

# Nordea



Nordea Hypotek AB (publ)  
**Year-end Report 2024**

# Contents

Key ratios and definitions .....	2	Note 3	Other expenses.....	14
Operations in 2024 .....	3	Note 4	Regulatory fees.....	14
Assurance of the Board of Directors .....	5	Note 5	Net loan losses.....	14
<b>Financial statements</b>		Note 6	Loans and impairment.....	15
Income statement .....	7	Note 7	Classification of financial instruments.....	17
Balance sheet .....	8	Note 8	Fair value of financial assets and liabilities.....	19
Statement of changes in equity .....	9	Note 9	Financial assets and liabilities held at fair value on the balance sheet.....	19
Cash flow statement .....	10	Note 10	Commitments.....	20
<b>Notes to the financial statements</b>		Note 11	Capital adequacy.....	20
Note 1      Accounting policies.....	12	Note 12	Related-party transactions.....	26
Note 2      Segment reporting .....	13	Note 13	Risks and uncertainties .....	26
			Upcoming publications .....	27
			Adresses .....	27

This Year-end Report has not been subject to review by the Company’s auditors.

# Year-end Report 2024

The Board of Directors and the President of Nordea Hypotek AB (publ) (corp. id no. 556091–5448), hereby present the Year-end Report for 2024. The company is a wholly owned subsidiary of Nordea Bank Abp (corp. id no. 2858394-9).

# Key ratios

	31 dec 2024	30 jun 2024	31 dec 2023	30 jun 2023	31 dec 2022
Return on average shareholders equity, %	5.4	4.5	3.6	3.1	6.3
Cost/income ratio, %	53.0	58.5	65.8	75.3	65.8
Loan loss ratio, basis points <sup>1</sup>	1.7	1.2	0.9	0.8	1.7
- of which stage 1	1.5	0.0	-0.3	-0.3	0.5
- of which stage 2	-0.2	0.4	0.5	0.6	0.8
- of which stage 3	0.4	0.8	0.7	0.5	0.5
Impairment rate (stage 3), gross <sup>1</sup> , basis points <sup>1</sup>	15.9	12.4	10.6	7.7	5.8
Impairment rate (stage 3), net, bps <sup>1</sup>	14.0	10.5	9.1	6.5	4.8
Total allowance ratio (stage 1, 2 and 3), bps <sup>1</sup>	5.9	4.9	4.4	3.9	3.5
Allowances in relation to impaired loans (stage 3), % <sup>1</sup>	11.8	15.6	15.0	15.4	16.6
Common Equity Tier 1 ratio (%) <sup>2</sup>	19.6	18.5	17.3	17.3	17.7
Tier 1 ratio (%) <sup>2</sup>	19.6	18.5	17.3	17.3	17.7
Total capital ratio (%) <sup>2</sup>	19.6	19.5	18.3	18.3	18.7
<b>Business volumes</b>					
Loans to the public, SEKm	739,158	723,060	716,540	708,475	700,282

1) Based on IFRS 9.

2) Including profit for the year for the full years 2024, 2023 and 2022. For the half-year periods, the calculation has been made excluding the profit for the period.

# Definitions

<b>Return on average shareholders equity</b>	Net profit for the year as percentage of equity, quarterly average.
<b>Cost/income ratio</b>	Total operating expenses divided by total operating income.
<b>Loan loss ratio (IFRS 9)</b>	Net loan losses (annualised) divided by quarterly closing balance of loans to the public (lending) measured at amortised cost.
<b>Impairment rate (Stage 3), gross (IFRS 9)</b>	Impaired loans (Stage 3) before allowances divided by total loans measured at amor-tised cost before allowances.
<b>Impairment rate (Stage 3), net (IFRS 9)</b>	Impaired loans (Stage 3) after allowances divided by total loans measured at amortised cost before allowances.
<b>Total allowance ratio (Stage 1, 2 and 3) (IFRS 9)</b>	Total allowances divided by total loans measured at amortised cost before allowances.
<b>Allowances in relation to credit impaired loans (stage 3) (IFRS 9)</b>	Allowances for impaired loans (stage 3) divided by impaired loans measured at amor-tised cost (stage 3) before allowances <sup>1</sup> .
<b>Common Equity Tier 1 capital ratio</b>	The CET 1 ratio is total CET1 Capital divided by total Risk Exposure Amount calculated in -accordance to the requirements in the CRR.
<b>Tier 1 capital ratio</b>	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.
<b>Total capital ratio</b>	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 2024

## 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 main 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. Collateral consists mainly of liens on residential properties and tenant-owned apartments, or municipal guarantees.

In 2024, inflation and interest rates fell back and we have seen tendencies of activity in the housing market starting to pick up again after a period of low activity. For example, loan commitments increased steadily during the year, which is an early indicator of rising demand for mortgages. However, many challenges persist for the economy and for households, mainly linked to geopolitical tensions and security threats, which are now part of everyday life.

During the year, the Swedish mortgage market grew by SEK 56 billion, equalling 1.36%. Nordea Sweden has had a stable and slightly improved market share which, at the end of the year, was 13.8%. Total lending to the public at Nordea Hypotek increased during the year by SEK 23 billion to SEK 739 billion, which is an increase of 3.2%, primarily driven by increased corporate lending. In December, for the first time, Nordea was named Bank of the Year in Sweden by a leading Swedish personal finance magazine.

The Company's capital position remains very strong with a CET1 ratio and a total capital ratio at the end of the year of 19.6%, which comfortably exceeds the legal requirements of 10.9% and 15.1%, respectively.

Credit quality in Nordea Hypotek's lending portfolio remained very strong in 2024. During the year, realised loan losses were SEK -9m (-5), and net loan losses, including loan provisions, amounted to SEK -129m in 2023 (-65). This is mainly driven by higher provisions for future expected loan losses. The Company continues to see an elevated risk due to geopolitical uncertainties, and the previously rising interest rates and inflation. The assessment is that the effect of these has not yet fully transpired as incurred losses. The Company has therefore chosen to increase the provisions in accordance with management's judgement during the year.

## The housing market in Sweden

In 2024, house prices rose 5.1% according to Valueguard's HOXSWE price index. The year started with a steady upturn in prices in the first two quarters from a low price level at the end of 2023, and at 30 June the index was up 6.0%. In the autumn, however, prices fell back partly as a result of high supply despite the fact that the number of transactions increased year-on-year and the mortgage market began to pick up. The price rise was 4.5% for houses, while apartment prices rose by 5.9% for full-year 2024.

## Profit performance in the second half of 2024 compared with the first half of 2024

Operating profit for the second half of 2024 amounted to SEK 1,358m (938), which is an increase of SEK 420m and 45% compared with the first six months of 2024. When comparing earnings between the first and second halves of 2024, account should mainly be taken of the following major items affecting comparability:

- Net interest income amounted to SEK 2,882m (2,363); an increase of SEK 519m and 22%. This is mainly driven by falling market rates, which reduced funding costs and which in turn increased mortgage margins. Increased lending volumes also slightly affect the item.
- The net result from items at fair value deteriorated in the second half of 2024 by SEK 90m, from SEK 104m to SEK 14m and is mainly affected by the ineffective portion of portfolio hedges.
- Net commission income increased by SEK 3m in the second half of 2024, amounting to SEK -103m (-106) at the close of the period.
- Operating expenses decreased by SEK 33m in the second half of 2024 and amounted to SEK -1,348m at the end of the period (-1,381). The decrease is mainly attributable to the fact that the cost of the resolution fee (-254) was taken in the first half of the year, but is at the same time offset by increased selling expenses (-215).
- Loan losses increased by SEK -45m to SEK -87m (-42). This is mainly due to increased provisions according to management's judgement that affected the period in the amount of SEK -156m (0).

## Profit performance for FY 2024 compared with FY 2023

Operating profit amounted to SEK 2,296m (1,445), which is an increase of 59% from the previous year. When comparing earnings with the previous year, account should mainly be taken of the following major items affecting comparability:

- Net interest income amounted to SEK 5,245m (4,498); an increase of 17%. The increase is mainly attributable to lower funding costs in the second half of the year, which improved interest margins. Higher lending volumes also have a positive impact on net interest income.
- Net result from items at fair value amounted to SEK 118m (59) at the end of the year. The item is affected by the repurchase of issued bonds entered at amortised cost and the ineffective portion of portfolio hedges.
- Net commission income decreased by SEK 67m, amounting to SEK -209m (-141) at the end of the year, driven by increased costs for liquidity support for guarantee fees to Nordea Group.
- Operating expenses at the end of the year were SEK -2,729m (-2,905), a decline of SEK 176m or 6% compared to 2023. The decrease is mainly due to the fact that the cost to the Parent Company for distribution and sales has decreased. Otherwise, regulatory fees increased by 20m and staff costs increased by 7m.
- Return on equity, after tax, was 5.4% (3.6). Improved net interest income and capital efficiency is the main reason for the improved return on equity.

### Lending performance in the second half of 2024 compared with the first half of 2024

In the second half of 2024, lending to the public increased by SEK 16,098m (2.2%), amounting at the end of the year to SEK 739,158m (723,060). Lending to legal entities increased by SEK 10,061m (7.3%), amounting at the end of the year to SEK 147,471m (137,410). Household lending increased by SEK 6,037m (1.0%), amounting to SEK 591,687m (585,650) at the end of the year.

### Performance of lending for FY 2024 compared with FY 2023

Lending to the public increased during the year by 3.2% (2.3), amounting at the end of the year to SEK 739,158m (716,540). Lending to legal entities increased by SEK 13,390m (10.0%), and household lending increased by SEK 9,228m (1.6%).

### Impaired loans and loan losses

Impaired loans, gross, amounted to SEK 1,191m (775). The increasing volume of impaired loans is mainly driven by new credit models and a change in the definition of default. We have also seen an increasing proportion of customers with late payments during the year, which reflects the economic climate in Sweden. During the year, net loan losses were SEK -129m (-65), mainly attributable to increased loan provisions compared with the prior year. Realised loan losses increased by SEK -4 million in 2024 and amounted to SEK -9 million (-5) at the end of the year, corresponding to 0.001% of the lending portfolio.

The total loan provision increased, amounting at the end of the year to SEK 450m (320).

### Provisions as judged by management

The provisions, as judged by management, amounted to SEK 288m at 31 December 2024 (125). 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. Both reserves have increased during the year as a consequence of model changes and the use of stricter stress test variables.

### Foreign exchange risk

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

### Financing

In 2024, all long-term funding, with the exception of subordinated loans and MREL loans, 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. In 2024, the Company issued bonds with a nominal value of SEK 78bn (97). Issuances take place regularly in existing and new series, with the majority being so-called benchmark bonds. In 2024 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 359bn (384). In addition, the Company had outstanding MREL loans of SEK 52.9 billion (39.1). 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 322bn (294).

In 2024, the Company issued its third green covered bond of SEK 6bn and now has an outstanding volume totalling SEK 18bn. 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, December 2023, published at [www.nordea.com/en/investors/debt-and-rating/sustainable-funding](https://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. As of 1 April 2020, Nordea Hypotek only has 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 1,289m (1,604). 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 Derivative instruments item in the balance sheet recognises derivative contracts at fair value.

### Capital adequacy

Since 2014, CRD/CRR (Capital Requirements Directive/ Capital Requirements Regulation) applies in the EU. For more information about capital adequacy, please refer to Note 11, Capital adequacy.

### Legal proceedings

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

### Material changes after the end of the financial year

After the end of the year, Jessica Didrikson has taken up the position of new board member. No other major events have occurred since 31 December 2024. However, there are risks associated with the uncertain economic conditions in Sweden and abroad. This could potentially have adverse effects on earnings through lower net interest income, increased loan losses and reduced business activity.

# Assurance of the Board of Directors

The Year-end Report provides a fair overview of the Company's activities, its financial position and result, and describes material risks and uncertainties assumed by the Company.

Stockholm, 24 February 2025

Per Långsved  
*Chairman*

Peter Dalmalm  
*Deputy Chair*

Jessica Didrikson  
*Board member*

Emma Henriksson  
*Board member*

Elisabeth Olin  
*Board member*

Maria Sahlén  
*Board member*

Tina Sandvik  
*Board member*

Adam Wastå  
*Board member*

Pia Tverin  
*Chief Executive Officer*

# Financial statements



# Income statement

SEK (000s)	Note	Jul–Dec 2024	Jan–Jun 2024	Jul–Dec 2023	Full year 2024	Full year 2023
<b>Operating income</b>						
Interest income calculated using the effective interest rate method		15,876,312	17,344,975	16,818,196	33,221,287	30,354,458
Other interest income		203,302	219,340	239,254	422,642	405,837
Interest expense		-13,197,478	-15,201,457	-15,105,427	-28,398,935	-26,262,549
<b>Net interest income</b>		<b>2,882,136</b>	<b>2,362,858</b>	<b>1,952,023</b>	<b>5,244,994</b>	<b>4,497,746</b>
Fee and commission income		15,380	14,606	13,932	29,986	27,436
Fee and commission expense		-117,968	-120,626	-90,243	-238,594	-168,885
<b>Net fee and commission income</b>		<b>-102,588</b>	<b>-106,020</b>	<b>-76,311</b>	<b>-208,608</b>	<b>-141,449</b>
Net result from items at fair value		14,102	103,967	-64,083	118,069	58,777
Other operating income		–	–	-1	–	-1
<b>Total operating income</b>		<b>2,793,650</b>	<b>2,360,805</b>	<b>1,811,628</b>	<b>5,154,455</b>	<b>4,415,073</b>
<b>Operating expenses</b>						
<i>General administrative expenses:</i>						
Staff costs		-18,617	-23,590	-1,282	-42,207	-35,044
Other expenses	3	-1,216,523	-989,725	-834,965	-2,206,248	-2,408,714
Regulatory fees	4	-113,206	-367,661	-108,255	-480,867	-461,126
<b>Total operating expenses</b>		<b>-1,348,346</b>	<b>-1,380,976</b>	<b>-944,502</b>	<b>-2,729,322</b>	<b>-2,904,884</b>
<b>Profit before loan losses</b>		<b>1,445,304</b>	<b>979,829</b>	<b>867,126</b>	<b>2,425,133</b>	<b>1,510,189</b>
Net loan losses	5	-87,166	-41,837	-36,091	-129,003	-64,995
<b>Operating profit</b>		<b>1,358,137</b>	<b>937,992</b>	<b>831,035</b>	<b>2,296,129</b>	<b>1,445,194</b>
Income tax expense		-289,231	-202,465	-133,973	-491,696	-267,129
<b>Net profit for the period</b>		<b>1,068,906</b>	<b>735,527</b>	<b>697,062</b>	<b>1,804,433</b>	<b>1,178,065</b>

## Statement of comprehensive income

SEK (000s)	Jul–Dec 2024	Jan–Jun 2024	Jul–Dec 2023	Full year 2024	Full year 2023
Net profit for the period	1,068,906	735,527	697,062	1,804,433	1,178,065
<b>Items that may be reclassified subsequently to the income statement</b>					
<i>Cash flow hedges:</i>					
Valuation gains/losses, net of tax	326,640	107,535	-1,741,797	434,175	55,620
Transferred to the income statement, net of tax	-331,693	-107,661	1,741,797	-439,354	-66,097
<i>Available for sale investments<sup>1)</sup></i>					
Valuation gains/losses, net of tax	-15,252	13,925	10,361	-1,327	6,857
<b>Other comprehensive income, net of tax</b>	<b>-20,305</b>	<b>13,799</b>	<b>10,361</b>	<b>-6,506</b>	<b>-3,620</b>
<b>Total comprehensive income</b>	<b>1,048,601</b>	<b>749,326</b>	<b>707,423</b>	<b>1,797,927</b>	<b>1,174,445</b>

1) Results from revaluations related to hedged risks in fair value hedges are reported directly in the income statement.

# Balance sheet

SEK (000s)	Note	31 Dec 2024	30 Jun 2024	31 Dec 2023
<b>Assets</b>				
Loans to credit institutions	6	8,722,812	6,904,987	10,787,701
Loans to the public	6	739,157,568	723,059,911	716,539,960
Interest-bearing securities		20,048,614	19,918,333	19,857,947
Derivatives		5,633,936	7,860,081	10,598,968
Fair value changes of hedged items in portfolio hedges of interest rate risk		-315,506	-2,206,849	-3,673,860
Deferred tax assets		944	–	–
Current tax assets		68,091	67,476	1,985
Other assets		1,162,698	2,750,223	2,027,805
Prepaid expenses and accrued income		1,218	16,833	20,031
<b>Total assets</b>		<b>774,480,375</b>	<b>758,370,995</b>	<b>756,160,537</b>
<b>Liabilities</b>				
Deposits by credit institutions		321,845,275	288,734,803	293,903,917
Debt securities in issue		409,927,170	425,346,727	416,109,286
Derivatives		4,310,996	5,863,981	8,081,970
Current tax liabilities		36,692	241,846	35,769
Other liabilities		3,424,219	3,139,221	3,210,116
Accrued expenses and prepaid income		341,329	256,868	492,921
Deferred tax liabilities		–	367	400
Provisions		5,455	5,461	4,486
Subordinated liabilities		–	1,650,703	1,650,747
<b>Total liabilities</b>		<b>739,891,136</b>	<b>725,239,977</b>	<b>723,489,612</b>
<b>Equity</b>				
Share capital		110,000	110,000	110,000
Fair value reserves		9,734	30,039	16,240
Retained earnings		32,665,072	32,255,452	31,366,620
Net profit for the year		1,804,433	735,527	1,178,065
<b>Total equity</b>		<b>34,589,239</b>	<b>33,131,018</b>	<b>32,670,925</b>
<b>Total liabilities and equity</b>		<b>774,480,375</b>	<b>758,370,995</b>	<b>756,160,537</b>

## Other notes

[Note 1](#) Accounting policies

[Note 2](#) Segment reporting

[Note 4](#) Regulatory fees

[Note 7](#) Classification of financial instruments

[Note 8](#) Fair value of financial assets and liabilities

[Note 9](#) Financial assets and liabilities held at fair value on the balance sheet

[Note 10](#) Commitments

[Note 11](#) Capital adequacy

[Note 12](#) Related-party transactions

[Note 13](#) Risks and uncertainties

# Statement of changes in equity

SEK (000s)	Restricted equity	Unrestricted equity			Total equity
	Share capital <sup>1</sup>	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, net of tax	–	–	-1,671	–	-1,671
Tax on valuation gains/losses	–	–	344	–	344
<i>Cash flow hedges:</i>					
Valuation gains/losses, net of tax	–	546,820	–	–	546,820
Transferred to the income statement	–	-112,645	–	–	-112,645
Tax on valuation gains/losse	–	-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 paid	–	–	–	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.

SEK (000s)	Restricted equity	Unrestricted equity			Total equity
	Share capital <sup>1</sup>	Cash flow hedges	Fair value through other comprehensive income	Retained earnings	
Balance at 1 Jan 2023	110,000	12,018	7,842	32,259,641	32,389,501
Net profit for the year	–	–	–	1,178,065	1,178,065
Items that may be reclassified subsequently to the income statement					
<i>Fair value through other comprehensive income:</i>					
Valuation gains/losses, net of tax	–	–	8,636	–	8,636
Tax on valuation gains/losses	–	–	-1,779	–	-1,779
<i>Cash flow hedges:</i>					
Valuation gains/losses, net of tax	–	70,050	–	–	70,050
Transferred to the income statement	–	-14,430	–	–	-14,430
Tax on valuation gains/losse	–	-83,246	–	–	-83,246
Tax on transfers to the income statement	–	17,149	–	–	17,149
Other comprehensive income, net of tax	–	-10,477	6,857	–	-3,620
Total comprehensive income	–	-10,477	6,857	1,178,065	1,174,445
Group contribution paid	–	–	–	-1,124,006	-1,124,006
Tax on Group contribution paid	–	–	–	231,545	231,545
Share-based payments	–	–	–	-560	-560
Balance at 31 Dec 2023	110,000	1,541	14,699	32,544,685	32,670,925

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

# Cash flow statement

SEK (000s)	Full year 2024	Full year 2023
<b>Operating activities</b>		
Operating profit	2,296,129	1,445,194
Adjustment for items not included in cash flow	1,653,732	4,244,064
Income taxes paid	-66,450	15,035
Cash flow from operating activities before changes in operating assets and liabilities	3,883,411	5,704,293
<b>Changes in operating assets</b>		
Change in treasury bills	-1,230,183	-3,201,395
Change in loans to the public	-22,747,290	-16,328,260
Change in interest-bearing securities	-191,074	159,367
Change in derivatives, net	2,389,705	967,718
Change in other assets	865,107	-647,414
<b>Change in operating liabilities</b>		
Change in deposits by credit institutions	27,704,000	-1,454,345
Change in debt securities in issue	-10,932,713	22,937,714
Change in other liabilities	-2,166,619	-1,654,086
Cash flow from operating activities	-6,309,067	779,298
<b>Financing activities</b>		
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	-2,064,889	6,483,591
Cash and cash equivalents at beginning of period	-10,787,701	-4,304,109
Cash and cash equivalents at end of period	8,722,812	10,787,701
Change	-2,064,889	6,483,592

# **Notes** to the financial statements

## Note 1 Accounting policies

The half-year interim report for Nordea Hypotek AB (publ) is prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Investment Firms (1995:1559), the regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25 including amendments), IAS 34 "Interim Financial Reporting", and the accounting recommendation "RFR 2 Accounting for legal entities" issued by the Swedish Financial 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 and legislation above, have been included in the notes or in other parts of the "Financial statements".

The accounting policies and methods of computation are unchanged from Note 1 in the Annual Report 2023, except for those relating to the items presented in the section "Changed accounting policies" below. Further information is presented in Note 1 of the 2023 annual report.

### Changed accounting policies

New accounting policies were introduced by Nordea Hypotek in 2024. Their effect on Nordea Hypotek's financial statements is described below.

IASB has published the following amendments which were implemented by Nordea Hypotek on 1 January 2024 but have not had any significant impact on Nordea Hypotek's financial statements:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and also Classification of Liabilities as Current or Non-current – Deferral of Effective Date, as well as Non-current Liabilities with Covenants.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures: Supplier Finance Arrangements.

No amendments were made to the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) during the year. Neither has the Swedish FSA published any changes applicable during the year regarding the regulation FFFS 2008:25. Furthermore, the Swedish Financial 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 2024.

### Changes in 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. The current assessment is that these clarifications will not have any significant impact on the existing classification of financial assets or capital adequacy upon initial application. However, this will be analysed further and, of course, the situation will be affected by the instruments that are held by Nordea Hypotek in its balance sheet at transition.

The amendments concern 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. The current assessment is that this amendment will not have any significant impact on Nordea Hypotek's financial statements or capital adequacy upon initial application, although this will be analysed further.

The new standard is effective for annual periods beginning on or after 1 January 2026. Earlier application is permitted. The standard is not yet endorsed by the EU.

### Other amendments

The IASB has published the following new or amended standards, which are assessed not to have any significant impact on Nordea Hypotek's financial statements or capital adequacy in the period of initial application:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates Lack of Exchangeability
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).
- Annual Improvements – Volume 11.

## Note 2 Segment reporting

### Reportable segment

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.

Group functions and earnings that are not entirely assigned to any of the operating segments are shown separately as reconciling items in the table below.

### Operating segments

Income statement, SEKm	Personal Banking		Business Banking		Group Treasury		Other operating segments		Total operating segments		Reconciliation		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net interest income	21,828	17,303	5,254	4,781	-23,208	-18,385	1,240	731	5,114	4,430	131	68	5,245	4,498
Net fee and commission income	27	25	2	3	-67	-57	-171	-112	-209	-141	-	-	-209	-141
Net result from items at fair value	13	0	1	0	104	57	0	1	118	58	-	-	118	58
Total operating income	21,868	17,328	5,257	4,784	-23,171	-18,385	1,069	620	5,023	4,347	131	68	5,154	4,415
Other expenses	-1,582	-1,732	-417	-478	0	-	-730	-695	-2,729	-2,905	-	-	-2,729	-2,905
Total operating expenses	-1,582	-1,732	-417	-478	0	-	-730	-695	-2,729	-2,905	-	-	-2,729	-2,905
Net loan losses	-122	-40	-20	-17	5	0	8	-8	-129	-65	0	-	-129	-65
Operating profit	20,164	15,556	4,820	4,289	-23,166	-18,385	347	-83	2,165	1,377	131	68	2,296	1,445

### Balance sheet, SEKm

Loans to the public	558,745	537,105	147,165	148,385	-	-	33,248	31,050	739,158	716,540	-	-	739,158	716,540
Other assets	-	-	-	-	35,255	39,613	67	2	35,322	39,615	-	6	35,322	39,621
Total assets	558,745	537,105	147,165	148,385	35,255	39,613	33,315	31,052	774,480	756,155	-	6	774,480	756,161
Total liabilities	1	0	0	0	737,169	721,871	133	344	737,303	722,215	2,588 <sup>1</sup>	1,275 <sup>1</sup>	739,891	723,490
Equity	558,744	537,105	147,165	148,385	-701,914	-682,258	33,182	30,708	37,177	33,940	-2,588	-1,269	34,589	32,671
Total liabilities and equity	558,745	537,105	147,165	148,385	35,255	39,613	33,315	31,052	774,480	756,155	-	6	774,480	756,161

1) The amount refers mainly to group contribution.

### Reconciliation between total operating segments and financial statements

SEKm	2024		2023	
	Operating profit	Total assets	Operating profit	Total assets
Total operating segments	2,165	774,480	1,377	756,155
Group functions and unallocated items	131	-	68	6
Total	2,296	774,480	1,445	756,161

## Note 3 Other expenses

SEK (000s)	Jul–Dec 2024	Jan–Jun 2024	Jul–Dec 2023	Full year 2024	Full year 2023
Postage, telephone and office expenses	-157	-205	-208	-362	-373
Distribution costs to Nordea	-1,180,735	-965,671	-809,079	-2,146,406	-2,355,536
Professional services <sup>1</sup>	-1,945	-2,207	-1,700	-4,152	-4,629
Market data services	-15,548	-11,906	-12,522	-27,454	-23,832
Other	-18,138	-9,736	-11,456	-27,874	-24,344
<b>Total</b>	<b>-1,216,523</b>	<b>-989,725</b>	<b>-834,965</b>	<b>-2,206,248</b>	<b>-2,408,714</b>

1) Including fees and remuneration to auditors.

## Note 4 Regulatory fees

SEK (000s)	Jul–Dec 2024	Jan–Jun 2024	Jul–Dec 2023	Full year 2024	Full year 2023
Resolution fee	–	-254,456	–	-254,456	-244,619
Bank tax	-113,206	-113,206	-108,255	-226,411	-216,507
<b>Total</b>	<b>-113,206</b>	<b>-367,661</b>	<b>-108,255</b>	<b>-480,867</b>	<b>-461,126</b>

## Note 5 Net loan losses

SEKm	Jul–Dec 2024	Jan–Jun 2024	Jul–Dec 2023	Full year 2024	Full year 2023
Net loan losses, stage 1	-112,418	1,601	10,638	-110,817	20,017
Net loan losses, stage 2	27,284	-13,940	-17,351	13,344	-37,453
<b>Net loan losses, non-defaulted</b>	<b>-85,134</b>	<b>-12,339</b>	<b>-6,713</b>	<b>-97,473</b>	<b>-17,436</b>

### Stage 3, defaulted

Net loan losses, individually assessed, collectively calculated	-1,500	-25,898	-27,629	-27,398	-44,898
Realised loan losses	-3,598	-5,114	-4,290	-8,712	-5,388
Decrease of provisions to cover realised loan losses	–	2,289	–	2,289	–
Recoveries on previously realised loan losses	182	497	5,540	679	5,727
Reimbursement right	901	–	–	901	–
New/increase in provisions	1,983	-1,983	-3,000	–	-3,000
Reversals of provisions	–	711	–	711	–
<b>Net loan losses, defaulted</b>	<b>-2,032</b>	<b>-29,498</b>	<b>-29,379</b>	<b>-31,530</b>	<b>-47,559</b>
<b>Net loan losses</b>	<b>-87,166</b>	<b>-41,837</b>	<b>-36,091</b>	<b>-129,003</b>	<b>-64,995</b>

### Nyckeltal

	Jul–Dec 2024	Jan–Jun 2024	Jul–Dec 2023	Full year 2024	Full year 2023
Loan loss ratio, basis points <sup>1</sup>	2.4	1.2	1.0	1.7	0.9
- of which stage 1	3.0	0.0	-0.3	1.5	-0.3
- of which stage 2	-0.7	0.4	0.5	-0.2	0.5
- of which stage 3	0.1	0.8	0.8	0.4	0.7

1) Based on IFRS 9.



## Note 6 Loans and impairment

SEKm	31 Dec 2024	30 Jun 2024	31 Dec 2023
Loans measured to amortised cost, not impaired (stage 1 and 2)	747,133	729,415	726,871
Impaired loans (stage 3)	1,191	905	775
- of which servicing	204	153	179
- of which non-servicing	987	752	596
Loans before allowances	748,324	730,320	727,646
- of which credit institutions	8,723	6,905	10,788
Allowances for individually assessed loans (stage 3)	-140	-141	-116
- of which servicing	-58	-46	-36
- of which non-servicing	-82	-95	-80
Allowances for collectively assessed loans (stage 1 and 2)	-304	-214	-202
Allowances	-444	-355	-318
- of which credit institutions	-	-	-
Loans carrying amount	747,880	729,965	727,328

### Carrying amount of loans measured at amortised cost, before allowances

SEKm	31 Dec 2024			30 Jun 2024			31 Dec 2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Loans to the public	734,204	12,930	1,191	705,019	24,396	905	707,010	19,862	775
Interest-bearing securities	9,624	-	-	9,518	-	-	9,502	-	-
Total	743,828	12,930	1,191	714,537	24,396	905	716,512	19,862	775

### Allowances and provisions

SEKm	31 Dec 2024			30 Jun 2024			31 Dec 2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Loans to the public	-166	-139	-140	-49	-164	-141	-53	-150	-116
Interest-bearing securities	-	-	-	-	-	-	0	-	-
Provisions for off-balance sheet items	-5	-	-	-5	-	-	-4	-	-
Total	-171	-139	-140	-54	-164	-141	-57	-150	-116

### Movement of allowance accounts for loans measured at amortised cost

SEKm	Stage 1	Stage 2	Stage 3	Total
Balance at 1 Jan 2024	-52	-150	-116	-318
Changes due to origination and acquisition	-49	-17	-4	-70
Changes due to transfers from stage 1 to stage 2	2	-69	-	-67
Changes due to transfers from stage 1 to stage 3	-	-	-35	-35
Changes due to transfers from stage 2 to stage 1	-7	81	-	74
Changes due to transfers from stage 2 to stage 3	-	7	-35	-28
Changes due to transfers from stage 3 to stage 1	-	-	16	16
Changes due to transfers from stage 3 to stage 2	-	-5	17	12
Changes due to credit risk without stage transfer	-73	-18	-18	-109
Changes due to repayments and disposals	14	32	33	79
Write-off through decrease in allowance account	-	-	2	2
Closing balance at 31 Dec 2024	-165	-139	-140	-444

## Note 6. Loans and impairment, cont.

SEKm	Stage 1	Stage 2	Stage 3	Total
Balance at 1 Jan 2024	-52	-150	-116	-318
Changes due to origination and acquisition	-12	-8	-1	-21
Changes due to transfers from stage 1 to stage 2	5	-66	–	-61
Changes due to transfers from stage 1 to stage 3	–	–	-8	-8
Changes due to transfers from stage 2 to stage 1	-2	39	–	37
Changes due to transfers from stage 2 to stage 3	–	5	-29	-24
Changes due to transfers from stage 3 to stage 1	–	–	–	–
Changes due to transfers from stage 3 to stage 2	–	-2	18	16
Changes due to credit risk without stage transfer	6	–	-30	-24
Changes due to repayments and disposals	6	17	23	46
Write-off through decrease in allowance account	–	–	2	2
Closing balance at 30 Jun 2024	-49	-165	-141	-355

SEKm	Stage 1	Stage 2	Stage 3	Total
Balance at 1 Jan 2023	-69	-113	-68	-250
Changes due to origination and acquisition	-18	-17	-1	-36
Changes due to transfers from stage 1 to stage 2	6	-89	–	-82
Changes due to transfers from stage 1 to stage 3	–	–	-33	-32
Changes due to transfers from stage 2 to stage 1	-1	43	–	41
Changes due to transfers from stage 2 to stage 3	–	3	-23	-20
Changes due to transfers from stage 3 to stage 1	–	–	5	5
Changes due to transfers from stage 3 to stage 2	–	-1	7	6
Changes due to credit risk without stage transfer	17	4	-18	2
Changes due to repayments and disposals	13	20	15	48
Closing balance at 31 Dec 2023	-52	-150	-116	-318

## Key ratios

	31 Dec 2024	30 Jun 2024	31 Dec 2023
Impairment rate, (stage 3) <sup>1</sup> , gross, basis points	15.9	12.4	10.6
Impairment rate, (stage 3) <sup>2</sup> , net, basis points	14.0	10.5	9.1
Total allowance rate (stage 1, 2 and 3) <sup>3</sup> , basis points	5.9	4.9	4.4
Allowances in relation to impaired loans (stage 3) <sup>4</sup> , %	11.8	15.6	15
Allowances in relation to loans stage 1 and 2 <sup>5</sup> , basis points	4.1	2.9	2.8

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

2) Impaired loans (stage 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 (stage 3) divided by impaired loans measured at amortised cost (stage 3), before allowances.

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

## Note 7 Classification of financial instruments

31 Dec 2024, SEKm	Amortised cost (AC)	Financial assets mandatorily at fair value through profit or loss (FVPL)	Fair value through other comprehensive income (FVOCI)	Non-financial assets	Total
<b>Assets</b>					
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
<b>Total</b>	<b>748,721</b>	<b>16,059</b>	<b>9,624</b>	<b>76</b>	<b>774,480</b>

31 Dec 2024, SEKm	Amortised cost (AC)	Financial liabilities mandatorily at fair value through profit or loss (FVPL)	Non-financial liabilities	Total
<b>Liabilities</b>				
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 assets	–	–	37	37
Other liabilities	3,420	–	4	3,424
Accrued expenses and prepaid income	1	–	340	341
Provisions	5	–	–	5
<b>Total</b>	<b>735,199</b>	<b>4,311</b>	<b>381</b>	<b>739,891</b>

## Note 7. Classification of financial instruments, cont.

31 Dec 2023, SEKm	Amortised cost (AC)	Financial assets mandatorily at fair value through profit or loss (FVPL)	Fair value through other comprehensive income (FVOCI)	Non-financial assets	Total
<b>Assets</b>					
Loans to credit institutions	10,788	–	–	–	10,788
Loans to the public	716,540	–	–	–	716,540
Interest-bearing securities	–	10,356	9,502	–	19,858
Derivatives	–	10,599	–	–	10,599
Fair value changes of hedged items in hedges of interest rate risk	-3,674	–	–	–	-3,674
Current tax assets	–	–	–	2	2
Other assets	2,028	–	–	–	2,028
Prepaid expenses and accrued income	20	–	–	–	20
<b>Total</b>	<b>725,702</b>	<b>20,955</b>	<b>9,502</b>	<b>2</b>	<b>756,161</b>

  

31 Dec 2023, SEKm	Amortised cost (AC)	Financial liabilities mandatorily at fair value through profit or loss (FVPL)	Non-financial liabilities	Total
<b>Liabilities</b>				
Deposits by credit institutions	293,904	–	–	293,904
Debt securities in issue	416,109	–	–	416,109
Derivatives	–	8,082	–	8,082
Fair value changes of hedged items in hedges of interest rate risk	–	–	–	–
Current tax assets	–	–	36	36
Other liabilities	3,208	–	2	3,210
Accrued expenses and prepaid income	249	–	245	494
Deferred tax liabilities	–	–	–	–
Provisions	4	–	–	4
Subordinated liabilities	1,651	–	–	1,651
<b>Total</b>	<b>715,125</b>	<b>8,082</b>	<b>283</b>	<b>723,490</b>

## Note 8 Fair value of financial assets and liabilities

SEKm	31 Dec 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Loans	747,565	755,363	723,654	738,428
Interest-bearing securities	20,049	20,049	19,858	19,858
Derivatives	5,634	5,634	10,599	10,599
Other assets	1,155	1,155	2,028	2,028
Prepaid expenses and accrued income	1	1	20	20
<b>Total</b>	<b>774,404</b>	<b>782,202</b>	<b>756,159</b>	<b>770,933</b>
<b>Financial liabilities</b>				
Deposits and debt instruments	731,773	732,423	711,664	711,471
Derivatives	4,311	4,311	8,082	8,082
Other liabilities	3,420	3,420	3,208	3,208
Provisions	5	5	4	4
Accrued expenses and prepaid income	1	1	249	249
<b>Total</b>	<b>739,510</b>	<b>740,160</b>	<b>723,207</b>	<b>723,014</b>

The determination of fair value is described in note 26 "Assets and liabilities at fair value" in the 2023 Annual Report.

## Note 9 Financial assets and liabilities held at fair value on the balance sheet

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
<b>Assets at fair value on the balance sheet<sup>1</sup></b>				
Interest-bearing securities	–	20,049	–	20,049
Derivatives	–	5,634	–	5,634
<b>Total</b>	<b>–</b>	<b>25,683</b>	<b>–</b>	<b>25,683</b>
<b>Liabilities at fair value on the balance sheet<sup>1</sup></b>				
Derivatives	–	4,311	–	4,311
<b>Total</b>	<b>–</b>	<b>4,311</b>	<b>–</b>	<b>4,311</b>

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

31 Dec 2023, 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
<b>Assets at fair value on the balance sheet<sup>1</sup></b>				
Interest-bearing securities	–	19,858	–	19,858
Derivatives	–	10,599	–	10,599
<b>Total</b>	<b>–</b>	<b>30,457</b>	<b>–</b>	<b>30,457</b>
<b>Liabilities at fair value on the balance sheet<sup>1</sup></b>				
Derivatives	–	8,082	–	8,082
<b>Total</b>	<b>–</b>	<b>8,082</b>	<b>–</b>	<b>8,082</b>

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

## Note 10 Commitments

SEK (000s) (nom. Amount)	31 Dec 2024	30 Jun 2024	31 Dec 2023
Credit commitments <sup>1</sup>	47,049,967	50,942,476	39,707,399
Other commitments <sup>2</sup>	3,248,331	4,217,537	2,389,217
<b>Total</b>	<b>50,298,298</b>	<b>55,160,013</b>	<b>42,096,616</b>

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 11 Capital adequacy

### 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 Swedish FSA has decided to keep the CCyB to 2% which is the level that has been in force since Q2 2023.

Nordea Hypotek was identified as an other systemically important institution in 2022 and is subject to a 1% O-SII buffer requirement. The requirement was confirmed by the Swedish FSA on 7 June 2024.

On 29 May 2024, the Swedish FSA communicated the intention to start the process to extend the current risk weight floors for residential mortgages and commercial real estates to at least 2027. The assessment is that the risks remain and that they will not be fully addressed at the time of the entry into force of the CRR3 on 1 January 2025.

The Swedish National Debt Office, in May 2024, communicated MREL requirements for Nordea Hypotek. The MREL requirements for Nordea Hypotek are 22,70% of the risk exposure amount (REA) plus the combined buffer requirement (CBR) and in parallel 6% of leverage ratio exposure (LRE) from 30 June 2024.

### EU implementation of finalised Basel III framework ("Basel IV")

Basel III is a global regulatory framework for bank capital adequacy, stress testing and liquidity risk. In December 2017 the finalised Basel III framework, often referred to as the Basel IV package, was published. It includes revisions to credit risk, market risk, operational risk, credit valuation adjustment (CVA) risk as well as the leverage ratio, and introduces a new output floor.

The Basel IV package is implemented into CRR and will become effective on 1 January 2025. The updated regulation is referred to as CRR3.

On credit risk, the CRR3 includes revisions to both the IRB Approach, where restrictions on the use of IRB for certain exposures are implemented, as well as on the standardised approach. For market risk the internal model approach and the standardised approach have been revised. The EU Commission has issued a delegated act to postpone the application of the new market risk rules until 1 January 2026 to maintain the level playing field with the US. For operational risk, the three existing approaches will be removed and replaced by one standardised approach to be used by all banks. For CVA risk, the internally modelled approach is removed and the standardised approach is revised.

The CRR3 introduces an output floor which is to be set at 72.5% of the standardised approaches on an aggregate level. This means that the capital requirement will be floored to 72.5% of the total Pillar 1 Risk Exposure Amount (REA) calculated with the standardised approaches for credit, market and operational risk. The floor will be phased in, starting with 50% from 1 January 2025 and to be fully implemented at 72.5% from 1 January 2030 with transitional rules for the calculation of REA for the output floor extending to end-2032.

These disclosures have been prepared in accordance with Part 8 of the CRR and applicable national regulations. Due to amendments of both CRR and the national regulations FFFS 2008:25 and FFFS 2014:12, the below table "Key metrics" is included as from Q2 2021.

Note 11. Capital adequacy, cont.

## Key metrics

Available own funds (amounts), SEKm	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 (CET1) capital	34,299	32,330
Tier 1 capital	34,299	32,330
Total capital	34,338	34,093
<b>Risk-weighted exposures amounts (REA), SEKm</b>		
Total risk-weighted exposure amount	175,114	186,679
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>		
Common Equity Tier 1 ratio (%)	19.6	17.3
Tier 1 ratio (%)	19.6	17.3
Total capital ratio (%)	19.6	18.3
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>		
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
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>		
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 (%)	10.0	8.7
<b>Leverage ratio</b>		
Leverage ratio total exposure measure	785,353	765,672
Leverage ratio	4.4	4.2
<b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>		
Additional own funds requirements to address the risk of excessive leverage (%)	–	–
of which: to be made up of CET1 capital (percentage points)	–	–
Total SREP leverage ratio requirements (%)	3.0	3.0
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>		
Leverage ratio buffer requirement (%)	–	–
Overall leverage ratio requirements (%)	3.0	3.0
<b>Liquidity Coverage Ratio</b>		
Total high-quality liquid assets (HQLA) (Weighted value – average)	19,472	19,285
Cash outflows – Total weighted value	3,934	3,093
Cash inflows – Total weighted value	2,950	2,320
Total net cash outflows (adjusted value)	983	773
Liquidity coverage ratio (%)	1,980	2,494
<b>Net Stable Funding Ratio</b>		
Total available stable funding	579,450	578,629
Total required stable funding	529,889	521,194
NSFR ratio (%)	109	111

Note 11. Capital adequacy, cont.

**Summary of items included in own funds**

SEKm	31 Dec 2024	31 Dec 2023
Equity in the consolidated situation	34,675	32,385
Proposed/actual dividend	–	–
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>34,675</b>	<b>32,385</b>
Deferred tax assets	–	–
Intangible assets	–	–
IRB provisions shortfall (-)	-349	-37
Pension assets in excess of related liabilities	-12	-6
Other items, net	-15	-12
Total regulatory adjustments to Common Equity Tier 1 capital	-376	-55
<b>Common Equity Tier 1 capital (net after deduction)</b>	<b>34,299</b>	<b>32,330</b>
Additional Tier 1 capital before regulatory adjustments	–	–
Total regulatory adjustments to Additional Tier 1 capital	–	–
Additional Tier 1 capital	–	–
<b>Tier 1 capital (net after deduction)</b>	<b>34,299</b>	<b>32,330</b>
Tier 2 capital before regulatory adjustments	–	1,650
IRB provisions excess (+)	39	113
Pension assets in excess of related liabilities	–	–
Other items, net	–	–
Total regulatory adjustments to Tier 2 capital	39	113
Tier 2 capital	39	2,763
<b>Own funds (net after deduction)</b>	<b>34,338</b>	<b>34,093</b>

**Own Funds, including profit**

SEKm	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 capital, including profit	34,301	32,329
<b>Total Own Funds, including profit</b>	<b>34,339</b>	<b>34,092</b>



Note 11. Capital adequacy, cont.

**Minimum capital requirement and REA**

SEKm	31 Dec 2024		31 Dec 2023	
	Minimum Capital requirement	REA	Minimum Capital requirement	REA
<b>Credit risk</b>	<b>7,882</b>	<b>98,521</b>	<b>3,791</b>	<b>47,391</b>
- of which counterparty credit risk	103	1,289	128	1,604
IRB	6,749	84,364	3,458	43,220
- sovereign	–	–	–	–
- corporate	1,696	21,203	1,619	20,239
- advanced	1,696	21,203	1,619	20,239
- foundation	–	–	–	–
- institutions	40	500	41	516
- retail	5,012	62,654	1,797	22,465
- secured by immovable property collateral	4,641	58,018	1,716	21,449
- other retail	371	4,636	81	1,016
- other	1	7	–	–
Standardised	1,133	14,158	334	4,171
- central governments or central banks	0	2	–	–
- regional governments or local authorities	–	–	–	–
- public sector entities	–	–	–	–
- multilateral development banks	–	–	–	–
- international organisations	–	–	–	–
- institutions	1,133	14,156	334	4,171
- 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	770	9,620	871	10,886
Standardised	770	9,620	871	10,886
Additional risk exposure amount related to Finnish RW floor due to Article 458 CRR	–	–	–	–
Additional risk exposure amount related to Swedish RW floor due to Article 458 CRR	5,358	66,972	10,272	128,402
Additional risk exposure amount due to Article 3 CRR	–	–	–	–
<b>Total</b>	<b>14,009</b>	<b>175,114</b>	<b>14,934</b>	<b>186,679</b>

Note 11. Capital adequacy, cont.

### Minimum Capital Requirement, Pillar 2 & Capital Buffers

Percentage	Minimum Capital requirement	Pillar 2 requirements <sup>2</sup>	Capital buffers				Capital Buffers total <sup>1</sup>	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	1.2	2.5	2.0	1.0	0.0	5.5	12.7
Own funds	8	1.6	2.5	2.0	1.0	0.0	5.5	15.1
<b>SEKm</b>								
Common Equity Tier 1 capital	7,880	1,576	4,378	3,486	1,751	0.0	9,615	19,071
Tier 1 capital	10,507	2,101	4,378	3,486	1,751	0.0	9,615	22,223
Own funds	14,009	2,802	4,378	3,486	1,751	0.0	9,615	26,426

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

2) In the 2024 SREP, the supervisor has informed Nordea Hypotek AB (publ) of its supervisory capital assessment where Pillar 2 is 1.60% in own funds requirement and 0.9% in CET1 requirement.

Note 11. 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 <sup>1</sup>	of which EAD for off-balance, SEKm	Exposure-weighted average risk weight, %:
<b>Corporate, foundation IRB:</b>	–	–	–	–	–
- of which rating grades 6	–	–	–	–	–
- of which rating grades 5	–	–	–	–	–
- of which rating grades 4	–	–	–	–	–
- of which rating grades 3	–	–	–	–	–
- of which rating grades 2	–	–	–	–	–
- of which rating grades 1	–	–	–	–	–
- of which unrated	–	–	–	–	–
- of which defaulted	–	–	–	–	–
<b>Corporate, advanced IRB:</b>	<b>134,460</b>	<b>–</b>	<b>128,262</b>	<b>–</b>	<b>16.5</b>
- of which rating grades 6	82,115	–	80,536	–	5.6
- of which rating grades 5	12,043	–	7,856	–	24.3
- of which rating grades 4	36,263	–	35,979	–	37.1
- of which rating grades 3	3,270	–	3,259	–	35.6
- of which rating grades 2	202	–	202	–	32.3
- of which rating grades 1	137	–	128	–	38.6
- of which unrated	388	–	260	–	36.2
- of which defaulted	42	–	42	–	198.6
<b>Institutions, foundation IRB:</b>	<b>8,236</b>	<b>–</b>	<b>8,236</b>	<b>–</b>	<b>6.1</b>
- of which rating grades 6	7,831	–	7,831	–	5.9
- of which rating grades 5	405	–	405	–	8.6
- of which rating grades 4	–	–	–	–	–
- of which rating grades 3	–	–	–	–	–
- of which rating grades 2	–	–	–	–	–
- of which rating grades 1	–	–	–	–	–
- of which unrated	–	–	–	–	–
- of which defaulted	–	–	–	–	–
<b>Retail, of which secured by real estate:</b>	<b>550,170</b>	<b>50,298</b>	<b>505,776</b>	<b>10 060</b>	<b>11.5</b>
- of which scoring grades A	414,520	38,006	372,520	7 601	6.1
- of which scoring grades B	88,377	8,261	85,874	1 652	17.1
- of which scoring grades C	23,900	2,173	23,963	435	26.5
- of which scoring grades D	16,829	1,365	16,812	273	49.1
- of which scoring grades E	4,261	387	4,319	77	79.9
- of which scoring grades F	1,243	106	1,264	21	102.3
- of which not scored	18	–	18	–	27.1
- of which defaulted	1,024	–	1,007	–	114.4
<b>Retail, of which other retail:</b>	<b>42,879</b>	<b>–</b>	<b>42,873</b>	<b>–</b>	<b>10.8</b>
- of which scoring grades A	29,821	–	29,819	–	6.7
- of which scoring grades B	8,196	–	8,195	–	15.8
- of which scoring grades C	2,355	–	2,352	–	21.4
- of which scoring grades D	1,649	–	1,649	–	27.3
- of which scoring grades E	549	–	549	–	31.7
- of which scoring grades F	158	–	158	–	41.2
- of which not scored	1	–	1	–	21.1
- of which defaulted	150	–	150	–	103.4
<b>Other non credit-obligation assets</b>	<b>7</b>	<b>–</b>	<b>7</b>	<b>–</b>	<b>100.0</b>

Nordea does not have the following IRB exposure classes: equity exposures, central governments and central banks, qualifying revolving retail

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

## Note 12 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		
	31 Dec 2024	30 Jun 2024	31 Dec 2023
<b>Assets</b>			
Loans to credit institutions	8,722,812	6,904,987	10,787,701
Loans to the public	–	–	–
Derivatives	5,642,884	7,870,105	10,609,103
Other assets	1,155,325	2,748,716	2,027,700
Prepaid expenses and accrued income	1,218	16,833	20,031
<b>Total assets</b>	<b>15,522,239</b>	<b>17,540,641</b>	<b>23,444,535</b>
<b>Liabilities</b>			
Deposits by credit institutions	321,845,275	288,734,803	293,903,917
Debt securities in issue	61,175,003	31,898,144	63,628,443
Derivatives	4,311,248	5,864,058	8,081,970
Other liabilities	3,422,951	3,137,337	3,208,148
Prepaid income and accrued expenses	211,755	156,327	397,896
Subordinated liabilities	–	1,650,703	1,650,747
<b>Total liabilities</b>	<b>390,966,232</b>	<b>331,441,372</b>	<b>370,871,121</b>

### Income statement

SEK (000s)	Nordea Group companies		
	2024 Full year	2024 Jan–Jun	2023 Full year
Interest income	4,703,492	2,960,064	7,186,117
Interest expense	-20,260,552	-11,220,146	-20,398,941
Net fee and commission income	-194,952	-102,862	-119,245
Net result from items at fair value	962,505	-437,786	2,745,510
General administrative expenses:			
- Other expenses	-2,145,714	-965,591	-2,355,441
<b>Total</b>	<b>-16,935,221</b>	<b>-9,766,321</b>	<b>-12,942,000</b>

## Note 13 Risks and uncertainties

Credit risk is the Company's most significant risk. Nordea Hypotek is also exposed to market risk, liquidity risk, operating risk and compliance risk. These risks are inherent in the Company's business operations and are acceptable to a certain level. Risk limits are set by the Board of Directors in the risk appetite and cover all material risks to which the Company is exposed. The risk appetite is updated annually.

Geopolitical developments and tensions in trade relations pose heightened macroeconomic risks. Reduced consumption and lower economic activity can have implications, especially for small and medium-sized companies in certain

sectors which, in turn, can lead to a heightened risk of credit losses in Nordea Hypotek's lending portfolio. The Company's capital position is however strong and there has been no notable change in realised loan losses compared with previous years, and they are still at a low level. However, the Company continues to see an increased proportion of loans with late payments and there is therefore a heightened risk of credit-related losses. In line with this, the Company has increased its collective allowances.

The heightened market volatility could have an adverse impact on the Company's business volumes and customer activity which, in turn, could lead to reduced revenues. Given a highly adverse scenario, the prevailing macroeconomic situation and how it unfolds ahead could result in Nordea Hypotek failing to meet its financial targets. Furthermore, Nordea Hypotek recognises an increased risk of hybrid warfare ensuing from the geopolitical landscape. The Company also sees a heightened risk of fraud, and efforts to combat this take high priority in both the Company and the Group.

# Upcoming publications

Nordea Hypotek's Annual Report for the financial year 2024, which includes the Audited Financial Statements, the Board of Directors' Report and the Corporate Governance Statement, will be published on 10 March 2025 by way of a stock exchange release and will also be available at [www.nordea.com](http://www.nordea.com).

Nordea Hypotek's Half-year Financial Report for the first half-year 2025 will be published on 25 August 2025 by way of a stock exchange release and will also be available at [www.nordea.com](http://www.nordea.com)

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