Annual General Meeting for a term of one year. At the AGM 2025, BDO Mälardalen AB was elected auditor until the end of the AGM 2026.

11. Report on Internal Control and Risk Management regarding Financial Reporting

The Company's and the Nordea Group's systems for internal control and risk management of financial reporting are designed to provide reasonable assurance about the reliability of external financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles, applicable laws and regulations, and other requirements. The internal control and risk management activities are included in the planning and resource allocation processes. The Company's internal control and risk management of financial reporting is described below.

11.1 Control Environment

The control environment is comprised of the Company's internal control and centres around the established culture and values, and the organisational structure, with clear roles and responsibilities.

The primary governance principle is the adherence to the three-lines-of-defence model, which provides the foundation for a decisive and clear division of roles and responsibilities in the organisation. The Company's three-lines-of-defence model is described in section 8 above.

The first line of defence is responsible for the ongoing risk management and for compliance with applicable rules. Risk owners in the first line of defence are responsible for the risk management activities. A central function supports the Chief Financial Officer in defining standards that apply to relevant controls. Appropriate controls are implemented, maintained and monitored within significant processes.

11.2 Risk Assessment

Risk assessment in relation to reliable financial reporting involves the identification and assessment of risks of material misstatements or deficiencies. Financial reporting risk (FRR) is defined as the risk of misstatements or deficiencies in financial reporting, regulatory reporting, disclosures, tax reporting and reporting of environment, social and governance (ESG) information.

Risk management is considered to be an integral part of running the business and the main responsibility for performing risk assessments regarding financial reporting rests with the Company's business organisation including relevant parts of Nordea Bank Abp in accordance with Intra Group Agreements. Performing risk assessments close to the business increases the possibility of identifying risks that are relevant for the Company. In order to govern the quality, control functions stipulate in governing documents when and how these assessments are to be performed. Examples of risk assessments are the recurring Risk and Control Self-Assessments (RCSA) and the event-driven Change Risk Management and Approval process.

11.3 Control Activities

The scope of the control framework for FRR is designed to focus on areas where risk of material financial misstatements could exist, i.e. where the judgement of a reasonable person relying on the report would have been changed or influenced by the inclusion or correction of the misstated item.

Each unit in the Company (and/or in the Bank, acting on behalf of the Company in accordance with an Intra Group Agreement) is primarily responsible for managing risks associated with its operations and financial reporting processes. Internal rules stipulate how the Company's operations and organisation are governed and managed (including compliance with regulatory requirements), such as the Group Accounting Manual, the Company's instructions on financial control and the financial reporting risk protocol. The Group Accounting Manual (GAM) holds information on the accounting policies to be used in the Nordea Group, including the Company, and contains detailed reporting instructions and the tools needed for producing the financial statements.

The control structure for FRR has been based on one or a group of controls identified as principal controls that may be relied on to prevent, detect or mitigate high and critical financial reporting risks. This involves the identification and assessment of risks of financial reporting misstatements or deficiencies based on process flows with an end-to-end process focus. In a parallel analysis, it is determined which systems are relied on in financial reporting and the corresponding IT general controls.

The quality assurance achieved through the management reporting process, where a detailed analysis of the financial outcome is performed, constitutes an important control mechanism associated with the reporting process.

11.4 Information and Communication

Group Finance is responsible for ensuring that reporting fulfils the requirements of accounting standards and/or applicable regulations and that changes are communicated to the responsible units. This is supported by detailed guidelines and standard operating procedures in the responsible units.

Management at different levels in the organisation is provided with information related to the performance, self-assessment, testing and mutual oversight of the identified internal controls in their processes.

The Company, directly or through the Nordea Group, interacts with relevant subject-matter experts externally to keep up to date with changes in reporting expectations and ensure fulfilment of financial reporting objectives. The Company, directly or through the Nordea Group, actively participates in relevant national and international forums, such as those established by the financial supervisory authorities, central banks and associations for financial institutions.

11.5 Monitoring

The Company has access to a process that the Nordea Group has established for regular evaluation of risk metrics, such as risk exposure metrics, with the purpose of ensuring proper monitoring of the quality of the financial reporting. The Chief Financial Officer reports on the management of FRR to the Board each quarter.

An independent risk control function resides in the second line of defence and is responsible for identifying, controlling and reporting on FRR. In addition, GIA provides the Board with an assessment of the general effectiveness of the governance, risk management and control processes throughout the organisation, including financial reporting.

The Board, the Risk Committee, the Risk Control Function, the Compliance Function and GIA have important roles in respect of governance and oversight of the internal control of financial reporting. For further information, see "Board of Directors" (section 6), "The Risk Committee" (section 6.5.2), "The second line of defence" (section 8.3) and "Internal audit" (section 9) above.

Financial statements

Income statement

SEK (000s)	Note	2025	2024
Operating income			
Interest income calculated using the effective interest rate method		23,704,297	33,221,287
Other interest income		249,556	422,642
Interest expense		-19,097,702	-28,398,935
Net interest income	3	4,856,151	5,244,994
Fee and commission income		32,281	29,986
Fee and commission expense		-259,459	-238,594
Net fee and commission income	4	-227,178	-208,608
Net result from items at fair value	5	50,908	118,069
Total operating income		4,679,881	5,154,455
Operating expenses			
<i>General administrative expenses:</i>			
Staff costs	6	-39,280	-42,207
Other expenses	7	-1,862,997	-2,206,248
Regulatory fees	8	-495,370	-480,867
Total operating expenses		-2,397,647	-2,729,322
Profit before loan losses		2,282,234	2,425,133
Net loan losses	9	85,825	-129,003
Operating profit		2,368,059	2,296,129
Income tax expense	10	-487,611	-491,696
Net profit for the year		1,880,448	1,804,433

Statement of comprehensive income

SEK (000s)	2025	2024
Net profit for the year	1,880,448	1,804,433
Items that may be reclassified subsequently to the income statement		
<i>Cash flow hedges:</i>		
Valuation gains/losses	-238,500	546,820
Tax on valuation gains/losses	49,131	-112,645
Transferred to the income statement	238,746	-553,343
Tax on transfers to the income statement	-49,182	113,989
<i>Available for sale investments¹</i>		
Valuation gains/losses	2,869	-1,671
Tax on valuation gains/losses	-591	344
Other comprehensive income, net of tax	2,473	-6,506
Total comprehensive income	1,882,921	1,797,927

1) Valuation gains/losses related to hedged risks under fair value hedge accounting are accounted for directly in the income statement.

Balance sheet

SEK (000s)	Note	31 Dec 2025	31 Dec 2024
Assets			
Loans to credit institutions	11	11,933,226	8,722,812
Loans to the public	11	782,015,454	739,157,568
Interest-bearing securities	12	19,358,264	20,048,614
Derivatives	13	4,724,084	5,633,936
Fair value changes of hedged items in portfolio hedges of interest rate risk	13	242,016	-315,506
Deferred tax assets	10	893	944
Current tax assets	10	91,626	68,091
Other assets	14	156,671	1,162,698
Prepaid expenses and accrued income	15	287	1,218
Total assets		818,522,521	774,480,375
Liabilities			
Deposits by credit institutions	16	381,253,391	321,845,275
Debt securities in issue	17	397,157,381	409,927,170
Derivatives	13	2,697,625	4,310,996
Current tax liabilities		–	36,692
Other liabilities	18	2,695,942	3,424,219
Accrued expenses and prepaid income	19	121,359	341,329
Provisions	20	6,482	5,455
Total liabilities		783,932,180	739,891,136
Equity			
Share capital		110,000	110,000
Fair value reserves		12,207	9,734
Retained earnings		32,587,686	32,665,072
Net profit for the year		1,880,448	1,804,433
Total equity		34,590,341	34,589,239
Total liabilities and equity		818,522,521	774,480,375

Other notes

Note 1 Accounting policies

Note 2 Segment reporting

Note 21 Assets pledged as security for own liabilities

Note 22 Commitments

Note 23 Capital adequacy

Note 24 Classification of financial instruments

Note 25 Fair value

Note 26 Financial instruments set off on balance or subject to netting agreements

Note 27 Assets and liabilities in foreign currencies

Note 28 Maturity analysis for assets and liabilities

Note 29 Related-party transactions

Note 30 Credit risk disclosures

Note 31 Proposed distribution of earnings

Note 32 Sustainability report

Statement of changes in equity

SEK (000s)	Restricted equity		Unrestricted equity		Total equity
	Share capital ¹⁾	Cash flow hedges	Fair value through other comprehensive income:	Retained earnings	
Balance at 1 Jan 2025	110,000	-3,638	13,372	34,469,505	34,589,239
Net profit for the year	–	–	–	1,880,448	1,880,448
Items that may be reclassified subsequently to the income statement	–	–	–	–	–
<i>Fair value through other comprehensive income:</i>					
Valuation gains/losses	–	–	2,869	–	2,869
Tax on valuation gains/losses	–	–	-591	–	-591
<i>Cash flow hedges:</i>					
Valuation gains/losses	–	-238,500	–	–	-238,500
Tax on valuation gains/losses	–	49,131	–	–	49,131
Transferred to the income statement	–	238,746	–	–	238,746
Tax on transfers to the income statement	–	-49,182	–	–	-49,182
Other comprehensive income, net of tax	–	195	2,278	–	2,473
Total comprehensive income	–	195	2,278	1,880,448	1,882,921
Shareholders' contribution received	–	–	–	–	–
Group contribution paid	–	–	–	-2,369,915	-2,369,915
Tax on Group contribution	–	–	–	488,203	488,203
Share-based payments	–	–	–	-107	-107
Dividend	–	–	–	–	–
Balance at 31 Dec 2025	110,000	-3,443	15,650	34,468,134	34,590,341

1) Total number of shares registered were 100,000.

SEK (000s)	Restricted equity		Unrestricted equity		Total equity
	Share capital ¹⁾	Cash flow hedges	Fair value through other comprehensive income:	Retained earnings	
Balance at 1 Jan 2024	110,000	1,541	14,699	32,544,685	32,670,925
Net profit for the year	–	–	–	1,804,433	1,804,433
Items that may be reclassified subsequently to the income statement	–	–	–	–	–
<i>Fair value through other comprehensive income:</i>					
Valuation gains/losses	–	–	-1,671	–	-1,671
Tax on valuation gains/losses	–	–	344	–	344
<i>Cash flow hedges:</i>					
Valuation gains/losses	–	546,820	–	–	546,820
Tax on valuation gains/losses	–	-112,645	–	–	-112,645
Transferred to the income statement	–	-553,343	–	–	-553,343
Tax on transfers to the income statement	–	113,989	–	–	113,989
Other comprehensive income, net of tax	–	-5,179	-1,327	–	-6,506
Total comprehensive income	–	-5,179	-1,327	1,804,433	1,797,927
Shareholders' contribution received	–	–	–	2,300,000	2,300,000
Group contribution paid	–	–	–	-2,380,723	-2,380,723
Tax on Group contribution	–	–	–	490,429	490,429
Share-based payments	–	–	–	-85	-85
Dividend	–	–	–	-289,234	-289,234
Balance at 31 Dec 2024	110,000	-3,638	13,372	34,469,505	34,589,239

1) Total number of shares registered were 100,000.

Cash flow statement

SEK (000s)	2025	2024
Operating activities		
Operating profit	2,368,059	2,296,129
Adjustment for items not included in cash flow	-229,684	423,549
Income taxes paid	-59,635	-66,450
Cash flow from operating activities before changes in operating assets and liabilities	2,078,740	2,653,228
Changes in operating assets		
Change in loans to credit institutions	-3,074,683	-10,056
Change in loans to the public	-42,772,903	-22,747,290
Change in interest-bearing securities	695,236	-191,074
Change in derivatives, net	187,673	2,389,705
Change in other assets	1,006,027	865,107
Changes in operating liabilities		
Change in deposits by credit institutions	59,498,000	27,704,000
Change in debt securities in issue	-14,384,166	-10,932,713
Change in other liabilities	-3,098,193	-2,166,619
Cash flow from operating activities	-1,943,009	-5,088,940
Financing activities		
Shareholder contribution	-	2,300,000
Paid dividend	-	-289,234
Repaid subordinated liabilities	-	-1,650,000
Cash flow from financing activities	-	360,766
Cash flow for the year	135,731	-2,074,945
Cash and cash equivalents at the beginning of year	8,712,756	10,787,701
Cash and cash equivalents at the end of year	8,848,487	8,712,756
Change	135,731	-2,074,945

Comments on the cash flow statement

The cash flow statement shows inflows and outflows of cash and cash equivalents during the year for total operations. Nordea Hypotek's cash flow has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flows are classified by operating and financing activities.

Operating activities

Operating activities are the principal revenue-producing activities and cash flows are mainly derived from the operating profit for the year with adjustment for items not included in cash flow and income taxes paid. Adjustment for non-cash items includes:

SEK (000s)	2025	2024
Loan losses	-84,983	129,682
Unrealised gains/losses	-893,134	-1,195,647
Change in accruals and provisions	-140,539	183,745
Change in fair value of the hedge items, assets/liabilities (net)	886,606	1,312,359
Other	2,366	-6,590
Total	-229,684	423,549

Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans and debt securities in issue. Changes in derivatives are reported net.

Cash flow from operating activities includes interest payments received and interest expenses paid with the following amounts:

SEK (000s)	2025	2024
Interest payments received	24,101,552	33,677,533
Interest expenses paid	-19,017,554	-28,330,045

Financing activities

Financing activities are activities that result in changes in equity and subordinated liabilities, such as issued/amortised subordinated liabilities.

Cash and cash equivalents

The following items are included in Cash and cash equivalents:

SEK (000s)	2025	2024
Loans to credit institutions, payable on demand	8,848,487	8,712,756

Loans to credit institutions, payable on demand include liquid assets not represented by bonds or other interest-bearing securities.

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Note 1 Accounting policies

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1. Basis of presentation

The financial statements for Nordea Hypotek AB (publ) are prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Investment Firms (1995:1559), the accounting regulations of Finansinspektionen (the Swedish financial supervisory authority) (FFFS 2008:25 including amendments) and the accounting recommendation RFR 2 Accounting for legal entities issued by the Swedish Corporate Reporting Board. This means that Nordea Hypotek AB (publ) applies International Financial Reporting Standards (IFRS) as endorsed by the European Commission to the extent possible within the framework of Swedish accounting legislation and with due consideration for the close tie between financial reporting and taxation.

The disclosures, required in the standards, recommendations and legislation above, have been included in the notes, the Risk, Liquidity and Capital management section or in other parts of the financial statements.

On 20 February 2026, the Board of Directors approved the Annual Report and the Annual General Meeting will be held on 26 March 2026.

The accounting policies and methods of computation are unchanged from Note 1 in the Annual Report

2024, except for those relating to the items presented in the section "Changed accounting policies" below.

2. Changed accounting policies

New accounting policies were introduced by Nordea Hypotek in 2025. Their effect on Nordea Hypotek's financial statements is described below.

The changes made to the Swedish Annual Accounts Act for Credit Institutions and Investment Firms (1995:1559) during the year have not had any significant impact on Nordea Hypotek's financial statements. Neither has the Swedish FSA published any changes applicable during the year regarding the regulation FFFS 2008:25. Furthermore, the Swedish Corporate Reporting Board has not published any notifications to amend RFR 2 "Accounting for legal entities" that have had any significant impact on Nordea Hypotek's financial statements for 2025.

The following amended standard issued by the International Accounting Standards Board (IASB) was implemented by Nordea Hypotek on 1 January 2025, but has not had any significant impact on its financial statements.

- Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

3. Changes to IFRSs not yet applied IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB published the new standard, IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for the presentation of and disclosures in financial statements. In addition, IFRS 18 introduces requirements for aggregation and disaggregation of financial information in financial statements. It is currently unclear to what extent RFR 2 and FFFS 2008:25 will derogate from these rules and thus how they will affect Nordea Hypotek. However, as the standard format for the profit and loss account and balance sheet is governed by the Swedish Annual Accounts Act for Credit Institutions and Investment Firms, no significant impact on the financial statements or capital adequacy is anticipated.

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

In May 2024, the IASB published amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7).

The amendments clarify whether contractual cash flows from financial instruments with contractual terms, linked to the achievement of environment, social and governance (ESG) targets, for example, meet the solely payments of principal and interest (SPPI) criterion, which is a condition for measurement at amortised cost. The amendments allow certain financial assets, including those linked to the achievement of ESG targets, to meet the solely payments of principal and interest (SPPI) criterion at initial recognition, provided that cash flows do not deviate substantially from cash flows from identical financial assets without such terms. In addition, further disclosures on financial assets and financial liabilities with contractual terms are required. The new requirements are not expected to have any significant impact on Nordea Hypotek's financial statements or capital adequacy upon initial application, apart from the disclosures.

The amendments also clarify the characteristics of contractually-linked instruments (CLIs) and non-recourse features. These clarifications will not have any significant impact on the classification of financial assets or capital adequacy upon initial application.

Note 1 Accounting policies, cont.

The amendments also include the recognition and derecognition of financial assets and financial liabilities, including an optional discharge regarding derecognition of financial liabilities settled through an electronic payment system. This amendment will not have any significant impact on Nordea Hypotek's financial statements or capital adequacy upon initial application,

The new standard is effective for annual periods beginning on or after 1 January 2026.

Other amendments

The following changes in IFRSs not yet applied by Nordea Hypotek are not assessed to have any significant impact on the Company's financial statements or capital adequacy in the period of their initial application.

- Contracts Referencing Nature-dependent Electricity (amendments to IFRS 9 and IFRS 7).
- Annual Improvements – Volume 11.
- Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (amendments to IAS 21).

4. Critical judgements and estimation uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires, in some cases, the use of judgements and estimates by management. The actual outcome can later, to some extent, differ from the estimates and the assumptions made. In this section Nordea Hypotek describes:

- the sources of estimation uncertainty at the end of the reporting period, which involve a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and
- the judgements made when applying accounting policies (apart from those involving estimations) that have the most significant impact on the amounts recognised in the financial statements.

Critical judgements and estimates are in particular associated with:

- Net result from items at fair value (Note 5.)
- Fair value (Note 25.)
- Recognition and derecognition on the balance sheet (Note 26.)
- Impairment testing of loans to the public (Note 11.)
- Hedge accounting (Note 13.)
- Taxes (Note 10.)
- Classification and measurement (Note 24.)

Net result from items at fair value

There is estimation uncertainty in the valuation of financial instruments, in particular for instruments that lack quoted prices or where recently observed market prices are not available (level 3 instruments). See Note 26 "Fair value".

Fair value

Critical judgements that have a significant impact on the recognised amounts for financial instruments are exercised when determining the fair value of OTC derivatives and other financial instruments that lack quoted prices or where recently observed market prices are not available, such as unlisted equities.

The judgements relate to the following areas:

- The choice of valuation techniques.
- The determination of when quoted prices fail to represent fair value (including the judgement of whether markets are active).
- The calculation of fair value adjustments in order to incorporate relevant risk factors such as credit risk, model risk and liquidity risk.
- The judgement of which market parameters are observable.

The critical judgements required when determining the fair value of financial instruments that lack quoted prices or where recently observed market prices are not available also introduce a high degree of estimation uncertainty.

In all of these instances, decisions are based upon professional judgement in accordance with Nordea Hypotek's accounting and valuation policies. The fair value of financial assets and liabilities measured at fair value using a valuation technique, level 2 and 3 in the fair value hierarchy, was SEK 26,779m (29,994) and SEK 2m (0), respectively, at the end of the year. For further information, see Note 26 "Assets and liabilities at fair value".

Recognition and derecognition in the balance sheet

Loans and other financial assets where cash flows are modified, or part of a restructuring, are derecognised and a new loan recognised if the terms and conditions of the new loan are substantially different from the old loan. Nordea Hypotek applies judgements to determine if the terms and conditions of the new loan are substantially different from those of the old loan. It is generally Nordea Hypotek's judgement that if a new credit assessment results in a change in the interest rate and/or maturity, this is considered a substantial change and as such qualifies as a derecognition event.

The carrying amount of loans and interest-bearing securities on the assets side of the balance sheet at the end of 2025 amounted to SEK 813,307 m (767,929). For more information, see section 6 "Recognition and derecognition of financial instruments on the balance sheet".

Impairment testing of loans to the public

Management is required to exercise critical judgements and estimates when calculating loan impairment allowances. Nordea Hypotek's total amortised cost lending before impairment allowances was SEK 794,286m (748,325) at the end of the year.

When calculating allowances for individually significant impaired loans, judgement is exercised to estimate the amount and timing of the expected cash flows to be received from the customers under different scenarios, including the valuation of any collateral received. Judgement is also applied when assigning the likelihood of the different scenarios occurring.

Judgement is exercised to assess when an exposure has experienced a significant increase in credit risk. If this is the case, the provision should reflect the lifetime expected losses as opposed to a 12-month expected loss amount for exposures that have not increased significantly in credit risk. Judgement is also exercised in the choice of modelling approaches covering other parameters used when calculating the expected losses, such as the expected lifetime used in stage 2, as well as in the assessment of whether the

Note 1 Accounting policies, cont.

parameters based on historical experience are relevant for estimating future losses.

The statistical models used to calculate provisions are based on macroeconomic scenarios, which requires management to exercise judgement when identifying such scenarios and when assigning the likelihood of the different scenarios occurring. Judgement is also exercised in the assessment of to what extent the parameters for the different scenarios, based on historical experience, are relevant for estimating future losses. Nordea adjusts its collectively calculated provisions if the historical data does not adequately reflect management's view regarding expected credit losses. Estimating post-model adjustments requires management to exercise critical judgements.

Hedge accounting

One important judgement in connection with cash flow hedge accounting is the choice of method used for effectiveness testing.

Where Nordea Hypotek applies cash flow hedge accounting, the hedging instruments used are predominantly cross-currency interest rate swaps, which are always held at fair value. The currency component is designated as a cash flow hedge of the currency risk and the interest component as a fair value hedge of the interest rate risk. The hypothetical derivative method is used when measuring the effectiveness of these cash flow hedges, meaning that the change in a perfect hypothetical swap is used as proxy for the present value of the cumulative change in expected future cash flows on the hedged transaction (the currency component). Critical judgement has to be exercised when defining the characteristics of the perfect hypothetical swap. Further information on hedge accounting is presented in section 8. "Hedge accounting".

Taxes

Tax positions are regularly reviewed to identify situations where it is not probable that the relevant tax authorities will accept the treatment used in the tax filings. Uncertain tax positions are considered independently or as a group, depending on which approach better predicts the resolution of the uncertainty. If Nordea Hypotek concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the effect of uncertainty is reflected when determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. This is done by using either the most likely amount or the expected value, depending on which method better predicts the outcome of the uncertainty. Uncertain tax treatment can affect both current tax and deferred tax.

The valuation of deferred tax assets is influenced by management's assessment of Nordea Hypotek's future profitability and sufficiency of future taxable profits and future reversals of existing taxable temporary differences. These assessments are updated and reviewed at each balance sheet date and are, if necessary, revised to reflect the current situation. Further information on Taxes is presented in section 12 "Taxes" and in Note 10 "Taxes".

The carrying amount of deferred tax assets was SEK 1m (1) at the end of the year.

Classification and measurement

The classification of a financial asset is dependent on the business model for the portfolio in which the instrument is included and on whether the cash flows are solely payments of principal and interest (SPPI).

Contractual cash flows that meet the solely payments of principal and interest (SPPI) criterion are consistent with a basic lending arrangement. In a basic lending arrangement, interest can include compensation for the time value of money, credit risk, liquidity risk, costs and a profit margin.

Financial assets with cash flows that are not SPPI are measured at fair value through profit or loss. All other assets are classified based on the business model. Instruments included in a portfolio with a business model where the intention is to keep the instruments and collect contractual cash flows are measured at amortised cost. Instruments included in a business model where the intention is both to keep the instruments to collect the contractual cash flows and to sell the instruments are measured at fair value through other comprehensive income.

5. Recognition of operating income and impairment

Net interest income

Interest consists of compensation for time value of money plus a margin. The effective interest rate equals the rate that discounts the estimated future cash flows to the net carrying amount of the financial asset or financial liability at initial recognition.

Interest income and expense are calculated and recognised using the effective interest rate method or, if considered appropriate, a method that provides a reasonable approximation in line with the effective interest rate method as the basis for the calculation. The effective interest rate includes fees considered to be an integral part of the effective interest rate of a financial instrument (generally fees received as compensation for risk).

Interest income and expenses from financial instruments are, with the exceptions described below, classified as "Net interest income".

The interest component of derivatives is classified as "Net result from items at fair value", except for derivatives used for hedging purposes. In accounting hedges the interest component of derivatives is classified as "Interest income calculated using the effective interest rate method" if the derivative is used to hedge an asset and as "Interest expense" if the derivative is used to hedge a liability. In economic hedges the interest component of derivatives is classified as "Other interest income" if the derivative is used to hedge an asset and as "Interest expense" if the derivative is used to hedge a liability.

The yield on financial assets is presented in two line items in the income statement: "Interest income calculated using the effective interest rate method" and "Other interest income". In the line item "Interest income calculated using the effective interest rate method", Nordea Hypotek presents interest income from financial assets measured at amortised cost or at fair value through other comprehensive income. This line item also includes the effect from hedge accounting relating to these assets. All other interest income is disclosed in the income statement under the item "Other interest income". Further information on net interest income is presented in Note 3 "Net interest income".

Note 1 Accounting policies, cont.

Net fee and commission income

Nordea Hypotek earns commission income from services related to lending to customers. Commission income and commission expenses are normally transaction-based and recognised in the period when the services were provided and obtained. For more information on different types of commission income and commission expense, see Note 4 "Net fee and commission income".

Net result from items at fair value

Realised and unrealised gains and losses on financial instruments measured at fair value through profit or loss are usually recognised in the item "Net result from items at fair value".

The following items are in addition presented in "Net result from items at fair value":

- Realised gains/losses from assets and liabilities measured at amortised cost such as early redemption charges received and realised gains/losses on buy-backs of issued own debt.
- The revaluation of the hedged risks in hedged items under hedge accounting.

The following items are not presented as "Net result from items at fair value":

- The interest component of derivatives used for hedge accounting and economic hedges. These components are presented in "Net interest income" to ensure consistent accounting treatment with the hedged items.

Other operating income and other expenses

Other operating income, not related to any other income line, is generally recognised when it is probable that the benefits associated with the transaction will accrue to Nordea Hypotek and if the significant risks and rewards have been transferred to the buyer (generally when the transaction is finalised).

Transactions not related to any other expense line are generally presented in "Other expenses".

Regulatory fees

Regulatory fees consist of fees charged by authorities. Costs for such fees are recognised when the actual event that gives rise to an obligation to pay a fee has occurred. Resolution fees are not refundable if Nordea Hypotek discontinues its operations and the obligating event is consequently assessed to occur on the first day of the year. The Swedish bank tax is refundable for the period during which Nordea Hypotek does not operate, and the obligating event is therefore assessed to occur continuously over the year. Resolution fees are thus recognised in full in the first quarter, while the Swedish bank tax is amortised on a straight-line basis over the course of the year.

Starting from 2025 the Swedish Central Bank may each year require interest-free deposits from credit institutions with operations in Sweden. Nordea Hypotek recognises a regulatory fee representing the interest that would otherwise have been received on the deposit over its lifetime (usually one year). The regulatory fee is recognised in full on the date of the deposit that is assessed to constitute the obligating

event. The regulatory fee is amortised as interest income over the lifetime of the deposit as part of the effective interest on the deposit which is presented under "Loans to credit institutions".

Net loan losses

Impairment losses from financial assets classified as amortised cost (see section 10 "Financial instruments"), in the items "Loans to credit institutions", "Loans to the public" and "Interest-bearing securities" on the balance sheet, are reported as "Net loan losses". Losses are reported net of any collateral and other credit enhancements. The accounting policies for the calculation of impairment losses on loans can be found in section 11 "Loans to the public/credit institutions". Counterparty losses attributable to financial instruments classified into the category Financial assets at fair value through profit or loss are reported under "Net result from items at fair value".

6. Recognition and derecognition of financial instruments on the balance sheet

Derivative instruments, quoted securities and foreign exchange spot transactions are recognised on and derecognised from the balance sheet on the trade date. Other financial instruments are recognised on the balance sheet on the settlement date. An asset or a liability is recognised in "Other assets" or "Other liabilities" on the balance sheet between the trade date and the settlement date.

Financial assets, other than those for which trade date accounting is applied, are derecognised from the balance sheet when the contractual rights to the cash flows from the financial assets expire or are transferred to another party. The rights to the cash flows normally expire or are transferred when the counterparty has performed by e.g. repaying a loan to Nordea Hypotek, i.e. on the settlement date. Rights to cash flows may also expire when loans are rolled over or modified. The rights to cash flows are generally considered to have expired if the change is at market rates and no payment-related concession has been provided.

In some cases, Nordea Hypotek enters into transactions in which it transfers assets that are recognised on the balance sheet, but retains either all or a portion of the risk and rewards from the transferred assets. If all or substantially all risks and rewards are retained, the transferred assets are not derecognised from the balance sheet. Transfers of assets with retention of all risks and rewards include reversed repurchase agreements.

Financial liabilities are derecognised from the balance sheet when the liability is extinguished. Normally this occurs when Nordea Hypotek performs its part of the agreement, for example when Nordea Hypotek returns a deposit to the counterparty, i.e. on the settlement date. Financial liabilities, for which cash flows have been modified or extended, are also derecognised if the new terms and conditions differ materially from those for the original liabilities. This is the case if the present value of the cash flows under the new terms discounted by the original interest rate differs by 10% or more from the discounted present value of the remaining expected cash flows of the original financial liability. Qualitative factors are also taken into consideration.

Note 1 Accounting policies, cont.

7. Translation of assets and liabilities denominated in foreign currencies

Nordea Hypotek's functional currency and presentation currency is Swedish kronor (SEK).

Foreign currency is defined as any currency other than the functional currency of the entity. Foreign currency transactions are recorded at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date.

Exchange differences arising on the settlement of transactions at rates different from those on the date of the transactions, and unrealised translation differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement in the line item "Net result from items at fair value".

8. Hedge accounting

When a hedging relationship meets the specified hedge accounting criteria set out in IAS 39, Nordea Hypotek applies one of three types of hedge accounting:

- Fair value hedge accounting
- Cash flow hedge accounting
- Hedges of net investments

Hedges of net investments in foreign operations do not occur at Nordea Hypotek.

Nordea Hypotek has elected, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with the carve-out version of IAS 39.

Under the EU carve-out version of IAS 39, fair value macro hedge accounting may for instance, in comparison with IAS 39 as issued by the IASB, be applied to on-demand (core) deposits, and hedge ineffectiveness in a hedge of assets with prepayment options is only recognised when the revised estimate of the amount of cash flows falls below the designated bottom layer.

At inception, Nordea Hypotek formally documents how the hedging relationship meets the hedge accounting criteria, including the economic relationship between the hedged item and the hedging instrument, the nature of the risk, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship on an ongoing basis.

The application of hedge accounting requires the hedge to be highly effective. A hedge is regarded as highly effective if, at inception and throughout its life, changes in the fair value of the hedged item, as regards the hedged risk, can be expected to be essentially offset by changes in the fair value of the hedging instrument. The result should be within a range of 80–125%.

Transactions that are entered into in accordance with Nordea's hedging objectives but do not qualify for hedge accounting are economic hedge relationships.

Fair value hedges

Fair value hedge accounting is applied when derivatives are hedging changes in the fair value of a recognised asset or liability attributable to a specific risk. Fair value hedge accounting can be performed at both micro level (single assets/liabilities or closed portfolios of assets/liabilities where one or more hedged items are hedged using one or more hedging instruments) and macro level (open portfolios

where groups of items are hedged using multiple hedging instruments).

The risk of changes in fair value of assets and liabilities in Nordea Hypotek's financial statements originates mainly from loans, securities and fixed-rate borrowings, causing interest rate risk. Changes in fair value from derivatives as well as changes in fair value of the hedged item attributable to the risks being hedged are recognised separately in the income statement in the item "Net result from items at fair value". Given an effective hedge, the two changes in fair value will more or less balance, meaning the net result is close to zero.

The changes in the fair value of the hedged item, attributable to the risks being hedged with the derivative instrument, are reflected in an adjustment to the carrying amount of the hedged item, which is also recognised in the income statement. The fair value changes of the hedged items held at amortised cost in hedges of interest rate risks in macro hedges are reported separately in the balance sheet item "Fair value changes of hedged items in portfolio hedges of interest rate risk".

Any ineffectiveness is recognised in the income statement under the item "Net result from items at fair value".

Hedged items

A hedged item in a fair value hedge can be a recognised single asset or liability, an unrecognised firm commitment, or a portion thereof. The hedged item can also be a group of assets, liabilities or firm commitments with similar risk characteristics. Hedged items in Nordea Hypotek consist of both individual assets or liabilities and portfolios of assets and/or liabilities.

Hedging instruments

The hedging instruments used in Nordea Hypotek are interest rate swaps and cross-currency interest rate swaps, which are always held at fair value. If the hedging relationship does not meet the hedge accounting requirements, hedge accounting is discontinued. For fair value hedges, the hedging instrument is measured at fair value through profit and loss and the change in the fair value of the hedged item, up to the point when the hedge relationship is terminated, is amortised to the income statement on a straight-line basis over the remaining maturity of the hedged item.

Hedge effectiveness

When assessing hedge effectiveness retrospectively, Nordea Hypotek measures the fair value of the hedging instruments and compares the change in fair value of the hedging instrument to the change in fair value of the hedged item. The effectiveness measurement is made on a cumulative basis. Hedge ineffectiveness can arise from:

- Differences in timing of cash flows of hedged items and hedging instruments
- Different interest rate curves applied to discount the hedged items and hedging instruments
- The effect of changes in Nordea Hypotek's or a counterparty's credit risk on the fair value of the hedging instrument or hedged items
- Disparity between expected and actual prepayments of the loan portfolio

Note 1 Accounting policies, cont.

Cash flow hedge accounting

Cash flow hedge accounting can be used for the hedging of exposure to variations in future interest payments on instruments with floating interest rates and for the hedging of currency exposures. The portion of the gain or loss on the hedging instrument, which is determined to be an effective hedge, is recognised in other comprehensive income and accumulated in the fair value reserve in equity. The ineffective portion of the gain or loss on the hedging instrument is recycled to the item "Net result from items at fair value" in the income statement.

Gains or losses on hedging instruments recognised in the fair value reserve in equity through other comprehensive income are recycled and recognised in the income statement in the same period as the hedged item affects profit or loss, normally in the period that interest income or interest expense is recognised.

Hedged items

A hedged item in a cash flow hedge can be highly probable floating interest rate cash flows from recognised assets or liabilities or from future assets or liabilities. Nordea Hypotek uses cash flow hedges when hedging currency risk on future payments of interest and principal (both from issued debt in foreign currency and/or intra-group lending) and when hedging interest rate risk on lending at floating interest rates.

Hedging instruments

The hedging instruments used in Nordea Hypotek are predominantly cross currency interest rate swaps, which are always held at fair value, where the currency component is designated as a cash flow hedge of currency risk and the interest component as a fair value hedge of interest rate risk. When hedging interest-rate risk in floating-rate lending, Nordea Hypotek uses interest-rate derivatives as hedging instruments, which are always held at fair value.

Hedge effectiveness

The hypothetical derivative method is used when measuring the effectiveness retrospectively of cash flow hedges, meaning that the change in a perfect hypothetical swap is used as a proxy for the present value of the cumulative change in expected future cash flows from the hedged transaction (the currency component).

If the hedging relationship does not meet the hedge accounting requirements, hedge accounting is discontinued. Changes in the unrealised value of the hedging instrument will prospectively from the last time it was proven effective be accounted for in the income statement. The cumulative gain or loss on the hedging instrument that has been recognised in the cash flow hedge reserve in equity through other comprehensive income from the period when the hedge was effective is reclassified from equity to "Net result from items at fair value" in the income statement if the expected transaction is no longer expected to occur.

If the expected transaction is no longer highly probable but is still expected to occur, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective will remain in other comprehensive income until the transaction occurs or is no longer expected to occur.

The possible sources of ineffectiveness for cash flow hedges are generally the same as for those for fair value

hedges described above. However, for cash flow hedges, prepayment risk is less relevant, and the causes of hedging ineffectiveness arise from the changes in the timing and the amount of forecast future cash flows.

9. Determination of fair value of financial instruments

Fair value is defined as the price that, at the measurement date, would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market conditions in the principal market for the asset or liability or, in the absence of a principal market, in the most favourable market for the asset or liability.

The existence of published price quotations in an active market is the best evidence of fair value and when they exist, they are used to measure financial assets and financial liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The absolute level of liquidity and volume required for a market to be considered active varies depending on the class of instruments.

The trade frequency and volume are monitored regularly in order to assess if markets are active or not active. Nordea Hypotek predominantly uses published price quotations to establish fair value for items disclosed under the following balance sheet items:

- Interest-bearing securities
- Derivatives (listed)
- Debt securities in issue (mortgage bonds).

If quoted prices for a financial instrument fail to represent actual and regularly occurring market transactions or if quoted prices are not available, fair value is established by using an appropriate valuation technique. The adequacy of the valuation technique, including an assessment of whether to use quoted prices or theoretical prices, is monitored on a regular basis.

Valuation models are designed to apply observable market prices and rates as input whenever possible but can also make use of unobservable model parameters. Nordea Hypotek predominantly uses valuation techniques to determine the fair value of derivative instruments (OTC derivatives).

For financial instruments, for which fair value is estimated by a valuation technique, it is investigated whether the variables used in the valuation model are predominantly based on data from observable markets. By data from observable markets, Nordea Hypotek considers data that can be collected from generally available external sources and where this data is judged to represent realistic market prices.

If unobservable data has a significant impact on the valuation, the instrument cannot be recognised initially at the fair value estimated by the valuation technique and any upfront gains are thereby deferred and amortised through the income statement over the contractual life of the instrument. The deferred upfront gains are subsequently released to income if the unobservable data becomes observable.

A breakdown of fair values of financial instruments measured on the basis of quoted prices in active markets for the same instrument (level 1), valuation technique using observable data (level 2), and valuation technique using non-observable data (level 3), is provided in Note 25 "Fair value".

Note 1 Accounting policies, cont.

The valuation models applied by Nordea Hypotek are consistent with accepted economic methodologies for pricing financial instruments and incorporate the factors that market participants consider when setting a price.

New valuation models are subject to approval by the Model Risk Committee at Nordea Bank Abp and all models are reviewed on a regular basis.

For further information, see Note 25 "Fair value".

10. Financial instruments

Classification of financial instruments

Each financial instrument has been classified into one of the following categories:

Financial assets:

- Amortised cost
- Financial assets at fair value through profit or loss:
 - Mandatorily measured at fair value through profit or loss
- Financial assets at fair value through other comprehensive income

Financial liabilities:

- Amortised cost
- Financial liabilities at fair value through profit or loss:
 - Mandatorily measured at fair value through profit or loss

The classification of a financial asset is dependent on the business model for the portfolio in which the instrument is included and on whether the cash flows are solely payments of principal and interest (SPPI).

Financial assets with cash flows that are not SPPI are measured at fair value through profit or loss. All other assets are classified based on the business model. Instruments included in a portfolio with a business model where the intention is to keep the instruments and collect contractual cash flows are measured at amortised cost. Instruments included in a business model where the intention is both to keep the instruments to collect the contractual cash flows and to sell the instruments are measured at fair value through other comprehensive income. Financial assets included in any other business model are measured at fair value through profit or loss.

In order to determine the business model, Nordea has divided its financial assets into portfolios and/or sub-portfolios based on how groups of financial assets are managed together to achieve a particular business objective. When determining the right level for the portfolios, Nordea Hypotek has taken the current business area structure into account. When determining the business model for each portfolio, Nordea Hypotek has analysed the objective with the financial assets as well as for instance past sales behaviour and management compensation.

All financial assets and liabilities are initially measured at fair value. The classification of financial instruments into different categories forms the basis for how each instrument is subsequently measured on the balance sheet and how the change in its value is recognised. In Note 24 "Classification of financial instruments", the classification of the financial instruments on Nordea Hypotek's balance sheet into the different categories under IFRS 9 is presented.

Amortised cost

Financial assets and liabilities measured at amortised cost are initially recognised on the balance sheet at fair value, including transaction costs. Subsequent to initial recognition, the instruments within this category are measured at amortised cost. In an amortised cost measurement, the difference between acquisition cost and redemption value is amortised in the income statement over the remaining term using the effective interest rate method. Amortised cost is defined as the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount and for financial assets, adjusted for any loss allowance. For more information on the effective interest rate method, see Note 3 "Net interest income" and section 5 "Recognition of operating income and impairment". Information about impairment under IFRS 9 is provided in section 11 below, under "Impairment testing of individually/collectively assessed loans".

Interest on assets and liabilities classified at amortised cost is recognised in the items "Interest income calculated using the effective interest rate method" and "Interest expense" in the income statement.

This category mainly consists of all lending and deposits, with the exception of reverse repurchase agreements.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, excluding transaction costs. All changes in fair values are recognised directly in the income statement in the item "Net result from items at fair value".

The category consists of two sub-categories: "Mandatorily measured at fair value through profit and loss", and "Designated at fair value through profit or loss" (fair value option); the latter subcategory does not occur at Nordea Hypotek. The subcategory "Mandatorily measured at fair value through profit and loss" mainly contains interest-bearing securities included in part of the liquidity buffer and derivatives.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are measured initially at fair value plus transaction costs. This category mainly consists of the interest-bearing securities included in part of the liquidity buffer. Changes in fair value, except for interest, foreign exchange effects and impairment losses, are recognised in the fair value reserve in equity through other comprehensive income. Interest is recognised in the income statement in the item "Interest income calculated using the effective interest rate method" or "Other interest income", foreign exchange effects in the item "Net result from items at fair value" and impairments in the item "Net loan losses". When an instrument is disposed of, the fair value changes previously accumulated in the fair value reserve in other comprehensive income are removed from equity and recognised in the income statement in the item "Net result from items at fair value". Information about impairment under IFRS 9 is provided in section 11 below, under "Loans to the public/credit institutions".

Note 1 Accounting policies, cont.

Other financial liabilities

Other financial liabilities are measured at amortised cost. Interest on Other financial liabilities is recognised in the item "Interest expense" in the income statement.

Reverse repurchase agreements

Securities received under reverse repurchase agreements are not recognised in the balance sheet. Cash delivered under reverse repurchase agreements is recognised on the balance sheet as "Loans to credit institutions" or as "Loans to the public".

Derivatives

All derivatives are recognised on the balance sheet and measured at fair value. Derivatives with a positive fair value, including any accrued interest, are recognised as assets in the item "Derivatives" on the asset side. Derivatives with a negative fair value, including any accrued interest, are recognised as liabilities in the item "Derivatives" on the liability side.

Realised and unrealised gains and losses from derivatives are recognised in the income statement under "Net result from items at fair value".

Offsetting of financial assets and liabilities

Nordea Hypotek offsets financial assets and liabilities on the balance sheet if there is a legal right to offset, in the ordinary course of business and in case of bankruptcy, if the intent is to settle the items net or realise the asset and settle the liability simultaneously. This is generally achieved through the central counterparty clearing houses with which Nordea Hypotek has agreements.

Exchange-traded derivatives are derecognised from the balance sheet on a daily basis when settlement is paid or received and the instrument is reset to prevailing market terms.

Issued debt and equity instruments

A financial instrument issued by Nordea Hypotek is either classified as a financial liability or equity. Issued financial instruments are classified as a financial liability if the contractual arrangement results in Nordea Hypotek having a present obligation to either deliver cash or another financial asset, or a variable number of equity instruments to the holder of the instrument. If this is not the case, the instrument is generally an equity instrument and classified as equity, net of transaction costs. Where issued financial instruments contain both liability and equity components, these are accounted for separately.

11. Loans to the public/credit institutions

Scope

Loans are financial instruments with fixed or determinable payments that are not readily transferable without the debtor's consent. Loans are classified in accordance with the description in Note 24 "Classification of financial instruments".

Financial instruments classified as "Amortised cost" or "Fair value through other comprehensive income" are subject to impairment testing due to credit risk. This includes assets recognised on the balance sheet as "Loans to credit institutions", "Loans to the public" and "Interest-bearing securities". These balance sheet lines also include assets classified as Fair value through profit or loss, which are not subject to impairment testing. See section 6 "Recognition

and derecognition of financial instruments on the balance sheet" above and Note 24 "Classification of financial instruments".

Off-balance sheet commitments, contingent liabilities and loan commitments are also subject to impairment testing.

Recognition and presentation

Amortised cost assets are recognised gross with an offsetting allowance for the expected credit losses if the loss is not regarded as final. The allowances are disclosed net on the face of the balance sheet, but are disclosed separately in the notes. Changes in the allowance account are recognised in the income statement and classified as "Net loan losses".

If the impairment loss is regarded as final, it is reported as a realised loss and the carrying amount of the loan and the related allowance for impairment loss are derecognised. An impairment loss is regarded as final when the obligor is filed for bankruptcy and the administrator has declared the economic outcome of the bankruptcy procedure, or when Nordea Hypotek forgives its claims either through a legal-based or voluntary reconstruction, or when Nordea Hypotek, for other reasons, deems it unlikely that the claim will be recovered. See also section "Write-offs" below.

Provisions for off-balance sheet exposures are classified as "Provisions" on the balance sheet, with changes in provisions classified as "Net loan losses".

Assets classified as "Fair value through other comprehensive income" are recognised at fair value on the balance sheet. Impairment losses calculated in accordance with IFRS 9 are recognised in the income statement and classified as "Net loan losses". Any fair value adjustments are recognised in "Other comprehensive income".

Impairment testing

Nordea Hypotek classifies all exposures into stages on an individual basis. Stage 1 includes assets where there has been no significant increase in credit risk since initial recognition, stage 2 includes assets where there has been a significant increase in credit risk and stage 3 (impaired loans) includes defaulted assets. Nordea Hypotek monitors whether there are indicators of exposures being credit-impaired (stage 3) by identifying events that have a detrimental impact on the estimated future cash flows (loss event). Nordea Hypotek applies the same definition of default as the Capital Requirements Regulation. More information on the identification of loss events can be found in the "Risk, Liquidity and Capital Management" section. Exposures without individually calculated allowances will be covered by the model-based impairment calculation.

For significant exposures where a credit event has been identified, the exposure is tested for impairment on an individual basis. If the exposure is considered impaired, an individual provision is recognised. The carrying amount of the exposure is compared with the sum of the net present value of expected future cash flows. If the carrying amount is higher, the difference is recognised as an impairment loss. The expected cash flows are discounted at the original effective interest rate and include the fair value of the collateral and other credit enhancements. The estimate is based on three different forward-looking scenarios that are probability weighted to derive the net present value.

For insignificant exposures that have been individually identified as credit impaired, the impairment loss is measured using the model described below but based on the fact that the exposures are already in default.

Note 1 Accounting policies, cont.

Nordea Hypotek uses the “low credit risk exemption” for exposures on the retail and corporate side issued before transition to IFRS 9 on 1 January 2018. Such exposures with a 12-month probability of default (PD) below 0.3% are classified as stage 1.

Model-based allowance calculation

For exposures not impaired on an individual basis, a collective model is used for calculating impairment losses. The provisions are calculated as the exposure at default times the PD times the loss given default.

The provisions for exposures for which there has been no significant increase in credit risk since initial recognition are based on the 12-month expected loss (stage 1). The provisions for exposures for which there has been a significant increase in credit risk since initial recognition, but which are not credit impaired, are based on the lifetime expected losses (stage 2). This is also the case for the insignificant credit impaired exposures in stage 3.

Nordea Hypotek uses different models to identify whether there has been a significant increase in credit risk or not. For assets on the corporate side held on transition to IFRS 9, the change in internal rating and scoring data is used to determine whether there has been a significant increase in credit risk or not. Internal rating/scoring information is used to assess the risk of the customers and a deterioration in rating/scoring indicates an increase in the credit risk of the customer. Nordea Hypotek has concluded it is not possible to calculate the lifetime PDs at origination without the use of hindsight for assets on the corporate side already recognised on the balance sheet at transition. Changes to the lifetime PD are used as the trigger for assets on the corporate side recognised after transition, and for assets on the retail side recognised both before and after transition.

For assets evaluated based on lifetime PDs, Nordea Hypotek uses a mix of absolute and relative changes in PD as the transfer criterion.

- Retail customers with a relative increase in lifetime PD above 200% are transferred to stage 2.
- Corporate customers with an initial 12-month PD below 0.5%: Exposures with a relative increase in lifetime PD above 150% and an absolute increase in 12-month PD above 20bp are transferred to stage 2.
- Corporate customers with an initial 12-month PD above or equal to 0.5%: Exposures with a relative increase in lifetime PD above 150% or an absolute increase in 12-month PD above 400bp are transferred to stage 2.

For assets on the corporate side that are recognised in the balance sheet before the transition to IFRS9, the number of stages in the change in rating/scoring notches is used as the criterion for transferring between stages. The number of stages is calibrated to match the significant increase in credit risk based on lifetime PD.

In addition, Nordea Hypotek performs transfers between stages for the following reasons:

- Customers with forbearance measures and customers with payments more than thirty days past due are also transferred to stage 2 unless already identified as credit impaired (stage 3). Exposures with forbearance measures will stay in stage 2 for a probation period of 24 months from when the measures were introduced. Once transferred back to stage 1, after the probation period, the exposures

are treated as any other stage 1 exposure on the assessment of significant increase in credit risk.

- Exposures more than 90 days past due are normally classified as stage 3, but this classification will be rebutted if there is evidence that the customer is not in default. Such exposures are classified as stage 2.
- Exposures on the corporate side with a relative change in annualised lifetime PD exceeding 200% and with at least one rating grade of deterioration are transferred to stage 2.
- Exposures on the retail side classified as “high risk” – that is, with a PD of over 5.83% – are transferred to stage 2.
- Exposures on the corporate side classified as “high risk” – i.e. with a rating grade of 2 or poorer – are transferred to stage 2.
- Exposures on the retail and corporate side with a 12-month PD of below 0.3% use a “low credit risk exemption” that prevents transfer to stage 2 due to absolute or relative changes in PD. The exemption does not prevent transfer between stages as a result of the other included factors.

When calculating provisions, including the staging assessment, the calculation is based on both historical data and probability-weighted forward-looking information.

Nordea Hypotek applies three macroeconomic scenarios to address the non-linearity in expected credit losses. The different scenarios are used to adjust the relevant parameters for calculating expected losses and a probability-weighted average of the expected losses under each scenario is recognised as provisions.

The model is based on data collected before the reporting date, requiring Nordea Hypotek to identify events that could affect the provisions after the data is sourced to the model calculation. Management evaluates these events and adjusts the provisions if deemed necessary.

Write-offs

A write-off is a derecognition of a loan or receivable from the balance sheet and a final realisation of a credit loss provision. When assets are considered uncollectable, they should be written off as soon as possible, regardless of whether the legal claim remains or not. A write-off can take place before legal actions against the borrower to recover the debt have been concluded in full. Although an uncollectible asset is removed or written off from the balance sheet, the customer remains legally obligated to pay the outstanding debt. When assessing the recoverability of non-performing loans and determining if write-offs are required, exposures with the following characteristics are in particular focus (the list is not exhaustive):

- Exposures past due more than 90 days. If, following this assessment, an exposure or part of an exposure is deemed as unrecoverable, it is written off.
- Exposures under insolvency proceedings where the collateralisation of the exposure is low.
- Exposures where legal expenses are expected to absorb the proceeds from the bankruptcy procedure and estimated recoveries are therefore expected to be low.
- A partial write-off may be warranted where there is reasonable financial evidence to demonstrate an inability of the borrower to repay the full amount, i.e. a significant level of debt which cannot be reasonably demonstrated to be recoverable following forbearance treatment and/or the execution of collateral.
- Restructuring cases.

Note 1 Accounting policies, cont.

Discount rate

The discount rate used to measure impairment is the original effective interest rate for loans attached to an individual customer or, if applicable, to a group of loans. If considered appropriate, the discount rate can be based on a method that results in an impairment that is a reasonable approximation, calculated using the effective interest rate method.

Restructured loans and modifications

In this context a restructured loan is defined as a loan where Nordea Hypotek has granted concessions to the obligor due to their financial difficulties and where such concessions have resulted in an impairment loss for Nordea Hypotek. After restructuring the loan is normally regarded as not impaired if it performs according to the new terms and conditions. In the event of recovery, the payment is reported as recovery of loan losses.

Modifications of the contractual cash flows of loans to customers in financial difficulties (forbearance) reduce the gross carrying amount of the loan. Normally this reduction is less than the existing provision and no loss is recognised in the income statement due to modifications. If significant, the gross amounts (loan and allowance) are reduced.

Assets taken over for protection of claims

In a financial reconstruction the creditor may concede loans to the obligor and in exchange for this concession acquires an asset pledged for the conceded loans. Assets taken over for protection of claims are reported on the same balance sheet line as similar assets already held by Nordea Hypotek.

At initial recognition, all assets taken over for protection of claims are recognised at fair value and the possible difference between the carrying amount of the loan and the fair value of the assets taken over is recognised as "Net loan losses". The fair value of the asset on the date of recognition becomes its cost or amortised cost value, as applicable. In subsequent periods, assets taken over for protection of claims are valued in accordance with the valuation principles for the appropriate type of asset. Investment properties are then measured at fair value. Financial assets that are foreclosed are generally classified in the category "Fair value through profit or loss" and measured at fair value. Changes in fair value are recognised in the income statement under "Net result from items at fair value".

Any change in value, after the initial recognition of the asset taken over, is presented in the income statement in line with the Group's presentation policies for the appropriate asset. The line item "Net loan losses" in the income statement is, after the initial recognition of the asset taken over, consequently not affected by any subsequent remeasurement of the asset.

12. Taxes

The item "Income tax expense" in the income statement comprises current and deferred income tax. Income tax expense is recognised in the income statement, unless it relates to items recognised in other comprehensive income or directly in equity, in which case the tax effect is also recognised in other comprehensive income or in equity, respectively.

Current tax is the expected tax expense on the taxable income for the year, using tax rates enacted or substantively

enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised, using the balance sheet method, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits, if the relevant recognition criteria in IAS 12 are fulfilled.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences, tax losses carried forward and unused tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and tax liabilities are offset when a statutory right to offset exists and Nordea Hypotek intends to either settle the tax asset and the tax liability net or to recover the asset and settle the liability simultaneously. Deferred tax assets and deferred tax liabilities are generally offset if there is a legally enforceable right to offset current tax assets and current tax liabilities.

Nordea Hypotek applies a temporary mandatory relief from deferred tax accounting under IAS 12 Income Taxes related to the Global Anti-Base Erosion (Pillar 2) Rules. When recognising deferred tax assets and liabilities, any Pillar 2 jurisdictional impact is not taken into account but is accounted for as a current tax if incurred.

13. Provisions

Provisions (which are presented as a liability) are recognised when Nordea Hypotek has a present obligation (legal or constructive) as a result of a past event if it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent liabilities are not recognised as liabilities on the balance sheet but disclosed in Note 21 "Obligations" unless the possibility of an outflow is remote. A contingent liability is a possible obligation whose existence will be confirmed only by future event(s) not wholly within Nordea Hypotek's control, or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The accounting policies for impairment provisions for loans to the public/credit institutions are presented in section 11. "Loans to the public/credit institutions".

14. Employee remuneration

All forms of consideration given by Nordea to its employees as compensation for services performed are employee benefits. Employee benefits consist of short-term benefits, post-employment benefits and share-based payment programmes.

Note 1 Accounting policies, cont.

Short-term benefits are to be settled within twelve months after the reporting period when the services have been performed. Post-employment benefits are benefits payable after the termination of employment. Post-employment benefits in Nordea Hypotek consist only of pensions.

Termination benefits normally arise if employment is terminated before the normal retirement date or if an employee accepts an offer of voluntary redundancy.

Short-term benefits

Short-term benefits consist mainly of fixed salary. Fixed salary is expensed in the period when the employees have performed services for Nordea Hypotek. Both fixed and variable salaries are expensed in the period when the employees have performed services to Nordea Hypotek. Nordea Hypotek has also issued share-based payment programmes, which are further described in section 16 "Share-based payment". More information can be found in Note 6 "Staff costs".

Post-employment benefits

In 2025, pension costs comprise premiums and fees to insurance companies as well as defined benefit pension costs for other commitments. The actuarial pension costs refer to commitments guaranteed by a pension foundation. The accounting principles for defined benefit pension obligations in Sweden follow Swedish legislation (the Pension Obligations Vesting Act) and Finansinspektionen's regulations. Costs for pensions are reported in the item "Staff costs". Contributions received from the pension foundation and reported changes in pension provisions are also recognised in "Staff costs". Special payroll tax and tax on returns referring to the Swedish pension system are also recognised in "Staff costs".

For more information about benefits, please refer to Note 6 "Staff costs".

15. Equity

In accordance with Swedish law, shareholders' equity is split into funds potentially available for distribution (unrestricted equity), and non-distributable funds (restricted equity).

The distribution of amounts of Nordea Hypotek's equity into restricted equity and unrestricted equity is described in the "Statement of changes in equity".

Fair value reserve

The portion of the gain or loss on hedging instruments, which is determined to be an effective hedge, is recognised in the fair value reserve. Read more in section 8 "Hedge accounting", under the subheading "Cash flow hedge accounting."

Retained earnings

Retained earnings comprise undistributed profits from previous years and shareholders' contributions received.

Reporting of group contributions

Group contributions paid or received are recognised as a reduction or an increase in unrestricted equity, adjusted for tax.

16. Share-based remuneration

Equity-settled plans

Nordea has annually arranged programmes whereby participating employees are granted share-based equity-settled rights, i.e. rights to receive shares for free or to acquire shares

in Nordea at a significant discount compared to the share price at grant date.

An equity-settled share-based payment transaction occurs when Nordea receives goods or services and uses its own equity instruments as consideration. Such transactions are recognised in Nordea Hypotek as a staff expense and a corresponding increase in equity. The expense is measured at the fair value of the goods or services received unless that fair value cannot be estimated reliably. In such cases, the expense is measured by reference to the fair value of the equity instruments granted, which is the approach used by Nordea Hypotek.

The grant date fair value of these rights is expensed on a straight-line basis over the vesting period. The fair value per right is estimated at award date and not subsequently updated. The vesting period is the period that the employees have to remain in service in Nordea Hypotek in order for their rights to vest.

For rights with non-market performance conditions, the amount expensed is the grant date fair value per right multiplied by the best estimate of rights that will eventually vest, which is reassessed at each reporting date. For rights with market performance conditions, the total fair value is estimated based on the fair value of each right times the maximum number of rights at award date. Market conditions are taken into account when estimating the fair value of the equity instruments awarded. Therefore, if all other vesting conditions (e.g. service conditions) are met, Nordea Hypotek recognises the expense for awards of equity instruments with market conditions over the vesting period irrespective of whether that market condition is satisfied.

Social security costs are also allocated over the vesting period. The provision for social security costs is reassessed on each reporting date to ensure that the provision is based on the rights' fair value at the reporting date.

Cash-settled plans

A cash-settled share-based payment transaction occurs when Nordea Hypotek acquires goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price of equity instruments of Nordea Hypotek. For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. The liability is remeasured at fair value at the end of each reporting period, with any changes in fair value recognised in the line item "Net result from items at fair value" in the income statement.

Starting from the 2019 performance year, share-based variable pay plans are partly in the form of cash not linked to the Nordea share and partly in the form of Nordea shares, which makes the portion paid in Nordea shares equity-settled share-based plans. Total shareholders' return indexation may be used for share-based variable pay plans, subject to operational, administrative or tax issues as well as applicable regulation in certain legal entities.

More information can be found in Note 6 "Staff costs".

17. Related party transactions

Nordea Hypotek defines related parties as:

- Group undertakings
- Key management personnel
- Other related parties

Note 1 Accounting policies, cont.

Group undertakings

“Group undertakings” means undertakings with significant influence (Nordea Bank Abp, corp. id no. 2858394-9) and its subsidiaries.

Key management personnel

Key management personnel includes the following:

- Board of Directors
- Managing Director
- Executive management

For information about remuneration, pensions and loans to key management personnel, see Note 6 “Staff costs”. Information concerning other transactions between Nordea Hypotek and key management personnel is found in Note 29 “Related party transactions”.

Other related parties

Other related parties comprise close family members of key management personnel as well as undertakings controlled or jointly controlled by key management personnel or by close family members of key management personnel.

Other related parties comprise associated undertakings and joint ventures of shareholders with significant influence (Nordea Bank Abp), as well as key management personnel at shareholders with significant influence (Nordea Bank Abp) and close family members of such key management personnel. Pension foundations of Nordea Hypotek are also included in other related parties.

Information concerning transactions between Nordea Hypotek and other related parties is found in Note 29 “Related-party transactions”.

Note 2 Segment reporting

Basis of segmentation

Nordea Hypotek's main business areas are Personal Banking and Business Banking which corresponds to approximately 95% of Nordea Mortgage's lending portfolio. Large Corporates & Institutions and Asset & Wealth Management constitute the other reportable segments. Group Treasury is responsible for Nordea Hypotek's funding. Group functions as well as the result that is not fully allocated to any of the operating segments are shown separately as reconciling items. There have been no changes in the basis of segmentation during the year.

Reportable segments

Brief description of the business segments:

- Personal Banking helps Nordea Hypotek's private customers through various channels with financing real estate for housing purposes.
- Business Banking consists of Business Banking and Business Banking Direct which also works with a relationship-based service model with a customer-centric value offering for our corporate customers.
- Group Treasury is responsible for the day to day management of the Group's liquidity positions, liquidity buffers, external and internal funding including the mobilisation of cash around the Group, and Funds Transfer Pricing (FTP).
- Other operating segments mainly refer to Large Corporates & Institutions and Asset & Wealth Management. Large Corporates & Institutions is responsible for lending to large corporate customers. Private Banking (within Asset & Wealth Management) offers household loans to private customers.

Operating segments

Income statement, SEKm	Personal Banking		Business Banking		Group Treasury		Other operating segments		Total operating segments		Reconciliation		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Net interest income	17,185	21,828	4,645	5,254	-18,089	-23,208	978	1,240	4,719	5,114	137	131	4,856	5,245
Net fee and commission income	31	27	2	2	-77	-67	-183	-171	-227	-209	-	-	-227	-209
Net result from items at fair value	21	13	1	1	28	104	1	0	51	118	-	-	51	118
Total operating income	17,237	21,868	4,648	5,257	-18,138	-23,171	796	1,069	4,543	5,023	137	131	4,680	5,154
Other expenses	-1,303	-1,582	-343	-417	0	0	-752	-730	-2,398	-2,729	-	-	-2,398	-2,729
Total operating expenses	-1,303	-1,582	-343	-417	0	0	-752	-730	-2,398	-2,729	-	-	-2,398	-2,729
Net loan losses	74	-122	8	-20	-1	5	5	8	86	-129	0	0	86	-129
Operating profit	16,008	20,164	4,313	4,820	-18,139	-23,166	49	347	2,231	2,165	137	131	2,368	2,296
Balance sheet, SEKm														
Loans to the public	583,007	558,745	163,005	147,165	0	-	36,004	33,248	782,016	739,158	0	-	782,016	739,158
Other assets	-	-	-	-	36,351	35,255	91	67	36,442	35,322	65	-	36,507	35,322
Total assets	583,007	558,745	163,005	147,165	36,351	35,255	36,095	33,315	818,458	774,480	65	-	818,523	774,480
Total liabilities	0	1	0	0	781,459	737,169	103	133	781,562	737,303	2,370¹	2,588¹	783,932	739,891
Equity	583,007	558,744	163,005	147,165	-745,108	-701,914	35,992	33,182	36,896	37,177	-2,305	-2,588	34,591	34,589
Total liabilities and equity	583,007	558,745	163,005	147,165	36,351	35,255	36,095	33,315	818,458	774,480	65	-	818,523	774,480

1) The amounts mainly refers to group contribution.

Reconciliation between total operating segments and financial statements

SEKm	2025		2024	
	Operating profit	Total assets	Operating profit	Total assets
Total operating segments	2,231	818,458	2,165	774,480
Group functions and unallocated items	137	65	131	-
Total	2,368	818,523	2,296	774,480

Total operating income split on product groups

In the company, all operating income, in all reportable segments, is attributable to Banking products. Banking products is a product group consisting of three product types: account products, transaction products and financing products. Account products, including mortgages, comprise the entire product portfolio in the company.

Lending volume distribution in reportable segments by borrower domicile

The borrowers mainly have their tax residency in Sweden.

Note 3 Net interest income

Net interest income

SEK (000s)	2025	2024
Interest income calculated using the effective interest rate method	23,704,297	33,221,287
Other interest income	249,556	422,642
Interest expense	-19,097,702	-28,398,935
Net interest income	4,856,151	5,244,994

Interest income calculated using the effective interest rate method

SEK (000s)	2025	2024
Loans to credit institutions	161,000	266,608
Loans to the public	22,945,103	28,448,937
Interest-bearing securities	269,180	312,866
Yield fees	1,144	4,840
Net interest paid or received on derivatives in accounting hedges of assets	327,870	4,188,036
Interest income calculated using the effective interest rate method	23,704,297	33,221,287

Other interest income

SEK (000s)	2025	2024
Interest-bearing securities measured at fair value	281,123	305,071
Net interest paid or received on derivatives in economic hedges of assets	-31,567	117,571
Other Interest income	249,556	422,642

Interest expense

SEK (000s)	2025	2024
Deposits by credit institutions	-8,591,609	-11,876,678
Debt securities in issue	-10,361,942	-9,700,501
Subordinated liabilities	-	-85,591
Other interest expense	-	-
Net interest paid or received on derivatives in hedges of liabilities	-144,151	-6,736,165
Interest expense	-19,097,702	-28,398,935

Net interest income from categories of financial instruments

SEK (000s)	2025	2024
Financial assets at fair value through other comprehensive income	269,180	312,866
Financial assets at amortised cost	23,107,247	28,720,385
Financial assets at fair value through profit or loss	577,426	4,610,678
Financial liabilities at amortised cost	-18,953,551	-21,662,770
Financial liabilities at fair value through profit or loss	-144,151	-6,736,165
Net interest income	4,856,151	5,244,994

Interest on impaired loans accounted for an insignificant portion of interest income.

Average interest rate, lending

Lending to the public	2025	2024
Average volume, SEKm	761,650	725,737
Average interest, %	3.74	3.92

Interest income from financial instruments not measured at fair value through profit and loss amounts to SEK 23,107m (28,720). Interest expenses from financial instruments not measured at fair value through profit and loss amounts to SEK 18,954m (21,663).

Note 4 Net fee and commission income

SEK (000s)	2025	2024
Issuer services ¹	-55,027	-48,186
- of which income	-	-
- of which expense	-55,027	-48,186
Lending Products	32,281	29,984
- of which income ³	32,281	29,984
- of which expense	-	-
Guarantees	-17,953	-14,891
- of which income	-	-
- of which expense	-17,953	-14,891
Other	-186,479	-175,515
- of which income	-	-
- of which expense ²	-186,479	-175,515
Total	-227,178	-208,608

1) Mainly market maker fees.

2) Refers mainly to commission costs related to the funding.

3) Mainly concerns notification fees and commissions for mortgaged properties.

Break down by business areas

SEKm 2025	Personal Banking	Business Banking	Group Treasury	Other	Total
Issuer services	-	-	-55	-	-55
Lending Products	30	2	-	-	32
Guarantees	-	-	-18	-	-18
Other	-	-	-186	-	-186
Total	30	2	-259	-	-227

SEKm 2024	Personal Banking	Business Banking	Group Treasury	Other	Total
Issuer services	-	-	-48	-	-48
Lending Products	27	2	-	-	29
Guarantees	-	-	-15	-	-15
Other	-	-	-175	-	-175
Total	27	2	-238	-	-209

Note 5 Total net result from items at fair value

SEK (000s)	2025	2024
Interest-bearing securities and other interest-related instruments	50,908	118,069
Total	50,908	118,069

Net result from categories of financial instruments

SEK (000s)	2025	2024
Financial assets at fair value through other comprehensive income	-1,778	23,169
Financial assets and liabilities mandatorily at fair value through profit or loss	-606,719	-3,517,364
Financial assets at amortised cost	557,522	3,358,354
Financial liabilities at amortised cost	102,090	253,943
Foreign exchange gains/losses excluding currency hedges	-207	-33
Total	50,908	118,069

Note 6 Staff costs

SEK (000s)	2025	2024
Salaries and remuneration ¹ , (specification below)	-23,216	-25,246
Pension costs (specification below)	-6,396	-6,781
Social security contributions	-9,165	-9,578
Other staff costs	-503	-602
Total	-39,280	-42,207
Salaries and remuneration		
Senior executives²		
<i>Managing Director:</i>		
– Fixed remuneration and benefits	-1,565	-1,523
– Variable remuneration	-418	-584
<i>External board members</i>		
Emma Henriksson (through 12/03/2025)	-44	-225
Elisabeth Olin	-225	-225
Maria Sahlén (through 12/03/2025)	-44	-225
Total external board members	-314	-675
Other senior executives	-8,037	-6,259
Total for senior executives	-10,334	-9,041
Other employees	-12,882	-16,205
Total	-23,216	-25,246
Pension costs:		
Defined benefit pension plans	-4,269	-4,618
Defined contribution plans	-2,127	-2,163
Total	-6,396	-6,781

1) Provision to the profit-sharing foundation in 2025: amounts to SEK -590k (-675) of which SEK -585k (-626) is a new provision and SEK -5k (-49) concerns prior years.

2) Senior executives include the MD, deputy MD, interim MD, board members not employed in the group and company management. Senior executives amount to 8 (10) positions.

No specific board fee has been paid to board members employed in the group. The employment contract of the managing director stipulates a notice period of six months from the managing director and six months from the Company. In accordance with the employment contract, the MD is entitled to six months' salary during the notice period. A deduction shall be made for any salary disbursements from other employment during the payout period. After the end of the six months, the MD is subject to a three-month competition clause according to which he/she may not accept employment at any competing company in Sweden.

Lending to senior executives

Lending to board members, the MD or equivalent senior executives amounts to SEK 18,186k (16,358). Interest income on these loans amounts to SEK 405k (497). Credit commitments were SEK 0k (0). Lending to other senior executives amounts to SEK 16,873k (8,349). Interest income on these loans is SEK 313k (275). Credit commitments to other senior executives amounts to SEK 0k (5,000).

Senior executives who are employed by Nordea Hypotek receive the same credit terms as employees of Nordea. In Sweden, loans approved with employee conditions are a

maximum of SEK 3m for any type of loan and a maximum amount of SEK 0.4m for car loans. The interest rate for these loans is 215bp lower than the corresponding interest rate for external customers. For interest on loans above SEK 3m and SEK 0.4m respectively, the employees receive the same maximum discount as Nordea's best external customers. Loans to family members of senior executives, who do not live in the same household and who are not employed by Nordea, are granted on normal market terms.

Pension costs and pension obligations for the MD and senior executives

SEK (000s)	2025	2024
Pension costs for MD	375	412
Pension obligations for the MD	5,072	5,908
Pension costs for former MD	1,268	1,516
Pension obligations for former MD	15,851	16,414
Pension costs for former deputy MD	318	312
Pension obligations for former deputy MD	2,593	2,721
Pension costs for external board member	207	203
Pension obligations for external board member	2,090	2,184
Pension costs for other senior executives	1,566	1,185
Pension obligations for other senior executives	12,419	11,251

Upon retirement, pension is payable according to collective agreements. Fixed salary is pensionable income.

The MD of Nordea Hypotek has a defined benefit pension plan, BTP2.

People employed before 2013 and who have not chosen to switch to the BTP1 defined contribution pension plan, are covered by defined benefit pension obligations. Pension costs are classified as "Staff costs" in the income statement, and consist of disbursed pensions, contributions made to or received from the pension foundation and related special payroll tax.

The company's pension obligations are secured through provisions to the pension foundation of Nordea Bank Sweden.

Nordea's Short Term Incentive Plan

Nordea Hypotek has operated Short Term Incentive Plans (STIPs). This includes the Nordea Incentive Plan (NIP). In 2025, Nordea Hypotek had variable remuneration under the Nordea Incentive Plan (NIP) 2025. Thus, a provision has been made for NIP 2025 of SEK 564k (SEK 549k for NIP 2024), excluding social security contributions. Performance goals at Group level included financial goals measuring return on equity, income and cost-to-income ratio as well as non-financial goals measuring people focus and customer focus scorecards. ESG performance goals were added in support of fulfilling Nordea's sustainability and climate objectives. The targets at business area/group function level encompassed specific financial targets for each business area/group function. At the individual level, performance was assessed in relation to the individually agreed targets, including risk management and compliance. Weighting of group targets, business area/group function targets and individual targets is established individually. Any awards were determined on the basis of achievement in relation to the agreed goals and targets following appropriate risk adjustments.

Note 6 Staff costs, cont.

Disclosures related to the share-based plans in accordance with IFRS2 are provided below.

Until the end of the performance year 2018, Nordea's share-based variable pay programmes were partly in the form of cash-settled total shareholder return (TSR) indexation (excluding dividends) and partly in the form of cash. The programmes were consequently all settled in cash and the portion indexed with Nordea's total shareholders' return was accounted for as a cash-settled share-based payment programme. Starting from the 2019 performance year, share-based variable pay programmes are partly in the form of

cash and partly in the form of Nordea shares, which makes the portion paid in Nordea shares an equity-settled share-based programme. In 2025, 1,500 shares in Nordea were allotted to the participants in these programmes, corresponding to SEK 196k based on the share price at grant date. No further shares were granted to the participants as deferred remunerations. The table below covers all plans with share-based plan expenses recognised in 2025 as well as the comparative figures for 2024.

Figures for 2025 are based on the expected outcome and all figures are excluding social security expenses.

Share-based remuneration

Programme year	Equity-settled or cash-settled	Transfer period	Cost		Liability		Outstanding rights
			2025 (000s)	2024 (000s)	31 Dec 2025 (000s)	31 Dec 2024 (000s)	
2025							
- NIP	Equity-settled	2026-2031	-	-	-	-	-
2024							
- NIP	Equity-settled	2025-2030	-	-	-	-	-
2023							
- NIP	Equity-settled	2024-2029	-	-	-	-	No
Previous years	Cash-settled		1	-3	0	11	No
	Equity-settled		-93	-84	-	-	Yes
Total			-92	-87	0	11	

Share-based variable remuneration programmes

This section covers the variable share-based programmes where the instruments' TSR indexation (cash-settled programme up until 2018) and shares (equity-settled programme as from 2019) are used for deferral/retention.

The programmes were classified as: Executive Incentive Programme (EIP) and Variable Salary Part (VSP).

The programmes were annual plans with a service condition for the respective years and were fully expensed in the year when they were earned (one-year vesting period). The individual allocations were awarded at the beginning of the subsequent year.

For material risk-takers, forfeiture clauses and retention apply in line with relevant remuneration regulations. For material risk-takers, VSP awards are partly delivered in shares with subsequent retention. Parts of the awards for material risk-takers in VSP are subject to at least a four-year pro rata deferral period with forfeiture conditions applying during the deferral period.

The tables below show deferred remuneration from variable salary parts (EIP, VSP) that had not yet been paid out to participants. The table below shows the remaining liabilities for the cash-settled share-based programmes used in 2018.

2018 sharelinked deferrals (cash-settled)

SEK (000s)	2025	2024
Opening balance	11	25
Deferred/vested during the year	-	-
TSR indexation during the year	1	-2
Payments during the year	-12	-12
Translation differences	-	-
Closing balance	0	11

The closing balances are expected to be settled the following years:

SEK (000s)	2025	2024
2024	-	-
2025	-	11
2026	-	-
2027	-	-
Total	0	11

Note 6 Staff costs, cont.

Starting from the 2019 performance year, share-based variable pay programmes are partly in the form of cash and partly in the form of Nordea shares, which makes the portion paid in Nordea shares an equity-settled share-based programme. The granting of shares in the programmes for 2025 is decided during the spring of 2026 and is thus not included in the tables below, but is in full recognised as an expense in the income statement in 2025. A provision of SEK 564k (SEK 549k in 2024) excl. social security contributions has been made for 2025 for the cash-settled portion.

2019–2021 share-linked deferrals (equity-settled)

Number of shares	2025	2024
Outstanding at beginning of year	3,408	4,906
Granted	–	–
Forfeited	–	–
Allotted ¹	-1,500	-1,498
Outstanding at end of year	1,908	3,408

1) Allotted rights are subject to a one-year retention period after allotment to participants. Includes shares that have been allotted to participants but withheld to cover income taxes or social security contributions.

The outstanding rights are expected to be allotted the following years:

Number of shares	2025	2024
2025	–	1,500
2026	1,362	1,362
2027	546	546
Total	1,908	3,408

Average number of employees

Full-time equivalents (FTEs)	2025	2024
Male	6	6
Female	16	16
Total average	22	22

Total employees at the end of the year were 24 (23).

Gender distribution, senior executives, %

%	31 Dec 2025	31 Dec 2024
Board of directors – men	50	43
Board of directors – women	50	57
Other senior executives – men	14	17
Other senior executives – women	86	83

Note 7 Other expenses

SEK (000s)	2025	2024
Postage, telephone and office expenses	-202	-362
Distribution costs to Nordea	-1,808,729	-2,146,406
Professional services ¹	-4,184	-4,152
Market data services	-18,657	-27,454
Other	-31,225	-27,874
Total	-1,862,997	-2,206,248

1) Including fees and remuneration to auditors distributed as follows.

Auditors' fees

SEK (000s)	2025	2024
BDO Mälardalen AB		
Auditing assignments	-2,804	–
Audit-related services	-213	–
Total	-3,017	–
Öhrlings PricewaterhouseCoopers AB		
Auditing assignments	–	-2,648
Audit-related services	-92	-308
Total	-92	-2,956

Note 8 Regulatory fees

SEK (000s)	2025	2024
Resolution fee	-266,654	-254,456
Risk tax	-214,570	-226,411
Interest-free deposit in the Swedish Central Bank	-14,146	–
Total	-495,370	-480,867

Note 9 Net loan losses

SEK (000s) 2025	Loans to the public	Interest-bearing securities	Off balance sheet items	Total
Net loan losses, stage 1	19,907	70	-1,480	18,497
Net loan losses, stage 2	59,644	–	-811	58,833
Net loan losses, non-defaulted	79,551	70	-2,291	77,330
Stage 3, defaulted				
Net loan losses, individually assessed, collectively calculated ¹	27,673	–	–	27,673
Realised loan losses	-20,570	–	–	-20,570
Decrease of provisions to cover realised loan losses	–	–	–	–
Recoveries on previous realised loan losses	843	–	–	843
Reimbursement rights	–	–	549	549
New/increase in provisions	–	–	–	–
Reversals of provisions	–	–	–	–
Net loan losses, defaulted	7,946	–	549	8,495
Net loan losses	87,497	70	-1,742	85,825
SEK (000s) 2024				
Net loan losses, stage 1	-113,228	-47	2,458	-110,817
Net loan losses, stage 2	11,516	–	1,828	13,344
Net loan losses, non-defaulted	-101,712	-47	4,286	-97,473
Stage 3, defaulted				
Net loan losses, individually assessed, collectively calculated	-27,398	–	–	-27,398
Realised loan losses	-8,712	–	–	-8,712
Decrease of provisions to cover realised loan losses	2,289	–	–	2,289
Recoveries on previous realised loan losses	679	–	–	679
Reimbursement rights	–	–	901	901
New/increase in provisions	–	–	–	–
Reversals of provisions	711	–	–	711
Net loan losses, defaulted	-32,431	–	901	-31,530
Net loan losses	-134,143	-47	5,187	-129,003

Key ratios

	31 Dec 2025	31 Dec 2024
Loan loss ratio, basis points ¹	-1,1	1,7
- of which stage 1	-0,2	1,5
- of which stage 2	-0,8	-0,2
- of which stage 3	-0,1	0,4

1) Based on IFRS 9.

Note 10 Taxes

Income tax expenses

SEK (000s)	2025	2024
Current tax ¹	-487,611	-491,696
1) Related to tax on group contributions and booked directly to equity.		
SEK (000s)	2025	2024
Profit before tax	2,368,059	2,296,129
Tax calculated at a tax rate of 20.6 per cent	-487,820	-473,003
Tax-exempt income	-130	228
Non-deductible expenses	-10	-17,654
Adjustments relating to prior years	349	-1,267
Tax charge	-487,611	-491,696
Average effective tax rate %	20,6%	21,4%

Deferred tax assets and deferred tax liabilities

SEK (000s)	2025	2024
Deferred tax assets	893	944
Deferred tax liabilities	-	-
Net deferred tax assets	893	944

Movements in deferred tax assets and liabilities

SEK (000s)	1 Jan 2025	Adjustments to opening balance	Charged to income statement	Charged to other comprehensive income	Charged directly to equity	Acquisitions and disposals	Foreign exchange	Other changes	31 Dec 2025
Deferred tax assets									
Derivatives	944	-	-	-51	-	-	-	-	893
Total	944	-	-	-51	-	-	-	-	893

Deferred tax liabilities

Derivatives	-	-	-	-	-	-	-	-	-
Total	-								

SEK (000s)	1 Jan 2024	Adjustments to opening balance	Charged to income statement	Charged to other comprehensive income	Charged directly to equity	Acquisitions and disposals	Foreign exchange	Other changes	31 Dec 2024
Deferred tax assets									
Derivatives	-	-	-	944	-	-	-	-	944
Total	-	-	-	944	-	-	-	-	944

Deferred tax liabilities

Derivatives	400	-	-	-400	-	-	-	-	-
Total	400	-	-	-400	-	-	-	-	-

Note 11 Loans and impairment

SEK (000s)	31 Dec 2025	31 Dec 2024
Loans measured at amortised cost, not impaired (stage 1 and 2)	793,116,054	747,134,191
Impaired loans (stage 3)	1,169,842	1,190,628
- of which servicing	211,409	204,098
- of which non-servicing	958,433	986,530
Loans before allowances	794,285,896	748,324,819
- of which credit institutions	11,933,226	8,722,812
Allowances for individually assessed impaired loans (stage 3)	-112,770	-140,443
- of which servicing	-30,634	-58,558
- of which non-servicing	-82,136	-81,885
Allowances for collectively assessed impaired loans (stage 1 and 2)	-224,446	-303,996
Allowances	-337,216	-444,439
Loans, carrying amount	793,948,680	747,880,380

Carrying amount of loans measured at amortised cost, before allowances

SEK (000s)	Credit institutions				The Public				Total			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2025	8,722,813	-	-	8,722,813	725,481,610	12,929,768	1,190,628	739,602,006	734,204,423	12,929,768	1,190,628	748,324,819
Changes due to origination and acquisition	-	-	-	-	213,458,732	1,218,071	66,700	214,743,503	213,458,732	1,218,071	66,700	214,743,503
Changes due to transfers between Stage 1 and Stage 2, (net)	-	-	-	-	2,877,684	-2,877,684	-	-	2,877,684	-2,877,684	-	-
Changes due to transfers between Stage 2 and Stage 3, (net)	-	-	-	-	-	52,077	-52,077	-	-	52,077	-52,077	-
Changes due to transfers between Stage 1 and Stage 3, (net)	-	-	-	-	85,245	-	-85,245	-	85,245	-	-85,245	-
Changes due to repayments and disposals	-24,892	-	-	-24,892	-183,339,050	-3,046,503	-681,230	-187,066,783	-183,363,942	-3,046,503	-681,230	-187,091,675
Changes due to write-offs	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	3,235,313	-	-	3,235,313	13,529,571	813,298	731,067	15,073,936	16,764,884	813,298	731,067	18,309,249
Closing balance at 31 Dec 2025	11,933,234	-	-	11,933,234	772,093,792	9,089,027	1,169,843	782,352,662	784,027,026	9,089,027	1,169,843	794,285,896

SEK (000s)	Credit institutions				The Public				Total			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2024	10,787,701	-	-	10,787,701	696,221,765	19,861,655	774,868	716,858,288	707,009,466	19,861,655	774,868	727,645,989
Changes due to origination and acquisition	10,056	-	-	10,056	171,151,744	3,264,157	56,161	174,472,062	171,161,800	3,264,157	56,161	174,482,118
Changes due to transfers between Stage 1 and Stage 2, (net)	-	-	-	-	6,040,920	-6,040,920	-	-	6,040,920	-6,040,920	-	-
Changes due to transfers between Stage 2 and Stage 3, (net)	-	-	-	-	-	-88,577	88,577	-	-	-88,577	88,577	-
Changes due to transfers between Stage 1 and Stage 3, (net)	-	-	-	-	-96,625	-	96,625	-	-96,625	-	96,625	-
Changes due to repayments and disposals	-2,881,772	-	-	-2,881,772	-163,160,598	-5,655,483	-354,253	-169,170,334	-166,042,370	-5,655,483	-354,253	-172,052,106
Changes due to write-offs	-	-	-	-	-	-	-8,712	-8,712	-	-	-8,712	-8,712
Other changes	806,828	-	-	806,828	15,324,404	1,588,936	537,362	17,450,702	16,131,232	1,588,936	537,362	18,257,530
Closing balance at 31 Dec 2024	8,722,813	-	-	8,722,813	725,481,610	12,929,768	1,190,628	739,602,006	734,204,423	12,929,768	1,190,628	748,324,819

Note 11 Loans and impairment, cont.

Movement of allowance accounts for loans measured at amortised cost

SEK (000s)	Credit institutions				The Public				Total			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2025	-	-	-	-	-165,396	-138,600	-140,443	-444,439	-165,396	-138,600	-140,443	-444,439
Changes due to origination and acquisition	-	-	-	-	-49,697	-11,454	-3,708	-64,859	-49,697	-11,454	-3,708	-64,859
Changes due to transfers from Stage 1 to Stage 2	-	-	-	-	4,528	-34,781	-	-30,253	4,528	-34,781	-	-30,253
Changes due to transfers from Stage 1 to Stage 3	-	-	-	-	296	-	-14,947	-14,651	296	-	-14,947	-14,651
Changes due to transfers from Stage 2 to Stage 1	-	-	-	-	-3,305	64,101	-	60,796	-3,305	64,101	-	60,796
Changes due to transfers from Stage 2 to Stage 3	-	-	-	-	-	7,091	-11,229	-4,138	-	7,091	-11,229	-4,138
Changes due to transfers from Stage 3 to Stage 1	-	-	-	-	-53	-	10,907	10,854	-53	-	10,907	10,854
Changes due to transfers from Stage 3 to Stage 2	-	-	-	-	-	-1,149	12,541	11,392	-	-1,149	12,541	11,392
Changes due to changes in credit risk without stage transfer	-8	-	-	-8	34,300	9,836	-17,798	26,338	34,292	9,836	-17,798	26,330
Changes due to repayments and disposals	-	-	-	-	33,846	25,999	51,907	111,752	33,846	25,999	51,907	111,752
Write-off through decrease in allowance account	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance at 31 Dec 2025	-8	-	-	-8	-145,481	-78,957	-112,770	-337,208	-145,489	-78,957	-112,770	-337,216

SEK (000s)	Credit institutions				The Public				Total			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2024	-	-	-	-	-52,168	-150,116	-116,044	-318,328	-52,168	-150,116	-116,044	-318,328
Changes due to origination and acquisition	-	-	-	-	-49,047	-17,085	-4,291	-70,423	-49,047	-17,085	-4,291	-70,423
Changes due to transfers from Stage 1 to Stage 2	-	-	-	-	2,329	-69,456	-	-67,127	2,329	-69,456	-	-67,127
Changes due to transfers from Stage 1 to Stage 3	-	-	-	-	162	-	-34,748	-34,586	162	-	-34,748	-34,586
Changes due to transfers from Stage 2 to Stage 1	-	-	-	-	-7,428	81,298	-	73,870	-7,428	81,298	-	73,870
Changes due to transfers from Stage 2 to Stage 3	-	-	-	-	-	7,443	-35,087	-27,644	-	7,443	-35,087	-27,644
Changes due to transfers from Stage 3 to Stage 1	-	-	-	-	-85	-	15,597	15,512	-85	-	15,597	15,512
Changes due to transfers from Stage 3 to Stage 2	-	-	-	-	-	-5,163	16,957	11,794	-	-5,163	16,957	11,794
Changes due to changes in credit risk without stage transfer	-	-	-	-	-72,731	-17,556	-18,431	-108,718	-72,731	-17,556	-18,431	-108,718
Changes due to repayments and disposals	-	-	-	-	13,572	32,035	33,315	78,922	13,572	32,035	33,315	78,922
Write-off through decrease in allowance account	-	-	-	-	-	-	2,289	2,289	-	-	2,289	2,289
Closing balance at 31 Dec 2024	-	-	-	-	-165,396	-138,600	-140,443	-444,439	-165,396	-138,600	-140,443	-444,439

Assets subject to enforcement activities

SEK (000s)	31 Dec 2025	31 Dec 2024
Amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activities	16,926	4,328

Note 11 Loans and impairment, cont.

Rating/scoring information on loans measured at amortised cost

Gross carrying amount, SEK (000s)	31 Dec 2025				31 Dec 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
7+	13,932,360	24,584	–	13,956,944	7,607,193	–	–	7,607,193
7	9,523,882	–	–	9,523,882	4,440,492	–	–	4,440,492
7–	–	–	–	–	–	–	–	–
6+ / A+	103,768,357	89,259	–	103,857,616	105,931,727	227,917	1,652	106,161,296
6 / A	404,728,028	709,197	8,527	405,445,752	247,132,706	643,883	–	247,776,589
6– / A–	11,867,013	45,440	–	11,912,453	132,407,311	458,210	2,570	132,868,090
5+ / B+	70,626,017	332,027	1,939	70,959,983	9,001,070	65,879	–	9,066,949
5 / B	4,557,405	15,779	–	4,573,184	66,389,324	530,883	1,222	66,921,429
5– / B–	7,420,648	58,198	–	7,478,846	46,662,448	463,708	90	47,126,246
4+ / C+	66,425,936	390,830	5,266	66,822,032	15,591,702	2,853,678	–	18,445,379
4 / C	36,154,945	468,974	3,207	36,627,126	45,290,774	556,278	–	45,847,052
4– / C–	10,267,814	249,622	–	10,517,436	11,552,839	68,274	–	11,621,112
3+ / D+	17,956,068	1,180,473	9,070	19,145,611	16,154,066	654,242	3,309	16,811,617
3 / D	985,681	114,837	–	1,100,518	8,452,714	1,007,777	4,214	9,464,706
3– / D–	7,040,996	982,488	–	8,023,484	457,439	40,522	–	497,961
2+ / E+	573,583	203,247	–	776,830	4,160,775	2,042,714	10,772	6,214,261
2 / E	3,262,765	1,400,965	1,651	4,665,381	53,163	30,189	–	83,352
2– / E–	1,400,233	1,133,623	423	2,534,279	1,617,929	1,414,325	822	3,033,076
1+ / F+	216,858	156,184	2,612	375,654	802,460	934,994	4,828	1,742,282
1 / F	825,369	791,333	4,480	1,621,182	360,386	522,952	975	884,313
1– / F–	483,493	610,355	–	1,093,848	161,628	259,482	12,627	433,738
0+ / 0 / 0–	470,787	131,612	1,132,667	1,735,066	386,867	153,142	1,147,545	1,687,555
Internal ¹	10,843,448	–	–	10,843,448	8,722,812	–	–	8,722,812
Standardised/unrated	695,341	–	–	695,341	866,597	720	–	867,317
Total	784,027,027	9,089,027	1,169,842	794,285,896	734,204,424	12,929,768	1,190,628	748,324,819

1) This refers to exposures to Nordea Bank Abp filial in Sweden.

Key ratios

	31 Dec 2025	31 Dec 2024
Impairment rate (stage 3), gross ¹ , basis points	14.7	15.9
Impairment rate (stage 3), net ² , basis points	13.3	14.0
Total allowance rate (stage 1, 2 and 3) ³ , basis points	4.2	5.9
Allowances in relation to impaired loans (stage 3) ⁴ , %	9.6	11.8
Allowances in relation to loans in stage 1 and 2 ⁵ , basis points	2.8	4.1

1) Impaired loans (category 3) before allowances divided by total loans, measured at amortised cost, before allowances.

2) Impaired loans (category 3) after allowances divided by total loans, measured at amortised cost, before allowances.

3) Total allowances divided by total loans, measured at amortised cost, before allowances.

4) Allowances for impaired loans (category 3) divided by impaired loans measured at amortised cost (category 3), before allowances.

5) Allowances for performing loans (category 2) divided by performing loans measured at amortised cost (categories 1 and 2), before allowances.

Note 12 Interest-bearing securities

SEK (000s)	31 Dec 2025	31 Dec 2024
States, municipalities and other public bodies	12,020,661	11,812,292
Mortgage institutions	5,310,053	6,213,034
Other credit institutions	2,027,550	2,023,288
Total	19,358,264	20,048,614

Provisions for credit risks amount to SEK 282k (352 k).

Note 13 Derivatives and Hedge accounting

Nordea Hypotek enters into derivatives for trading and risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges, but do not meet the hedge accounting requirements.

The fair value and nominal amount of derivatives in this note represent derivatives before offsetting between assets and liabilities on the balance sheet (gross amount) and not as earlier after offsetting. The reason is that the gross amount better reflects Nordea's exposure.

The table below shows the fair values of derivative financial instruments together with their notional amounts. The notional amounts indicate the volume of transactions outstanding at the year end and are not indicative of either the market or credit risk.

31 Dec 2025, SEKm	Fair value		Total nom. amount
	Positive	Negative	
Derivatives not used for hedge accounting	–	130	19,655
Derivatives used for hedge accounting	4,724	2,568	461,512
Total gross amount	4,724	2,698	481,167
Offset amount	–	–	–
Total derivatives	4,724	2,698	481,167

31 Dec 2024, SEKm	Fair value		Total nom. amount
	Positive	Negative	
Derivatives not used for hedge accounting	10	174	18,050
Derivatives used for hedge accounting	5,624	4,137	503,487
Total gross amount	5,634	4,311	521,537
Offset amount	–	–	–
Total derivatives	5,634	4,311	521,537

Derivatives not used for hedge accounting

31 Dec 2025, SEKm	Fair value		Total nom. amount
	Positive	Negative	
Interest rate derivatives			
Interest rate swaps	–	130	19,655
Options	–	–	–
Total	–	130	19,655

31 Dec 2024, SEKm	Fair value		Total nom. amount
	Positive	Negative	
Interest rate derivatives			
Interest rate swaps	10	174	18,050
Options	–	–	–
Total	10	174	18,050

Derivatives used for hedge accounting

31 Dec 2025, SEKm	Fair value		Total nom. amount
	Positive	Negative	
Fair value hedges	4,698	2,433	457,668
Cash flow hedges	26	135	3,844
Total	4,724	2,568	461,512

31 Dec 2024, SEKm	Fair value		Total nom. amount
	Positive	Negative	
Fair value hedges	5,447	4,128	499,501
Cash flow hedges	177	8	3,986
Total	5,624	4,136	503,487

Hedge Accounting

Interest rate risk

As part of Nordea Hypotek's risk management strategy, the Board has established limits on the interest rate sensitivities for the interest rate gaps in business, as set out in Risk, Liquidity and Capital Management. These limits are consistent with the Nordea Hypotek's risk appetite and Nordea Hypotek aligns its hedge accounting objectives to keep exposures within those limits. Nordea Hypotek's policy is to monitor positions on a daily basis. For further information on measurement of risks and sensitivities, see Risk, Liquidity and Capital Management.

For hedge accounting relationships related to interest rate risk, the hedged risk is the change in the fair value of the hedged item due to changes in benchmark interest rates. The hedge ratio is established by matching the notional of the derivatives against the principal of the hedged items.

In order to hedge and manage the risk and limit the impact on Nordea Hypotek's margins, profit or loss and equity, Nordea uses hedging instruments to swap interest rate exposures into either fixed or variable rates.

Nordea Hypotek has identified the following risk components in hedged items:

- benchmark interest rate risk as a component of interest rate risk, for example Libor and Stibor. Benchmark interest rate risk as a component of interest rate risk, i.e. IBORs which also include new alternative reference rates (ARR) such as SOFR, ESTR or SONIA. Using the benchmark interest rate risk can result in other risks, such as credit risk and liquidity risk, being excluded from the hedge accounting relationship; and
- components of cashflows of hedged items.

The benchmark interest rate risk is determined as a change in the present value of the future cash flows using benchmark discount curves. The benchmark interest rate risk is separately identifiable and reliably measurable and is typically the most significant component of the overall change in fair value or cash flows.

Fair value hedges

Nordea Hypotek enters into interest rate swaps and cross-currency interest rate swaps in order to reduce or eliminate changes in the fair value of the hedged items due to interest rate risk.

Hedged items are fixed rate financial assets and liabilities in both local and foreign currencies such as loans, FVOCI debt securities, deposits and debt securities in issue. Hedging instruments are interest rate swaps and cross-currency interest rate swaps (the portion related to interest rate risk is designated in fair value hedge relationships).

Note 13 Derivatives and Hedge accounting, cont.

Nordea Hypotek applies fair value hedge accounting both at micro level at which one hedged item is hedged using one or several hedging instruments and at portfolio level where groups of items are hedged using multiple hedging instruments. Nordea Hypotek applies fair value hedge accounting at micro level for hedging of fixed-rate FVOCI debt securities and fixed-rate debt securities in issue.

Portfolio fair value hedge accounting is applied for hedging of loans and deposit, where fixed-rate loans and term

deposits are initially offset and the residual exposure hedged using a portfolio of interest rate swaps up to the designated portion of either the net asset or liability in a given time bucket. For hedge effectiveness testing Nordea Hypotek uses both critical terms matching (for prospective effectiveness testing) and regression analysis (for retrospective effectiveness testing).

The table below presents the accumulated fair value adjustments arising from continuing hedge relationships, irrespective of whether or not there has been a change in hedge designation during the year.

Hedged items

SEKm	Interest rate risk 2025		Interest rate risk 2024	
	Carrying amount of hedged assets/liabilities	of which accumulated amount of fair value hedge adjustment ^{1,2}	Carrying amount of hedged assets/liabilities	of which accumulated amount of fair value hedge adjustment ^{1,2}
Fair value hedges				
Loans to the public	129,320	242	164,620	-316
Interest-bearing securities ²	7,402	–	6,437	–
Assets	136,722	242	171,057	-316
Debt securities in issue	322,117	1,586	324,301	142
Liabilities	322,117	1,586	324,301	142

1) The balance sheet row "Fair value changes of the hedged items in hedges of interest rate risk" has been split on the individual rows in this column.

2) Of which is related to discontinued hedges of interest rate risk.

The following table provides information about the hedging instruments included in the line item Derivatives on the balance sheet:

Hedging instruments

31 Dec 2025, SEKm	Fair value		Total nom. amount
	Positive	Negative	
Fair value hedges			
Interest rate risk	4,699	2,432	457,668
<hr/>			
31 Dec 2024, SEKm	Fair value		Total nom. amount
	Positive	Negative	
Fair value hedges			
Interest rate risk	5,447	4,128	499,501

The below table presents the changes in the fair value of the hedged items and the changes in the fair value of the hedging instruments used as the basis for recognising ineffectiveness. These changes are recognised on the row "Net result from items at fair value" in the income statement.

Hedge ineffectiveness

SEKm	Interest rate risk	
	2025	2024
Fair value hedges		
Changes in fair value of hedging instruments	866	1,341
Changes in fair value of hedged items used as basis for recognising hedge ineffectiveness	-886	-1,365
Hedge ineffectiveness recognised in the income statement ^{1,2}	-20	-24

1) Recognised on the row Net result from items at fair value.

2) When disclosing the hedge ineffectiveness, the valuation adjustments (CVA, DVA, FFVA) has not been considered.

Note 13 Derivatives and Hedge accounting, cont.

Source of ineffectiveness include the following:

- A mismatch between the reset frequency of the swap and the benchmark frequency.
- The fair value of the floating leg of the swap on a date other than the reset date.

The maturity profile of Nordea Hypotek's hedging instruments used to hedge interest rate risk (both fair value and cash flow hedge accounting) follows below:

Maturity profile of the nominal amount of hedging instruments

31 Dec 2025, SEKm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Total
Instrument hedging interest rate risk,	–	17,236	115,340	323,409	1,683	457,668
Total	–	17,236	115,340	323,409	1,683	457,668

31 Dec 2024, SEKm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Total
Instrument hedging interest rate risk,	–	24,080	134,939	337,107	3,375	499,501
Total	–	24,080	134,939	337,107	3,375	499,501

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign exchange risk (FX risk) from trading activities is limited through a VaR limit while FX risk from structural exposures as described below are limited through a stress loss limit for the CET1-ratio impact from FX fluctuations in a severed but plausible stress scenario, see the Market risk section in the chapter "Risk, Liquidity and Capital management".

Nordea Hypotek's issuance of credits and borrowing can be denominated in the currency of the borrower or investor. Borrowing, investing and lending are not always executed in the same currency and thus exposes Nordea Hypotek to a foreign exchange risk. Differences in exposures to individual currencies that exist between different transactions are matched by predominantly entering into cross currency interest rate swaps. The currency component is designated as a cash flow hedge of currency risk and the interest component as a fair value hedge of interest rate risk. Further information regarding hedge accounting can be found in Note 1 "Accounting policies", section 8.

For hedge accounting relationships related to currency risk, the hedged item is a foreign currency component. The hedging ration is one-to-one and is established by matching the notional of the derivatives against the principle of the hedged item.

Cash flow hedges

For Nordea Hypotek's cash flow hedge of interest rate risk relate to exposures to the variability in future interest payments and receipts due to the movement of benchmark interest rates on forecast transactions and on recognised financial assets and financial liabilities. This variability in cash flows is hedged by interest rate swaps, fixing the hedged cashflows according to Nordea's policies and risk management strategy described in Note 1, section 8, and in the Market risk section in "Risk, Liquidity and Capital management".

There is an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate swaps match the terms of the future interest cash flows (i.e. notional amount and expected payment date). Changes in the valuation of swaps that are part of effective cash flow hedge relationships are recognised in cash flow hedge reserves.

The below tables provide information about the hedging instruments as well as the outcome of the cash flow hedges

addressing currency risks including the notional and the carrying amounts of the hedging instruments and the changes in fair values used for measuring hedge ineffectiveness separately showing the effective and ineffective portions.

Hedging instruments

31 Dec 2025, SEKm	Fair value		Total nom. amount
	Positive	Negative	
Cash flow hedges			
Foreign exchange risk	26	135	3,844
Total derivatives used for hedge accounting	26	135	3,844

31 Dec 2024, SEKm	Fair value		Total nom. amount
	Positive	Negative	
Cash flow hedges			
Foreign exchange risk	177	–	3,986
Total derivatives used for hedge accounting	177	–	3,986

The table below specifies the fair value adjustments arising from continuing hedge relationships, irrespective of whether there has been a change in hedge designation during the year. The table also presents the changes in fair value used to measuring hedge ineffectiveness separately showing the effective and ineffective portions.

Hedge ineffectiveness

SEKm	Foreign exchange risk	
	2025	2024
Cash flow hedges		
Changes in fair value of hedging instruments	-239	547
Changes in fair value of hedged items used as basis for recognising hedge ineffectiveness	239	-547
Hedge ineffectiveness recognised in the income statement ^{1,2}	–	–
Hedging gains or losses recognised in OCI	-239	547

1) Recognised on the row "Net result from items at fair value".

2) When disclosing the hedge ineffectiveness, the valuation adjustments CVA, DVA and FFVA have not been considered.

Note 13 Derivatives and Hedge accounting, cont.

Cash flow hedge reserve

SEKm	Foreign exchange risk	
	2025	2024
Balance at 1 Jan	-4	2
Cash flow hedges:		
Valuation gains/losses	-239	547
Tax on valuation gains/losses	49	-113
Transferred to the income statement	239	-553
Tax on transfers to the income statement	-49	114
Other comprehensive income, net of tax	0	-5
Total comprehensive income	0	-5
Balance at 31 Dec	-3	-4
- of which relates to continuing hedges for which hedge accounting is applied	-3	-4
- of which relates to hedging relationships for which hedge accounting is no longer applied	-	-

The maturity profile of Nordea Hypotek's hedging instruments used to hedge foreign exchange risk (both fair value and cash flow hedge accounting) follows below:

Maturity profile of the nominal amount of hedging instruments

31 Dec 2025, SEKm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Total
Instrument hedging foreign exchange risk	–	1,549	–	–	2,295	3,844
Total	–	1,549	–	–	2,295	3,844

31 Dec 2024, SEKm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Total
Instrument hedging foreign exchange risk	–	188	–	1,504	2,295	3,986
Total	–	188	–	1,504	2,295	3,986

Note 14 Other assets

SEK (000s)	31 Dec 2025	31 Dec 2024
Other assets ¹	156,671	1,162,698

1) Largely refers to a settlement account at the parent company regarding transactions not yet entered.

Note 16 Deposits by credit institutions

SEK (000s)	31 Dec 2025	31 Dec 2024
Swedish banks	381,253,391	321,845,275

Note 15 Prepaid expenses and accrued income

SEK (000s)	31 Dec 2025	31 Dec 2024
Prepaid expenses	287	1,218
Total	287	1,218

Note 17 Debt securities in issue¹

SEK (000s)	31 Dec 2025	31 Dec 2024
Swedish bonds	393,061,920	405,297,284
Foreign securities	4,095,461	4,629,886
Total	397,157,381	409,927,170

1) See "Specification to Notes".

Note 18 Other liabilities

SEK (000s)	31 Dec 2025	31 Dec 2024
Accounts payable	63,674	5,145
Liabilities, group contribution	2,369,915	2,380,723
Other liabilities ¹	262,353	1,038,351
Total	2,695,942	3,424,219

1) Largely refers to a settlement account at the parent company regarding transactions not yet entered.

Note 19 Accrued expenses and prepaid income

SEK (000s)	31 Dec 2025	31 Dec 2024
Other accrued expenses	120,774	340,380
Prepaid income	585	949
Total	121,359	341,329

Note 20 Provisions

SEK (000s)	31 Dec 2025	31 Dec 2024
Commitments ¹	6,482	5,455

1) For more information regarding off balance commitments, see Note 22 "Commitments".

Movements in provisions for off balance sheet items

SEK (000s)	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2025	5,420	35	–	5,455
Changes due to origination and acquisition	–	–	–	–
Changes due to transfers from Stage 1 to Stage 2	–	–	–	–
Changes due to transfers from Stage 1 to Stage 3	–	–	–	–
Changes due to transfers from Stage 2 to Stage 1	–	–	–	–
Changes due to transfers from Stage 2 to Stage 3	–	–	–	–
Changes due to transfers from Stage 3 to Stage 1	–	–	–	–
Changes due to transfers from Stage 3 to Stage 2	–	–	–	–
Changes due to changes in credit risk without stage transfer	1,020	7	–	1,027
Changes due to repayments and disposals	–	–	–	–
Write-off through decrease in allowance account	–	–	–	–
Other changes	–	–	–	–
Translation differences	–	–	–	–
Closing balance at 31 Dec 2025	6,440	42	–	6,482

SEK (000s)	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2024	4,458	28	–	4,486
Changes due to origination and acquisition	–	–	–	–
Changes due to transfers from Stage 1 to Stage 2	–	–	–	–
Changes due to transfers from Stage 1 to Stage 3	–	–	–	–
Changes due to transfers from Stage 2 to Stage 1	–	–	–	–
Changes due to transfers from Stage 2 to Stage 3	–	–	–	–
Changes due to transfers from Stage 3 to Stage 1	–	–	–	–
Changes due to transfers from Stage 3 to Stage 2	–	–	–	–
Changes due to changes in credit risk without stage transfer	962	7	–	969
Changes due to repayments and disposals	–	–	–	–
Write-off through decrease in allowance account	–	–	–	–
Other changes	–	–	–	–
Translation differences	–	–	–	–
Closing balance at 31 Dec 2024	5,420	35	–	5,455

Note 20 Provisions, cont.

Rating/scoring information on credit commitments

SEKm	31 Dec 2025				31 Dec 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
7+	–	–	–	–	–	–	–	–
7	–	–	–	–	–	–	–	–
7–	–	–	–	–	–	–	–	–
6+ / A+	7,195	–	–	7,195	5,176	–	–	5,176
6 / A	37,704	–	–	37,704	20,330	–	–	20,330
6– / A–	29	–	–	29	10,046	–	–	10,046
5+ / B+	5,380	–	–	5,380	46	–	–	46
5 / B	30	–	–	30	4,747	–	–	4,747
5– / B–	29	–	–	29	2,935	–	–	2,935
4+ / C+	4,219	–	–	4,219	753	–	–	753
4 / C	1,296	–	–	1,296	1,265	–	–	1,265
4– / C–	40	–	–	40	14	–	–	14
3+ / D+	1,145	–	–	1,145	847	–	–	847
3 / D	7	–	–	7	427	–	–	427
3– / D–	397	–	–	397	3	–	–	3
2+ / E+	–	14	–	14	–	237	–	237
2 / E	–	236	–	236	–	1	–	1
2– / E–	–	118	–	118	–	124	–	124
1+ / F+	–	6	–	6	–	62	–	62
1 / F	–	65	–	65	–	30	–	30
1– / F–	–	31	–	31	–	7	–	7
0+ / 0 / 0–	–	–	–	–	–	–	–	–
Internal ¹	–	–	–	–	–	–	–	–
Standardised/unrated	–	–	–	–	–	–	–	–
Total	57,471	470	–	57,941	46,589	461	–	47,050

Note 21 Assets pledged as security for own liabilities

SEK (000s)	31 Dec 2025	31 Dec 2024
Assets pledged for own liabilities		
Loans to the public	752,282,937	709,910,046
The above pledges certain to the following liability		
Debt securities in issue	345,526,055	356,925,748

Assets pledged for own liabilities contain loans to credit institutions and loans to the public that have been registered as collateral for issued covered bonds. In the event of the company's insolvency, the holders of these bonds have priority to the assets registered as collateral.

Note 22 Commitments

SEK (000s) (nom. Amount)	31 Dec 2025	31 Dec 2024
Credit commitments ¹	57,941,066	47,049,967
Other commitments ²	3,805,689	3,248,331
Total	61,746,755	50,298,298

- 1) Credit commitments consist of new credit commitments, and credit commitments that increase the customer's existing borrowings in connection with homebuying.
- 2) Refers to loans granted yet unpaid.

Note 23 Capital adequacy

Capital adequacy is a measure of the financial strength of a bank, usually expressed as a ratio of capital to risk-weighted assets. There is an international capital adequacy framework drawn up by the Basel Committee on Banking Supervision. Within the EU, the capital adequacy requirements are outlined in the Capital Requirements Directive (CRD), the Bank Recovery and Resolution Directive (BRRD) and the Capital Requirements Regulation (CRR).

The capital adequacy rules stand on three pillars:

- Pillar I – requirements for the calculation of RWA and Capital
- Pillar II – rules for the Supervisory Review Evaluation Process (SREP) including the Internal Capital Adequacy Assessment Process (ICAAP)
- Pillar III – rules for the disclosure on risk and capital management, including capital adequacy

Nordea Hypotek performs an ICAAP with the purpose to review the management, mitigation and measurement of material risks within the business environment in order to assess the adequacy of capitalisation and to determine an internal capital requirement reflecting the risks of the institution. The ICAAP is a continuous process which increases awareness of capital requirements and exposure to material risks throughout the organisation, both in the business area and legal entity dimensions. Stress tests are important drivers of risk awareness, looking at capital and risk from a firm-wide perspective on a regular basis and on an ad-hoc basis for specific areas or segments. The process includes a regular dialogue with supervisory authorities, rating agencies and other external stakeholders with respect to capital management, measurement and mitigation techniques used. Nordea Hypotek's capital levels continue to be adequate to support the risks taken, both from an internal perspective as well as from the perspective of supervisors.

Common Equity Tier 1 capital and Tier 1 capital

The capital recognised as Common Equity Tier 1 (CET 1) capital holds the ultimate characteristics for loss absorbance defined from a going concern perspective and represents the most subordinated claim in the event of liquidation. The Tier 1 capital is defined as the sum of CET 1 capital and Additional Tier 1 (AT1) capital, where AT1 capital is the total of Additional Tier 1 instruments (hybrids) issued by the bank that fully meet CRR criteria.

Additional Tier 1 instruments

Additional Tier 1 instruments cannot normally be repaid until five years at the earliest after the loan was issued, and only upon decision by the Board of Directors of Nordea Hypotek and with the permission of the Swedish FSA. Furthermore, there are restrictions related to step-up conditions, order of priority, and interest payments under constraint conditions. For the AT1 instruments, conditions specify appropriation in order to avoid being obliged to enter into liquidation.

Tier 2 capital

Tier 2 capital must be subordinated to depositors and general creditors of the bank. It cannot be secured or covered by a guarantee of the issuer or related entity or include any other arrangement that legally or economically enhances the seniority of the claim vis-à-vis depositors and other bank creditors.

Tier 2 instruments

Tier 2 instruments include two different types of subordinated loan capital; undated loans and dated loans. The basic principle for subordinated debt in own funds is the order of priority in case of a default or bankruptcy situation. Under such conditions, the holder of the subordinated loan would be repaid after other creditors, but before shareholders. The share of outstanding loan amount possible to include in the Tier 2 capital related to dated loans is reduced if the remaining maturity is less than five years.

Note 23 Capital adequacy, cont.

These disclosures have been prepared in accordance with Part 8 of the CRR and applicable national regulations.

Key metrics

Available own funds (amounts), SEKm	31 Dec 2025	31 Dec 2024
Common Equity Tier 1 (CET1) capital	34,140	34,299
Tier 1 capital	34,140	34,299
Total capital	34,148	34,338
Risk-weighted exposures amounts (REA), SEKm		
Total risk-weighted exposure amount	180,509	175,114
Capital ratios (as a percentage of risk-weighted exposure amount)		
Common Equity Tier 1 ratio (%)	18.9	19.6
Tier 1 ratio (%)	18.9	19.6
Total capital ratio (%)	18.9	19.6
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 (%)	1.6	1.6
- of which: to be made up of CET1 capital (percentage points)	0.9	0.9
- of which: to be made up of Tier 1 capital (percentage points)	1.2	1.2
Total SREP own funds requirements (%)	9.6	9.6
Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
Capital conservation buffer (%)	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0	0.0
Institution specific countercyclical capital buffer (%)	2.0	2.0
Systemic risk buffer (%)	-	-
Global Systemically Important Institution buffer (%)	-	-
Other Systemically Important Institution buffer	1.0	1.0
Combined buffer requirement (%)	5.5	5.5
Overall capital requirements (%)	15.1	15.1
CET1 available after meeting the total SREP own funds requirements (%)	9.3	10.0
Leverage ratio		
Leverage ratio total exposure measure	827,585	785,353
Leverage ratio	4.1	4.4
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)		
Additional own funds requirements to address the risk of excessive leverage (%)	-	-
- of which: to be made up of CET1 capital (percentage points)	-	-
Total SREP leverage ratio requirements (%)	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
Liquidity Coverage Ratio		
Total high-quality liquid assets (HQLA) (Weighted value -average)	19,258	19,472
Cash outflows – Total weighted value	11,178	3,934
Cash inflows – Total weighted value	19,660	2,950
Total net cash outflows (adjusted value)	2,794	983
Liquidity coverage ratio (%)	1,201	1,980
Net Stable Funding Ratio		
Total available stable funding	621,550	579,450
Total required stable funding	555,512	529,889
NSFR ratio (%)	112	109

Note 23 Capital adequacy, cont.

Minimum Capital Requirements, Pillar 2 Requirements & Capital Buffers

Percentage	Minimum Capital requirement	Pillar II requirement ²	Capital Buffers				Capital Buffers total ¹	Total requirement
			CCoB	CCyB	O-SII	SRB		
Common Equity Tier 1 capital	4.5	0.9	2.5	2.0	1.0	0.0	5.5	10.9
Tier 1 capital	6.0	1.2	2.5	2.0	1.0	0.0	5.5	12.7
Own funds	8.0	1.6	2.5	2.0	1.0	0.0	5.5	15.1
SEKm								
Common Equity Tier 1 capital	8,123	1,625	4,513	3,594	1,805	–	9,912	19,660
Tier 1 capital	10,831	2,166	4,513	3,594	1,805	–	9,912	22,909
Own funds	14,441	2,888	4,513	3,594	1,805	–	9,912	27,241

1) Nordea Hypotek AB is not subject to any SRB capital buffer requirements.

2) In the SREP, the supervisor has informed Nordea Hypotek AB (publ) of its supervisory capital assessment where Pillar 2 is 1.6% in own funds requirement and 0.9% in CET1 requirement.

Note 23 Capital adequacy, cont.

Credit risk exposures for which internal models are used, split by rating grade

SEKm	On-balance exposure, SEKm	Off-balance exposure, SEKm	Exposure value (EAD), SEKm ¹	of which EAD for off-balance, SEKm	Exposure-weighted average risk weight, %
Corporate, of which foundation IRB:	4,210	–	4,210	–	45.4
- of which rating grades 6	–	–	–	–	–
- of which rating grades 5	–	–	–	–	–
- of which rating grades 4	4,101	–	4,101	–	45.5
- of which rating grades 3	109	–	109	–	41.7
- of which rating grades 2	–	–	–	–	–
- of which rating grades 1	–	–	–	–	–
- unrated	–	–	–	–	–
- defaulted	–	–	–	–	–
Corporate, of which advanced IRB:	138,207	–	130,745	–	16.1
- of which rating grades 6	85,975	–	83,640	–	5.7
- of which rating grades 5	12,987	–	8,357	–	24.8
- of which rating grades 4	35,484	–	35,378	–	36.0
- of which rating grades 3	2,654	–	2,654	–	33.5
- of which rating grades 2	157	–	155	–	50.4
- of which rating grades 1	386	–	365	–	80.7
- unrated	517	–	148	–	31.1
- defaulted	48	–	48	–	169.5
Institutions, of which foundation IRB:	7,337	–	7,337	–	5.0
- of which rating grades 6	6,935	–	6,935	–	5.0
- of which rating grades 5	402	–	402	–	5.2
- of which rating grades 4	–	–	–	–	–
- of which rating grades 3	–	–	–	–	–
- of which rating grades 2	–	–	–	–	–
- of which rating grades 1	–	–	–	–	–
- unrated	–	–	–	–	–
- defaulted	–	–	–	–	–
Retail, of which secured by real estate:	573,030	61,747	529,576	3,806	9.4
- of which scoring grades A	445,356	47,879	405,042	2,951	5.2
- of which scoring grades B	52,785	5,797	50,642	357	10.7
- of which scoring grades C	54,074	5,920	53,285	365	21.5
- of which scoring grades D	15,152	1,650	14,960	102	47.6
- of which scoring grades E	3,613	393	3,605	24	80.4
- of which scoring grades F	1,012	108	1,018	7	92.1
- not scored	83	–	82	–	0.5
- defaulted	955	–	942	–	93.2
Retail, of which other retail:	44,505	–	44,502	–	11.4
- of which scoring grades A	32,237	–	32,237	–	5.8
- of which scoring grades B	4,840	–	4,840	–	11.8
- of which scoring grades C	5,312	–	5,310	–	23.9
- of which scoring grades D	1,480	–	1,480	–	52.1
- of which scoring grades E	364	–	364	–	84.8
- of which scoring grades F	91	–	91	–	100.6
- not scored	8	–	8	–	0.5
- defaulted	173	–	173	–	119.6
Other non credit-obligation assets:	6	–	6	–	100.0

1) Includes EAD for on- and off-balance exposures, derivatives and securities financing.

Nordea Hypotek does not have the following IRB exposure classes: Equities, items representing holdings in securitised credit structures, sovereign and central bank credits, and qualifying revolving retail exposures.

Note 24 Classification of financial instruments

Assets

31 Dec 2025, SEKm	Amortised cost (AC)	Financial assets at fair value through profit or loss (FVPL)		Fair value through other comprehensive income (FVOCI)	Non-financial assets	Total
		Mandatorily				
Loans to credit institutions	11,933	–	–	–	–	11,933
Loans to the public	782,016	–	–	–	–	782,016
Interest-bearing securities	–	9,568	9,790	–	–	19,358
Derivatives	–	4,724	–	–	–	4,724
Fair value changes of hedged items in hedges of interest rate risk	242	–	–	–	–	242
Deferred tax assets	–	–	–	–	1	1
Current tax assets	–	–	–	–	92	92
Other assets	151	–	–	–	6	157
Prepaid expenses and accrued income	0	–	–	–	–	0
Total	794,342	14,292	9,790	99	818,523	

Liabilities

31 Dec 2025, SEKm	Amortised cost (AC)	Financial liabilities at fair value through profit or loss (FVPL)		Non-financial liabilities	Total
		Mandatorily			
Deposits by credit institutions	381,254	–	–	–	381,254
Debt securities in issue	397,157	–	–	–	397,157
Derivatives	–	2,698	–	–	2,698
Fair value changes of hedged items in hedges of interest rate risk	–	–	–	–	–
Current tax liabilities	–	–	–	–	–
Other liabilities	2,668	–	–	28	2,696
Accrued expenses and prepaid income	1	–	–	120	121
Deferred tax liabilities	–	–	–	–	–
Provisions	6	–	–	–	6
Total	781,086	2,698	148	783,932	

Assets

31 Dec 2024, SEKm	Amortised cost (AC)	Financial assets at fair value through profit or loss (FVPL)		Fair value through other comprehensive income (FVOCI)	Non-financial assets	Total
		Mandatorily				
Loans to credit institutions	8,723	–	–	–	–	8,723
Loans to the public	739,158	–	–	–	–	739,158
Interest-bearing securities	–	10,425	9,624	–	–	20,049
Derivatives	–	5,634	–	–	–	5,634
Fair value changes of hedged items in hedges of interest rate risk	-316	–	–	–	–	-316
Deferred tax assets	–	–	–	–	1	1
Current tax assets	–	–	–	–	68	68
Other assets	1,155	–	–	–	7	1,162
Prepaid expenses and accrued income	1	–	–	–	–	1
Total	748,721	16,059	9,624	76	774,480	

Note 24 Classification of financial instruments, cont.

Liabilities

31 Dec 2024, SEKm	Amortised cost (AC)	Financial liabilities at fair value through profit or loss (FVPL)		Non-financial liabilities	Total
		Mandatorily			
Deposits by credit institutions	321,845	–	–	–	321,845
Debt securities in issue	409,928	–	–	–	409,928
Derivatives	–	4,311	–	–	4,311
Fair value changes of hedged items in hedges of interest rate risk	–	–	–	–	–
Current tax liabilities	–	–	–	37	37
Other liabilities	3,420	–	–	4	3,424
Accrued expenses and prepaid income	1	–	–	340	341
Provisions	5	–	–	–	5
Total	735,199	4,311	–	381	739,891

Note 25 Fair value**Fair value of financial assets and liabilities**

SEKm	31 Dec 2025		31 Dec 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans	794,191	801,205	747,565	755,363
Interest-bearing securities	19,358	19,358	20,049	20,049
Derivatives	4,724	4,724	5,634	5,634
Other assets	151	151	1,155	1,155
Prepaid expenses and accrued income	0	0	1	1
Total	818,424	825,438	774,404	782,202
Financial liabilities				
Deposits and debt instruments	778,411	780,549	731,773	732,423
Derivatives	2,698	2,698	4,311	4,311
Other liabilities	2,668	2,668	3,420	3,420
Accrued expenses and prepaid income	1	1	1	1
Provisions	6	6	5	5
Total	783,784	785,921	739,510	740,160

For information about valuation of items measured at fair value on the balance sheet, see Note 1 and the section "Determination of fair value on the balance sheet". For information about valuation of items not measured at fair value on the balance sheet, see the section "Financial assets and liabilities not held at fair value on the balance sheet".

Note 25 Fair value, cont.

Financial assets and liabilities held at fair value on the balance sheet

31 Dec 2025, SEKm	Quoted prices in active markets for the same instrument (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non-observable data (Level 3)	Total
Assets at fair value on the balance sheet¹				
Interest-bearing securities	–	19,358	–	19,358
Derivatives	–	4,722	2	4,724
Total	–	24,081	2	24,082
Liabilities at fair value on the balance sheet¹				
Derivatives	–	2,698	–	2,698
Total	–	2,698	–	2,698

1) All items are measured at fair value on a recurring basis at the end of each reporting period.

31 Dec 2024, SEKm	Quoted prices in active markets for the same instrument (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non-observable data (Level 3)	Total
Assets at fair value on the balance sheet¹				
Interest-bearing securities	–	20,049	–	20,049
Derivatives	–	5,634	–	5,634
Total	–	25,683	–	25,683
Liabilities at fair value on the balance sheet¹				
Derivatives	–	4,311	–	4,311
Total	–	4,311	–	4,311

1) All items are measured at fair value on a recurring basis at the end of each reporting period.

Determination of fair values for items measured at fair value on the balance sheet

Fair value measurements of assets and liabilities carried at fair value have been categorised under the three levels of the IFRS fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The categorisation of these instruments is based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 1 in the fair value hierarchy consists of assets and liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an on-going basis.

Level 2 in the fair value hierarchy consists of assets and liabilities that do not have directly quoted market prices available from active markets. The fair values are based on quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active. Alternatively, the fair values are estimated using valuation techniques based on market prices or inputs prevailing at the balance sheet date and where any unobservable inputs have had an insignificant impact on the fair values.

Level 3 in the fair value hierarchy consists of those types of assets and liabilities for which fair values cannot be obtained directly from quoted market prices or indirectly using valuation techniques or models supported by observable market prices or rates.

Complex valuation techniques are generally characterised by the use of unobservable and model-specific inputs. All valuation techniques, both simple and complex models, make use of market prices and inputs, which comprise

interest rates, volatilities, correlations etc. Some of these prices and inputs are observable while others are not. For most non-exotic currencies, the interest rates are all observable, and implied volatilities and the correlations of the interest rates and FX rates may be observable through option prices up to a certain maturity.

For interest-bearing securities, the valuation can either be based on direct quotes in active markets or measured using a valuation technique.

For OTC derivatives, valuation techniques are usually developed in-house and based on assumptions about the behaviour of the underlying asset and on statistical scenario analysis. Most OTC derivatives are categorised as Level 2 in the fair value hierarchy, implying that all significant model inputs are observable in active markets.

The valuation processes for fair value measurements Financial instruments

The valuation process in Nordea Hypotek consists of several steps. The first step is to determine the end of day (EOD) marking of mid-prices. It is the responsibility of the business areas to determine correct prices used for the valuation process. These prices are either internally marked prices set by a trading unit or externally sourced prices. The valuation prices and valuation approaches are then controlled and tested by a valuation control function within the 1st line of defence, which is independent from the risk taking units in the front office. The cornerstone in the control process is the independent price verification (IPV). The IPV test comprises verification of the correctness of valuations by comparing the prices to independently sourced data. The result of the IPV is analysed and any findings are escalated as appropriate. The verification of the correctness of prices and inputs is as minimum carried out on a monthly basis and is for many products carried out daily.

Note 25 Fair value, cont.

Third-party information, such as broker quotes and pricing services, is used as benchmark data in the verification. The quality of the benchmark data is assessed on a regular basis.

The valuation adjustment at portfolio level and the deferrals of day 1 P/L on Level 3 trades are calculated and reported on a monthly basis. The actual assessment of instruments in the fair value hierarchy is performed on a continuous basis.

Specialised teams within the risk organisation are responsible for second line of defence oversight of valuations and controls performed by the business areas and Group Finance (the first line of defence).

Loans

The fair value of "Loans to credit institutions" and "Loans to the public" have been estimated by discounting the expected future cash flows with an assumed customer interest rate that would have been used on the market if the loans had been issued at the time of the measurement. The assumed customer interest rate is calculated as the benchmark interest rate plus the average margin on new lending in Personal Banking, Business Banking and Large Corporates & Institutions respectively.

The fair value measurement is categorised into Level 3 in the fair value hierarchy.

Interest bearing-securities

The fair value is SEK 19,358m (SEK 20,049m) categorised in Level 2 in the fair value hierarchy.

Other assets and prepaid expenses and accrued income

The balance sheet items "Other assets" and "Prepaid expenses and accrued income" consist of short receivables, mainly accrued interest receivables. The fair value is therefore considered to equal the carrying amount and is categorised into Level 3 in the fair value hierarchy.

Deposits and debt instruments

The fair value of "Deposits by credit institutions" and "Debt securities in issue" has been calculated as the carrying amount adjusted for fair value changes in interest rate risk and in own credit risk. The fair value is categorised into Level 3 in the fair value hierarchy. The fair value changes related to interest rate risk is based on changes in relevant interest rates compared with corresponding nominal interest rate in the portfolios. The fair value changes in the credit risk is calculated as the difference between the credit spread in the nominal interest rate compared with the current spread that is observed in the market. This calculation is performed on an aggregated level for all long term issuances recognised in the balance sheet item "Debt securities in issue". As the contractual maturity is short for "Deposits by credit institutions" and "Deposits and borrowing from the public" the changes in Nordea Hypotek's own credit risk related to these items is assumed not to be significant. This is also the case for short term issuances recognised in the balance sheet item "Debt securities in issue".

Other liabilities and accrued expenses and prepaid income

The balance sheet items "Other liabilities" and "Accrued expenses and prepaid income" consist of short-term liabilities, mainly liabilities on securities settlement. The fair value is therefore considered to be equal to the carrying amount and is categorised into Level 3 in the fair value hierarchy.

Financial assets and liabilities not held at fair value on the balance sheet

SEKm	31 Dec 2025			31 Dec 2024		
	Carrying amount	Fair value	Level in fair value hierarchy	Carrying amount	Fair value	Level in fair value hierarchy
Assets not held at fair value on the balance sheet						
Loans	794,191	801,205	3	747,565	755,363	3
Other assets	151	151	3	1,155	1,155	3
Prepaid expenses and accrued income	0	0	3	1	1	3
Total	794,342	801,356		748,721	756,519	
Liabilities not held at fair value on the balance sheet						
Deposits and debt instruments	778,411	780,549	3	731,773	732,423	3
Other liabilities	2,668	2,668	3	3,420	3,420	3
Accrued expenses and prepaid income	1	1	3	1	1	3
Provisions	6	6	3	5	5	3
Total	781,086	783,224		735,199	735,849	

Note 26 Financial instruments set off on balance or subject to netting agreements

31 Dec 2025, SEKm	Gross recognised financial assets ¹	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet	Amounts not set off but subject to master netting agreements and similar agreements ² Financial instruments	Net amount
Assets					
Derivatives	4,724	–	4,724	-2,698	2,026
Liabilities					
Derivatives	2,698	–	2,698	-2,698	0

31 Dec 2024, SEKm	Gross recognised financial assets ¹	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet	Amounts not set off but subject to master netting agreements and similar agreements ² Financial instruments	Net amount
Assets					
Derivatives	5,634	–	5,634	-4,323	1,311
Liabilities					
Derivatives	4,311	–	4,311	-4,323	-12

1) All amounts are measured at fair value.

2) There are no items related to financial collateral (including cash collateral) in the company.

Enforceable master netting agreements and similar arrangements

The fact that financial instruments are being accounted for on a gross basis on the balance sheet, would not imply that the financial instruments are not subject to master netting agreements or similar arrangements. Generally financial instruments (derivatives and repos), would be subject to

master netting agreements, and as a consequence Nordea Hypotek would be allowed to benefit from netting both in the ordinary course of business and in the case of default towards its counter parties, in any calculations involving counterparty credit risk. In the section "Counter Party risk and exposures" of the director's report, the size of counterparty risk at 31 December 2025 is set out.

Note 27 Assets and liabilities in foreign currencies

The only exposure that Nordea Hypotek has in foreign currency is in euros (EUR). Currency exposure in other currency is driven by issuance in foreign currency, fully hedged by derivatives. The table below shows the exposure in EUR translated into SEK.

31 Dec 2025 SEKm	EUR exposure recalculated to SEKm	31 Dec 2024 SEKm	EUR exposure recalculated to SEKm
Assets			
Derivatives	4,027	Derivatives	4,547
Other assets	3	Other assets	4
Total assets	4,030	Total assets	4,551
Liabilities			
Debt securities in issue	4,096	Debt securities in issue	4,511
Derivatives	-68	Derivatives	-80
Other liabilities	2	Other liabilities	120
Total liabilities	4,030	Total liabilities	4,551

Note 28 Maturity analysis for assets and liabilities

Expected maturity 31 Dec 2025, SEKm	Note	Expected to be recovered or settled		Total
		Within 12 months	After 12 months	
Loans to credit institutions	11	11,933	–	11,933
Loans to the public	11	108,164	673,851	782,015
Interest-bearing securities	12	6,238	13,120	19,358
Derivatives	13	981	3,743	4,724
Fair value changes of hedged items in portfolio hedges of interest rate risk		242	–	242
Deferred tax receivable		–	1	1
Current tax assets	10	92	–	92
Other assets	14	158	–	158
Prepaid expenses and accrued income	15	0	0	0
Total assets		127,808	690,715	818,523
Deposits by credit institutions	16	269,571	111,682	381,253
Debt securities in issue	17	78,064	319,093	397,157
Derivatives	13	891	1,807	2,698
Fair value changes of hedged items in hedges of interest rate risk		–	–	–
Current tax liabilities		–	–	–
Other liabilities	18	2,697	–	2,697
Accrued expenses and prepaid income	19	121	0	121
Deferred tax liabilities	10	–	–	–
Provisions	20	6	–	6
Total liabilities		351,350	432,582	783,932

Expected maturity 31 Dec 2024, SEKm	Note	Expected to be recovered or settled		Total
		Within 12 months	After 12 months	
Loans to credit institutions	11	8,723	–	8,723
Loans to the public	11	101,914	637,244	739,158
Interest-bearing securities	12	6,039	14,010	20,049
Derivatives	13	656	4,978	5,634
Fair value changes of hedged items in portfolio hedges of interest rate risk		-316	–	-316
Deferred tax receivable		–	1	1
Current tax assets	10	68	–	68
Other assets	14	1,162	–	1,162
Prepaid expenses and accrued income	15	1	–	1
Total assets		118,247	656,233	774,480
Deposits by credit institutions	16	229,385	92,460	321,845
Debt securities in issue	17	82,497	327,430	409,927
Derivatives	13	1,546	2,765	4,311
Fair value changes of hedged items in hedges of interest rate risk		–	–	–
Current tax liabilities		37	–	37
Other liabilities	18	3,425	–	3,425
Accrued expenses and prepaid income	19	340	1	341
Deferred tax liabilities	10	–	–	–
Provisions	20	5	–	5
Total liabilities		317,235	422,656	739,891

Note 28 Maturity analysis for assets and liabilities, cont.

Contractual undiscounted cash flows

31 Dec 2025, SEKm	< 1 month	1–3 months	3–12 months	1–2 years	2–5 years	5–10 years	>10 years	Total
Loans to credit institutions	10,854	–	1,090	–	–	–	–	11,944
Loans to the public	10,619	20,523	108,690	57,831	104,563	120,848	861,792	1,284,866
Interest-bearing securities	2,178	1,728	4,167	7,194	6,012	–	–	21,279
Other financial assets, other than derivatives	–	–	–	–	–	–	7	7
Total non-derivative financial assets	23,651	22,251	113,947	65,025	110,575	120,848	861,799	1,318,096
Deposits by credit institutions	2,426	22,838	263,751	90,342	22,598	–	–	401,955
Debt securities in issue	13	2,239	84,642	120,709	210,026	2,754	517	420,900
- of which Debt securities in issue	13	1,901	83,687	94,843	184,851	2,754	517	368,566
- of which Other	–	338	955	25,866	25,175	–	–	52,334
Other non-derivative financial liabilities	64	–	–	–	–	–	–	64
Total non-derivative financial liabilities	2,503	25,077	348,393	211,051	232,624	2,754	517	822,919
Derivatives, cash inflow	195	2,373	10,176	7,889	8,467	2,237	117	31,454
Derivatives, cash outflow	487	3,874	6,879	6,218	6,919	2,401	123	26,901
Derivatives, net cash flows	-292	-1,501	3,297	1,671	1,548	-164	-6	4,553
Exposure	20,856	-4,327	-231,149	-144,355	-120,501	117,930	861,276	499,730
Cumulative exposure	20,856	16,529	-214,620	-358,975	-479,476	-361,546	499,730	–

31 Dec 2024, SEKm	< 1 month	1–3 months	3–12 months	1–2 years	2–5 years	5–10 years	>10 years	Total
Loans to credit institutions	8,723	–	–	–	–	–	–	8,723
Loans to the public	10,360	22,763	103,860	61,313	103,463	134,475	917,262	1,353,496
Interest-bearing securities	406	53	6,635	7,110	9,429	–	–	23,633
Other financial assets, other than derivatives	–	–	–	–	–	–	8	8
Total non-derivative financial assets	19,489	22,816	110,495	68,423	112,892	134,475	917,270	1,385,860
Deposits by credit institutions	661	2,724	232,621	93,031	–	–	–	329,037
Debt securities in issue	–	443	90,162	118,283	222,287	4,120	526	435,821
- of which Debt securities in issue	–	121	89,173	90,166	197,287	4,120	526	381,393
- of which Other	–	322	989	28,117	25,000	–	–	54,428
Other non-derivative financial liabilities	6	–	–	–	–	–	–	6
Total non-derivative financial liabilities	667	3,167	322,783	211,314	222,287	4,120	526	764,864
Derivatives, cash inflow	334	963	10,255	10,406	10,040	2,393	126	34,517
Derivatives, cash outflow	508	2,514	9,151	10,342	9,352	2,480	199	34,546
Derivatives, net cash flows	-174	-1,551	1,104	64	688	-87	-73	-29
Exposure	18,648	18,098	-211,184	-142,827	-108,707	130,268	916,671	620,967
Cumulative exposure	18,648	36,746	-174,438	-317,265	-425,972	-295,704	620,967	–

The table is based on contractual maturities for on balance sheet financial instruments. For derivatives, the expected cash inflows and outflows are disclosed for both derivative assets and derivative liabilities, as derivatives are managed

on a net basis. In addition to the on balance sheet and derivative instruments. Nordea Hypotek has credit commitments amounting to SEK 57,941m (SEK 47,050m). For further information see Note 22 "Commitments".

Note 29 Related-party transactions

The information below is presented from a Nordea Hypotek perspective, meaning that the information show the effect from related party transactions on the Nordea Hypotek figures.

Balance sheet

SEK (000s)	Nordea Group companies		Other related parties ¹	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Assets				
Loans to credit institutions	10,854,027	8,722,812	–	–
Loans to the public ²	–	–	43,470	53,154
Derivatives	4,728,130	5,642,884	–	–
Other assets	150,305	1,155,325	–	–
Prepaid expenses and accrued income	–	1,218	–	–
Total assets	15,732,462	15,522,239	43,470	53,154
Liabilities				
Deposits by credit institutions	381,253,391	321,845,275	–	–
Debt securities in issue	62,728,317	61,175,003	–	–
Derivatives	2,697,408	4,311,248	–	–
Other liabilities	2,638,478	3,422,951	–	–
Prepaid income and accrued expenses	11,309	211,755	–	–
Total liabilities	449,328,903	390,966,232	–	–
Off balance ³	461,512,154	503,486,860	–	–

1) Other related parties comprise close family members of key management personnel, as well as companies controlled or jointly controlled by key management personnel or by close family members of key management personnel. This also includes associated undertakings and joint ventures of Nordea Bank Abp, and key management personnel at Nordea Bank Abp as well as close family members of such key management personnel, as well as pension foundations of Nordea Hypotek.

2) Lending divided by collateral type: Single family properties SEKt 28,433 (39,090); Tenant-owner apartments SEKt 15,037 (14,065).

3) Including nominal values on derivatives.

Income statement

SEK (000s)	Nordea Group companies		Other related parties ¹	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Interest income	590,561	4,703,492	1,080	1,692
Interest expense	-9,690,111	-20,260,552	–	–
Net fee and commission income	-210,000	-194,952	–	–
Net result from items at fair value	790,957	962,505	–	–
General administrative expenses:				
- Other expenses	-1,808,294	-2,145,714	–	–
Profit before loan losses	-10,326,887	-16,935,221	1,080	1,692

1) Other related parties comprise close family members of key management personnel, as well as companies controlled or jointly controlled by key management personnel or by close family members of key management personnel.

With the exception of compensation, certain loans and other commitments to key management, all related party transactions are made on the same criteria and terms as those of comparable transactions with external parties of similar standing.

Compensations and loans to key management personell

Compensation to key management personnel are specified in Note 6 "Staff costs".

Note 30 Credit risk disclosures

Allowances for credit risk

SEKm	Note	31 Dec 2025	31 Dec 2024
Loans to credit institutions	11	–	–
Loans to the public	11	337	444
Interest bearing securities measured at fair value through other comprehensive income or amortised cost	12	0	0
Off balance sheet items	13	6	5
Total		344	450

Maximum exposure to credit risk

SEKm	Note	31 Dec 2025		31 Dec 2024	
		Amortised cost and Fair value through other comprehensive income	Financial assets at fair value through profit or loss	Amortised cost and Fair value through other comprehensive income	Financial assets at fair value through profit or loss
Loans to credit institutions	11	11,933	–	8,723	–
Loans to the public	11	782,016	–	739,158	–
Interest bearing securities	12	–	19,358	–	10,425
Derivatives	13	–	4,724	–	5,634
FV change of the hedged item in pf hedge of interest rate risk		242	–	-316	–
Total		794,191	24,082	747,565	16,059

Loan-to-value ratio

A common way to analyse the quality of collateral in the portfolio is to measure the Loan-to-Value (LTV), i.e. the current exposure divided by the market value of the collateral pledged. In the table below, the mortgage exposures are broken down into different LTV ranges. In 2025 the lending volume increased in all ranges apart from 70–80% and >85% compared with 2024.

Retail mortgage exposure¹

	31 Dec 2025		31 Dec 2024	
	SEKbn	%	SEKbn	%
<30	90.0	12	85.9	12
30-40	62.3	8	61.8	9
40-50	96.7	13	92.5	13
50-60	108.7	15	104.8	15
60-70	138.9	19	132.2	19
70-80	123.1	16	124.8	17
80-85	94.1	13	80.9	11
>85	27.6	4	28.4	4
Total	741.4	100	711.3	100

1) Lending to the public sector customer segment is not included in the table above.

Loans to corporate customers, by size of loan

Size in SEKm	31 Dec 2025	%	31 Dec 2024	%
0–10	33,258	21	32,888	22
10–50	62,361	38	58,103	40
50–100	17,330	11	15,058	10
100–250	28,301	17	24,471	17
250–500	13,121	8	10,689	7
500–	8,333	5	6,122	4
Total	162,704	100	147,331	100

Note 30 Credit risk disclosures, cont.

Past due loans, excluding impaired loans

SEKm	31 Dec 2025		31 Dec 2024	
	Corporate customers	Household customer	Corporate customers	Household customer
6–30 days	319	15	224	15
31–60 days	39	361	50	400
61–90 days	15	137	0	160
>90 days	8	557	0	368
Total	381	1,071	274	943
Past due not impaired loans divided by loans to the public after allowances, %	0.23%	0.17%	0.19%	0.16%

Forbearance

Forbearance is eased terms or restructuring due to the borrower experiencing or about to experience financial difficulties. The intention of granting forbearance for a limited time period is to ensure full repayment of the outstanding debt. Examples of eased terms are changes in amortisation profile, repayment schedule, customer margin as well as ease of covenants. Forbearance is undertaken on a selective and individual basis and followed by impairment testing (corporate customers) being a credit event. Individual loan loss provisions are recognised if necessary. Forbearance is approved according to the powers to act and forbore exposures can be performing or non-performing.

Sensitivities

One important factor in estimating expected credit losses in accordance with IFRS 9 is to assess what constitutes a significant increase in credit risk. To understand the sensitivities for these relative triggers Nordea Hypotek has by using models calculated provisions based on two different scenarios:

	Triggers	Scenario 1	Scenario 2
Retail portfolios			
Relative threshold	200%	150%	250%
Non-retail portfolios			
Relative threshold	150%	100%	200%
Absolute 12 month threshold	20 bp	15 bp	25 bp
Absolute lifetime threshold	400 bp	350 bp	450 bp
Notching ¹	1–6	1 less	1 more

1) For exposures with initial recognition before the transition to IFRS 9 (1 Jan 2018), stage classification is decided based on changes in rating grades. The trigger in scenario 1 is set at one notch less than in the model actually used and in scenario 2 the trigger is set at one notch more than in the model used.

The provisions would have increased by SEK 0.1m in scenario 1 and decreased by SEK 0.1m in scenario 2.

The provisions are sensitive to rating migration even if triggers are not reached. The table below shows the impact on provisions from a one notch downgrade on all exposures. It includes both the impact of the higher risk for all exposures as well as the impact of transferring from Stage 1 to Stage 2 for those exposures that reach the trigger.

31 Dec 2025, SEK (000s)	Recognised provisions	Provisions if one notch downgrade
Business Banking	92,468	135,823
Personal Banking	9,234	17,321
Large Corporates & Institutions	128	271
Other	8,866	11,379
Total	110,696	164,795

31 Dec 2024, SEK (000s)	Recognised provisions	Provisions if one notch downgrade
Business Banking	121,788	173,751
Personal Banking	13,092	23,219
Large Corporates & Institutions	143	4,229
Other	9,351	9,521
Total	144,374	210,720

Forward-looking information

Forward-looking information is used for both assessing significant increases in credit risk and calculating expected credit losses. Nordea uses three macroeconomic scenarios: a baseline scenario, a favourable scenario and an adverse scenario. During the first half of 2025, in response to escalated trade tensions and heightened macroeconomic uncertainty, Nordea temporarily applied a 100% weighting to the adverse scenario in its expected credit loss (ECL) calculations. As uncertainty diminished in the third quarter, Nordea reverted to its standard scenario weightings: baseline 60%, adverse 20% and favourable 20% (the same weighting as at the end of 2024).

The macroeconomic scenarios are provided by Group Risk in Nordea, based on the Oxford Economics Model and reflect Nordea's view of how the Nordic economies might develop in light of continued geopolitical uncertainty, evolving trade policies, and weak growth in major European economies. When developing the scenarios and determining the relative weighting between them, Nordea takes into account projections made by Nordic central banks, Nordea Research and the European Central Bank.

The baseline scenario sees moderate growth in the Nordic economies in 2026 supported by lower inflation and lower interest rates. Meanwhile, the uncertainty around foreign trade has receded with the conclusion of the EU-US trade agreement. The expansion is expected to continue in Denmark, Finland and Sweden in 2027 and 2028. The exception is Norway, where economic growth in the coming years is expected to be near zero due to falling investments in the off-shore sector, while growth in the mainland economy will continue at a modest pace.

Note 30 Credit risk disclosures, cont.

The accelerating pace of growth is expected to drive unemployment lower in Finland and Sweden, while unemployment in Denmark and Norway will remain largely unchanged. Home prices are expected to continue growing in the coming years, supported by lower interest rates. The risks around the baseline forecast are tilted to the downside, with the upside scenario deviating less from the baseline than the adverse.

Nordea's two alternative macroeconomic scenarios cover a range of plausible risk factors which may cause growth to deviate from the baseline scenario. A further escalation of geopolitical tensions or a renewed surge in energy prices could trigger a European and Nordic recession as firms postpone investments, exports slow down and households cut spending due to weakening labour markets. Central banks may, in such a scenario, regard the inflationary impulse as temporary and continue cutting interest rates, with rates moving lower than in the baseline in 2026. Conversely,

normalizing inflation and lower interest rates may lead to a stronger recovery than assumed in the baseline scenario.

At the end of the year adjustments to model-based allowances/provisions amounted to SEK 233m, including management judgement allowances of SEK 229 m.

The management judgement allowance of SEK 229m is intended to cover excess losses from macroeconomic shocks and uncertainties that are regarded as extraordinary in relation to a normal contraction in the economic cycle, and are therefore not adequately captured by the existing IFRS 9 ECL modelling and known IFRS 9 model and data issues to be captured in later model updates.

The uncertainties are mainly connected to geopolitical and macro-economic conditions. The level at the end of 2025 compared to the end of 2024 was decreased by SEK 59m reflecting a continued decline in the financial and economic risks influencing loan losses, driven by decreased uncertainty and the persistence of strong credit quality.

Scenarios and provisions

31 Dec 2025		2026	2027	2028	Unweighted ECL SEK (000s)	Probability weight, %	Model based provisions SEK (000s)	Adjustments model based-provisions SEK (000s)	Total provisions SEK (000s)
Favourable scenario	GDP growth, %	3.6	3.0	2.2					
	Unemployment, %	8.1	7.5	7.0					
	Change in household consumption, %	3.2	2.9	2.6	105,840	20			
	Change in house prices, %	5.6	4.7	2.3					
Base scenario	GDP growth, %	2.5	2.1	2.1					
	Unemployment, %	8.4	7.9	7.5					
	Change in household consumption, %	2.9	2.5	2.5	108,489	60	110,696	233,285	343,981
	Change in house prices, %	2.7	4.6	2.0					
Adverse scenario	GDP growth, %	-1.5	1.6	1.6					
	Unemployment, %	11.4	11.1	10.6					
	Change in household consumption, %	0.8	0.9	1.6	122,171	20			
	Change in house prices, %	-4.1	0.6	1.9					

31 Dec 2024		2025	2026	2027	Unweighted ECL SEK (000s)	Probability weight, %	Model based provisions SEK (000s)	Adjustments model based-provisions SEK (000s)	Total provisions SEK (000s)
Favourable scenario	GDP growth, %	3.5	2.6	1.8					
	Unemployment, %	8.0	7.6	7.6					
	Change in household consumption, %	3.1	3.2	3.0	139,015	20			
	Change in house prices, %	5.1	2.9	2.0					
Base scenario	GDP growth, %	2.1	2.3	1.8					
	Unemployment, %	8.4	8.0	8.0					
	Change in household consumption, %	2.8	2.9	2.9	141,586	60	144,374	305,872	450,246
	Change in house prices, %	3.6	2.6	2.0					
Adverse scenario	GDP growth, %	-1.8	1.3	1.8					
	Unemployment, %	10.7	10.6	10.4					
	Change in household consumption, %	1.1	1.5	2.3	158,098	20			
	Change in house prices, %	-3.2	0.6	2.0					

Note 31 Proposed distribution of earnings

After the company paid group contributions amounting to SEK 2,369,915,065 the following amount is available for distribution by the Annual General Meeting of Shareholders:

Other reserve	12,207,360
Retained profit	32,587,685,734
Net profit for the year	1,880,447,996
Total	34,480,341,090

The Board of Directors proposes that these earnings are distributed as follows:

To be carried forward	
To be carried forward to:	34,480,341,090

It is the assessment of the Board of Directors that the proposed group contribution is justifiable considering the demands with respect to the size of the Company's equity, which are imposed by the nature, scope and risks, associated with the business, and the Company's need for consolidation, liquidity and financial position in general.

Note 32 Sustainability report

Nordea Hypotek is also subject to sustainability reporting requirements (according to Chapter 7, section 31a of the Annual Accounts Act 1995:1554) and in this respect refers to the Group's statutory sustainability report which is found in the administration report of Nordea's 2025 annual report. That sustainability report covers the Parent Company Nordea Bank Abp and its subsidiaries.

Note 33 Material events after the financial period

After the end of the year, Jessica Didrikson has left the Company's Board of Directors. No other major events have occurred since 31 December 2025. However, there are risks associated with the heightened geopolitical tensions around the world that could have adverse effects on earnings through lower net interest income, increased loan losses and reduced business activity.

Specifications to the Notes

Specification to Note 17: Swedish bonds, SEK 000s

Number	ISIN code	First sales day		Interest rate in %	Due dates for interest	Final payment day	Currency	Outstanding nominal amount 2025
5536	SE0013358439	2020-09-16	FIXED	0,5000	2026-09-16	2026-09-16	SEK	71,846,000
5537	SE0013358447	2021-06-16	FIXED	1,0000	2026-06-16	2027-06-16	SEK	80,300,000
5703	SE0004269363	2011-10-19	FIXED	3,4600	2026-10-19	2026-10-19	SEK	3,000,000
5705	SE0004329506	2011-12-02	FIXED	3,1250	2026-12-02	2026-12-02	SEK	1,000,000
5716	SE0007158597	2015-06-01	FIXED	1,8375	2026-06-01	2027-06-01	SEK	500,000
5718	SE0009414584	2016-12-15	FIXED	1,6900	2026-12-15	2026-12-15	SEK	300,000
5720	SE0011088772	2018-05-02	FIXED	1,8430	2026-05-02	2030-05-02	SEK	1,000,000
5724	SE0011762137	2018-10-08	FIXED	1,8000	2026-10-08	2030-10-08	SEK	250,000
5725	SE0010599373	2018-10-15	FIXED	2,2500	2026-10-15	2048-10-15	SEK	400,000
5728	SE0013358405	2019-10-22	FIXED	0,7925	2026-10-22	2032-10-22	SEK	500,000
5730	SE0013358454	2022-01-26	FLOAT	3m Stibor + 0.75	2026-02-26	2027-02-26	SEK	1,000,000
5731	SE0013360856	2022-11-25	FIXED	3,3750	2026-11-25	2027-11-25	SEK	6,000,000
5538	SE0013360864	2022-09-20	FIXED	3,5000	2026-09-20	2028-09-20	SEK	81,776,000
5733	SE0013361177	2023-10-04	FIXED	4,0000	2026-10-27	2028-10-27	SEK	6,000,000
5732	SE0013361136	2023-09-20	FLOAT	3m Stibor + 0.50	2026-03-20	2028-09-20	SEK	1,750,000
5539	SE0013361284	2023-10-26	FIXED	3,5000	2026-10-26	2029-10-26	SEK	54,350,000
5734	SE0013361912	2024-10-08	FIXED	2,2690	2026-10-08	2029-10-08	SEK	6,000,000
5540	SE0013362084	2024-11-26	FIXED	3,0000	2026-11-26	2030-11-26	SEK	17,100,000
5735	SE0013362563	2025-11-26	FIXED	2,8000	2026-12-11	2030-12-11	SEK	7,000,000

MREL loan

2703	HYPMREL2703	2024-12-18	FLOAT	3m Stibor + 0.51	2026-03-18	2027-03-18	SEK	25,000,000
2803	HYPMREL2803	2025-12-18	FLOAT	3m Stibor + 0.48	2026-03-18	2028-03-17	SEK	25,000,000

Tap issues (applies to 5535-5540, 5732-5735)

Quarterly payment of interest, first payment date in table (applies to 5730,5732,2703,2803)

Loan 5536-5540, 5703-5725, 5728, 5731, 5733, 5734,5735: No interest rate adjustment.

Registered Covered Bond (Loans issued in foreign currency), SEK 000s

ISIN code	Issue day	Final payment day	Interest rate, %	Currency	Outstanding nominal amount in currency, 2025 ¹	
FI4000577184	2024-07-04	2031-07-04	3m Euribor + 0.33%	EUR	2,163,566	
Total other bond issued, unlisted					EUR	1,784,942
Total other bonds issued (converted to SEK)						3,948,507

1) The currency exposure and interest rate have been changed by using currency and interest rate swaps

Signing of the Annual Report

It is hereby certified that, to the best of our knowledge, the annual report has been prepared in accordance with sound accounting principles. The information provided gives a true and fair account of the development of the operations, financial position and result, and nothing of material significance has been omitted that would affect the presentation of the company created by the Annual Report.

Stockholm, 20 February 2026

Anders Nicander
Chairman

Peter Dalmalm
Deputy Chair

Adam Wastå
Board member

Elisabeth Olin
Board member

Tina Sandvik
Board member

Pia Tverin
Chief Executive Officer

Our audit report was submitted on 20 February 2026

BDO Mälardalen AB

Per Fridolin
Authorised Public Accountant
Auditor in charge

Auditor's report

Unofficial translation

To the general meeting of the shareholders of Nordea Hypotek Aktiebolag (publ), corporate identity number 556091-5448

Report on the annual accounts

Opinions

We have audited the annual accounts of Nordea Hypotek Aktiebolag (publ) for the year 2025 except for the corporate governance statement on pages 22-27

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material aspects, the financial position of Nordea Hypotek Aktiebolag (publ) as of December 31, 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 22-27. The Board of Director's report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Our opinions in this report on the annual accounts are consistent with the content of the additional report that has been submitted to the Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility section. We are independent of Nordea Hypotek Aktiebolag (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts as a whole, but we do not provide a separate opinion on these matters.

Provision for Expected Credit Losses

Information on this area is provided in the annual report – the Board of Directors' report, Note 1 Accounting Policies, Note 9 Net loan losses, and Note 11 Loans and impairment.

As of 31 December 2025, Loans to the public totals SEK 782,015 (previous year 739,158) million, corresponding to 96% of the company's total assets. The provision for expected credit losses amounts to SEK 337 (previous year 444) million, of which SEK 229 (previous year 288) million represents management's judgement-based adjustments.

Description of the area

Loan receivables are classified into three stages, under IFRS 9, based on the level of credit risk or change in credit risk: Stage 1 for loans without significant increase in credit risk with losses calculated for expected defaults within 12 months; Stage 2 for loans with significant increase in credit risk; and Stage 3 for credit-impaired loans with losses calculated for incurred and expected defaults over the remaining lifetime of the loan.

Expected credit losses are calculated using assumptions and estimates regarding the probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD").

Management makes critical judgements and assumptions regarding, among other things, criteria for identifying when an exposure has experienced a significant increase in credit risk, estimates of macroeconomic scenarios used in statistical models, as well as estimates of the amount and timing of expected cash flows from customers under different scenarios, including valuation of any collateral received. The complexity of the calculations, the degree of management judgement and model adjustments, and the materiality of the balance sheet item mean that the provision for expected credit losses is considered a key audit matter.

How the area has been addressed in the audit

Our audit consisted of a combination of procedures. We obtained an understanding of and tested the design of key controls related to the lending process, such as credit decisions, credit reviews, rating classification, and collateral valuations.

Model calculated expected credit losses were reviewed by evaluating the appropriateness of the methodology used, testing the design of key controls, and performing sample testing of calculation accuracy. Modelling specialists were involved in the review.

We evaluated the reasonableness of the management judgement applied to the model calculated expected credit losses and verified that the adjustments were approved in accordance with established instructions

We also reviewed the disclosures in the financial statements related to expected credit losses.

Other matters

The audit of the annual accounts for the prior financial year was performed by another auditor and who submitted an Auditor's report dated March 7, 2025, with unmodified opinions in the Report on the annual accounts

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' [and Managing Director's] use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, We are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors and the Managing Director with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors and the Managing Director, we determine those matters that were of most significance in the audit of the annual accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the Auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nordea Hypotek Aktiebolag (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory Board of Director's report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibility section. We are independent of Nordea Hypotek Aktiebolag (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report Opinion

In addition to our audit of the annual accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Nordea Hypotek Aktiebolag (publ) for the year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Nordea Hypotek Aktiebolag (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires that we plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The auditing firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 22-27 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's recommendation RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially lesser in scope than an audit conducted in accordance with

International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and

are in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

BDO Mälardalen AB, Sveavägen 53, 102 35 Stockholm, was appointed auditor of Nordea Hypotek Aktiebolag (publ) by the general meeting of the shareholders on March 12, 2025 and has been the company's auditor since March 12, 2025.

Stockholm on February 20, 2026

BDO Mälardalen AB

Per Fridolin
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Board of Directors, Auditor and Management

Board of Directors

Chairman

Anders Nicander, b 1980
Head of Personal Banking, Sweden,
Nordea Bank Abp
Board member, Getswish AB

Members

Peter Dalmalm, b 1968
Head of Business Banking, Sweden
Nordea Bank Abp

Elisabeth Olin, b 1961
External Board member

Tina Sandvik, b 1967
Head of Products & Development
Personal Banking
Nordea Bank Abp

Adam Wastå, b 1983
Chief Financial Officer
Personal Banking
Nordea Bank Abp

Auditor

BDO Mälardalen AB

Per Fridolin
Authorised Public Accountant

Management

Pia Tverin, b 1976
Chief Executive Officer
Nordea Hypotek AB (publ)

Magnus Svensson, b 1979
Chief Financial Officer
Nordea Hypotek AB (publ)

Emma Söderberg, b 1978
Chief Risk Officer
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Upcoming publications

Nordea Hypotek's Half-year Financial Report for the first half-year 2026 will be published on 24 August 2026 by way of a stock exchange release and will also be available on [nordea.com](https://www.nordea.com).

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