

# Interim report 2024

Swedbank Mortgage AB, 16 July 2024

Swedbank



## Interim report for first half of 2024

January-June 2024 compared with July-December 2023

- Net interest income was positively affected by lower funding costs
- Higher net gains and losses
- Stable credit quality
- Improved capital position

### Financial information

SEKm	2024	2023	2023	
	Jan-Jun	Jul-Dec	%	%
Net interest income	4 888	4 026	21	11
Net commissions	-10	-7	40	1
Net gains and losses on financial items	586	212		22
Other income	3	2	35	37
<b>Total income</b>	<b>5 467</b>	<b>4 234</b>	<b>29</b>	<b>24</b>
<b>Total general administrative expenses</b>	<b>138</b>	<b>136</b>	<b>1</b>	<b>-3</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>5 330</b>	<b>4 098</b>	<b>30</b>	<b>25</b>
Credit impairments, net	18	299	-94	-94
Swedish bank tax and resolution fees	298	301	-1	-1
<b>Operating profit</b>	<b>5 014</b>	<b>3 499</b>	<b>43</b>	<b>35</b>
Tax	1 033	720	44	35
<b>Profit for the period</b>	<b>3 981</b>	<b>2 779</b>	<b>43</b>	<b>35</b>

# Business performance

	2024	2023	2023	2022	2022	2021	2021
	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
<b>Lending to the public, SEKbn</b>	1 120	1 115	1 112	1 116	1 110	1 094	1 068
- Private	1 002	997	994	997	991	973	948
of which private, mortgage	914	911	909	913	907	888	862
- Corporate	118	118	118	119	119	121	120
Number of customers, thousand	1 020	1 029	1 039	1 054	1 066	1 074	1 078
<b>Private lending</b>							
Market share mortgages % <sup>1)</sup>	22	22	22	22	23	23	23
Market share of net growth, full and half year % <sup>1)</sup>	18	neg	neg	16	17	17	15
Volume growth market, Δ 12-months % <sup>1)</sup>	1	1	2	5	7	7	6
Volume growth Swedbank Mortgage, Δ 12-months % <sup>1)</sup>	0	-1	0	3	5	5	4
LTV total portfolio %	58	57	58	54	52	51	52
LTV new mortgages, current year	69	69	69	68	68	69	69
Share of total portfolio which amortises %	74	74	74	75	75	74	69
Share of portfolio which amortises, new mortgages, current year %	85	86	86	88	89	89	86
<b>Funding</b>							
Issued in last six months							
Swedish market, SEKbn	56	38	38	10	36	51	23
Outside Sweden, SEKbn			12		41	28	10
Average maturity of outstanding issued covered bonds, months	35	32	32	32	34	31	31

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

# Financial overview and key ratios

SEKm	2024	2023	2023		
	Jan-Jun	Jul-Dec	%	Jan-Jun	%
Net interest income	4 888	4 026	21	4 393	11
Net commissions	-10	-7	40	1	
Net gains and losses on financial items	586	212		22	
Other income	3	2	35	2	37
<b>Total income</b>	<b>5 467</b>	<b>4 234</b>	<b>29</b>	<b>4 419</b>	<b>24</b>
<b>Total general administrative expenses</b>	<b>138</b>	<b>136</b>	<b>1</b>	<b>142</b>	<b>-3</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>5 330</b>	<b>4 098</b>	<b>30</b>	<b>4 277</b>	<b>25</b>
Credit impairments, net	18	299	-94	274	-94
Swedish bank tax and resolution fees	298	301	-1	301	-1
<b>Operating profit</b>	<b>5 014</b>	<b>3 499</b>	<b>43</b>	<b>3 701</b>	<b>35</b>
Tax	1 033	720	44	762	35
<b>Profit for the period</b>	<b>3 981</b>	<b>2 779</b>	<b>43</b>	<b>2 939</b>	<b>35</b>

SEKm	2024	2023	2023	2022	2022
	30 Jun	31 Dec	30 Jun	31 Dec	30 Jun
<b>Profit</b>					
Investment margin, %	0.84	0.72	0.75	0.96	0.98
Average total assets	1 166 310	1 169 199	1 175 628	1 188 665	1 208 856
Return on equity, %	14.7	11.4	12.2	18.2	19.0
Average equity	54 200	50 077	48 340	47 552	47 159
Earnings per share, SEK	173.1	248.6	127.8	376.3	194.9
<b>Equity</b>					
Number of shares in issue at beginning/end of period, million	23	23	23	23	23
Equity per share, SEK	2 347	2 331	2 099	2 074	2 034
<b>Credit quality</b>					
Loans to the public	1 120 396	1 115 385	1 111 919	1 115 561	1 110 363
Loans to credit institutions	61 560	23 025	24 559	64 149	78 873
Credit impairments, net	18	573	274	303	54
Credit impairment ratio, %	0.00	0.05	0.05	0.03	0.01
Total provisions	1 305	1 293	1 001	730	479
Share of Stage 3 loans, gross %	0.43	0.23	0.11	0.07	0.09
Total credit impairment provision ratio, %	0.11	0.11	0.09	0.06	0.04

For more information on definitions and calculation of key ratios, please see page 32 and the 2023 Annual Report, page 59.

# Overview

## About Swedbank Mortgage AB

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

No lending with collateral outside of Sweden is performed.

Swedbank Mortgage issues loans collateralised with properties and individual tenant-owned apartments.

The company also lends directly to municipalities or other borrowers with municipal guarantees as collateral.

Swedbank Mortgage's operations are integrated in Swedbank, which creates economies of scale with the bank's other operations.

## Important to note

The interim report contains alternative performance measures that Swedbank Mortgage considers valuable information for the reader, since they are used by the Swedbank Mortgage executive management and the Swedbank Group executive management for internal governance and performance measurement as well as for comparisons between reporting periods. Further information on the alternative performance measures used in the interim report can be found on page 32.

# The company's development

## Result first half of 2024 compared with second half of 2023

Swedbank Mortgage reported a profit of SEK 3 981m in the first half of 2024, compared with SEK 2 779m in the second half of 2023. The increase is due to higher net interest income and lower credit impairments.

Net interest income increased to SEK 4 888m (4 026). Margins are higher due to lower market rates.

Net gains and losses on financial items amounted to SEK 586m (212). The increase is due to derivatives outside hedge accounting and inefficiencies in cash flow hedges.

Expenses amounted to SEK 138m (136).

Credit impairments amounted to SEK 18m, compared to SEK 299m previous half year. Rating and stage migrations accounted for SEK 165m (325), while post model adjustments decreased by SEK 85m (-76). Updated macroeconomic scenarios decreased credit impairments by SEK 105m (-157). For individually assessed loans, credit impairments increased by SEK 31m (2).

The tax expense amounted to SEK 1 033m (720), corresponding to an effective tax rate of 20.6 per cent (20.6).

## Result first half of 2024 compared with first half of 2023

Swedbank Mortgage reported profit of SEK 3 981m for the first half of 2024, compared with SEK 2 939m in the first half of 2023. The increase is mainly due to higher net interest income.

Net interest income increased to SEK 4 888m (4 393). Margins are higher due to lower market rates.

Net gains and losses on financial items increased to SEK 586m (22). The increase is due to derivatives outside hedge accounting and inefficiencies in cash flow hedges.

Expenses amounted to SEK 138m (142).

Credit impairments amounted to SEK 18m (274). Rating and stage migrations accounted for SEK 165m (101), while post model adjustments decreased by SEK 85m (-56). Updated macroeconomic scenarios decreased credit impairments by SEK 105m (-99). For individually assessed loans, credit impairments increased by SEK 31m (0).

The tax expense amounted to SEK 1 033m (762), corresponding to an effective tax rate of 20.6 per cent (20.6).

## Lending

Total loans to the public increased by SEK 5bn in the first half of 2024, to SEK 1 120bn as of 30 June 2024

(SEK 1 115bn as of 31 December 2023). Compared with 30 June 2023, the loan volume increased by SEK 8bn.

	30 Jun	31 Dec	30 Jun
Lending to general public, SEKbn	2024	2023	2023
Private customers	1 002	997	994
Private, mortgage	914	911	909
Tenant owner associations	88	86	85
Corporate customers	118	118	118
Agricultural, forestry, fishing	43	44	45
Property management	65	64	62
Other corporate lending	10	10	11
<b>Total</b>	<b>1 120</b>	<b>1 115</b>	<b>1 112</b>

Mortgage lending to the private segment increased by SEK 3bn compared with 31 December 2024, to SEK 914bn. The total market share was 22 per cent (22) as of 30 May 2024. Lending to tenant-owner associations increased by SEK 2bn, to SEK 88bn (86).

Corporate lending amounted to SEK 118bn (118 as of 31 December 2023). Property management increased by SEK 1bn while forestry and agriculture decreased by SEK 1bn.

## Funding and liquidity

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

As of 30 June 2024, outstanding funding through covered bonds amounted to SEK 377bn (361bn as of 31 December 2023) while intragroup funding from Swedbank amounted to SEK 706bn (681bn as of 31 December 2023).

Demand for Swedbank Mortgage's bonds has been stable. Swedbank Mortgage issued SEK 56bn in covered bonds in the first half of 2024 (38 second half of 2023). Buybacks of outstanding covered bonds amounted to SEK 14bn during the first half year 2024, compared to SEK 12bn during the second half year 2023. Maturities in the first half of 2024 were nominally SEK 34bn (33 second half of 2023).

Amounts owed to credit institutions and issued debt, SEKbn	30 Jun 2024	31 Dec 2023	30 Jun 2023
Amounts owed to credit institutions	706	681	705
Debt securities in issue	377	361	361
Eligible liabilities	44	41	21
<b>Total</b>	<b>1 127</b>	<b>1 083</b>	<b>1 087</b>

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

As part of its liquidity planning, Swedbank Mortgage aims to actively buy back a portion of its issuance in the Swedish bond market starting about 1.5 years before maturity. In the first half of 2024, SEK 14bn was repurchased in the Swedish market (12 second half of 2023). The average maturity of all outstanding covered bonds was 35 months on 30 June 2024 (32 as of 31 December 2023).

### Capital adequacy

Swedbank Mortgage's legal capital requirement is based on the Capital Requirements Regulation (CRR), which sets the minimum requirement for Swedbank Mortgage per 30<sup>th</sup> of June 2024. Swedbank Mortgage's total capital ratio was 18.9 per cent as of 30<sup>th</sup> of June 2024 (18.3 per cent as of 31<sup>st</sup> of December 2023), to be compared with the capital requirement of 16.7 per cent (16.7 per cent).

Total own funds increased during the first half of the year and amounted to SEK 54.0bn (53.5). REA decreased by SEK 6.9bn to SEK 286.4bn (293.3). The decrease was due to credit risk including article 458 which decreased primarily due to a change in the PD assignment process and exposure classification driving migration of retail exposures to corporate exposure class which decreased the exposures in scope for the mortgage floor. The capital adequacy is further disclosed in note 15.

Swedbank Mortgage's leverage ratio as of 30<sup>th</sup> of June 2024 was 4.8 per cent (4.8).

### Capital and resolutions regulations

Due to the guidelines from the European Banking Authority (EBA), Swedbank is applying for approval of new internal models for risk classification. The review process is expected to continue in 2024 and 2025.

Swedbank previously decided on an Article 3 add-on corresponding to the bank's estimate of the remaining impact on REA of the new models. The Swedish FSA

has also introduced a temporary add-on of 2.4 per cent in the Pillar 2 requirement (P2R) related to the ongoing review of the models. The models are likely to result in a lower capital requirement than the add-on in P2R.

The Resolution Act, which entered into force in 2021, applies the MREL requirement as of 1 January 2024. Swedbank Hypotek meets the requirement by an adequate margin.

### Risks

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

### Credit and asset quality

Swedbank Mortgage's credit portfolio saw increasing impairments and late payments during the first half of the year, primarily driven by the peak in interest rates. The Riksbank lowered the rates in beginning of May and the latter part of the period indicates a brighter macroeconomic outlook leading to lower stage 1 and stage 2 impairments. At the same time the likely bottoming of the economic cycle with increasing unemployment continues to drive increases in stage 3 impairments.

House price development impacts the loan to value ratio for properties in the portfolio. During the first half of the year prices have increased slightly and the average loan-to-value ratio for private lending was 58 per cent (57 as of 31 December 2023), based on property level. For new lending in the half-year the loan to-value ratio was 69 per cent (69 as of 31 December 2023). For more information on asset quality, see the fact book for the Swedbank Group as well as Swedbank.

Higher mortgage rates in combination with weaker cash flow proportionally affects highly indebted individuals and legal entities with small margins. In the lending process however, customers' long-term solvency including stressed interest rates is key in order to ensure high quality and low risk also in times of stress. Despite the negative macroeconomic development, the mortgage portfolio remains of high quality with low credit impairments.

Modelled provisions under IFRS9 are decreasing due to the improved macro-outlook. Additional post-model provisioning has also been reduced due to the improved outlook.

For more information on asset quality, refer to the fact book for the Swedbank Group.

### Operational risks

During the first half of 2024, no incidents occurred which materially affected Swedbank Mortgage. Losses related to operational risks remained very low.

## **Rating**

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

## **Events after 30 June 2024**

The Board of Directors has appointed Annika Lundberg to CEO of Swedbank Hypotek AB from 1 September 2024. Annika Lundberg will replace Magdalena Frostling the acting CEO since the previous CEO, Thomas Åhman, resigned on 12 May 2024.

## Income statement, condensed

SEKm	2024 Jan-Jun	2023 Jul-Dec		2023 Jan-Jun	%
Interest income on financial assets measured at amortised cost	22 605	20 658	9	17 125	32
<b>Interest income</b>	<b>22 605</b>	<b>20 658</b>	<b>9</b>	<b>17 125</b>	<b>32</b>
Interest expense	-17 717	-16 632	7	-12 732	39
<b>Net interest income (note 3)</b>	<b>4 888</b>	<b>4 026</b>	<b>21</b>	<b>4 393</b>	<b>11</b>
Commission income	16	17	-2	19	-11
Commission expenses	-26	-24	10	-18	47
<b>Net commissions</b>	<b>-10</b>	<b>-7</b>	<b>40</b>	<b>1</b>	
Net gains and losses on financial items (note 4)	586	212		22	
Other income	3	2	35	2	100
<b>Total income</b>	<b>5 467</b>	<b>4 234</b>	<b>29</b>	<b>4 419</b>	<b>24</b>
<b>Total general administrative expenses</b>	<b>138</b>	<b>136</b>	<b>1</b>	<b>142</b>	<b>-3</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>5 330</b>	<b>4 098</b>	<b>30</b>	<b>4 277</b>	<b>25</b>
Credit impairments (note 5)	18	299	-94	274	-94
Swedish bank tax and resolution fees (note 6)	298	301	-1	301	-1
<b>Operating profit</b>	<b>5 014</b>	<b>3 499</b>	<b>43</b>	<b>3 701</b>	<b>35</b>
Tax	1 033	720	44	762	35
<b>Profit for the period</b>	<b>3 981</b>	<b>2 779</b>	<b>43</b>	<b>2 939</b>	<b>35</b>

## Statement of comprehensive income, condensed

SEKm	2024 Jan-Jun	2023 Jul-Dec		2023 Jan-Jun	%
<b>Profit for the period reported via income statement</b>	<b>3 981</b>	<b>2 779</b>	<b>43</b>	<b>2 939</b>	<b>35</b>
<b>Items that may be reclassified to the income statement</b>					
Cash flow hedges:					
Gains and losses arising during the period	198	-7 590		6 196	-97
Reclassification adjustments to income statement, net gains and losses	-215	7 519		-6 038	-96
Foreign currency basis risk:					
Gains/losses arising during the period	-514	-223		-173	
Tax relating to components of other comprehensive income	109	61	80	3	
<b>Total comprehensive income attributable to shareholders of Swedbank Mortgage AB</b>	<b>3 560</b>	<b>2 546</b>	<b>40</b>	<b>2 927</b>	<b>22</b>



## Balance sheet, condensed

SEKm	2024 30 Jun	2023 31 Dec	Δ mkr	%	2023 30 Jun	%
<b>Assets</b>						
Loans to credit institutions (note 7)	61 560	23 025	38 535		24 559	
Loans to the public (note 7)	1 120 396	1 115 385	5 011	0	1 111 919	1
Value change of interest hedged items in portfolio hedge	-5 905	-8 489	2 584	-30	-17 544	-66
Derivatives (note 9)	17 103	22 875	-5 772	-25	37 442	-54
Deferred tax assets	134	25	109			
Other assets	394	802	-409	-51	1 900	-79
Prepaid expenses and accrued income	209		209		212	-2
<b>Total assets</b>	<b>1 193 890</b>	<b>1 153 624</b>	<b>40 267</b>	<b>3</b>	<b>1 158 489</b>	<b>3</b>
<b>Liabilities and equity</b>						
<b>Liabilities</b>						
Amounts owed to credit institutions	705 693	680 697	24 995	4	705 431	0
Debt securities in issue (note 10)	376 770	361 435	15 335	4	360 954	4
Derivatives (note 9)	8 030	10 066	-2 035	-20	18 575	-57
Current tax liabilities	228	359	-131	-37	318	-28
Deferred tax liabilities					35	-100
Other liabilities	4 652	5 929	-1 278	-22	3 430	36
Accrued expenses and prepaid income	353	325	29	9	359	-2
Eligible liabilities	44 182	41 205	2 977	7	21 104	
<b>Total liabilities</b>	<b>1 139 908</b>	<b>1 100 017</b>	<b>39 891</b>	<b>4</b>	<b>1 110 205</b>	<b>3</b>
<b>Equity</b>	<b>53 982</b>	<b>53 607</b>	<b>375</b>	<b>1</b>	<b>48 283</b>	<b>12</b>
<b>Total liabilities and equity</b>	<b>1 193 890</b>	<b>1 153 624</b>	<b>40 267</b>	<b>3</b>	<b>1 158 489</b>	<b>3</b>

## Statement of changes in equity, condensed

SEKm	Restricted equity		Non-restricted equity			
	Share capital	Statutory reserve	Cash flow hedges	Foreign currency basis risk reserve	Retained earnings	Total equity
<b>Opening balance 1 January 2024</b>	<b>11 500</b>	<b>3 100</b>	<b>180</b>	<b>-276</b>	<b>39 103</b>	<b>53 607</b>
Group contributions paid					-4 012	-4 012
Tax on group distributions paid					826	826
Total comprehensive income for the year			-13	-408	3 981	3 560
<b>Closing balance 30 June 2024</b>	<b>11 500</b>	<b>3 100</b>	<b>167</b>	<b>-684</b>	<b>39 899</b>	<b>53 982</b>
of which, conditional shareholders' contributions					2 400	2 400
<b>Opening balance 1 January 2023</b>	<b>11 500</b>	<b>3 100</b>	<b>110</b>	<b>39</b>	<b>32 958</b>	<b>47 707</b>
Group contributions paid					-5 760	-5 760
Tax on group distributions paid					1 187	1 187
Shareholders' contribution					5 000	5 000
Total comprehensive income for the year			70	-315	5 718	5 473
<b>Closing balance 31 December 2023</b>	<b>11 500</b>	<b>3 100</b>	<b>180</b>	<b>-276</b>	<b>39 103</b>	<b>53 607</b>
of which, conditional shareholders' contributions					2 400	2 400
<b>Opening balance 1 January 2023</b>	<b>11 500</b>	<b>3 100</b>	<b>110</b>	<b>39</b>	<b>32 958</b>	<b>47 707</b>
Group contributions paid					-2 961	-2 961
Tax on group distributions paid					610	610
Total comprehensive income for the year			126	-138	2 939	2 927
<b>Closing balance 30 June 2023</b>	<b>11 500</b>	<b>3 100</b>	<b>236</b>	<b>-99</b>	<b>33 546</b>	<b>48 283</b>
of which, conditional shareholders' contributions					2 400	2 400

## Cash flow statement, condensed

	2024	2023	2023
SEKm	Jan-Jun	Full-year	Jan-Jun
<b>Operating activities</b>			
Operating profit	5 014	7 200	3 701
Adjustments for non-cash items in operating activities	7 621	6 252	692
Taxes paid <sup>1)</sup>	-300	-500	-150
Increase (-) /decrease (+) in loans to the public	-5 005	10	3 565
Increase (-) /decrease (+) in other assets	6	-10	25
Increase (+) /decrease (-) in amounts owed to credit institutions	25 000	-65 570	-40 570
Increase (+) /decrease (-) of issued interest-bearing securities	8 490	-9 549	-3 229
Increase (+) /decrease (-) in other liabilities	469	-109	226
<b>Cash flow from operating activities</b>	<b>41 295</b>	<b>-62 275</b>	<b>-35 741</b>
<b>Financing activities</b>			
Issuance of eligible liabilities	3 000	26 000	6 000
Shareholders' contributions		5 000	
Group contributions paid	-5 760	-9 849	-9 849
<b>Cash flow from financing activities</b>	<b>-2 760</b>	<b>21 151</b>	<b>-3 849</b>
<b>Cash flow for the period</b>	<b>38 535</b>	<b>-41 124</b>	<b>-39 590</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>23 025</b>	<b>64 149</b>	<b>64 149</b>
Cash flow for the period	38 535	-41 124	-39 590
<b>Cash and cash equivalents at end of the period</b>	<b>61 560</b>	<b>23 025</b>	<b>24 559</b>

<sup>1)</sup> Including also the tax effect of the Group contribution, amounting to SEK 826m.

## Notes

The interim report has been prepared on a going concern basis. On 15 July 2024, the Board of Directors and the CEO approved the interim report for publication. Swedbank Mortgage has its registered office in Stockholm, Sweden.

### Note 1 Accounting policies

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

The accounting policies applied in the interim report conform to those applied in the Annual Report for 2023, which was prepared in accordance with International Financial Reporting Standards as adopted by the European Union and interpretations thereof. There have been no significant changes to Swedbank Mortgage's accounting policies set out in the 2023 Annual Report.

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

#### **Changes in Swedish regulations**

The amended Swedish regulations that have been adopted from 1 January 2024 have not had a significant impact on Swedbank Mortgage's financial position, results, cash flows or disclosures.

## Note 2 Business segments

SEKm	2024 Jan-Jun					2023 Jan-Jun				
	Private	Cor- porate	Forestry and Agricultural	Not distributed	Total	Private	Cor- porate	Forestry and Agricultural	Not distributed	Total
Net interest income	3 014	723	250	900	4 888	3 006	597	237	553	4 393
Net commissions	-8	-1	0		-10	1				1
Net gains and losses on financial items				586	586				22	22
Other income				3	3				2	2
<b>Total income</b>	<b>3 006</b>	<b>722</b>	<b>250</b>	<b>1 489</b>	<b>5 467</b>	<b>3 007</b>	<b>597</b>	<b>237</b>	<b>578</b>	<b>4 419</b>
<b>Total general administrative expenses</b>	98	0	7	32	138	102	0	8	32	142
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>2 908</b>	<b>721</b>	<b>243</b>	<b>1 457</b>	<b>5 330</b>	<b>2 905</b>	<b>597</b>	<b>229</b>	<b>545</b>	<b>4 277</b>
Credit impairments	64	-23	-24		18	169	86	19		274
Swedish bank tax and resolution fees	243	41	14		298	246	40	14		301
<b>Operating profit</b>	<b>2 601</b>	<b>703</b>	<b>253</b>	<b>1 457</b>	<b>5 014</b>	<b>2 490</b>	<b>470</b>	<b>196</b>	<b>545</b>	<b>3 701</b>
Loans to the public	913 589	154 905	51 902		1 120 396	909 041	149 453	53 425		1 111 919

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

## Note 3 Net interest income

SEKm	2024	2023	2023	
	Jan-Jun	Jul-Dec	% Jan-Jun	% Jul-Dec
<b>Interest income</b>				
Loans to credit institutions	668	667	0	-10
Loans to the public	21 937	19 987	10	34
Other Interest income	1	4	-76	-56
<b>Total interest income</b>	<b>22 605</b>	<b>20 658</b>	<b>9</b>	<b>32</b>
<b>Interest expense</b>				
Amounts owed to credit institutions	-13 271	-14 189	-6	12
Debt securities in issue	-3 636	-3 151	15	52
Derivatives	377	1 396	-73	-81
Eligible liabilities	-1 186	-688	72	
Other	-2	-1	70	-62
<b>Total interest expense</b>	<b>-17 717</b>	<b>-16 632</b>	<b>7</b>	<b>39</b>
<b>Total net interest income</b>	<b>4 888</b>	<b>4 026</b>	<b>21</b>	<b>11</b>
Negative yield on financial assets	0	0		-100
Interest expense on financial liabilities at amortised cost	18 091	18 024	0	23

## Note 4 Net gains and losses on financial items

SEKm	2024	2023	2023	
	Jan-Jun	Jul-Dec	% Jan-Jun	% Jul-Dec
<b>Fair value through profit and loss</b>				
Debt securities in issue	3	-3	2	34
Derivatives	296	56	-9	
<b>Total fair value through profit and loss</b>	<b>299</b>	<b>53</b>	<b>-7</b>	
<b>Hedge accounting</b>				
Ineffective part in hedge accounting at fair value	-24	45	-26	-11
of which hedging instruments	375	10 262	-96	-3
of which hedged items	-398	-10 217	-96	-4
Ineffective part in portfolio hedge accounting at fair value	78	58	35	-27
of which hedging instruments	-2 506	-8 997	-72	-8
of which hedged items	2 584	9 055	-71	-9
Ineffective part in cash flow hedge	223	79	-95	
<b>Total hedge accounting</b>	<b>278</b>	<b>182</b>	<b>53</b>	<b>-14</b>
<b>Derecognition gain or loss for financial liabilities at amortised cost</b>	<b>-8</b>	<b>4</b>	<b>8</b>	
<b>Derecognition gain or loss for loans at amortised cost</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>48</b>
<b>Change in exchange rates</b>	<b>12</b>	<b>-30</b>	<b>32</b>	<b>-61</b>
<b>Total net gains and losses on financial items</b>	<b>586</b>	<b>212</b>	<b>22</b>	

## Note 5 Credit impairments

SEKm	2024	2023	2023		
	Jan-Jun	Jul-Dec	%	Jan-Jun	%
<b>Credit impairments for loans at amortised cost</b>					
Credit impairments – stage 1	-45	33		58	
Credit impairments – stage 2	-101	125		172	
Credit impairments – stage 3	148	129	15	38	
<b>Total</b>	<b>2</b>	<b>287</b>	<b>-99</b>	<b>268</b>	<b>-99</b>
Write-offs	19	14	37	10	90
Recoveries	-4	-2	87	-3	26
<b>Total</b>	<b>15</b>	<b>12</b>	<b>29</b>	<b>7</b>	
<b>Total - credit impairments for loans at amortised cost</b>	<b>18</b>	<b>299</b>	<b>-94</b>	<b>274</b>	<b>-94</b>
<b>Total credit impairments</b>	<b>18</b>	<b>299</b>	<b>-94</b>	<b>274</b>	<b>-94</b>
Credit impairment ratio, %	<b>0.00</b>	<b>0.05</b>	<b>-100</b>	<b>0.05</b>	<b>-100</b>

### Calculation of credit impairment provisions

The measurement of expected credit losses is described in Note 3a Credit risk on pages 26-28 of the 2023 Annual Report. There have been no significant changes during the year to the methodology.

### Measurement of 12-month and lifetime expected credit losses

While inflation has started to come down, the high interest rates and overall costs levels, combined with geopolitical instability, continue to weigh on private persons and companies, resulting in a high level of uncertainty regarding impact on credit risk. As the quantitative risk models do not yet reflect all potential deteriorations in credit quality, post-model adjustments have been made to capture potential future rating and stage migrations.

Post-model expert credit adjustments to increase the credit impairment provisions continue to be deemed necessary and amounted to SEK 114m (SEK 199m as of 31 December 2023) and are allocated as SEK 25m in stage 1 and SEK 89m in stage 2. Customers and industries are reviewed and analysed considering the current situation, particularly in more vulnerable sectors. The post-model adjustments are mainly in the Property management sector.

### Determination of a significant increase in credit risk

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

- Changes in the 12-month PD and internal risk rating grades, which have been applied for the portfolio of loans originated before 1 January 2018. For instance, for exposures originated with risk grades 0 to 5, a downgrade by 1 grade from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with risk grades 18 to 21, a downgrade by 5 to 7 grades from initial recognition is considered significant. Internal risk ratings are assigned according to the risk management framework outlined in Note 3a Credit risk in the Annual Report for 2023.
- Changes in the lifetime PD, which have been applied for the portfolio of loans originated on or after 1 January 2018. For instance, for exposures originated with risk grades 0 to 5, a 50 per cent increase in the lifetime PD from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with risk grades 18 to 21, a relative increase of 200-300 per cent and an absolute increase in the 12-month PD above 7.5 basis points from initial recognition is considered significant.

These limits reflect a lower sensitivity to change in the low-risk end of the risk scale and a higher sensitivity to change in the high-risk end of the scale. The Group has performed a sensitivity analysis on how credit impairment provisions would change if thresholds applied were increased or decreased. A lower threshold would increase the number of loans that have migrated from Stage 1 to Stage 2 and also increase the estimated credit impairment provisions. A higher threshold would have the opposite effect.

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

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

Internal risk grade at initial recognition	12-month PD band at initial recognition, %	Threshold, rating downgrade <sup>1, 2, 3</sup>	Impairment provision impact of		Recognised credit impairment provisions 30 June 2024	Share of total portfolio in terms of gross carrying amount, % 30 June 2024
			Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %		
18-21	<0,1	5 - 7 grades	-3.0	2.8	43	22
13-17	0,1 - 0,5	3 - 5 grades	-5.4	8.9	79	19
9-12	>0,5 - 2,0	1 - 2 grades	-14.8	14.5	73	5
6-8	>2,0 - 5,7	1 grade	-7.3	2.7	22	2
0-5	>5,7 - 99,9	1 grade	-4.8	0.0	7	0
			<b>-9.1</b>	<b>9.7</b>	<b>225</b>	<b>49</b>
Post-model expert credit adjustment <sup>4</sup>					21	0
Sovereigns and financial institutions with low credit risk					0	0
Stage 3 financial instruments					266	0
<b>Total</b>					<b>511</b>	<b>49</b>

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

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

<sup>3)</sup> The threshold used in the sensitivity analyses is floored to 1 grade.

<sup>4)</sup> Represents post-model expert credit adjustments for stages 1 and 2.



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

Impairment provision impact of				Recognised credit impairment provisions	Share of total portfolio in terms of gross carrying amount, %
Internal risk grade at initial recognition	Threshold, increase in lifetime PD <sup>1</sup> , %	Increase in threshold by 100%, %	Decrease in threshold by 50%, %	30 June 2024	30 June 2024
18-21	200-300 <sup>2</sup>	-7.7	7.9	78	31
13-17	100-200	-3.3	10.2	114	15
9-12	100	-1.2	6.1	190	5
6-8	50	-1.3	6.3	59	1
0-5	50	-3.0	2.3	20	0
		<b>-3.2</b>	<b>8.7</b>	<b>460</b>	<b>51</b>
	Post-model expert credit adjustment <sup>3</sup>			93	0
	Sovereigns and financial institutions with low credit risk			0	0
	Stage 3 financial instruments			240	0
	<b>Total</b>			<b>794</b>	<b>51</b>

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

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

<sup>3)</sup> Represents post-model expert credit adjustments for stages 1 and 2.

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

Impairment provision impact of					Recognised credit impairment provisions 31 December 2023	Share of total portfolio in terms of gross carrying amount, % 31 December 2023
Internal risk grade at initial recognition	12-month PD band at initial recognition, %	Threshold, rating downgrade <sup>1, 2, 3</sup>	Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %		
18-21	<0.1	5 - 7 grades	-3.0	3.0	50	22
13-17	0.1 - 0.5	3 - 5 grades	-4.9	8.2	94	19
9-12	>0.5 - 2.0	1 - 2 grades	-14.6	13.8	80	5
6-8	>2.0 - 5.7	1 grade	-5.0	3.4	24	2
0-5	>5.7 - 99.9	1 grade	-2.2	0.0	10	0
			<b>-9.0</b>	<b>9.8</b>	<b>258</b>	<b>49</b>
Post-model expert credit adjustment <sup>4</sup>					46	0
Sovereigns and financial institutions with low credit risk					0	0
Stage 3 financial instruments					224	0
<b>Total</b>					<b>528</b>	<b>49</b>

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

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

<sup>3)</sup> The threshold used in the sensitivity analyses is floored to 1 grade.

<sup>4)</sup> Represents post-model expert credit adjustments for stages 1 and 2.

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

Impairment provision impact of				Recognised credit impairment provisions 31 December 2023	Share of total portfolio in terms of gross carrying amount, % 31 December 2023
Internal risk grade at initial recognition	Threshold, increase in lifetime PD <sup>1</sup> , %	Increase in threshold by 100%, %	Decrease in threshold by 50%, %		
18-21	200-300 <sup>2</sup>	-8.2	28.9	99	31
13-17	100-200	-5.0	9.8	165	15
9-12	100	-1.1	8.3	167	5
6-8	50	-1.6	20.3	48	1
0-5	50	-6.1	4.4	10	0
		<b>-4.8</b>	<b>17.5</b>	<b>488</b>	<b>51</b>
Post-model expert credit adjustment <sup>3</sup>				153	0
Sovereigns and financial institutions with low credit risk				0	0
Stage 3 financial instruments				124	0
<b>Total</b>				<b>765</b>	<b>51</b>

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

<sup>2)</sup> As per 30 September 2023, Swedish mortgages originated in risk grades 18-21 with a relative increase of 200-300% and an absolute increase in the 12-month PD above 7.5bps have experienced a significant increase in credit risk.

<sup>3)</sup> Represents post-model expert credit adjustments for stages 1 and 2.

### Incorporation of forward-looking macroeconomic scenarios

The Swedbank Economic Outlook was published on 18 April 2024 and the baseline scenario was updated by Swedbank Macro Research as of 10 June 2024. The baseline scenario, with an assigned probability weight of 66.6 per cent, is aligned with the published outlook and incorporates updated observed outcome and data points. The alternative scenarios are aligned with the updated baseline scenario, with probability weights of 16.7 per cent assigned to both the upside and downside scenario.

### IFRS 9 scenarios

Global growth remains weak, but development is varied across regions and countries. After the summer, European economies will start to recover as inflation normalises and interest rates decline. US growth, on the other hand, is expected to slow slightly later this year and in 2025, as a result of less fiscal stimulus and lags from tight monetary policy.

Geopolitical risks remain elevated. The situation in the Middle East could lead to higher oil prices. Natural gas prices have stayed low, however, and at current levels, energy prices are not driving inflation. Some commodity prices and freight costs have started to rise, which could complicate the path to normal inflation and further delay central bank rate cuts.

In Sweden, GDP growth will gradually increase in the second half of this year as real wages, and hence household consumption, increase. Next year, growth will pick up further, and GDP will increase by close to 3%. The labour market will weaken further this year before employment increases again next year as growth picks up.

30 Jun 2024			
Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Credit impairment provisions	
		Negative scenario	Positive scenario
1 305	114	1 461	1 258

31 Dec 2023			
Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Credit impairment provisions	
		Negative scenario	Positive scenario
1293	199	1415	1258

## Note 6 Swedish bank tax and resolution fees

	2024	2023	2023
SEKm	Jan-Jun	Jul-Dec	Jan-Jun
Swedish bank tax	107	106	106
Resolution fees	190	194	194
<b>Total</b>	<b>298</b>	<b>301</b>	<b>301</b>

## Note 7 Loans

30 Jun 2024

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

31 Dec 2023

SEKm	Stage 1			Stage 2			Stage 3			Summa
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
<b>Loans to the public at amortised cost</b>										
<b>Private customers</b>	<b>930 736</b>	<b>81</b>	<b>930 655</b>	<b>64 991</b>	<b>289</b>	<b>64 702</b>	<b>2 201</b>	<b>286</b>	<b>1 915</b>	<b>997 272</b>
Private mortgage	847 874	75	847 799	61 210	277	60 933	2 199	285	1 913	910 646
Tenant owner associations	82 862	6	82 855	3 781	12	3 769	2	0	2	86 626
<b>Corporate customers</b>	<b>99 038</b>	<b>114</b>	<b>98 924</b>	<b>19 287</b>	<b>461</b>	<b>18 826</b>	<b>426</b>	<b>63</b>	<b>363</b>	<b>118 113</b>
Agriculture, forestry, fishing	38 312	22	38 290	5 828	86	5 742	213	34	179	44 211
Manufacturing	498	0	498	95	1	94	4	1	4	595
Public sector and utilities	1 329	1	1 328	214	6	208	7	2	5	1 541
Construction	2 133	2	2 131	482	9	473	22	3	19	2 624
Retail and wholesale	716	1	714	170	4	166	0	0	0	881
Transportation	262	0	262	68	2	66	0	0	0	328
Shipping and offshore	3	0	3	0	0	0	0	0	0	3
Hotels and restaurants	317	0	317	206	10	196	5	1	4	517
Information and communication	197	0	197	4	0	4	0	0	0	201
Finance and insurance	530	0	530	110	2	108	0	0	0	638
Property management, including	52 351	84	52 266	11 578	328	11 250	142	20	122	63 638
Residential properties	37 670	60	37 610	8 937	271	8 666	101	13	88	46 364
Commercial	8 959	10	8 949	1 857	32	1 825	27	4	24	10 797
Industrial and Warehouse	715	1	714	72	2	70	2	1	1	785
Other	5 006	13	4 993	711	23	688	11	2	10	5 691
Professional services	1 571	1	1 570	267	3	264	25	1	23	1 858
Other corporate lending	818	1	817	263	9	254	8	2	6	1 077
<b>Loans to the public</b>	<b>1 029 774</b>	<b>196</b>	<b>1 029 578</b>	<b>84 278</b>	<b>749</b>	<b>83 528</b>	<b>2 626</b>	<b>348</b>	<b>2 278</b>	<b>1 115 385</b>
<b>Loans to credit institutions</b>	<b>23 025</b>	<b>0</b>	<b>23 025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23 025</b>
<b>Loans to the public and credit institutions</b>	<b>1 052 799</b>	<b>196</b>	<b>1 052 603</b>	<b>84 278</b>	<b>749</b>	<b>83 528</b>	<b>2 626</b>	<b>348</b>	<b>2 278</b>	<b>1 138 410</b>
Share of loans, %	92.37			7.39			0.23			100
Credit impairment provision ratio, %	0.02			0.89			13.26			0.11

30 Jun 2023

SEKm	Stage 1			Stage 2			Stage 3			Total
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
<b>Loans to the public at amortised cost</b>										
<b>Private customers</b>	<b>920 212</b>	<b>55</b>	<b>920 157</b>	<b>73 299</b>	<b>246</b>	<b>73 053</b>	<b>960</b>	<b>176</b>	<b>784</b>	<b>993 994</b>
Private mortgage	837 963	50	837 913	70 317	236	70 081	957	175	782	908 776
Tenant owner associations	82 249	5	82 244	2 981	10	2 971	3	0	3	85 218
<b>Corporate customers</b>	<b>100 025</b>	<b>108</b>	<b>99 917</b>	<b>18 159</b>	<b>378</b>	<b>17 781</b>	<b>265</b>	<b>38</b>	<b>227</b>	<b>117 925</b>
Agriculture, forestry, fishing	39 534	31	39 502	5 452	82	5 370	119	18	101	44 973
Manufacturing	506	0	506	112	2	110	0	0	0	616
Public sector and utilities	1 422	1	1 421	193	10	183	4	0	4	1 608
Construction	2 180	2	2 177	453	9	445	11	1	9	2 631
Retail and wholesale	745	2	743	192	2	190	0	0	0	933
Transportation	271	1	270	69	3	67	0	0	0	337
Shipping and offshore	3	0	3	0	0	0	0	0	0	3
Hotels and restaurants	389	1	389	174	10	164	4	1	3	556
Information and communication	138	0	138	64	1	63	0	0	0	202
Finance and insurance	569	0	569	88	2	87	0	0	0	656
Property management, including	51 795	68	51 727	10 795	245	10 551	101	16	85	62 363
Residential properties	38 570	49	38 521	7 724	183	7 541	71	12	59	46 122
Commercial	8 276	9	8 268	2 355	37	2 318	27	4	24	10 609
Industrial and Warehouse	601	1	600	80	2	78	0	0	0	678
Other	4 347	9	4 338	637	22	614	3	1	2	4 955
Professional services	1 603	1	1 602	311	5	306	22	1	21	1 929
Other corporate lending	871	1	870	254	8	246	3	1	3	1 119
<b>Loans to the public</b>	<b>1 020 237</b>	<b>163</b>	<b>1 020 074</b>	<b>91 458</b>	<b>625</b>	<b>90 833</b>	<b>1 225</b>	<b>214</b>	<b>1 011</b>	<b>1 111 919</b>
<b>Loans to credit institutions</b>	<b>24 559</b>	<b>0</b>	<b>24 559</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24 559</b>
<b>Loans to the public and credit institutions</b>	<b>1 044 796</b>	<b>163</b>	<b>1 044 633</b>	<b>91 458</b>	<b>625</b>	<b>90 833</b>	<b>1 225</b>	<b>214</b>	<b>1 011</b>	<b>1 136 478</b>
Share of loans, %	91.85			8.04			0.11			100
Credit impairment provision ratio, %	0.02			0.68			17.45			0.09

## Note 8 Credit impairment provisions

### Reconciliation of credit impairment provisions for loans

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

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

## Loans to the public and credit institutions

SEKm	Stage 1	Stage 2	Stage 3	Total
<b>Carrying amount before provisions</b>				
Opening balance as of 1 January 2023	1 119 348	60 262	830	1 180 440
Closing balance as of 30 June 2023	1 044 796	91 458	1 225	1 137 479
<b>Credit impairment provisions</b>				
Opening balance as of 1 January 2023	105	453	172	730
<b>Movements affecting credit impairments</b>				
New and derecognised financial assets, net	8	-25	-26	-43
Changes in PD	18	-23	0	-5
Changes in other risk factors	7	9	42	59
Changes in macroeconomic scenarios	34	65	0	99
Changes to models				0
Post-model expert credit adjustments	21	35	0	56
Individual assessments				0
Stage transfers	-30	111	25	106
from 1 to 2	-35	157		122
from 1 to 3	0		2	2
from 2 to 1	5	-33		-28
from 2 to 3		-15	29	14
from 3 to 2		2	-4	-2
from 3 to 1	0		-2	-2
Other			-4	-4
<b>Total movements affecting credit impairments</b>	<b>58</b>	<b>172</b>	<b>38</b>	<b>268</b>
<b>Movements recognised outside credit impairments</b>				
Interest			4	4
Closing balance as of 30 June 2023	163	625	214	1 001
<b>Carrying amount</b>				
Opening balance as of 1 January 2023	1 119 243	59 809	659	1 179 711
Closing balance as of 30 June 2023	1 044 633	90 833	1 011	1 136 478

## Note 9 Derivatives

SEKm	2024 30 Jun			2023 31 Dec		
	Interest	Currency	Total	Interest	Currency	Total
Derivatives with positive book value	10 072	7 031	17 103	14 086	8 789	22 875
of which in hedge accounting	10 069	6 949	17 019	14 077	7 177	21 255
Derivatives with negative book value	7 970	60	8 030	8 825	1 241	10 066
of which in hedge accounting	7 806	0	7 806	8 539	156	8 695
<b>Nominal amount</b>	<b>671 034</b>	<b>85 771</b>	<b>756 805</b>	<b>678 812</b>	<b>147 700</b>	<b>826 513</b>



## Note 10 Debt securities in issue

	2024	2023		2023	
SEKm	30 Jun	31 Dec	%	30 Jun	%
Bond loans	381 603	366 827	4	377 182	1
Change in value due to hedge accounting at fair value	-4 833	-5 392	-10	-16 228	-70
<b>Total</b>	<b>376 770</b>	<b>361 435</b>	<b>4</b>	<b>360 954</b>	<b>4</b>

Turnover during the period	2024	2023		2023	
SEKm	Jan-Jun	Jul-Dec	%	Jan-Jun	%
<b>Opening balance</b>	<b>361 435</b>	<b>360 954</b>	<b>0</b>	<b>354 722</b>	<b>2</b>
Issued	56 464	38 202	48	50 471	12
Repurchased	-13 719	-11 678	17	-4 388	
Repaid	-34 255	-32 842	4	-49 313	-31
Interest	3 636	3 150	15	2 387	52
Change in market values or in hedged item in hedge accounting at fair value	404	10 215	-96	404	0
Changes in exchange rates	2 805	-6 566		6 671	-58
<b>Closing balance</b>	<b>376 770</b>	<b>361 435</b>	<b>4</b>	<b>360 954</b>	<b>4</b>

## Note 11 Valuation categories of financial instruments

Financial assets	30 Jun 2024				
	Fair value through profit or loss				Fair value
	Amortised cost	Mandatorily	Hedging instruments	Total	
		Trading			
Carrying Amount in SEKm					
Loans to credit institutions	61 560			61 560	61 560
Loans to the public	1 120 396			1 120 396	1 120 096
Value change of interest hedged items in portfolio hedge	-5 905			-5 905	-5 905
Derivatives		84	17 019	17 103	17 103
Other financial assets	394			394	394
Total	1 176 444	84	17 019	1 193 547	1 193 248

Financial liabilities	30 Jun 2024						
	Fair value through profit or loss					Total	Fair value
	Amortised cost	Trading	Designated	Total	Hedging instruments		
Carrying Amount in SEKm							
Amounts owed to credit institutions	705 693					705 693	705 900
Debt securites in issue <sup>1)</sup>	376 649		121	121		376 770	375 796
Derivatives		224		224	7 806	8 030	8 030
Other financial liabilities	4 652					4 652	4 652
Eligible liabilities	44 182					44 182	45 756
Total	1 131 176	224	121	344	7 806	1 139 327	1 140 134

<sup>1)</sup> Nominal amount of debt securities in issue designated at fair value through profit or loss was SEK 114m.

Financial assets	31 Dec 2023				
	Amortised cost	Fair value through profit or loss		Total	Fair value
		Mandatorily Trading	Hedging instruments		
Carrying Amount in SEKm					
Loans to credit institutions	23 025			23 025	23 025
Loans to the public	1 115 385			1 115 385	1 115 199
Value change of interest hedged items in portfolio hedge	-8 489			-8 489	-8 489
Derivatives		1 620	21 255	22 875	22 875
Other financial assets	802			802	802
<b>Total</b>	<b>1 130 723</b>	<b>1 620</b>	<b>21 255</b>	<b>1 153 598</b>	<b>1 153 412</b>

Financial liabilities	31 Dec 2023						
	Amortised cost	Fair value through profit or loss			Hedging instruments	Total	Fair value
		Trading	Designated	Total			
Carrying Amount in SEKm							
Amounts owed to credit institutions	680 697					680 697	680 822
Debt securites in issue <sup>1)</sup>	361 312		123	123		361 435	359 179
Derivatives		1 371		1 371	8 695	10 066	10 066
Other financial liabilities	5 929					5 929	5 929
Eligible liabilities	41 205					41 205	42 929
<b>Total</b>	<b>1 089 143</b>	<b>1 371</b>	<b>123</b>	<b>1 494</b>	<b>8 695</b>	<b>1 099 332</b>	<b>1 098 925</b>

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

## Note 12 Financial instruments at fair value

30 Jun 2024	Instruments with quoted market prices in an active market	Valuation techniques using observable market data	Valuation techniques using non-observable market data	
SEKm	(Level 1)	(Level 2)	(Level 3)	Total
<b>Assets</b>				
Derivatives		17 103		17 103
<b>Total</b>		<b>17 103</b>		<b>17 103</b>
<b>Liabilities</b>				
Debt securities in issue		121		121
Derivatives		8 030		8 030
<b>Total</b>		<b>8 151</b>		<b>8 151</b>

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

The methods are divided into three different levels:

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

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

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

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

31 Dec 2023	Instruments with quoted market prices in an active market	Valuation techniques using observable market data	Valuation techniques using non-observable market data	
SEKm	(Level 1)	(Level 2)	(Level 3)	Total
<b>Assets</b>				
Derivatives		22 875		22 875
<b>Total</b>		<b>22 875</b>		<b>22 875</b>
<b>Liabilities</b>				
Debt securities in issue		123		123
Derivatives		10 066		10 066
<b>Total</b>		<b>10 189</b>		<b>10 189</b>

## Note 13 Assets pledged, contingent liabilities and commitments

SEKm	2024 30 Jun	2023 31 Dec	%	2023 30 Jun	%
Loans, used as collateral for covered bonds <sup>1)</sup>	397 653	381 369	4	382 836	4
Commitments <sup>2)</sup>	8 870	6 843	30	8 282	7
<b>Pledged assets and contingent liabilities</b>	<b>406 523</b>	<b>388 212</b>	<b>5</b>	<b>391 118</b>	<b>4</b>

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

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

## Note 14 Related parties

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

SEKm	2024 30 Jun	2023 31 Dec	2023 30 Jun
<b>Group receivables</b>			
Loans to credit institutions	61 560	23 025	24 559
Derivatives	17 103	22 875	37 442
Other assets	46	62	44
<b>Total</b>	<b>78 709</b>	<b>45 962</b>	<b>62 045</b>
<b>Group payables</b>			
Amounts owed to credit institutions	705 693	680 697	705 431
Debt securities in issue	7 725	15 841	16 017
Derivatives	8 030	10 066	18 575
Other liabilities	4 017	5 769	2 965
Eligible liabilities	44 182	41 205	21 104
<b>Total</b>	<b>769 647</b>	<b>753 578</b>	<b>764 092</b>
<b>Income statement</b>			
Interest income	685	1 444	759
Interest expense	-14 327	-24 296	-10 503
Other expenses	-6	-9	-4
<b>Total</b>	<b>-13 647</b>	<b>-22 861</b>	<b>-9 747</b>

## Note 15 Capital Adequacy

### Capital adequacy analysis

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

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

The note contains the information that must be published according to the SFSA's regulations (FFFS 2008:25). Additional periodic information according to the European Parliament's and the Council's regulation (EU) No 575/2013 on prudential requirements for credit institutions and the Commission's implementing regulation (EU) No 2021/637 can be found in Swedbank group reporting at Swedbank's website <https://www.swedbank.com/investor-relations/reports-and-presentations/risk-reports>

SEKm	2024 30 Jun	2024 31 Mar	2023 31 Dec	2023 30 Sep	2023 30 Jun
<b>Available own funds (amounts)</b>					
Common Equity Tier 1 (CET1) capital	53 687	53 540	53 275	52 984	47 943
Tier 1 capital	53 687	53 540	53 275	52 984	47 943
Total capital	54 009	53 809	53 530	53 226	48 177
<b>Risk-weighted exposure amounts</b>					
Total risk exposure amount	286 376	294 346	293 262	292 716	288 178
<b>Capital ratios as a percentage of risk-weighted exposure amount</b>					
Common Equity Tier 1 ratio	18.7	18.2	18.2	18.1	16.6
Tier 1 ratio	18.7	18.2	18.2	18.1	16.6
Total capital ratio	18.9	18.3	18.3	18.2	16.7
<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	4.2	4.2	4.2	4.2	1.3
of which: to be made up of CET1 capital	2.8	2.8	2.8	2.8	0.8
of which: to be made up of Tier 1 capital	3.2	3.2	3.2	3.2	1.0
Total SREP own funds requirements	12.2	12.2	12.2	12.2	9.3
<b>Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount</b>					
Capital conservation buffer	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State					
Institution specific countercyclical capital buffer	2.0	2.0	2.0	2.0	2.0
Systemic risk buffer	0.0	0.0	0.0	0.0	0.0
Global Systemically Important Institution buffer					
Other Systemically Important Institution buffer					
Combined buffer requirement	4.5	4.5	4.5	4.5	4.5
Overall capital requirements	16.7	16.7	16.7	16.7	13.8
CET1 available after meeting the total SREP own funds requirements	6.6	6.0	6.0	5.9	7.4
<b>Leverage ratio</b>					
Total exposure measure	1 119 776	1 113 683	1 111 157	1 101 846	1 100 434
Leverage ratio, %	4.8	4.8	4.8	4.8	4.4
<b>Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure</b>					
Additional own funds requirements to address the risk of excessive leverage					
of which: to be made up of CET1 capital					
Total SREP leverage ratio requirements	3.0	3.0	3.0	3.0	3.0
<b>Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure</b>					
Leverage ratio buffer requirement					
Overall leverage ratio requirement	3.0	3.0	3.0	3.0	3.0

	2024	2023
<b>Common Equity Tier 1 Capital, SEKm</b>	<b>30 Jun</b>	<b>31 Dec</b>
Shareholders' equity according to the balance sheet	53 982	53 607
Value changes in own financial liabilities	-108	-129
Cash flow hedges	-167	-180
Additional valuation adjustments	-20	-23
Insufficient coverage for non-performing exposures	0	0
<b>Total</b>	<b>53 687</b>	<b>53 275</b>

	2024	2023
<b>Risk exposure amount, SEKm</b>	<b>30 Jun</b>	<b>31 Dec</b>
Credit risks, IRB	53 709	42 517
Operational risks	16 644	16 644
Additional risk exposure amount, Article 458 CRR	216 023	234 101
<b>Total</b>	<b>286 376</b>	<b>293 262</b>

	SEKm		Per cent	
<b>Capital requirements<sup>1)</sup></b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>SEKm / per cent</b>	<b>30 Jun</b>	<b>31 Dec</b>	<b>30 Jun</b>	<b>31 Dec</b>
Capital requirement Pillar 1	35 797	36 658	12.5	12.5
of which Buffer requirements <sup>2)</sup>	12 887	13 197	4.5	4.5
Total capital requirement Pillar 2 <sup>3)</sup>	12 142	12 434	4.2	4.2
<b>Total capital requirement including Pillar 2 guidance</b>	<b>47 940</b>	<b>49 093</b>	<b>16.7</b>	<b>16.7</b>
Own funds	54 009	53 530		

<sup>1)</sup> Swedbank Mortgage's calculation based on the SFSA's announced capital requirements, including Pillar 2 requirements and Pillar 2 guidance.

<sup>2)</sup> Buffer requirements includes capital conservation buffer and countercyclical capital buffer.

<sup>3)</sup> Individual Pillar 2 requirement according to decision from SFSA SREP 2023.

	SEKm		Per cent	
<b>Leverage ratio requirements<sup>1)</sup></b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>SEKm / per cent</b>	<b>30 Jun</b>	<b>31 Dec</b>	<b>30 Jun</b>	<b>31 Dec</b>
Leverage ratio requirement Pillar 1	33 593	33 335	3.0	3.0
<b>Total leverage ratio requirement including Pillar 2 guidance</b>	<b>33 593</b>	<b>33 335</b>	<b>3.0</b>	<b>3.0</b>
Tier 1 capital	53 687	53 275		

<sup>1)</sup> Swedbank Mortgage's calculation based on the SFSA's announced leverage ratio requirements, including Pillar 2 requirements and Pillar 2 guidance.

## Alternative performance measures

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

Measure	Definition
Credit Impairment ratio	Credit impairment on loans and other credit risk provisions, net, in relation to the opening balance of loans to credit institutions and loans to public after provisions.
Credit impairment provision ratio Stage 1 loans	Credit impairment provisions Stage 1 in relation to the gross carrying amount Stage 1 loans
Credit impairment provision ratio Stage 2 loans	Credit impairment provisions Stage 2 in relation to the gross carrying amount Stage 2 loans
Credit impairment provision ratio Stage 3 loans	Credit impairment provisions Stage 3 in relation to the gross carrying amount Stage 3 loans
Equity per share	Shareholders equity in relation to the number of shares outstanding.
Investment margin	Net interest margin is calculated as Net interest income in relation to average total assets. The average is calculated using month-end figures, including the prior year end.
Return on equity	Profit for the period allocated to shareholders in relation to average equity attributable to shareholders. The average is calculated using month-end figures.
Share of stage 1 loans, gross	Carrying amount of Stage 1 loans, gross, in relation to the carrying amount of loans to credit institutions and the public excluding provisions.
Share of stage 2 loans, gross	Carrying amount of Stage 2 loans, gross, in relation to the carrying amount of loans to credit institutions and the public excluding provisions.
Share of Stage 3 loans, gross	Carrying amount of Stage 3 loans, gross, in relation to the carrying amount of loans to credit institutions and the public excluding provisions.
Total credit impairment provision ratio	Credit impairment provisions in relation to the gross carrying amount loans



# Signatures of the Board of Directors and the President

The Board of Directors and the CEO certify that the interim report for 2024 provides a fair and accurate overview of the operations, financial position and the results of the Company and that it describes the significant risks and uncertainties faced by the Company.

Stockholm 15 July 2024

Johan Smedman  
Chairman

Magdalena Frostling  
CEO

Mattias Persson

Jennifer Barck

Mats Lindgren

Pia Gisgård

## Review report

### Introduction

We have reviewed the interim report of Swedbank Hypotek AB as of 30 June 2024 and the six-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

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

Stockholm, 15 July 2024

PricewaterhouseCoopers AB

Anneli Granqvist  
Authorized Public Accountant  
Auditor in charge

Martin By  
Authorized Public Accountant

For further information please contact:

Magdalena Frostling  
CEO  
Telephone (+46)8 585 921 59

Annie Ho  
Head of Investor Relations  
Telephone (+46)8 585 922 69

**Swedbank Hypotek AB (publ)**  
Organisationsnummer: 556003-3283  
Landsvägen 40  
105 34 Stockholm  
Telefon: 08 – 585 900 00  
[www.swedbank.se/hypotek](http://www.swedbank.se/hypotek)  
[info@swedbank.se](mailto:info@swedbank.se)