

Annual Report

Swedbank Mortgage AB

2025

19 February 2026

2025 in brief

Full year 2025 compared with full year 2024

- Profit for the year 2025 amounted to SEK 5 851m (8 178)
- Net interest income decreased by SEK 2 564m to SEK 7 791m (10 355)
- Lending to the public increased by SEK 1bn to SEK 1 118bn (1 117)
- Profit before impairments, Swedish bank tax and resolution fees decreased by SEK 3 153m to SEK 7 800m (10 953)
- Credit impairments amounted to SEK –170m (60)
- Return on equity was 10,5 per cent (15)
- Effective cost control

Profit for the year 2025

SEK **5 851**m

2024: SEK 8 178m

Market share, mortgages, November 2025

21 %

December 2024: 22 %

About Swedbank Mortgage AB

Swedbank Mortgage is a Swedish regulated credit market company, a so-called mortgage institution, with a leading position in the Swedish mortgage market. The business focuses on long-term funding of mortgage loans and the company has nearly one million customers.

Swedbank Mortgage AB (publ) ("Swedbank Mortgage"), corporate identification number 556003-3283, is a wholly-owned subsidiary of Swedbank AB (publ), 502017-7753 ("Swedbank"), responsible for mortgage operations in Sweden. With nearly one million customers, Swedbank Mortgage has a leading position in the Swedish mortgage market. The sale of mortgage loans takes place through the retail network of Swedbank and the Swedish Savings Banks, one of the largest bank-owned retail networks in Sweden.

Swedbank Mortgage issues loans collateralised against properties and individual tenant-owner apartments. The company also lends directly to municipalities or other borrowers with municipal guarantees as collateral. There is no lending against collateral domiciled outside Sweden.

Swedbank Mortgage's operations are partly integrated into Swedbank, which creates synergies for both Swedbank and Swedbank Mortgage.

The audited annual report for Swedbank Mortgage consists of the Management Report and the accompanying financial statements. Please note that the original version of the Annual and Sustainability Report has been prepared in the European Single Electronic Format (ESEF) and published at www.swedbank.com

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Key ratios 2021-2025

	2025	2024	2023	2022	2021
Key ratios and data per share	31 Dec				
Net interest margin, % ¹	0.67	0.89	0.72	0.96	1.09
Return on equity, %	10.5	15.0	11.4	18.2	20.9
Earnings per share, SEK	254.4	355.6	248.6	376.3	426.1
Number of shares in issue at beginning/end of period, million	23	23	23	23	23
Equity per share, SEK	2 447	2 378	2 331	2 074	2 008
Common Equity Tier 1 capital ratio, %	19.5	19.2	18.2	16.5	16.0
Total capital ratio, %	19.5	19.3	18.3	16.6	16.0
Credit impairment ratio, %	-0.01	0.01	0.05	0.03	-0.01
Share of Stage 3 loans, gross %	0.36	0.43	0.23	0.07	0.08
Total credit impairment provision ratio, %	0.09	0.12	0.11	0.06	0.04

1) As of 2025, the key ratio net interest income margin will replace the previously reported key ratio investment margin.

	2025	2024	2023	2022	2021
Balance sheet data, SEKbn	31 Dec				
Loans to the public	1 118	1 117	1 115	1 116	1 094
Loans to credit institutions	67	23	23	64	30
Average equity	56	55	50	48	47
Average total assets	1 169	1 170	1 169	1 189	1 154
Risk exposure amount	288	284	293	288	288

For information about definitions and calculation of key ratios, see definitions on page 64.

Business development

	2025 31 Dec	2024 31 Dec	2023 31 Dec	2022 31 Dec	2021 31 Dec
Lending to the public, SEKbn	1 118	1 117	1 115	1 116	1 094
- Private ¹⁾	915	911	911	913	888
of which private, mortgage	915	911	911	913	888
- Corporate ¹⁾	203	206	204	203	206
Number of customers, thousands	975	1 005	1 029	1 054	1 074
Private lending					
Market share mortgages % ²⁾	21	22	22	22	23
Market share new mortgages, full year % ²⁾	4	neg	neg	16	17
Volume growth mortgage market, full year % ²⁾	3	1	1	5	7
Volume growth Swedbank Mortgage, full year % ²⁾	0	0	-1	3	5
LTV total portfolio %	57	56	57	54	51
LTV new mortgages, actual year %	69	68	69	68	69
Share of total portfolio which amortises %	74	74	74	75	74
Share of portfolio which amortises, new mortgages, actual year %	87	86	86	88	89
Borrowing					
Issued during year					
Swedish market, SEKbn	91	88	77	46	74
Outside Sweden, SEKbn	44		12	41	38
Average maturity of outstanding issued covered bonds, months	37	36	32	32	31

¹⁾Comparative figures have been recalculated as a result of the reclassification of tenant-owner associations from private individuals to corporate lending in the third quarter of 2025.

²⁾ Market share and volume growth as of November 2025. Source Statistics Sweden (SCB).

Overview

The world around us - continued turbulence

The year was characterised by geopolitical tensions and conflicts over tariffs, but the global economy nevertheless showed resilience. Despite extensive uncertainty surrounding both geopolitics and trade relations, the global economy remained relatively stable during the year. In the US, there were signs that the labour market was slowing down, although this did not appear to have a direct impact on GDP growth. Consumption picked up in the eurozone, but the recovery was held back by the weak industrial sector. In February, the EU countries agreed on extensive defence and infrastructure investments, which will contribute to future growth in the region. At the same time, these initiatives are applying some pressure, especially on countries that already have weak public finances. China's GDP growth was dampened by trade tensions, but is still expected to reach the growth target set of 5%. The US Federal Reserve started to ease monetary policy again, while the European Central Bank will soon reach the end of its rate cutting cycle.

Sweden is recovering

At the end of 2025, the Swedish economy showed signs of starting to recover. GDP increased by 2- per cent in the second half of the year compared to the corresponding half-year period of the previous year. Household consumption increased, albeit cautiously, for five consecutive quarters, and public investment increased to its highest level since the 1990s and is expected to continue to increase is expected to increase even further. In June, all parliamentary parties agreed on a historic expansion of the Swedish armed forces in order to achieve the NATO target of 3.5 per cent of GDP in military rearmament and 1.5 per cent of GDP in defence-related investments by 2030. Swedbank Macro Research expects GDP growth to be 1,8 per cent in 2025.

Growth in the Swedish housing market slowed down a little in 2025. This resulted in longer selling times, reduced bidding activity and the supply of unsold properties reaching an all-time high. The number of residential transactions was, however, back to pre-pandemic levels in almost the whole country. Prices in the housing market remained largely unchanged on the whole, but there were major local variations, with prices in Västerbotten County being on the weaker side.

With the increased activity in the housing market, data from Statistics Sweden (SCB) shows that lending for housing purposes also increased. Lending with other properties as collateral was mixed, for example lending to agricultural properties increased by more than 10 per cent compared with the end of 2024, while lending to tenant-owner associations remained almost unchanged.

Recurring extreme weather events emphasise the importance of continued climate action

The US administration once again decided to withdraw from the Paris Agreement and cut back on the collection of climate data, which has an impact on global climate policy. At the same time, the world continues to experience increasingly frequent extreme weather events such as heavy rainfall and drought. Sweden has not been spared, being hit by not only unusually hot weather with low levels of precipitation, but also extensive heavy rainfall. The trend clearly indicates that climate adaptation is a necessary element of how we create a robust society for the future.

Swedbank Mortgage plays an important role in contributing to climate adaptation, together with other stakeholders in society, through how we finance housing and properties, and through active dialogue with our customers regarding climate adaptation actions.

Important to note

The annual report contains alternative key ratios that Swedbank Mortgage believes can provide valuable information to the reader. They are also used by Swedbank Mortgage for internal governance and performance measurement, as well as for comparisons between reporting periods. Further information on the alternative key ratios used in the annual report may be found on page 64.

The company's development

(Comparative figures refer to 31 December 2024, unless otherwise indicated)

Profit

Swedbank Mortgage reported a profit of SEK 5 851m for the full year 2025, compared with SEK 8 178m for the full year 2024. The decrease is mainly due to lower net interest income.

Net interest income decreased to SEK 7 791m (10 355), driven by falling interest rates linked to the Riksbank's interest rate cuts. This is mainly due to lower margins as a consequence of market interest rates falling during the year. The decline in net interest income was partly offset by higher volumes. Net gains and losses on financial items decreased to SEK 298m (890); the decrease is attributable to reduced effects of repurchases of covered bonds and derivatives outside hedge accounting, inefficiency in cash flow hedging .

Expenses were stable at SEK 271m (278).

Credit impairments were net positive and amounted to SEK -170m (60), corresponding to -0.01 per cent (0.01) of Swedbank Mortgage's total loans, with improved macroeconomic scenarios during the year contributing to the positive trend.

The income tax expense amounted to SEK 1 518m (2 121), corresponding to an effective tax rate of 20.6 per cent (20.6).

Income statement, SEKm	2025	2024
Net interest income	7 791	10 355
Net commission income	-24	-19
Net gains and losses on financial items	298	890
Other income	5	6
Total income	8 070	11 231
Total general administrative expenses	271	278
Profit before impairments, Swedish bank tax and resolution fees	7 800	10 953
Credit impairments	-170	60
Swedish bank tax and resolution fees	601	595
Tax	1 518	2 121
Profit for the year	5 851	8 178

Lending

Total lending to the public increased by SEK 1bn in 2025, to SEK 1,118bn as of 31 December 2025.

	31 Dec 2025	31 Dec 2024
Loans to the public, SEKbn	2025	2024
Private customers ¹	915	911
Private, mortgage	915	911
Corporate customers ¹	203	206
Agricultural, forestry, fishing	42	43
Property management	60	65
Tenant owner associations	91	89
Other corporate lending	10	9
Total	1 118	1 117

¹) During Q3 2025, there has been a reclassification of Tenant-owner associations from the private to the corporate sector. Comparative figures have been restated.

The increase was attributable to higher lending to private individuals and tenant-owner associations. Mortgage lending to private individuals increased by SEK 4bn to SEK 915bn. As of 30 November 2025, the market share for mortgages was 21 per cent (22).

Corporate lending decreased by SEK 3bn to SEK 203bn (206). Lending to tenant-owner associations increased by SEK 2bn to SEK 91bn (89).

Borrowing and liquidity

Swedbank Mortgage finances lending activities by issuing secured bonds in the Swedish and international capital markets and through intra-Group borrowing from Swedbank.

Demand for Swedbank Mortgage's bonds was stable in 2025. Swedbank Mortgage issued SEK 135bn (89) in covered bonds in 2025. Maturities in 2025 amounted to a nominal value of SEK 61bn (81) calculated from the beginning of the year.

As of 31 December 2025, outstanding borrowings via secured bonds amounted to SEK 406bn (362), while funding from Swedbank amounted to SEK 676bn (681).

Amounts owed to credit institutions and issued debt, SEKbn	31 Dec 2025	31 Dec 2024
Amounts owed to credit institutions	676	681
Debt securities in issue	406	362
Eligible liabilities	44	44
Total	1 126	1 086

The borrowing process is simplified by Swedbank Mortgage having a number of standardised loan programmes that are adapted to meet the legal

requirements of different types of markets and investors.

The issuance plan is primarily affected by changes in available funding from Swedbank and lending growth, and is therefore adjusted on an ongoing basis during the year.

As part of its liquidity planning, Swedbank Mortgage actively repurchases a large portion of its issuance in the Swedish bond market, starting approximately 1.5 years before final maturity. This reduces the liquidity risk when large volumes mature at the same time. During 2025, SEK 33bn (24) was repurchased in the Swedish market. The average maturity of all outstanding covered bonds was 37 months (36) as of 31 December 2025.

Main risks

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

Credit risks

The majority of Swedbank Mortgage's lending consists of mortgages for private individuals in Sweden. To ensure a customer's long-term ability to pay, Swedbank Mortgage always conducts an analysis with assumptions of a significantly higher interest rate situation compared with the interest rate situation when the loan was taken out. When it comes to lending to tenant-owner associations, the analysis includes an increased fee to the tenant-owner association. Swedbank Mortgage continuously reviews its lending criteria.

To maintain a low risk profile and a good balance between risk and return, Swedbank Mortgage works continuously to understand its customers and their market conditions. Responsible lending is a prerequisite for the business to succeed. This means that Swedbank Mortgage studies its customers' long-term financial situation, ability to repay and resilience.

Systematic analysis of the individual credit exposures takes place through ongoing monitoring of larger individual commitments. Exposures to large corporate customers, financial institutions and governments are reassessed at least once a year.

Swedbank Mortgage only invests in fully developed properties with final certificates issued, with the exception of agricultural and forestry properties, which can be undeveloped.

Swedbank Mortgage's credit portfolio was characterised by diverging trends in provisions during the year. Total provisions in the portfolio declined, driven by decreases in Stage 1 and Stage 2, while the volume of Stage 3 provisions remained stable. Macroeconomic forecasts improved, which reduced model provisions and expert adjustments. During the first part of the year forbore loans increased after more

repayment deferrals were granted but decreased towards the end of the year. Loans with late payments also reflected the same trend.

Expert adjustments to account for any underestimations in the models have also decreased due to the improved outlook. At the same time, an economic trough with increasing unemployment continues to drive a negative trend in stage 3 provisions. The prices of commercial properties in Sweden increased slightly in the second half of the year, after a couple of years with a negative value trend. While the risks for the sector as a whole have decreased during the year, risks remain for certain particularly vulnerable companies and locations. Credit risk indicators such as the proportion of loans overdue increased slightly during the year from low levels. Forborne loans increased after more repayment deferrals were granted for mortgages in Sweden. Despite the weak economic situation, confirmed credit impairments were low.

The trend in housing prices affects the loan-to-value ratios (LTV) for properties in the portfolio, which is crucial for the risk of loss in collateral. During the year, the average loan-to-value ratio in the private portfolio increased to 57 per cent (56 per cent as of 31 December 2024), calculated at property level. The average loan-to-value ratio for new private lending was 69 per cent (68 per cent as of 31 December 2024). The loan-to-value ratio for the total lending portfolio, including corporate lending, was 54 per cent (53 per cent).

See note 3a for a specification of credit risks.

Market risks

Despite macroeconomic uncertainty and volatility, Swedbank Mortgage's market risks were kept at low and stable levels.

Swedbank Mortgage checks and analyses its market risks on a daily basis. Sensitivity to interest rate movements is one example of calculations that are performed and analysed with the aim of ensuring that any market risk-related losses are limited to low levels and that they are kept within the limits of the risk appetite set by the Board of Directors.

See note 3c for a specification of market risks.

Operational risks

Operational risk is defined as the risk of losses, business process disruptions and negative reputational impact resulting from inappropriate or inadequate internal processes, the human factor and system errors or external events. Swedbank Mortgage is exposed to operational risks in all of its operations.

Swedbank Mortgage uses Group-wide methods to identify, analyse and manage operational risks. This includes risk assessment, action planning and follow-up. When launching new or modified products, services, markets and IT systems, a structured approval process is applied to ensure that risks are managed correctly. Incident management and continuity planning are key

elements, with established procedures for reporting, analysis and recovery plans in the event of disruption or crises.

In addition to this, there is a framework for process and control management, as well as information security and IT risks to protect digital infrastructure against cyber threats. Swedbank Mortgage also manages risks relating to outsourcing, legal matters and ESG aspects within operational risk. Together, these processes aim to ensure robust risk management and long-term stability of the Group's operations.

Capital adequacy

Swedbank Mortgage's legal capital requirement is based on the Capital Requirements Regulation (CRR). Swedbank Mortgage's total capital ratio was 19.5 per cent as of 31st of December 2025 (19.3 per cent as of 31st of December 2024), to be compared with the capital requirement of 15.4 per cent.

Total own funds increased during the year by SEK 1bn to SEK 56bn (55bn as of 31st of December 2024), primarily due to earnings and estimated dividends during the second half of the year. REA increased by SEK 4bn to SEK 288bn (284bn as of 31st of December 2024), the increase was mainly driven by LGD (Loss Given Default) add on according to the Return to Compliance plan and were offset by decreased REA for mortgage floor. Yearly update of operational risk decreased with 2bn as a result of the three-year rolling average of total income declining, compared to last year.

The capital adequacy is further disclosed in note 4.

Swedbank Mortgage's leverage ratio was 5.0 percent (4.9 as of 31st of December 2024) as of 31st of December 2025.

Capital and resolution regulations

As a consequence of guidelines issued by the European Banking Authority (EBA) and adjustments to the Capital Adequacy Regulation (CRR3), Swedbank is applying for new internal ratings-based (IRB) models. The bank's assessment is that the review processes will continue with ongoing approval from regulatory authorities, and that the implementation of certain models will take place in 2026.

The Swedish Financial Supervisory Authority has introduced a temporary add-on of 2.0 per cent in Pillar 2 requirements (P2R) relating to the ongoing review of the models. The models are expected to result in a lower capital requirement than the add-on in P2R.

The Swedish Resolution Act, which entered into force in 2021, means that the MREL requirement applies from 1 January 2024. Swedbank Mortgage meets the requirements with a comfortable margin.

The revised Capital Adequacy Regulation (CRR 3) entered into force on 1 January 2025, with a phase-in period extending until 2032. The revisions include

changes to the standardised approaches and internal models used to calculate the capital requirements for credit and market risk, operational risk and a capital requirement floor for internal models. The regulatory framework is expected to result in a limited increase in the risk exposure amount.

Covered bonds

Swedbank Mortgage's external borrowing consists of covered bonds. Covered bonds are secured debt instruments that are secured by a cover pool consisting of high-quality assets. A key feature is dual recourse, which means that bondholders have recourse against the issuer and, in the event of insolvency, a special claim against the earmarked assets in the cover pool. As unsecured debt is subordinated to covered bonds, the credit rating of covered bonds may in practice be higher than the individual credit rating of the issuer, as the risk is mainly determined by the credit quality of the cover pool and the market risk of the outstanding covered bonds.

According to Swedish law, eligible assets for inclusion in the cover pool are mortgage loans and publicly guaranteed debt against properties for residential and agricultural purposes, as well as office and commercial properties up to a maximum limit of 10 per cent of the cover pool. Loan-to-value ratio (LTV) caps are set to differentiate the underlying risk for different property types, with a maximum loan-to-value ratio of 80% for residential properties and 60% for commercial properties.

The covered bonds, assets in the collateral pool and derivatives for risk management are segregated by means of a separate register. For additional investor protection, there is a minimum level of overcollateralisation of 2%. This means that issuers must maintain a surplus of assets in relation to liabilities in the register. The covered bonds and the register are reviewed annually by an independent auditor appointed by the Swedish Financial Supervisory Authority.

According to the Swedish regulatory framework, the cover pool is dynamic, which means that a covered bond is not secured by individual earmarked mortgage loans in the cover pool, but by the cover pool as a whole. Mortgage loans may become fully or partially unacceptable during the life of a bond, where each individual mortgage loan is continuously evaluated against criteria such as loan-to-value ratio and solvency, and may be added to or excluded from the cover pool. For more information about the cover pool and covered bonds, see Swedbank's Fact Book.

Ratings

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

Proposed distribution of profit

According to the balance sheet of Swedbank Mortgage, after deduction of a Group contribution paid of SEK 5 895m, the following profit is at the disposal of the Annual General Meeting:

SEKm	2025	2024
Retained earnings earlier	36 059	32 562
Fair value fund	-219	-641
Profit for the year	5 851	8 178
Total at disposal	41 692	40 098
The Board proposes that the profit be carried forward to the next year	41 692	40 098
Total	41 692	40 098

Events after 31 December 2025

No significant events have occurred after the balance sheet date.

Sustainability

Swedbank Mortgage AB (publ) does not prepare a statutory sustainability report in accordance with Chapter 7, Section 31a of the Swedish Annual Accounts Act. The parent company, Swedbank AB (publ) corporate identification number 502017-7753, with its registered office in Stockholm, Sweden, prepares a Sustainability Report for the group of companies to which the company belongs. The Group's Sustainability Report is available in Swedbank AB's Annual Report on pages 71 to 180.

Swedbank Mortgage's vision is to strive towards an economically sustainable society where, through our business activities, we give many individuals and businesses the opportunity to create a better future. Swedbank Mortgage shall promote sustainable business, with the aim of combining financial stability with environmental and social responsibility.

Environment and climate

The Swedbank Group strives to make the transition by adopting a sustainable focus on the financing and investment needs of customers. For Swedbank Mortgage, this means, in addition to being aligned with Swedbank's guidelines and policies, to work to minimise the climate impact and energy consumption in the lending that constitutes the mortgage transaction.

Swedbank Mortgage's environmental impact primarily arises indirectly through lending to properties, all of which are located in Sweden. Most of the lending consists of properties that are small houses or tenant-owner apartments. The credit portfolio also includes tenant-owner associations, forestry and agriculture and commercially managed properties. Swedbank Mortgage's role is to provide mortgage loans via distributors. By monitoring the distributors' sustainability work, the company can drive a positive shift in the environmental impact of the mortgage portfolio.

Swedbank Mortgage follows the Group's position statement on climate change and nature. In its position statement on climate change and nature, Swedbank has specified various types of restrictions on fossil fuels, including coal, peat, oil and gas, as part of work to achieve the bank's target of achieving net zero emissions by 2050, and to reduce risks.

Sustainable lending

Swedbank Mortgage is included in Swedbank AB's Taxonomy reporting, which is subject to the EU Taxonomy Regulation, a classification system that defines the criteria used to determine when economic activities can be considered environmentally sustainable. Swedbank Mortgage's Taxonomy-aligned assets consist primarily of properties that are designated as energy-efficient and included in the Group's Sustainability Report.

Swedbank's Sustainable Assets Registry is a collection of the Group's green and social assets that meet established criteria in the Swedbank Sustainable Funding Framework. The Swedbank Sustainable Funding Framework is available on Swedbank's external website.

Green assets: Financing of assets that contribute to environmental sustainability, such as renewable energy production, energy-efficient buildings and sustainable ecosystem management.

Social assets: Financing that contributes to positive social effects, such as the promotion of socio-economic development and inclusion.

Swedbank Mortgage's Sustainable Asset Registry grew by SEK 11bn in 2025. As of 31 December 2025, the total volume of sustainable assets amounted to a value equivalent to SEK 64bn.

Sustainable employees

Swedbank Mortgage's employees are crucial to the company's operations, culture and success. The Group-wide strategy clarifies the importance of attracting, retaining and developing a dynamic workforce to ensure that future operational and competence needs are aligned with the strategy and business model. In both the strategy and the business model, working conditions and equal treatment are important areas for creating an inclusive climate at the workplace. All employees receive training in Swedbank Mortgage's values. Swedbank Mortgage conducts annual employee surveys with questions relating to strategic direction, leadership and corporate culture. The surveys aim to encourage continuous dialogue and an open corporate culture, where employees' opinions are taken into account. All managers have to review and followed up on the results and follow up with their unit to identify areas for improvement.

Working conditions

Good working conditions with a focus on occupational health and safety are one way of contributing to employees' well-being, engagement and performance. In the area of health and safety, Swedbank Mortgage works in a structured way with a focus on an open and transparent dialogue between manager and employee, as well as a sustainable work-life balance. Swedbank Mortgage strives to offer an open, safe, secure, inclusive and flexible work environment that promotes collaboration and the sharing of knowledge.

Equal treatment and opportunities for all

Swedbank Mortgage promotes an environment that encourages employees to take responsibility for their own development. Employees are offered various opportunities to develop the competences for both their existing and future roles. The company strives to create an inclusive and responsible culture. Principles of diversity, equity and inclusion are key in processes that aim to prevent discrimination and promote equal opportunities. The Group has zero tolerance of discrimination, harassment, sexual harassment and

bullying. The opportunity to develop and pursue a career should be the same for all employees, regardless of factors such as age, gender and ethnicity. The targets of an even gender balance in managerial positions and equalised pay gaps reinforce this ambition.

Responsible corporate governance

Swedbank Hypotek's corporate culture is characterised by its values: open, simple and caring. These values support the company's vision and guide daily actions and decision-making. Swedbank Mortgage has adopted a number of governance documents that constitute important guidelines and rules for risk management, including responsibilities and risk appetite. The company's governance documents put the values in tangible form. They set the standard for approach to business ethics and describe how employees should act with transparency, trust and integrity. Swedbank Mortgage informs employees about governance documents relating to business ethics and business conduct through an annual ethics training programme.

Supplier relationships

Swedbank Mortgage's suppliers consist primarily of Swedbank. It is essential that the company ensures good governance and control of the operations outsourced. The outsourced operations are evaluated on an ongoing basis based on established principles.

Corruption and bribery

Swedbank Mortgage has zero tolerance of corruption and bribery. Based on the company's governance documents, the company works to prevent corruption and bribery in its operations and business relationships. In order to evaluate these initiatives, Swedbank Mortgage has established internal processes for follow-up on preventive work. The Board of Directors determines the company's low-risk appetite in work against corruption and bribery and has, by delegation, established internal processes to evaluate the work and ensure that risk appetite is complied with and followed up continuously. The Chief Compliance Officer (CCO) reports quarterly to the CEO and the Board of Directors on the company's management of business ethics matters, on the effectiveness of work to prevent corruption and bribery, based on external and internal regulations and requirements, as well as risk appetite.

Swedbank Mortgage has taken preventive measures against corruption and bribery in 2025 in the form of training programmes to create awareness in its own operations.

Corporate governance

Swedbank Mortgage is a wholly owned subsidiary of Swedbank. As the parent company, Swedbank makes the ultimate decisions on Swedbank Mortgage's structure and governance. The Parent Company appoints the Board of Directors and auditors at the Annual General Meeting. The Board of Directors of Swedbank Mortgage is ultimately responsible to the parent company in respect of, among other things, the company's organisation, operations and administration. The Company's Board of Directors also appoints the CEO. The CEO is responsible for operational activities and day-to-day management. Swedbank Mortgage's external auditors examine, among other things, the financial reporting and submit their report in summary form annually in an auditor's report.

In order to create synergy benefits with Swedbank's operations, Swedbank Mortgage's operational licensable operations are partly outsourced to Swedbank through assignment agreements. Swedbank Mortgage has a CEO and a management team consisting of a number of key functions. In addition, the company has a number of employees who work with governance, compliance, control, analysis and administration of mortgages.

Importance of corporate governance

Sound corporate governance means that the company is governed effectively and responsibly based on Swedbank Mortgage's strategies, targets and values. This is critical to maintain trust in the company and to ensure good, effective risk management and internal governance and control. Sound corporate governance forms the basis of effective and transparent internal and external information disclosure. Decision-making processes shall be simple and transparent with clear lines of responsibility. There must be frameworks for not only internal governance and control, but also risk management, including clear rules and procedures to manage conflicts of interest. The culture in the company shall be characterised by transparency, integrity, compliance and risk awareness. Swedbank Mortgage's values shall provide a foundation for day-to-day decision-making and the ongoing work of employees.

The Board of Directors and the CEO are responsible for the company's administration in accordance with applicable external and internal frameworks. The internal framework for corporate governance consists of the ownership directive issued by Swedbank, the Articles of Association and the documents adopted by the Board of Directors, such as instructions for the CEO, policies for operations, rules of procedure for the Board of Directors and instructions for the Audit Committee.

The company wants to create a climate in which diversity, equity and inclusion are natural parts of the organisation. To ensure such a climate, the Board has adopted a policy to support the principles of diversity, equality and inclusion.

Board of Directors and CEO

According to the Articles of Association, the Board of Directors shall consist of a minimum of five and a maximum of thirteen members elected by the shareholders at the Annual General Meeting. The term of office for Board members is one year and runs until the next Annual General Meeting. The appointment and evaluation of Board members in Swedbank Mortgage takes place through an intra-Group nomination process.

Swedbank Mortgage's Board of Directors currently consists of five members (two men and three women), who were elected by the Annual General Meeting on 11 April 2025. All members of the Board are employees of the Swedbank Group.

The Board is the highest decision-making body after the AGM and the highest executive body. The Board is responsible for ensuring that Swedbank Mortgage has an effective and appropriate organisation and corporate governance. In accordance with its established rules of procedure, the Board decides on matters such as targets, strategies, operational frameworks and the business plan.

The Board adopts operating policies, and verifies that effective systems are in place to monitor and control operations. The Board is also responsible for compliance with laws and regulations, and ensures transparent and accurate information disclosures.

Operations are carried out in a sustainable manner with a focus on the customer and sound risk-taking to ensure the company's long-term viability and to maintain trust in the company.

The Board appoints, dismisses and evaluates the CEO. The division of responsibility between the Board, the Chair of the Board and the CEO is determined annually through, for example, the Board's rules of procedure, the Governance Policy and instructions for the CEO.

The Board has established an Audit Committee. The Audit Committee shall, through its work and in consultation with parties including the external auditor, internal audit and the CEO, assist the Board by evaluating and ensuring the reliability and effectiveness of financial reporting. The Audit Committee shall also ensure that the external auditor performs its work effectively and impartially.

The CEO is responsible for managing the company's day-to-day operations and is the executive ultimately responsible for ensuring that the Board's strategic direction and other decisions are implemented and followed by the company, and that risk management, governance, IT systems, the organisation and processes are satisfactory. The Board's directions on the CEO's special areas of responsibility are set out in documents including the Board's Governance Policy and the instructions for the CEO. The CEO is responsible for ensuring that the Board's decisions are implemented and that a process is in place to ensure that policies and instructions are followed in the organisation and are evaluated annually.

The CEO reports to the Board on an ongoing basis. The Board shall continuously keep up to date with the company's development in order to be able to continuously assess the company's financial situation and position. The Board also regularly assesses the company's risk development and risk management.

Internal control and risk management

The foundation for effective risk work is a well-implemented, sound and consistent risk culture. The Board of Directors defines the framework for the company's risk work and risk culture through the Policy on Enterprise Risk Management. The company's risk management is based on the principle of three lines of defence.

The first line of defence has ultimate responsibility for risk management and consists of all risk management activities carried out by the business.

The second line of defence consists of the independent internal control functions Risk Control and Compliance. Within their respective areas of responsibility, these functions are responsible for the risk management framework, which covers all risk types in the company. The second line of defence is organisationally independent of the first line and is not operationally involved in the business activities or the unit it monitors and controls.

The third line of defence is internal audit, which shall autonomously and independently audit Swedbank Mortgage's operations.

Internal control of financial reporting

The Board of Directors and the CEO have ultimate responsibility for ensuring that financial reporting complies with external and internal regulations. The company has internal controls over financial reporting. The internal regulations include controls aimed at ensuring the reliability of financial reporting.

Controls attributable to financial reporting are thus carried out at several levels. This includes processes for analysing and following up on the company's business operations. There are also additional elements aimed at ensuring the reasonable reliability of financial reporting and follow-up on any deviations. There is a Group-wide set of regulations regarding accounting policies for the companies in the Swedbank Group. The regulations include planning and follow-up processes as well as reporting procedures. The Finance Department performs checks through reconciliations between ledgers and general ledger, and ensures that assets, liabilities and business transactions have been correctly reported. Swedbank also has a central valuation group that ensures the correct valuation of assets and liabilities in Swedbank Mortgage. Analyses of financial results are presented monthly to Swedbank Mortgage's CEO and quarterly to the company's Board of Directors. Furthermore, Compliance, Risk and Internal Audit continuously evaluate and review the structure of governance, risk management and internal control.

Risk control

Swedbank Mortgage's independent risk control function works with the company's risk management. The Head of Risk Control is directly subordinate to the CEO and reports to the CEO and the Board of Directors. Risk Control provides a company-wide view of material risks, is responsible for the company's risk management framework, and provides assurance to the Board and CEO that the company's risk management processes are adequate and sufficient in relation to the risk appetite as set by the Board. Risk Control also guides and supports the business operations to drive and maintain a strong and sustainable risk culture.

Compliance

Swedbank Mortgage's independent Compliance function manages the company's compliance risks. The Head of Compliance is directly subordinate to the CEO and reports to the CEO and the Board on the company's compliance.

Compliance's task is to propose and define minimum standards, in accordance with those defined within the Group, in the areas of measures combating money laundering and terrorist financing, financial sanctions, conduct in the financial market, and customer protection (including, but not limited to, personal data protection), and to monitor management of regulatory compliance within the company. Compliance monitors the company's implementation of external and internal regulations. Compliance continuously monitors the company's compliance and provides advice and support for the business operations to ensure that the company's work is consistent with the Board of Directors' risk appetite and compliance risk tolerance. Compliance also manages contacts with government agencies relating to supervision of the company's licensable operations.

Internal audit

The company's internal auditing activities are carried out by Group Internal Audit in Swedbank in accordance with the assignment agreement between Swedbank Mortgage and Swedbank.

The purpose of Group Internal Audit's reviews is to create improvements in the business operations by independently evaluating the company's governance, risk management and internal control processes. The assignment is based on a policy established by the Board and is performed using a risk-based methodology in accordance with internationally accepted standards issued by the Institute of Internal Auditors (IIA). Group Internal Audit prepares an annual risk analysis and an audit plan that are approved by the Board and can be revised and updated as required. Audit reports are submitted to management and the conclusions, together with the measures that will be taken and their status, are compiled in quarterly reports and presented to the Audit Committee and the Board.

External audit

The external auditor is elected by the AGM and independently reviews the company's financial statements to determine whether they are materially accurate and complete and provide a fair view of the company's financial position and results. The auditor also ensures that the accounts are prepared in accordance with current laws and recommendations. The auditor also reviews the administration of the Board and the CEO.

The auditors report verbally and in writing to the Board on how the audit has been conducted and how they assess the order and internal control in Swedbank Mortgage. The auditors also submit a summary report of the audit to the Board in its entirety.

Five-year summary

Income statement

SEKm	2025	2024	2023	2022	2021
Interest income	35 273	44 715	37 783	20 586	16 419
Interest expenses	-27 482	-34 360	-29 363	-9 185	-3 476
Net interest income	7 791	10 355	8 420	11 401	12 943
Net commission income	-24	-19	-6	1	4
Other operating income	303	896	239	686	-5
Total income	8 070	11 231	8 653	12 088	12 942
Other operating expenses	271	278	278	274	277
Profit before impairments, Swedish bank tax and resolution fees	7 800	10 953	8 375	11 814	12 665
Credit impairments	-170	60	573	303	-75
Swedish bank tax and resolution fees	601	595	601	611	396
Operating profit	7 369	10 298	7 200	10 900	12 344
Appropriations					
Tax expense	1 518	2 121	1 482	2 245	2 543
Profit for the year	5 851	8 178	5 718	8 655	9 801

Balance sheet

SEKm	2025	2024	2023	2022	2021
Assets					
Loans to credit institutions	67 449	22 665	23 025	64 149	30 178
Loans to the public	1 117 827	1 117 251	1 115 385	1 115 561	1 093 674
Other assets	10 309	15 598	15 214	12 010	12 314
Total assets	1 195 585	1 155 514	1 153 624	1 191 720	1 136 166
Liabilities and equity					
Liabilities					
Amount owed to credit institutions	675 992	680 703	680 697	746 078	590 715
Debt securities in issue	406 292	361 616	361 435	354 722	467 763
Other liabilities	57 009	58 497	57 884	43 213	31 496
Total liabilities	1 139 293	1 100 816	1 100 017	1 144 013	1 089 974
Equity	56 292	54 698	53 607	47 707	46 192
Total liabilities and equity	1 195 585	1 155 514	1 153 624	1 191 720	1 136 166

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Income statement

SEKm	Note	2025	2024
Interest income on financial assets measured at amortised cost		35 273	44 715
Interest income		35 273	44 715
Interest expense		-27 482	-34 360
Interest expense		-27 482	-34 360
Net interest income	6	7 791	10 355
Commission income		31	33
Commission expenses		-55	-52
Net commission income	7	-24	-19
Net gains and losses on financial items	8	298	890
Other income		5	6
Total income		8 070	11 231
Total general administrative expenses	9.10	271	278
Profit before impairments, Swedish bank tax and resolution fees		7 800	10 953
Credit impairments	11	-170	60
Swedish bank tax and resolution fees	12	601	595
Operating profit		7 369	10 298
Tax	13	1 518	2 121
Profit for the year		5 851	8 178
Of which attributable to the shareholders of the parent company		5 851	8 178
Earnings per share, before and after dilution, SEK	14	254.40	355.55

Statement of comprehensive income

SEKm	Note	2025	2024
Profit for the year - income statement		5 851	8 178
Items that may be reclassified to the income statement			
Cash flow hedges:			
Gains/losses for the period		-6 518	917
Reclassification adjustments to the income statement, net gains and losses		6 291	-941
Foreign currency basis risk:			
Gains/losses arising during the period		759	-661
Tax relating to components of other comprehensive income	15	-110	141
Total comprehensive income for the year, attributable to shareholders of Swedbank Mortgage		6 274	7 633
Of which attributable to the shareholders of the parent company		6 274	7 633

Balance sheet

SEKm	Note	2025	2024
Assets			
Loans to credit institutions		67 449	22 665
Loans to the public	16	1 117 827	1 117 251
Value change of interest hedged items in portfolio hedge		-597	-2 723
Derivatives	17	10 495	17 710
Deferred tax assets		56	166
Other assets	19	355	445
Total assets		1 195 585	1 155 514
Liabilities and equity			
Liabilities			
Amounts owed to credit institutions		675 992	680 703
Debt securities in issue	20	406 292	361 616
Derivatives	17	6 475	5 144
Current tax liabilities	21	167	305
Other liabilities and provisions	21	6 042	8 552
Accrued expenses and prepaid income	22	189	326
Eligible liabilities		44 136	44 172
Total liabilities		1 139 293	1 100 816
Equity	23	56 292	54 698
Total liabilities and equity		1 195 585	1 155 514

Statement of changes in equity

SEKm	Restricted equity		Non-restricted equity			Total equity
	Share capital	Statutory reserve	Cash flow hedge reserve	Foreign currency basis	Retained earnings	
Opening balance 1 January 2025	11 500	3 100	160	-801	40 740	54 698
Group contributions paid					-5 895	-5 895
Tax reduction due to Group contributions paid					1 214	1 214
Total comprehensive income for the year			-180	603	5 851	6 274
of which reported through other comprehensive income, before tax			-227	759		532
of which income tax reported through other comprehensive income			47	-156		-110
Closing balance 31 December 2025	11 500	3 100	-20	-198	41 911	56 292
of which, conditional shareholders' contributions					2 400	2 400
Opening balance 1 January 2024	11 500	3 100	180	-276	39 103	53 607
Group contributions paid					-8 239	-8 239
Tax reduction due to Group contributions paid					1 697	1 697
Total comprehensive income for the year			-19	-525	8 178	7 634
of which reported through other comprehensive income, before tax			-24	-661		-686
of which income tax reported through other comprehensive income			5	136		141
Closing balance 31 December 2024	11 500	3 100	160	-801	40 740	54 698
of which, conditional shareholders' contributions					2 400	2 400

Statement of cash flow

SEKm	2025	2024
Operating activities		
Operating profit	7 369	10 298
Adjustments for non-cash items in operating activities	10 655	10 279
Taxes paid ¹⁾	-600	-600
Cash flow from operating activities before changes in operating assets and liabilities	17 424	19 977
Increase (-) /decrease (+) in loans to the public	-638	-2 072
Increase (-) /decrease (+) in other assets	36	6
Increase (+) /decrease (-) in amounts owed to credit institutions	-4 563	
Increase (+) /decrease (-) in debt securities in issue	40 929	-15 655
Increase (+) /decrease (-) in other liabilities	-166	144
Cash flow from operating activities	53 023	2 400
Financing activities		
Issuance of eligible liabilities		18 000
Redemption of eligible liabilities		-15 000
Group contributions paid	-8 239	-5 760
Cash flow from financing activities	-8 239	-2 760
Cash flow for the period	44 784	-360
Cash and cash equivalents at the beginning of the period	22 665	23 025
Cash flow for the period	44 784	-360
Cash and cash equivalents at end of the period	67 449	22 665

¹⁾ Including also the tax effect of the Group contribution, amounting to SEK 1 214m.

Comment on statement of cash flow

The statement of cash flow shows deposits and payments during the year as well as cash at the beginning and end of the year. The statement of cash flow is reported using the indirect method and is based on operating income for the period and changes in the balance sheet. Operating income is adjusted for changes not included in cash flow from operating activities. Cash flows are reported separately for deposits and payments from operating activities, investing activities and financing activities.

Operating activities

Cash flow from operating activities is based on operating profit for the year. Adjustments are made for income tax paid and items not included in cash flow from operating activities. Changes in assets and liabilities in operating activities consist of items that are part of regular business activities, such as loans to and funding from the public and credit institutions and that are not attributable to investing and financing activities. The profit generated cash flow includes interest deposits of SEK 35 543m (44 881) and interest payments, including capitalised interest, of SEK 27 194m (31 236).

Financing activities

The issue and repayment of bond loans with maturities exceeding one year are reported gross. Changes in other borrowing include net changes in borrowing with shorter maturities and high turnover.

Cash and cash equivalents

Cash and cash equivalents consist of balances on current accounts, included in the balance sheet item Loans to credit institutions.

Specification of adjustment of non-cash items

SEKm	2025	2024
Unrealised fx effects, bonds in issue	-5 509	3 795
Accrued income and prepaid expenses	483	380
Accrued expenses and prepaid income	9 739	7 079
Change in value of loans to the public and credit institutions	-2 335	-5 726
Change in value of funding and derivatives	8 277	4 750
Total	10 655	10 279

Notes

All amounts are in millions of Swedish kronor (SEKm) and at carrying amounts unless otherwise indicated. Figures in brackets refer to the previous year.

1 Corporate Information

The annual report for Swedbank Mortgage (publ) for the financial year 2025 was approved for issuance by the Board of Directors and the CEO on 17 February 2026. Swedbank Mortgage, which maintains its registered office in Stockholm, Sweden, is a wholly owned subsidiary of Swedbank (publ). Swedbank Mortgage's operations are described in the Board of Directors' report. The annual report will be presented for adoption by the Company's Annual General Meeting.

2 Accounting Policies

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4. NEW STANDARDS AND INTERPRETATIONS

1. BASIS FOR ACCOUNTING

The financial reports are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and interpretations of them. The standards are issued by the International Accounting Standards Board (IASB) and the interpretations by the IFRS Interpretations Committee. The standards and interpretations become mandatory for Swedbank Mortgage's financial statements concurrently with their approval by the EU.

The financial statements are also prepared according to the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), the regulations and general advice of the SFSA, FFFS 2008:25 and recommendation RFR 2 Reporting for legal entities issued by the Swedish Corporate Reporting Board. Swedbank Mortgage's annual report is therefore based on IFRS guidelines as far as compliant with ÅRKL, RFR2 and Finansinspektionen regulatory code.

The financial statements are presented in Swedish kronor and all figures are rounded to millions of kronor (SEKm) unless otherwise indicated. Adjustments for rounding are not made, therefore summation differences may occur.

The accounting policies and presentation remain unchanged in comparison to the 2024 annual report, with the exception of changes described in section 2 – changes in accounting policies and changed presentation.

1.1 Critical accounting judgements and estimates

The preparation of Swedbank Mortgage's financial statements requires executive management to make judgements, assumptions and estimates that affect the application of the Swedbank Mortgage's accounting policies and the reported amounts and disclosures. The executive management bases its judgements and estimates on previous experience and several other factors that are considered reasonable under the circumstances. Actual results may deviate from the judgements and estimates applied.

Critical judgements and estimates are described in the sections below.

- Financial instruments – Measurement of fair value
- Financial instruments – Credit impairments
- Tax

2. CHANGES IN ACCOUNTING POLICIES AND CHANGED PRESENTATION

The following new accounting pronouncements and changes have been applied in the financial reports during 2025.

2.1 Other changes in accounting standards

Amended IFRS accounting standards, IFRS-interpretations and Swedish regulations which have been adopted during 2025 did not have a significant impact on the Swedbank Mortgage's financial position, results, cash flows or disclosures.

3. MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

3.1 Presentation of financial statements

Financial statements provide a structured representation of a company's financial position and financial results. The purpose is to provide information on the company's financial position, financial results and cash flows useful in connection with financial decisions. The financial statements also indicate the results of executive management's administration of the resources entrusted to them. Complete financial statements consist of a balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement and notes. Swedbank Mortgage presents the statement of comprehensive income in the form of two statements. A separate income statement contains all revenue and expense items, provided that a special IFRS does not require or allow otherwise. Other revenue and expense items are recognised in other comprehensive income. The statement of comprehensive income contains the profit or loss recognised in the income statement as well as the components included in other comprehensive income.

3.2 Assets and liabilities in foreign currencies

The financial statements are presented in SEK, which is also the company's functional currency and presentation currency. Functional currency refers to the main currency used in an entity's cash flows. Transactions in a currency other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing at the transaction date. Monetary assets and liabilities in foreign currency and non-monetary assets in foreign currency measured at fair value are translated at the rates prevailing at the closing date. All gains and losses on the translation of monetary items are recognised in the income statement in net gains and losses on financial items at fair value as changes in exchange rates.

3.3 Operating segments

Segment reporting is presented on the basis of the executive management's perspective and relates to the parts of the company that are defined as operating segments. Operating segments are identified on the basis of internal reports to the company's chief operating decision maker. The company has identified the Chief Executive Officer (CEO) as its chief operating decision maker and the internal reports used by the CEO to oversee operations and make decisions on allocating resources serve as the basis of the information presented.

The accounting policies for an operating segment consist of the above accounting policies and policies that specifically refer to segment reporting.

3.4 Financial instruments - General

Financial instruments are classified on relevant lines of the balance sheet depending on the nature of the instrument and the counterparty. If a financial instrument does not have a specific counterparty or is listed on the market, the instrument is classified in the balance sheet as securities. Financial liabilities where the creditor has a lower priority than others are classified in the balance sheet as Eligible liabilities. Senior non-preferred liabilities that fulfil the minimum requirements for own funds and eligible liabilities (MREL) are presented on a separate line in the balance sheet.

3.4.1 Recognition and derecognition

Financial assets and liabilities are initially recognised in the balance sheet when the entity becomes part of the instrument's contractual terms. Regular way purchase or sale of financial instruments measured at fair value, which are recognised on the trade date. The trade date is the date that an entity commits itself to purchase or sell an instrument. Financial assets are derecognised when the right to receive cash flows from a financial asset has expired or the company has transferred substantially all the risks and rewards of ownership to another party. Financial liabilities are derecognised when the obligation in the agreement has been discharged, cancelled or expired.

3.4.2 Derivatives

All derivatives are measured and reported at fair value in the balance sheet. Derivatives with positive fair values, including accrued interest, are reported as assets within the liability side. Derivatives with the corresponding treatment on the liability side. Realised and unrealised results are recognised in the income statement within Net gains and losses on financial items. Principles for hedge accounting are applied if the derivative is identified as a hedging instrument.

3.4.3 Offsetting

Financial assets and financial liabilities are offset and recognised net in the balance sheet if there is a legal right of set-off both in the normal course of business and in the event of bankruptcy, and if the intent is to settle the items with a net amount or to simultaneously realise the asset and settle the liability.

3.5 Financial instruments - Classification and measurement

Financial assets are classified in one of the following valuation categories:

- Amortised cost
- Fair value through profit or loss – mandatory
 - Held for trading

The classification is based on the entity's business model for managing the asset and the asset's contractual terms.

The business model reflects how the Company manages portfolios of financial assets. The factors considered in determining the business model for a portfolio of financial assets include how the financial assets' performance is evaluated and reported to management, how risks are assessed and managed, compensation models as well as frequency, volume, reason and timing for sales.

The company assesses the contractual terms of the financial asset to identify whether the contractual cash flows are solely payments of principal and interest. In making this assessment, consideration is taken whether the contractual cash flows are consistent with a basic lending arrangement. Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as the compensation for the time value of money, credit risk, other basic lending risks and profit margin. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is not compliant with the solely payments of principal and interest criterion and the asset is measured at fair value.

Financial liabilities are classified in one of the following valuation categories:

- Amortised cost
- Fair value through profit or loss
 - Held for trading
 - Designated at fair value through profit or loss, fair value option

Financial assets and financial liabilities are presented per balance sheet item and valuation category in note 27 Valuation categories of financial instruments.

3.5.1 Financial assets at amortised cost

Debt instruments are measured at amortised cost if:

- The objective of the business model is to hold the financial assets in order to collect contractual cash flows and
- The contractual cash flows are solely payments of principal and interest

Financial assets at amortised cost are initially recognised at fair value including transaction costs that are directly attributable to the acquisition of financial assets and subsequently measured at amortised cost. Fair value is normally the amount advanced, including fees and commissions. The amortised cost is the amount at which the financial asset is measured at initial recognition minus repayments of principal, plus accrued interest, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any credit impairment provisions. Accounting policies regarding credit impairment provisions are disclosed in section 3.7.

3.5.2 Financial assets at fair value through profit or loss

Financial assets classified as measured at fair value through profit or loss are comprised of financial assets mandatorily measured at fair value through profit or loss and this valuation category includes:

- Derivatives that are not designated for hedge accounting

Financial assets at fair value through profit or loss are initially recognised and subsequently measured at fair value.

Changes in fair value is recognised in the income statement within Net gains and losses on financial items. Changes in fair value due to changes in exchange rates are recognised as changes in exchange rates in the same profit or loss line.

3.5.3 Financial liabilities at amortised

Financial liabilities classified as measured at amortised cost include those that are not classified as fair value through profit or loss. Such financial liabilities are recognised at fair value, which is typically the amount borrowed or issued including transaction costs that are directly attributable to the issuance, and subsequently measured at amortised cost using the effective interest method. The amortised cost measurement is analogous to that applied to financial assets; however, it does not include adjustments for credit impairment provisions.

3.5.4 Financial liabilities at fair value through profit or loss

Financial liabilities classified as measured at fair value through profit or loss are comprised of:

- Derivatives that are not designated for hedge accounting
- Financial liabilities designated at fair value through profit or loss at initial recognition, fair value option

The company applies the option to irrevocably designate financial liabilities at fair value through profit or loss, when there otherwise would arise inconsistencies in accounting or valuation. This option is applied for debt securities in issue, which have fixed contractual interest rates, and for which the portfolio's aggregate interest rate risk is essentially eliminated with derivatives that are measured at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are initially recognised at fair value on the trade date and subsequently measured at fair value. The determination of fair value and the accounting for gains or losses on initial recognition are analogous to financial assets at fair value through profit or loss. Changes in fair value are recognised in the income statement within Net gains and losses on financial items.

3.5.5 Issued debt- and equity instruments

Issued financial instruments are classified as liability if the company has a contractual commitment to either deliver cash, another financial asset, or a variable number of shares to the holder of the instrument. If not, the instrument is classified as an equity instrument.

3.6 Financial instruments – Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability through an orderly transaction between market participants.

The fair value of financial instruments is determined based on quoted prices in active markets. When such market prices are not available, generally accepted valuation models such as discounted future cash flows are used. The valuation models are as far as possible based on observable market data, such as quoted prices in active markets for similar instruments or quoted prices for identical instruments in inactive markets.

For financial assets and financial liabilities in active markets, the average of bid and ask prices, mid prices, are used as the basis for determining the fair values. When financial assets and financial liabilities have offsetting market risks, a bid/ask adjustment is made, so that open net positions are recognised at the relevant bid or ask price. Additionally, other relevant adjustments are made if deemed necessary to reflect a fair value, so-called fair value adjustments such as credit valuation adjustments (CVA) and debit valuation adjustments (DVA).

Critical accounting judgements and estimates – Fair value measurement for financial instruments recognised at fair value

The Group's executive management has assessed and determined the methodology for which market risks are offset and how net positions are calculated when adjustments are made to the bid or ask price.

When quoted prices on active markets are not available, the company instead uses valuation models. The company's executive management determines when the markets are considered inactive and when quoted prices no longer correspond to fair value, therefore requiring that valuation models are used. An active market is considered a regulated marketplace where quoted prices are easily accessible, and which demonstrates regularity. Activity is evaluated continuously by analysing factors such as trading volumes and differences between bid and sell prices. When certain criteria are not met, the market or markets are considered inactive. The company's executive management determines which valuation model and which pricing parameters are most appropriate for the individual instrument. Swedbank Mortgage uses valuation models that are generally accepted and are subject to independent risk control.

When financial instruments are measured at fair value according to valuation models, a determination is made on which observable market data should be used in those models. The assumption is that quoted prices for financial instruments with similar activity will be used. When such prices or components of prices cannot be identified, the executive management must make its own assumptions. Note 27 shows financial instruments at fair value divided into three valuation levels: level 1 - quoted prices, level 2 - valuation models with observable market inputs and level 3 - valuation models with significant assumptions.

3.7 Financial instruments - Credit impairments

Credit impairment provisions are recognised on the financial assets that are measured at amortised cost. Credit impairment provisions are measured according to an expected credit loss model and reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes and considering all reasonable and supportable information available without undue cost or effort at the reporting date. Such provisions are measured according to whether there has been a significant increase in credit risk since initial recognition of an instrument.

- Stage 1 includes financial instruments that have not experienced a significant increase in credit risk since initial recognition and those within the Swedbank Mortgage's policy to assess for low credit risk at the reporting date, which is defined as having an investment grade equivalent rating.
- Stage 2 includes financial instruments that have deteriorated significantly in credit quality since the initial recognition but for which there is no objective evidence of credit impairment.
- Stage 3 includes financial instruments which are credit-impaired and for which there is objective evidence of impairment.

12-month expected credit losses are recognised on instruments in Stage 1 and lifetime expected credit losses are recognised on instruments in Stage 2 and Stage 3. The lifetime expected credit losses represent losses from all possible default events over the remaining life of the financial instrument. The 12-month expected credit losses are losses resulting from the default events that are possible within 12 months after the reporting date and consequently represent only a portion of the lifetime expected credit losses.

3.7.1 Measurement of expected credit losses

Expected credit losses are measured for each individual exposure as the discounted product of a probability of default (PD), an exposure at default (EAD), and a loss given default (LGD). The PD represents the likelihood that a borrower will default on its obligation. The EAD is an expected exposure at the time of default, considering scheduled repayments of principal and interest and expected further drawdowns on irrevocable facilities. The LGD represents the expected loss on a defaulted

exposure, considering such factors as counterparty characteristics, collateral and product type.

Expected credit losses are determined by projecting the PD, LGD and EAD for each future month over the expected lifetime of an exposure. The three parameters are multiplied together and adjusted for the probability of survival, or the likelihood that the exposure has not been prepaid or has not defaulted in an earlier month. This effectively calculates monthly expected credit losses, which are discounted back to the reporting date using the original effective interest rate and summed. The sum of all months over the remaining expected lifetime results in the lifetime expected credit losses and the sum of the next 12 months results in the 12-month expected credit losses.

When estimating expected credit losses, the Swedbank Mortgage considers at least three scenarios (a base case, an upside and a downside), represented by relevant macroeconomic variables, such as GDP, house prices, and unemployment rates. The risk parameters used to estimate expected credit losses incorporate the effects of the macroeconomic forecasts and associated expected probabilities, to measure an unbiased probability weighted average. In cases where the impacts of relevant factors are not captured in the modelled expected credit loss results, the Swedbank Mortgage uses its experienced credit judgement to incorporate such effects.

Swedbank Mortgage assesses material credit-impaired exposures individually and without the use of modelled inputs. The credit impairment provisions for these exposures are established using the discounted expected cash flows and considering a minimum of two possible outcomes, one of which is a loss outcome. The possible outcomes consider both macroeconomic and borrower-specific scenarios.

3.7.2 Definition of default and credit-impaired assets

Default is an input to the PD, which affects both the identification of a significant increase in credit risk and the measurement of the expected credit losses. Financial assets classified as credit-impaired are included in Stage 3.

The Swedbank Mortgage's IFRS 9 definitions of default and credit-impaired assets are aligned to the company's regulatory definition of default, as this is what is used for risk management purposes. Default and credit-impairment are triggered when one of the following occurs: an exposure is more than 90 days past due, an exposure is declared in bankruptcy or similar order, a non-performing forbearance measure is applied towards the borrower or there is an assessment that the borrower is unlikely to pay its obligations as agreed. When assessing whether a borrower is unlikely to pay its obligations, the company considers both qualitative and quantitative factors. Such factors include but are not limited to the overdue status or non-payment on other obligations of the same borrower, expected non-

performing forbearance measures, expected bankruptcy and breaches of financial covenants.

An instrument is no longer considered to be in default or credit-impaired when it no longer meets any of the default criteria for at least three consecutive months. Where a loan is in default due to a non-performing forbearance measure having been applied, longer probation periods are applied.

3.7.3 Determining a significant increase in credit risk since initial recognition

Swedbank Mortgage assesses changes in credit risk using a combination of individual and collective information and reflects significant increases in credit risk at the individual financial instrument level as far as possible.

For financial instruments with an initial recognition date of 1 January 2018 or later, the primary indicator used to assess changes in credit risk is changes in the forward-looking lifetime probability of default since initial recognition, which incorporates the effects of past and current forecasted economic conditions. Changes in Swedbank internal credit ratings since initial recognition, where each rating corresponds to a 12-month probability of default, is used as a secondary indicator of significant increase in credit risk.

The estimation of the forward-looking lifetime probabilities of default for initial recognition dates prior to the adoption of IFRS 9 would not have been possible without the use of hindsight and would have required undue cost and effort. Consequently, for those instruments with an initial recognition date prior to 1 January 2018, changes in Swedbank internal credit ratings since initial recognition is used as the primary indicator.

Qualitative indicators are also considered in the stage allocation assessment; namely, whether a borrower is monitored on the watch list or has been extended performing forbearance measures. Furthermore, a significant increase in credit risk is considered to have occurred for all financial instruments which are 30 days past due.

Swedbank Mortgage considers that certain financial instruments with low credit risk at the reporting date have not experienced a significant increase in credit risk. The company applies this policy to financial instruments issued to sovereign and financial institutions only.

A financial instrument is no longer considered to have experienced a significant increase in credit risk when all indicators are no longer breached.

3.7.4 Expected lifetime

The lifetime of a financial instrument is relevant for both the assessment of significant increase in credit risk, which considers changes in the probability of default

over the expected lifetime, and the measurement of lifetime expected credit losses. The expected lifetime is generally limited by the maximum contractual period over which the Swedbank Mortgage is exposed to credit risk, even if a longer period is consistent with business practice. All contractual terms are considered when determining the expected lifetime, including prepayment options and extension and rollover options that are binding to Swedbank Mortgage. For the mortgage portfolio, the company uses a behavioural life model which predicts the likelihood that an exposure will still be open and not defaulted at any point during its remaining life (accounting for the probability of early repayment).

The only exception to this general principle applies for credit cards, where the expected lifetime is estimated beyond the contractual maturity. The expected lifetime is based on the period over which Swedbank Mortgage is exposed to credit risk and where the credit losses would not be mitigated by risk management actions. This so-called behavioural life is determined using product-specific historical data and ranges up to 10 years.

3.7.5 Presentation of credit impairments

For financial assets measured at amortised cost, credit impairment provisions are presented in the balance sheet as a reduction of the gross carrying amount of the assets. For loan commitments and financial guarantee contracts, such provisions are presented as a provision within Other liabilities and provisions. Where a financial instrument includes both a loan and a loan commitment component, such as revolving credit facilities, the Company recognises the credit impairment provisions separately for the loan and the loan commitment components.

A write-off reduces the gross carrying amount of a financial asset. Credit impairment losses and write-offs are presented as Credit impairments in the income statement. Write-offs are recognised when the amount of loss is ultimately determined and represent the amount before the utilisation of any previous provisions. Any subsequent recoveries of write-offs or impairment provisions are recognised as gains within Credit impairment.

Critical accounting judgements and estimates – Credit impairments

The following judgement areas can have a significant impact on the level of credit impairment provisions: the determination of a significant increase in credit risk and the incorporation of forward-looking macroeconomic scenarios. Incorporating forward-looking information requires significant judgement, both in terms of the scenarios to be applied and ensuring that only relevant forward-looking information is considered in the calculation of expected credit losses.

There have been no significant changes to the methodologies applied during the reporting period.

However, due to the geopolitical and economic uncertainties, post-model expert credit adjustments to the credit impairment provisions continue to be necessary. Details of these as well as an analysis of the sensitivity of credit impairment provisions in relation to significant increase in credit risk assumptions and in relation to the forward-looking macroeconomic scenarios are found in note 3 Risks section 3.1.4 Calculation of credit impairment provisions. Significant credit-impaired exposures are those where the borrower's or limit Group's total credit limit is SEK 50m or more. The credit impairment provisions for these exposures are established using the discounted expected cash flows and considering a minimum of two possible outcomes, of which at least one is a loss outcome. The estimation of future cash flows takes into account a range of relevant factors such as the amount and sources of cash flows, the level and quality of the borrower's earnings, the realisable value of collateral, the Company's position relative to other claimants, the likely cost and duration of the work-out process and current and future economic conditions. The amount and timing of future recoveries depend on the future performance of the borrower and the valuation of collateral, both of which might be affected by future economic conditions; additionally, collateral may not be readily marketable. Judgements change as new information becomes available or as work-out strategies evolve, resulting in regular revisions to the credit impairment provisions. The credit impairment provisions recognised in the income statement in relation to individually assessed loans amounted to SEK 2m (2).

3.8 Financial instruments - Hedge accounting

The Company applies different hedge accounting models depending on the purpose of the hedge:

- Fair value hedge accounting
- Cash flow hedge accounting

The company applies hedge accounting according to IFRS 9 except for fair value hedge accounting for portfolio hedges of interest rate risk where the company applies hedge accounting in accordance with the EU carve-out version of IAS 39 Financial Instruments: Recognition and Measurement.

To apply hedge accounting, a hedge relationship must be formally identified and documented. For hedge relationships in accordance with IFRS 9, hedge effectiveness is proved prospectively on designation and on an ongoing basis. There is an economic relationship between the hedged item and the hedging instrument, and the effect of credit risk does not dominate the value changes resulting from that relationship. Also, the hedge ratio is the same as that resulting from the quantity of both the hedged item and the hedging instrument actually used.

For hedge relationships in accordance with IAS 39, the hedge's effectiveness must be measurable in a reliable way and must be proven to remain effective, both

prospectively and retrospectively, in offsetting changes in the fair value of the hedged risk.

3.8.1 Fair value hedges

One-to-one hedges

Fair value hedge accounting is applied in certain cases when the interest rate exposure in a recognised financial asset or financial liability is hedged with derivatives. Swedbank Mortgage uses interest rate swaps to hedge debt securities in issue, senior non-preferred liabilities and subordinated liabilities. Where hedge accounting is applied, the hedged risk in the individual hedged item is also measured at fair value. The fair value of the hedged risk for an individual financial liability is recognised on the same line in the balance sheet as the financial instrument. Both the change in the fair value of the derivative and the change in the fair value of the hedged risk are recognised in the income statement within Net gains and losses on financial items. Interest from the hedged item and the hedging instrument are recognised within Net interest income.

Portfolio hedges

Portfolio fair value hedge accounting is applied where the interest rate exposure in loan portfolios and non-maturing deposits, consisting of on demand deposits, are hedged with derivatives. Where hedge accounting is applied, the hedged risk in the hedged portfolios is measured at fair value. The fair values of the hedged items are recognised on separate lines in the balance sheet: Value change of hedged assets in portfolio hedges of interest rate risk and Value changed of hedged liabilities in portfolio hedges of interest rate risk, respectively. Both the fair value changes of the derivatives and the fair value changes of the hedged risk are recognised in the income statement within Net gains and losses on financial items. Interest from the hedged item and the hedging instrument are recognised within Net interest income.

3.8.2 Cash flow hedges

Derivative transactions are sometimes entered into to hedge the exposure to variations in future cash flows resulting from changes in exchange rates. The hedged items are aggregate exposures of foreign currency fixed rate debt securities in issue and interest rate swaps in the same foreign currency. Swedbank Mortgage uses cross currency basis swaps as the hedging instruments and excludes the foreign currency basis spread component from the hedging relationship. These hedge relationships are recognised as cash flow hedges, whereby the effective portion of the change in fair value of the derivative hedging instrument is recognised directly in other comprehensive income. The changes in fair value of the cross currency basis swap are also recognised in other comprehensive income. However, the changes related to the effective portion of the hedge relationship and the foreign currency basis spread component are recognised separately in the cash flow

hedge reserve and the foreign currency basis reserve, respectively. The amounts accumulated in the respective reserves are subsequently reclassified to profit or loss in the same periods that the hedged future cash flows or the foreign currency basis spread cash flows affect profit or loss. Hedges are ineffective to the extent that the cumulative change in fair value since hedge inception is larger for the designated portion of the hedging instrument than for the hedged item, measured using hypothetical derivatives. Any ineffective portion is recognised in the income statement within Net gains and losses on financial items.

3.9 Pensions

Reported pension costs correspond to the fees paid to separate legal entities that secure pension obligations. All pension plans are recognized as defined contribution plans.

3.10 Net interest income

Interest income and interest expense on financial instruments are recognised in net interest income using the effective interest method and, in some cases, using a method that gives a reasonable approximation of the effective interest method. The effective interest rate is the rate that discounts future cash flows to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. The calculation includes transaction costs, premiums or discounts and fees paid or received that are an integral part of the return.

Interest income on financial assets at amortised cost in stage 1 and stage 2 is calculated by applying the effective interest rate to the gross carrying amount. Interest income on financial assets at amortised cost in stage 3 is calculated by applying the effective interest rate to the amortised cost, which is the gross carrying amount less credit impairment provisions. Interest expense is calculated by applying the effective interest rate to the amortised cost of financial liabilities.

Net interest income includes the interest component for derivatives included in hedge accounting and the interest component for economic hedges. In both of these cases, the derivatives hedge items that are accounted for in net interest income.

3.11 Tax

Current tax assets and tax liabilities for current and previous periods are measured at the amount expected to be obtained from or paid to the tax authority. Deferred taxes refer to tax on differences between the carrying amount and the tax base, which in the future serves as the basis for current tax. Deferred tax liabilities are tax attributable to taxable temporary differences and must be paid in the future. Deferred tax liabilities are recognised on all taxable temporary differences. Deferred tax assets represent a reduction

in future tax attributable to deductible temporary differences, tax loss carry-forwards or other future taxable deductions. Deferred tax assets are tested on each closing date and recognised to the extent it is likely on each closing date that they can be utilised. As a result, a previously unrecognised deferred tax asset is recognised when it is considered likely that a sufficient surplus will be available in the future. Tax rates which have been enacted or substantively enacted as of the reporting date are used in the calculations. All current and deferred taxes are recognised through profit or loss as tax with the exception of tax attributable to items recognised directly in other comprehensive income or equity. In these cases, the tax is also recognised in other comprehensive income or equity respectively.

4. NEW STANDARDS AND INTERPRETATIONS

4.1 Standards issued but not yet adopted

The International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) have issued standards, amendments to standards and interpretations that apply in or after 2025. The IASB permits earlier application. For Swedbank Mortgage to apply them also requires that they have been approved by the EU if the amendments are not consistent with previous IFRS rules. No new or amended IFRS accounting standards, interpretations and Swedish regulations issued and not yet adopted are expected to have a significant impact on the company's financial position, results, cash flows or disclosures.

Note 3 Risk

Swedbank Mortgage defines risk as a potentially negative impact on company value that can occur due to internal processes or future internal or external events. The risk concept encompasses both the probability that an event will occur and the impact that event would have on the Swedbank Mortgage's profitability, equity or value.

The Board has adopted a policy for Enterprise Risk Management (ERM) which describes the processes that secures that risks are identified, assessed and in applicable cases measures, managed, monitored and reported. In the same policy the Board also lays the foundation for a sound risk-culture and risk awareness in the organisation.

To ensure that Swedbank Mortgage maintains a long-term low risk profile, the Board has established risk appetites for the risk types that the company is exposed to. The risk appetite is designed to limit Swedbank Mortgage's risk taking and to ensure that minimum levels of capital and liquidity is maintained. The company's risk appetite is implemented by the CEO through internal rules and a risk limit framework decided by the CEO. Where deemed necessary from a risk perspective, risk indicators are also decided. Limits and risk indicators are tools for monitoring and controlling risk exposure, risk concentration, and accumulation of risk. The purpose of these tools is to ensure that risks are kept within the established risk appetite.

The capital adequacy assessment process evaluates the capital needs of Swedbank Mortgage based on its aggregate risk level, goals, and business strategy. The aim is to ensure efficient use of capital while also meeting the minimum legal capital requirement and maintaining access to domestic and international capital markets and being able to support customers, even under adverse market conditions.

Credit risk

Credit risk is the risk that a counterparty fails to meet its contractual obligations to the Group and the risk that the pledged collateral does not cover the claims.

Liquidity risk

The risk of not being able to meet payment obligations when they fall due without incurring considerable additional costs for obtaining funds or losses due to asset fire-sales.

Market risk

The risk to value, earnings, capital, or exposure arising from movements of risk factors in financial markets. Value covers both economic value and accounting value and includes valuation adjustments such as CVA (Credit Valuation Adjustment) and DVA (Debit Valuation Adjustment).

Operational risk

The risk of losses, business process disruption and negative reputational impact resulting from inadequate or failed internal processes, people, and systems, or from external events.

ESG risk

ESG risk refers to the current or future potential negative impact on the company arising from environmental, social, or corporate governance factors. This impact can be either indirect through the company's counterparts or direct on the company.

Other risks

Other risks within Swedbank's risk taxonomy include capital risk, strategic risk, compliance risk, conduct risk, and financial crime risk.

3a Credit risk

Definition

Credit risk is the risk that a counterparty fails to meet its contractual obligations to the Group and the risk that the pledged collateral does not cover the claims.

Risk management

Swedbank Mortgage follows a central principle where credit decisions adhere to the credit process, comply with relevant regulations, and align with the business and credit strategies of the bank. Depending on the size and nature of the credits, lending decisions can be made by a case handler using system support or by a credit committee.

The duality principle guides all credit and credit risk management within Swedbank Mortgage. This principle is reflected in the credit organization, decision-making bodies, and the credit process itself. The credit process encompasses work and decision processes for lending, credit monitoring, and quantification of credit risk.

In order to grant credit, Swedbank Mortgage requires that borrowers can be expected to fulfil their obligations towards the bank on reasonable grounds. Additionally, relevant collateral is obtained for granted credit. To ensure sound, long-term robust, and risk-balanced lending practices, Swedbank Mortgage also considers macroenvironmental factors. This means that both internal knowledge (company knowledge) and external knowledge (expected local, regional, and global changes) that may have significance for a transaction and its associated risks are considered if relevant.

Sustainability, including environmental considerations, social responsibility, and business ethics, are important factors taken into account in origination and lending. A sustainability analysis is conducted in connection with corporate lending. This analysis is an integral part of the

credit analysis and aims to evaluate how sustainability-related risks impact factors such as customers' profitability, repayment capacity, and collateral value. The analysis also considers customers' reputation risk and, consequently, Swedbank's reputation risk. The sustainability analysis is mandatory for all customers belonging to the corporate exposure class with a total group credit limit greater than 8 million SEK in Sweden after deducting credits secured by residential property. Risk classification is an integral part of the credit process and is evaluated and determined as part of each credit decision. The risk classification also influences the requirements for the scope of analysis and documentation, as well as how customer monitoring is conducted. This allows for simpler and faster approval processes for low-risk credits. All credit exposures are continuously and systematically assessed for early indications of significant increases in credit risk. In addition to this ongoing credit monitoring, exposures with elevated risk or large exposures, financial institutions, and governments are reviewed at least annually. This comprehensive assessment ensures a thorough evaluation of the borrower's financial situation, future creditworthiness, risk classification, and long-term customer relationship.

The company's risk organization is responsible for independent monitoring and control of credit risk management, including the credit process, risk limits, and risk classification system. The risk organization regularly analyses the credit portfolio's overall risk level and risk development and conducts stress tests as part of the annual capital adequacy assessment. Close monitoring is done for risk concentrations, elevated risks in different segments, and larger individual borrowers. In addition, specific analyses and stress tests are performed when necessary for selected segments or sub-portfolios. Swedbank Mortgage also regularly identifies and analyses climate risks in various sectors. These analyses are incorporated into business plans and credit strategies by considering both transition risks and physical risks associated with climate change.

Within financial management, counterparty risks arise for Swedbank Mortgage, primarily related to derivative contracts. All derivative contracts have the parent company as a counterparty. Counterparty risks are reduced through a bilateral agreement that allows for the netting of risks according to a standardized procedure.

Risk measurement

Swedbank Mortgage's internal risk classification system is the basis for:

- Risk assessment and credit decisions
- Calculating capital requirements and capital allocation
- Calculating risk-adjusted returns (including Risk-Adjusted Return On Capital)
- Credit impairment provisions

- Monitoring and managing credit risks
- Reporting credit risks to for example the Board, CEO and Group Executive Management
- Developing credit strategies and associated risk management activities.

The most important risk parameters for calculating regulatory capital requirements for credit exposures are:

PD (probability of default) – the probability that a counterparty or contract will have a payment default within a twelve-month period,

LGD (loss given default) – the proportion of the credit exposure that is expected to be lost in the event of default, and

Exposure at Default (EAD) – the credit exposure the Group is estimated to have when a counterparty has defaulted.

Swedbank Mortgage's internal risk classification system is approved by the Swedish Financial Supervisory Authority, and Swedbank Mortgage is permitted to apply the IRB approach to calculate a major part of the capital requirement for credit risks. Swedbank Mortgage uses several different risk classification models for different subsegments of the credit portfolio. There are primarily two types of models. One type is based on statistical methods, requiring access to a large amount of information on counterparties and sufficient information regarding counterparties that have entered default. The other type is based on expert opinions and is used in cases where statistical methods are not applicable. Many of the models are a combination of those two types. The models are validated when new models are introduced and when major changes are made, as well as on a periodic basis, at least annually. The validation is designed to ensure that each model measures risk in a satisfactory manner. In addition, the models are evaluated to ensure that they work well in daily credit operations.

Provisioning of expected credit losses

The Group measures credit impairment provisions using an expected credit loss approach. Expected credit losses are measured based on the stage to which the individual asset is allocated at each reporting date. For financial assets with no significant increase in credit risk since initial recognition (Stage 1), impairment provisions reflect 12-month expected credit losses.

For financial assets with a significant increase in credit risk (Stage 2) and those which are credit impaired (Stage 3), impairment provisions reflect lifetime expected credit losses. Such measurements are estimated using internally developed statistical models or individual assessments of expected contractual cash flows, both of which involve a high degree of management judgement. The portfolios for estimating expected credit losses are determined according to the

same segmentation that is applied for regulatory purposes, with shared risk characteristics. This is based on homogeneous subsegments of the total credit portfolio, such as obligor type, business area, or product group.

The key inputs used in the quantitative models are Probability of Default (PD), Loss Given Default (LGD), Exposure At Default (EAD) and expected lifetime. Expected credit losses reflect both historical data and probability weighted forward-looking scenarios.

Probability of Default (PD)

The 12-months and lifetime PDs of a financial instrument represent the probability of a default occurring over the next twelve months and over its expected lifetime respectively, based on conditions existing at the balance sheet date and future economic conditions that affect credit risk.

Internal risk rating grades based on IRB PD models are inputs to the IFRS 9 PD models and historic default rates are used to generate the PD term structure covering the lifetime of financial assets. The developed PD models are segmented based on shared risk characteristics such as type of borrower, product group and industry segment, and are used to derive both the 12-months and lifetime PDs. Segment and country specific credit cycle indexes are forecasted given different macroeconomic scenarios.

For each scenario, PD term structures are adjusted based on the correlation to the forecasted credit cycle indices, to obtain forward-looking point-in-time PD estimates. Consequently, a worsening of an economic outlook or an increase in the probability of the downside scenario occurring results in higher 12-months and lifetime PDs, thus increasing the estimated expected credit losses as well as the number of loans migrating from Stage 1 to Stage 2.

Loss Given Default (LGD)

LGD represents an estimate of the loss arising on default, taking into account the probability and the expected value of future recoveries including realization of collateral, the length of the recovery period and the time value of money. LGD estimates are based on historical loss data segmented by geography, type of collateral, type of borrower, and product information. Forward-looking information is reflected in the LGD estimates by using forecasted collateral value indexes for each macroeconomic scenario to adjust future loan-to-value and recovery rates. An economic outlook with deteriorating collateral values decreases recovery rates and increases loan-to-value, and therefore increases LGD and expected credit losses.

Exposure At Default (EAD)

The EAD represents an estimated exposure at a future default date, considering expected changes in the exposure after the reporting date. The modelling approach for EAD reflects current contractual terms of

principal and interest payments, contractual maturity date and expected utilisation of undrawn limits on revolving facilities and irrevocable off-balance sheet commitments.

Expected lifetime

Swedbank Mortgage measures expected credit losses considering the risk of default over the expected life. The expected lifetime is generally limited by the maximum contractual period over which Swedbank Mortgage is exposed to credit risk, even if a longer period is consistent with business practice. All contractual terms are considered when determining the expected lifetime, including prepayment options and extension and rollover options that are binding to the company. Swedbank Mortgage uses a behavioural life model for private mortgage lending which predicts the likelihood that an exposure will still be open and not defaulted at any point during its remaining life (accounting for the probability of early repayment).

Determination of significant increase in credit risk

Swedbank Mortgage uses both quantitative and qualitative indicators for assessing a significant increase in credit risk. The criteria are disclosed in note 2 Accounting Policies section 3.7.3 Determining a significant increase in credit risk since initial recognition. The tables below show the quantitative thresholds, namely:

- Changes in the 12-months 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 a risk grade between 0 and 5, a downgrade by 1 grade from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with a risk grade between 18 and 21, a downgrade by 5 to 7 grades from initial recognition is considered significant.
- 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 a risk grade between 0 and 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 a risk grade between 18 and 21, an increase of 200-300 per cent from initial recognition is considered significant, and an absolute 12-month PD threshold is also applied.

The Swedbank Mortgage has performed a sensitivity analysis on how credit impairment provisions would change if the 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 year end credit impairment provisions.

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

Internal risk grade at initial recognition	12-months PD band at initial recognition, %	Threshold, rating down grade ^{1,2,3}	Impairment provision impact of		Recognised credit impairment provisions 31 December 2025	Share of total portfolio in terms of gross carrying amount, % 31 December 2025
			Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %		
18-21	<0.1	5 - 7 grades	-17.3	11.7	85	39
13-17	0.1 - 0.5	3 - 5 grades	-2.7	11.9	120	19
9-12	>0.5 - 2.0	1 - 2 grades	-0.3	3.4	152	6
6-8	>2.0 - 5.7	1 grade	-4.1	14.8	31	1
0-5	>5.7 - 99.9	1 grade	-0.2	2.5	6	0
			-5.0	8.7	394	65
		Post-model expert credit adjustment ⁴				
		Sovereigns and financial institutions with low credit risk			0	0
		Stage 3 financial instruments			390	0
		Total			785	66

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

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

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

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

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

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

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

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

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

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

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

<u>Impairment provision impact of</u>					Share of total portfolio in terms of gross carrying amount, %	
Internal risk grade at initial recognition	Threshold, increase in lifetime PD ¹ , %	Increase in threshold by 100%, %	Decrease in threshold by 50%, %	Recognised credit impairment provisions 31 December 2025	31 December 2025	
18-21	200-300 ²	-3.9	5.0	30	16	
13-17	100-200	-14.3	10.2	61	14	
9-12	100	-16.2	27.3	53	4	
6-8	50	-7.3	7.3	13	1	
0-5	50	-5.5	0.0	6	0	
		-12.1	14.1	163	34	
Post-model expert credit adjustment ³						
Sovereigns and financial institutions with low credit risk				0	0	
Stage 3 financial instruments				177	0	
Total				340	34	

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

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

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

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

<u>Impairment provision impact of</u>					Share of total portfolio in terms of gross carrying amount, %	
Internal risk grade at initial recognition	Threshold, increase in lifetime PD ¹ , %	Increase in threshold by 100%, %	Decrease in threshold by 50%, %	Recognised credit impairment provisions 31 December 2024	31 December 2024	
18-21	200-300 ²	-7.9	6.9	69	37	
13-17	100-200	-2.4	8.3	114	18	
9-12	100	-1.6	5.3	176	6	
6-8	50	-0.5	5.1	84	1	
0-5	50	-2.7	1.4	19	0	
		-3.0	7.5	462	62	
Post-model expert credit adjustment ³				87		
Sovereigns and financial institutions with low credit risk				0	20	
Stage 3 financial instruments				262	0	
Total				811	62	

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

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

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

Incorporation of forward-looking macroeconomic scenarios

Forward-looking information is incorporated into both the assessment of significant increase in credit risk and calculation of expected credit losses. From analyses of historical data, Swedbank Mortgage has identified and reflected relevant macroeconomic variables that contribute to credit risk and losses for different portfolios based on geography, borrower, and product type, in the models. The most highly correlated variables are GDP growth, housing and property prices, unemployment, oil prices and interest rates. Swedbank continuously monitors the global macroeconomic environment, with particular focus on Sweden. This includes defining forward-looking macroeconomic scenarios and translating those scenarios into macroeconomic forecasts.

The macroeconomic scenarios are provided by Swedbank Macro Research and are aligned with the Swedbank Economic Outlook. The scenarios are developed to reflect assumptions about future economic conditions given the current state of the local and global economies. The macroeconomic forecasts consider internal and external information and are consistent with the forward-looking information used for other purposes such as budgeting and forecasting. Swedbank Mortgage considers three scenarios when estimating expected credit losses, which are incorporated into the PD and LGD inputs for model-

based expected credit losses. The base scenario is based on the assumptions corresponding to the Swedbank's budget scenario, and alternative scenarios reflecting more positive as well as more negative outlook are developed accordingly. The base scenario has an assigned probability weight of 66.6 per cent and 16.7 per cent is assigned to both the upside and downside alternative scenarios.

IFRS9 Scenario

The global economy has been unexpectedly resilient to the increased import tariffs in the US and countermeasures primarily from China. In Europe, exports continue to perform weakly, but household consumption is growing somewhat faster.

Growth has increased this year in Sweden. Next year, growth will rise further and will be significantly higher than the EU average.

Policy rates have been cut during the year in Sweden, the euro area and the US. Further rate cuts are expected in the US, but not in Sweden. In Sweden, inflation has been higher than expected but is now quickly approaching the inflation target.

31 December 2025				31 December 2024			
Credit impairment provisions				Credit impairment provisions			
Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Negative scenario	Positive scenario	Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Negative scenario	Positive scenario
1 125	0	1 334	961	1333	107	1504	1298

Post-model expert credit adjustment

Geopolitical tensions, supply chain disruptions and increased global tariffs resulted in uncertainty regarding potential deteriorations in credit quality, beyond what has been captured in the quantitative risk models. Therefore, post-model expert credit adjustments have been made to capture increased credit risk, such as potential future rating and stage migrations. Customers and industries are reviewed and analysed considering the current situation. During 2025, the remaining post-model expert credit adjustments were reversed and amounted to SEK 0m (SEK 107m as of 31 December 2024), due to the identified risks being captured in the macroeconomic scenarios and the quantitative risk models.

Individual assessments on significant credit-impaired assets

The criteria for credit-impaired assets are disclosed on page 25. Swedbank Mortgage estimates expected credit losses on significant impaired exposures individually and without the use of modelled inputs. Significant means that the borrower's or limit group's total credit limit is SEK 50m or higher. The credit impairment provisions for these exposures are established using discounted expected cash flows and considering a minimum of two scenarios, one of which is a loss outcome. The possible outcomes consider both macroeconomic and non-macroeconomic borrower-specific scenarios. The estimation of future cash flows takes into account a range of relevant factors such as the amount and sources of cash flows, the level and quality of the borrower's earnings, the realisable value of collateral, the Group's position relative to other claimants, the likely cost and duration of the work-out

process as well as current and future economic conditions.

IFRS 9 vs Regulatory capital framework

The measurement of expected credit losses according to IFRS 9 is different to the expected loss calculation for regulatory purposes. Although Swedbank Mortgage's regulatory IRB models serve as a base for the IFRS 9 expected credit loss models, adjustments are made and, in some instances, separate models are used in order to meet the objectives of IFRS 9. The main differences are summarised in the table below:

	Regulatory capital	IFRS 9
PD	<ul style="list-style-type: none"> Fixed 1-year default horizon Through-the-cycle, based on a long-run average Conservative calibration based on backward-looking information including data from downturns 	<ul style="list-style-type: none"> 12-month PD for Stage 1 and lifetime PD for Stages 2 and 3 Point-in-time, based on the current position in the economic cycle Incorporation of forward-looking information No conservative add-ons
LGD	<ul style="list-style-type: none"> Downturn adjusted collateral values and through-the-cycle calibration All workout costs included 	<ul style="list-style-type: none"> Point-in-time, based on the current position in the cycle Adjusted to incorporate forward-looking information Internal workout costs excluded Recoveries discounted using the instrument specific effective interest rate
EAD	<ul style="list-style-type: none"> 1-year outcome period Credit conversion factor, with downturn adjustment, applied to off-balance sheet instruments 	<ul style="list-style-type: none"> EAD over the expected lifetime of instruments Point-in-time credit conversion factor applied to off-balance sheet instruments Prepayments taken into account
Expected lifetime	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Early repayment behaviour in portfolios with longer maturities but predominant prepayments, e.g. mortgages. Estimating maturities for certain revolving credit facilities, such as credit cards.
Discounting	<ul style="list-style-type: none"> No discounting, except in LGD models 	<ul style="list-style-type: none"> Expected credit losses discounted to reporting date, using the instrument specific effective interest rate
Significant increase in credit risk	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Relative measure of increase in credit risk since initial recognition Identification of significance thresholds

Gross carrying amount by credit risk rating

The table below presents the credit quality, gross carrying or nominal amount of financial instruments and stage, where the financial instruments are subject to the IFRS 9 impairment requirements. This credit quality information is at 31 December 2025 and the risk grade information is found on page 29.

Gross carrying amount by internal risk grade 2025

SEKm	Stage 1	Stage 2	Stage 3	Total
Loans to the public				
18-21	762 735	11 548		774 283
13-17	234 206	24 029		258 235
9-12	39 571	17 844		57 415
6-8	6 640	10 773		17 413
0-5	403	6 925		7 328
Default			4 277	4 277
Non-rated exposures				
Total	1 043 555	71 120	4 277	1 118 952

Gross carrying amount by internal risk grade 2024

SEKm	Stage 1	Stage 2	Stage 3	Total
Loans to the public				
18-21	747 304	9 528		756 832
13-17	244 537	20 693		265 230
9-12	40 780	21 702		62 482
6-8	6 989	13 697		20 686
0-5	457	7 974		8 431
Default			4 924	4 924
Non-rated exposures				
Total	1 040 068	73 593	4 924	1 118 584

Loans to the public and credit institutions, at amortised cost, carrying 2025

SEKm	Stage 1			Stage 2			Stage 3			Total
	Gross carrying amount	Credit impairment provision	Net	Gross carrying amount	Credit impairment provision	Net	Gross carrying amount	Credit impairment provision	Net	
Loans to credit institutions										
Banks	67 449		67 449							67 449
Loans to credit institutions	67 449		67 449							67 449
Loans to the public										
Private customers ¹	861 626	42	861 583	51 423	203	51 219	2 862	324	2 538	915 341
Private mortgage	861 626	42	861 583	51 423	203	51 219	2 862	324	2 538	915 341
Corporate customers ¹	181 929	38	181 891	19 697	274	19 423	1 415	244	1 171	202 486
Agriculture, forestry, fishing	35 671	8	35 663	5 664	68	5 597	191	26	165	41 424
Manufacturing	411	0	411	80	2	78	5	1	4	493
Public sector and utilities	1 032	1	1 031	258	6	252	4	1	3	1 286
Construction	1 992	1	1 991	338	4	334	22	3	18	2 343
Retail and wholesale	587	0	587	182	3	179	0	0	0	766
Transportation	368	0	367	45	1	44				411
Shipping and offshore	3		3							3
Hotels and restaurants	288	0	288	198	4	194	23	4	19	501
Information and communication	154	0	154	12	0	12				166
Finance and insurance	432	0	432	114	2	112				544
Property management, including	49 644	23	49 621	9 949	165	9 784	1 145	203	943	60 348
Residential properties	35 903	17	35 886	7 554	129	7 425	1 072	192	880	44 190
Commercial	8 677	3	8 674	1 068	15	1 052	23	5	18	9 744
Industrial and Warehouse	756	0	756	34	0	33	2	0	2	791
Other	4 309	4	4 305	1 294	20	1 273	49	5	43	5 622
Tenant owner associations	89 106	3	89 102	2 279	7	2 272				91 374
Professional services	1 304	0	1 304	253	3	250	12	3	9	1 562
Other corporate lending	937	1	936	325	8	316	12	2	10	1 263
Loans to the public	1 043 555	80	1 043 475	71 120	477	70 643	4 277	567	3 709	1 117 827
Loans to the public and credit institutions	1 111 004	80	1 110 924	71 120	477	70 643	4 277	567	3 709	1 185 276
Share of loans, %	93.64			5.99			0.36			100.00
Credit impairment provision ratio, %	0.01			0.67			13.27			0.09
Loans to the public, collateral										
Real Estate Residential	953 764	51	953 713	59 237	269	58 968	3 590	421	3 169	1 015 850
Real Estate Commercial	85 877	24	85 853	11 377	180	11 197	588	95	494	97 544
Guarantees	4	0	4	4	1	3	62	39	23	30
Received cash	2 272	2	2 270	335	20	315	4	2	2	2 587
Other collateral	1 637	3	1 634	167	7	160	32	11	21	1 815
Total	1 043 555	80	1 043 475	71 120	477	70 643	4 277	567	3 709	1 117 827

¹⁾ During Q3 2025, there has been a reclassification of Tenant-owner associations from the private to the corporate sector. Comparative figures have been restated.

Loans to the public and credit institutions, at amortised cost, carrying amount 2024

SEKm	Stage 1			Stage 2			Stage 3			Total
	Gross carrying amount	Credit impairment provision	Net	Gross carrying amount	Credit impairment provision	Net	Gross carrying amount	Credit impairment provision	Net	
Loans to credit institutions										
Banks	22 665		22 665							22 665
Loans to credit institutions	22 665		22 665							22 665
Loans to the public										
Private customers ¹⁾	858 693	51	858 642	48 712	181	48 531	3 900	460	3 440	910 613
Private mortgage	858 693	51	858 642	48 712	181	48 531	3 900	460	3 440	910 613
Corporate customers ¹⁾	181 375	79	181 296	24 880	461	24 419	1 023	100	923	206 638
Agriculture, forestry, fishing	36 117	9	36 107	6 336	75	6 262	288	48	240	42 609
Manufacturing	457	0	457	105	2	104	5	1	4	565
Public sector and utilities	1 047	1	1 046	210	7	202	7	1	6	1 255
Construction	2 079	1	2 078	370	6	364	21	5	16	2 459
Retail and wholesale	650	0	650	253	4	248	3	0	3	901
Transportation	252	0	252	58	1	57	0	0	0	309
Shipping and offshore	3	0	3	0	0	0	0	0	0	3
Hotels and restaurants	309	0	309	233	6	227	6	1	5	541
Information and communication	167	0	167	16	0	15	0	0	0	183
Finance and insurance	589	0	589	98	1	97	0	0	0	686
Property management, including	51 356	59	51 297	13 410	335	13 075	659	42	617	64 989
Residential properties	36 936	45	36 890	9 731	270	9 461	606	33	573	46 924
Commercial	9 016	8	9 008	2 072	35	2 037	25	5	20	11 065
Industrial and Warehouse	795	1	795	91	2	89	0	0	0	884
Other	4 609	5	4 604	1 516	28	1 488	28	4	24	6 116
Tenant owner associations	85 986	6	85 980	3 164	9	3 156	25	2	23	89 160
Professional services	1 503	1	1 502	270	4	266	6	0	6	1 774
Other corporate lending	860	1	859	356	11	345	3	1	2	1 206
Loans to the public	1 040 068	130	1 039 938	73 593	642	72 950	4 924	561	4 363	1 117 251
Loans to the public and credit institutions	1 062 733	130	1 062 603	73 593	642	72 950	4 924	561	4 363	1 139 916
Share of loans, %	93.12			6.45			0.43			100.00
Credit impairment provision ratio, %	0.01			0.87			11.39			0.12
Loans to the public, collateral										
Real Estate Residential	949 709	78	949 632	59 426	322	59 104	4 336	471	3 865	1 012 600
Real Estate Commercial	86 206	45	86 161	13 307	262	13 045	555	79	476	99 683
Guarantees	18	0	17	143	17	126 0	3	2	1	144
Received cash	2 405	4	2 401	510	33	477				2 877
Other collateral	1 730	3	1 727	207	8	198	30	9	21	1 946
Total	1 040 068	130	1 039 938	73 593	642	72 950	4 924	561	4 363	1 117 251

¹⁾ During Q3 2025, there has been a reclassification of Tenant-owner associations from the private to the corporate sector. Comparative figures have been restated.

Concentration risk, customer exposure

At end of 2025, Swedbank Mortgage did not have any exposures against individual counterparties that exceeded 10 per cent of the capital base.

Reconciliations of gross carrying amount and credit impairment provisions

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

Loans to the public and credit institutions 2025

SEKm	Stage 1	Stage 2	Stage 3	Total
Carrying amount before provisions				
Opening balance as of 1 January 2025	1 062 733	73 593	4 924	1 141 249
Closing balance as of 31 December 2025	1 111 004	71 120	4 277	1 186 401
Credit impairment provisions				
Opening balance as of 1 January 2025	130	642	561	1 333
Movements affecting credit impairments				
New financial assets	39	6	1	46
Derecognised financial assets	-14	-124	-172	-311
Write-offs			-28	-28
Changes in PD	19	-79		-60
Changes in risk factors (EAD, LGD, CCF)	-5	-7	245	233
Changes in macroeconomic scenarios	-31	-52	3	-79
Changes to models	13	106	-219	-99
Post-model expert credit adjustments	-27	-80		-107
Individual assessments			163	163
Stage transfers	-44	64	13	33
from 1 to 2	-60	259		199
from 1 to 3	0		7	7
from 2 to 1	16	-117		-101
from 2 to 3		-94	77	-16
from 3 to 2		15	-57	-42
from 3 to 1	0		-14	-14
Other			-19	-19
Total movements affecting credit impairments	-50	-165	-13	-228
Movements recognised outside credit impairments				
Interest			19	19
Closing balance as of 31 December 2025	80	477	567	1 125
Carrying amount				
Opening balance as of 1 January 2025	1 062 603	72 950	4 363	1 139 916
Closing balance as of 31 December 2025	1 110 924	70 643	3 709	1 185 276

Loans to the public and credit institutions 2024

SEKm	Stage 1	Stage 2	Stage 3	Total
Carrying amount before provisions				
Opening balance as of 1 January 2024	1 052 799	84 278	2 626	1 139 703
Closing balance as of 31 December 2024	1 062 733	73 593	4 924	1 141 249
Credit impairment provisions				
Opening balance as of 1 January 2024	196	749	348	1 293
Movements affecting credit impairments				
New financial assets	49	6	1	56
Derecognised financial assets	-18	-113	-142	-273
Changes in PD	57	11		68
Changes in risk factors (EAD, LGD, CCF)	-9	-19	223	195
Changes in macroeconomic scenarios	-35	-137	-17	-189
Change to models				
Post-model expert credit adjustments	-33	-58	0	-92
Individual assessments			17	17
Stage transfers	-77	204	131	258
from 1 to 2	-99	380		281
from 1 to 3	0		38	38
from 2 to 1	23	-104		-81
from 2 to 3		-87	117	30
from 3 to 2		15	-20	-5
from 3 to 1	0		-4	-4
Other			-19	-19
Total movements affecting credit impairments	-66	-107	193	20
Movements recognised outside credit impairments				
Interest			19	19
Closing balance as of 31 December 2024	130	642	561	1 333
Carrying amount				
Opening balance as of 1 January 2024	1 052 603	83 528	2 278	1 138 410
Closing balance as of 31 December 2024	1 062 603	72 950	4 363	1 139 916

Forborne loans

Forborne loans refer to loans where the contractual terms have been changed due to the customers' financial difficulties. The purpose of the forbearance measure is to enable the borrower to make full payments again or to avoid foreclosure, or when this is not considered possible, to maximise the repayment of outstanding loans. Changes in contractual terms include various forms of concessions such as amortisation suspensions, reductions in interest rates to below market rates, forgiveness of all or part of the loan,

or issuance of new loans to pay overdue amounts. Depending on when the forbearance measures are taken and the severity of the financial difficulties of the borrower, the forborne loan could either be treated as a performing forborne loan or a non-performing forborne loan. The following tables show the gross carrying amounts of forborne loans.

Gross carrying amount of forborne loans

SEKm	2025	2024
Performing	13 913	11 631
Non-performing	1 423	2 041
Total	15 336	13 672

Loan write offs

Loans are written off when the loss amount is ultimately established and there are no realistic options of recovery. The remaining loan amount for those that are partially written off is still included in credit-impaired loans or forborne loans. Previous provisions are reversed in connection with the write-off. The loss amount is ultimately determined when a receiver has presented a bankruptcy distribution, when a bankruptcy settlement has been reached, when a concession has been granted, or when the Swedish Enforcement Agency, or a collection company has reported that the physical person has no distrainable assets. A write-off normally does not mean that the claim against the borrower has been forgiven. Generally, a proof of claim is filed against the borrower or guarantor after the write-off. A proof of claim is not filed when a legal entity has ceased to exist due to a bankruptcy, when a bankruptcy settlement has been reached or when receivables have been completely forgiven. The contractual amount outstanding on loans that were written off during 2025 and are still subject to enforcement activity is SEK 50m.

3b Liquidity risk

Definition

The risk of not being able to meet payment obligations when they fall due without incurring considerable additional costs for obtaining funds or losses due to asset fire-sales.

Swedbank Mortgage's liquidity can be predicted with a high degree of certainty, since the maturities and interest payments are known in advance for mortgages and funding. With the help of rigorous forecasts and diversified funding in various geographical markets, Swedbank Mortgage reduces liquidity risk.

The Board of Directors determines Swedbank Mortgages overall risk appetite for liquidity and has therefore established a limit for the Survival Horizon. Limit adherence are monitored continuously both by the Company and the Group.

Liquidity risk is also limited by covered bond regulations. The high credit rating of covered bonds broadens the investor base, facilitates favourable funding costs and constitutes approved collateral when pledged with the Riksbank. Swedbank Mortgage is part of a liquidity subgroup with access to the parent company's liquidity reserve, with the purpose of

maintaining and managing liquidity risk. When Swedbank Mortgage faces a high volume of maturing bonds that exceeds maturing lending, the liquidity reserve must be adjusted to meet these maturities in various types of stressed scenarios in the capital markets where access to financing may be limited or where markets are fully or partly closed over an extended period. This also means that when Swedbank Mortgage's volume of maturing bonds in the near term are lower, the liquidity reserve can be lower, since refinancing needs and thus liquidity risk decrease.

Summary of maturities

In the summary of maturities, undiscounted contractual cash flows are distributed on the basis of remaining maturities until the agreed time of maturity. For lending to the public, amortising loans are distributed based on amortisation schedule. Liabilities whose contracts contain a prepayment option have been distributed based on the earliest date on which repayment can be demanded. The difference between the nominal amount and the carrying amount, the discounting effect, is reported in the column Without maturity date/discount effect. This column also includes items without an agreed maturity date and where the probable repayment date has not been determined.

Undiscounted contractual cash flows, remaining maturity

SEKm

2025	Payable on demand	< 3 mths	3 mths-1 yr	1-5 yrs	5-10 yrs	> 10 yrs	Without maturity date/discount effect ¹⁾	Total
Assets								
Loans to credit institutions	66 539		911					67 449
Loans to the public		11 212	20 803	85 694	110 487	908 156	-18 524	1 117 827
Derivatives		4 837	-1 099	6 046	282	866	-437	10 495
Other assets							-186	-186
Total assets	66 539	16 049	20 614	91 740	110 769	909 021	-19 147	1 195 585
Liabilities								
Amounts owed to credit institutions		4 173	680 150				-8 330	675 992
Debt securities in issue		50 978	6 975	365 043	4 395	13 369	-34 469	406 292
Derivatives		1 122	-262	4 125	1 174	1 180	-863	6 475
Eligible liabilities				46 226			-2 090	44 136
Other liabilities							6 398	6 398
Total liabilities		56 272	686 863	415 394	5 569	14 549	-39 354	1 139 293

¹⁾ Refers to discount effect for all items, except other assets and other liabilities without a defined maturity date

2024	Payable on demand	< 3 mths	3 mths-1 yr	1-5 yrs	5-10 yrs	> 10 yrs	Without maturity date/discount effect ¹⁾	Total
Assets								
Loans to credit institutions	22 665							22 665
Loans to the public		12 337	20 266	85 595	102 123	917 464	-20 534	1 117 251
Derivatives		4 675	737	10 992	356	1 435	-484	17 710
Other assets							-2 111	-2 111
Total assets	22 665	17 012	21 003	96 587	102 479	918 899	-23 130	1 155 514
Liabilities								
Amounts owed to credit institutions		5 227	685 666				-10 191	680 703
Debt securities in issue		5 501	67 666	297 865	4 456	15 180	-29 052	361 616
Derivatives		836	1 532	1 735	774	653	-386	5 144
Eligible liabilities				47 804			-3 632	44 172
Other liabilities							9 182	9 182
Total liabilities		11 564	754 864	347 404	5 230	15 833	-34 079	1 100 816

¹⁾ Refers to discount effect for all items, except other assets and other liabilities without a defined maturity date

3c Market risk - Interest risk

Interest rate risk refers to the risk that Swedbank Mortgage's results, equity or value will be negatively affected by changes in interest rates or other relevant risk factors.

The majority of Swedbank Mortgage's interest rate risk is structural and arises within the banking operations when there is a mismatch between the interest fixing periods of assets and liabilities, including derivatives. The interest rate risk in fixed rate assets, primarily customer loans, accounts for the large part of this risk and is hedged through fixed-rate funding or by entering into various types of swap agreements with Swedbank AB. An increase in all market interest rates of one percentage point would have reduced the value of the

Definition

Swedbank Mortgage's assets and liabilities, including derivatives by SEK 687m (loss: 309) as of 31 December 2025.

Net gains and losses on financial items, before taking into account cash flow hedges, would have increased by SEK 2m (increased 3) for the portion of Swedbank Mortgage's balance sheet measured at fair value through the income statement. This would have increased equity by SEK 2m (increased 2).

Change in value if the market rates rise by one percentage point

SEKm

Impact on the value of assets and liabilities, including derivatives, if market rates are raised by one percentage point

2025

	< 3 mths	3-6 mths	6-12 mths	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	5-10 yrs	> 10 yrs	Total
SEK	563	-43	-490	-184	-130	-119	-95	-71	6	-564
Foreign currency	0	0	-2	-5	-4	-6	-6	-36	-62	-123
Total	563	-43	-492	-190	-134	-126	-101	-107	-56	-687

of which financial instruments measured at fair value through profit and loss

SEK	5	0	0	0	0	0	0	1	1	8
Foreign currency	-5	0	0	0	0	0	0	-1	0	-6
Total	0	1	1	2						

2024

	< 3 mths	3-6 mths	6-12 mths	1-2 yrs	2-3 yrs	3-4 yrs	4-5 yrs	5-10 yrs	> 10 yrs	Total
SEK	941	-12	-279	-209	-178	-175	-104	-62	9	-70
Foreign currency	0	0	-1	-3	-9	-9	-3	-56	-159	-239
Total	941	-12	-280	-212	-188	-183	-108	-117	-150	-309

of which financial instruments measured at fair value through profit and loss

SEK	5	0	0	0	0	0	0	1	1	9
Foreign currency	-5	0	0	0	0	0	0	-1	0	-7
Total	0	1	1	3						

3d Market risk – Currency risk

Definition

Currency risk refers to the risk that the value of the Swedbank Mortgage's assets and liabilities, including derivatives, will be negatively affected by changes in exchange rates or other relevant risk factors.

Currency risk arises as Swedbank Mortgage's lending in SEK is partly financed with funding in other liquid currencies.

Swedbank Mortgage's policy is to hedge any exposure to currency risk. Currency risk is essentially neutralised through derivatives on the currency market. The table below shows assets and liabilities broken down by currency.

Currency distribution

2025

SEKm	SEK	EUR	USD	Total
Assets				
Loans to credit institutions	67 449			67 449
Loans to the public	1 117 827			1 117 827
Other assets, not distributed	10 309			10 309
Total	1 195 585			1 195 585
Liabilities				
Amounts owed to credit institutions	675 992			675 992
Debt securities in issue	303 331	102 907	53	406 292
Senior non preferred debt	44 136			44 136
Other liabilities, not distributed	12 873			12 873
Total	1 036 333	102 907	53	1 139 294
Derivatives		-102 907	-53	
Net position in currencies		0	0	

2024

SEKm	SEK	EUR	USD	Total
Assets				
Loans to credit institutions	22 665			22 665
Loans to the public	1 117 251			1 117 251
Other assets, not distributed	15 599			15 599
Total	1 155 514			1 155 514
Liabilities				
Amounts owed to credit institutions	680 703			680 703
Debt securities in issue	276 872	84 682	61	361 616
Senior non preferred debt	44 172			44 172
Other liabilities, not distributed	14 326			14 326
Total	1 016 072	84 682	61	1 100 816
Derivatives		-84 682	-61	
Net position in currencies		0	0	

4 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	2025	2024
	31 Dec	31 Dec
Available own funds		
Common equity tier 1 (CET1) capital	56 150	54 453
Tier 1 capital	56 150	54 453
Total capital	56 154	54 775
Risk-weighted exposure amounts		
Total risk exposure amount	287 750	284 070
Capital ratios as a percentage of risk-weighted exposure amount		
Common equity tier 1 ratio	19.5	19.2
Tier 1 ratio	19.5	19.2
Total capital ratio	19.5	19.3
Additional own funds requirements to address risks other than the risk of excessive leverage as a percentage of risk-weighted exposure amount		
Additional own funds requirements to address risks other than the risk of excessive leverage	2.9	3.9
of which: to be made up of CET1 capital	2.0	2.7
of which: to be made up of Tier 1 capital	2.1	2.9
Total SREP own funds requirements	10.9	11.9
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount		
Capital conservation buffer	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State		
Institution specific countercyclical capital buffer	2.0	2.0
Systemic risk buffer		
Global Systemically Important Institution buffer		
Other Systemically Important Institution buffer		
Combined buffer requirement	4.5	4.5
Overall capital requirements	15.4	16.4
CET1 available after meeting the total SREP own funds requirements	8.7	7.4
Leverage ratio		
Total exposure measure	1 119 675	1 117 315
Leverage ratio, %	5.0	4.9

SEKm	2025 31 Dec	2024 31 Dec
Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure		
Additional own funds requirements to address the risk of excessive leverage		
of which: to be made up of CET1 capital		
Total SREP leverage ratio requirements	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure		
Leverage ratio buffer requirement		
Overall leverage ratio requirement	3.0	3.0

Common Equity Tier 1 Capital, SEKm	2025 31 Dec	2024 31 Dec
Shareholders' equity according to the balance sheet	56 292	54 698
Value changes in own financial liabilities	-91	-66
Cash flow hedges	20	-160
Additional valuation adjustments	-14	-19
Insufficient coverage for non-performing exposures	-4	0
Net provisions for reported IRB credit exposures	-53	
Total	56 150	54 453

Risk exposure amount, SEKm	2025 31 Dec	2024 31 Dec
Credit risks, IRB	85 717	53 684
Operational risks	14 076	15 986
Additional risk exposure amount, Article 458 CRR	187 956	214 399
Total	287 750	284 070

Capital requirements ¹⁾ SEKm / per cent	SEKm		Per cent	
	2025 31 Dec	2024 31 Dec	2025 31 Dec	2024 31 Dec
Capital requirement Pillar 1	35 970	35 509	12.5	12.5
of which Buffer requirements ²⁾	12 950	12 784	4.5	4.5
Total capital requirement Pillar 2 ³⁾	8 230	11 164	2.9	3.9
Total capital requirement including Pillar 2 guidance	44 199	46 673	15.4	16.4
Own funds	56 154	54 775		

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

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

³⁾ Individual Pillar 2 requirement according to decision from SFSA SREP 2025.

	SEKm		Per cent	
	2025	2024	2025	2024
Leverage ratio requirements ¹⁾	31 Dec	31 Dec	31 Dec	31 Dec
Leverage ratio requirement Pillar 1	33 590	33 519	3.0	3.0
Total leverage ratio requirement including Pillar 2 guidance	33 590	33 519	3.0	3.0
Tier 1 capital	56 150	54 453		

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

Internal Capital Adequacy Assessment Process (ICAAP)

The Internal Capital Adequacy Assessment Process (ICAAP) aims to ensure that Swedbank Mortgage is adequately capitalised to cover its risks and to operate and develop the business.

Measurement

Swedbank Mortgage prepares and documents its own methods and processes to evaluate its capital requirement. The ICAAP takes into account all relevant risks that arise.

The models that serve as the basis for the internal capital assessment measure the need for economic capital over a one-year horizon with a 99.9 per cent confidence interval for each risk type. Diversification effects between risk types are not taken into consideration in the calculation of economic capital.

Risktypes

The risks for which Swedbank Mortgage calculates an internal capital requirement are:

- Credit risk
- Concentration risk
- Market risk
- Market risk: Interest risk in banking book
- Operational risk

Other risks such as reputational risk and liquidity risk are not quantified, even though the capital buffer also implicitly protects against such risks. These risks remain an important part of Swedbank Mortgage's risk exposure and are therefore carefully monitored and managed.

Total capital requirement

Swedbank Mortgage's internal capital requirement as of 31 December 2025 amounted to SEK 8.6bn.

5 Operating segments

SEKm	2025					2024				
	Private	Corporate	Forestry and Agriculture	Not distributed	Total	Private	Corporate	Forestry and Agriculture	Not distributed	Total
Net interest income	4 745	1 177	417	1 453	7 791	6 558	1 479	540	1 777	10 355
Net commissions	-20	-3	-1		-24	-16	-3	-1		-19
Net gains and losses on financial items				298	298				890	890
Other income				5	5				6	6
Total income	4 726	1 173	416	1 756	8 070	6 542	1 477	539	2 673	11 231
Total general administrative expenses	188	1	13	69	271	195	1	14	68	278
Profit before impairments, Swedish bank tax and resolution fees	4 537	1 173	403	1 687	7 800	6 347	1 476	525	2 605	10 953
Credit impairments	-89	-44	-37		-170	71	4	-16		60
Swedish bank tax and resolution fees	492	82	27		601	485	83	27		595
Operating profit	4 134	1 135	413	1 687	7 369	5 791	1 389	513	2 605	10 298
Loans to the public	915 525	152 508	49 794		1 117 827	910 818	155 421	51 012		1 117 251

Results and balance in the Private segment relate to consumer loans to finance residential housing. The corresponding items for Corporate relate to loans to municipal housing companies and tenant-owner associations with underlying collateral in multi-family housing. The Forestry and Agriculture segment comprises loans to finance forest and agricultural properties. The commission income in net commissions are services provided point in time and are related to payment processing commissions. The allocation to segments is based on business volume. Items in operating profit/loss that are not included in the segments consist of changes in the value of financial instruments, the return on legal equity and other undistributed minor items. Return on equity comprises interest income on assets funded by equity. Swedbank Mortgage does not have any single customer that generates 10% or more of the Company's total income.

6 Net interest income

SEKm	2025	2024
Interest income		
Loans to credit institutions	940	1 452
Loans to the public	34 331	43 259
Other	2	4
Total interest income	35 273	44 715
Interest expense		
Amounts owed to credit institutions	-17 401	-25 027
Debt securities in issue	-9 913	-7 621
Derivatives	1 365	543
Eligible liabilities	-1 530	-2 251
Other	-3	-3
Total interest expense	-27 482	-34 360
Total net interest income	7 791	10 355
Average balance		
Loans to credit institutions	40 522	36 027
Loans to the public	1 115 913	1 117 940
Amount owed to credit institutions	663 393	686 979
Debt securities in issue	394 729	370 347
Negative yield on financial liabilities		0
Interest expense on financial liabilities at amortised cost	28 840	34 896
Interest income on Stage 3 loans	128	179

7 Net commission income

SEKm	2025	2024
Commission income		
Payment processing	31	33
Total	31	33
Commission expenses		
Fees to the Swedish National Debt and Credit Agency	0	0
Market maker fees	-55	-52
Total	-55	-52
Total net commission income	-24	-19

Commission income are services provided point in time. Allocation to operating segments is based on business volume.

8 Net gains and losses on financial items

SEKm	2025	2024
Fair value through profit and loss		
Debt securities in issue	1	1
Derivatives	103	480
Total fair value through profit and loss	104	481
Hedge accounting		
Ineffective part in hedge accounting	244	-142
of which hedging instruments	-337	4 413
of which hedged items	582	-4 555
Ineffective part in portfolio hedge accounting at fair value	19	174
of which hedging instruments	-2 108	-5 592
of which hedged items	2 126	5 766
Ineffective part in cash flow hedge	-184	193
Total hedge accounting	78	225
Derecognition gain or loss for financial liabilities at amortised cost	74	135
Derecognition gain or loss for loans at amortised cost	61	34
Change in exchange rates	-18	15
Total net gains and losses on financial items	298	890

9 Staff expenses

Remuneration within Swedbank Mortgage

The Board receives compensation from Swedbank. Swedbank has a common remuneration policy for the Group.

SEKm	2025	2024
President		
Salaries and other remuneration	1.7	2.2
Pension costs	0.4	0.5
Social insurance charges	0.5	0.7
Other employees		
Salaries and other remuneration	16.3	16.7
Pension costs	3.7	3.8
Social insurance charges	5.5	5.5
Other staff costs	0.2	0.6
Total	28.5	30.1

Number of employees

The number of employees at year-end were 29 persons, of whom 72 per cent were women and 28 percent men.

Loans to the Board and employees

SEKm	2025	2024
Loans to the President		
Loans to Board members	20	15
No. of employees with loans	22	25

The company has not pledged any assets, other security or accepted any contingent liabilities on behalf of any members of the company's executive management.

Gender distribution

number of persons	2025	2024
Board of Directors	5	5
of which men	2	3
of which women	3	2

10 Other expenses

SEKm	2025	2024
Purchased services	202	210
Other	40	37
of which PWC AB ¹⁾		
Audit assignment and other audit services	2	2
Total	242	248

¹⁾ Remuneration to Auditors elected by Annual General Meeting, Öhrlings PricewaterhouseCoopers AB

11 Credit impairments

SEKm	2025	2024
Credit impairments for loans at amortised cost		
Credit impairments – stage 1	-50	-66
Credit impairments – stage 2	-165	-107
Credit impairments – stage 3	-13	193
Total	-228	20
Write-offs	68	45
Recoveries	-10	-6
Total	58	39
Total - credit impairments for loans at amortised cost	-170	60
Total credit impairments	-170	60
Credit impairment ratio, %	-0.01	0.01

12 Swedish bank tax and resolution fees

SEKm	2025	2024
Swedish bank tax	213	214
Interest free deposit in the Swedish central	11	
Resolution fees	378	381
Total	601	595

Swedish bank tax refers to Risk tax on credit institutions that was introduced from 1 January 2022. It is applied on credit institutions with a tax base exceeding SEK 192bn. The tax rate is 0.06 per cent of the tax base for 2024 and 2025.

Since 2025, the Riksbank has introduced a requirement for banks to maintain interest-free deposits with the Riksbank. The requirement has been implemented to strengthen the Riksbank's equity. The size of the deposit is reassessed annually after the Riksbank's annual financial statements have been finalized. Swedbank Mortgage recognizes the present value of the forgone interest income on the deposit as an expense in full when the Riksbank receives the interest-free deposit.

13 Tax

SEKm	2025	2024
Tax expense		
Tax related to previous years	0	0
Current tax	1 518	2 121
Total	1 518	2 121

The tax expense corresponds to 20.6% (20.6%) of the company's pretax profit. The difference between the company's tax expense and the tax expense based on current tax rates is explained below:

	SEKm	%	SEKm	%
Result	1 517,6	20,6	2 121	20,6
Prevailing tax rate	1 517,6	20,6	2 121	20,6
Difference	0	0	0	0

14 Earnings per share

Earnings per share are calculated by dividing net profit attributable to the shareholders of the company by the weighted average number of shares outstanding

SEKm	2025	2024
Profit attributable to the shareholders of Swedbank Mortgage, SEKm	5 851	8 178
Average number of shares outstanding, million	23	23
Earnings per share, SEK	254.40	355.55

15 Tax for each component in other comprehensive income

SEKm	2025		
	Amount before tax	Deferred tax	Amount after tax
Cash flow hedges	-227	47	-180
Foreign currency basis risk reserve	759	-156	603
Other comprehensive income	532	-110	423

SEKm	2024		
	Amount before tax	Deferred tax	Amount after tax
Cash flow hedges	-24	5	-19
Foreign currency basis risk reserve	-661	136	-525
Other comprehensive income	-685	141	-544

16 Loans to the public

SEKm	2025	2024
Loans to the public	1 117 827	1 117 251
Total loans to the public	1 117 827	1 117 251
Number of loans	1 590 735	1 609 597

17 Derivatives

Swedbank Mortgage trades in derivatives for the purpose of hedging certain positions that are exposed to interest rate and currency risks. Interest rate swaps that hedge the interest rate risk component in loan portfolios or in certain debt securities in issue are sometimes recognized as hedging instruments in hedge accounting at fair value. The derivatives are recognized at fair value with changes in value through profit or loss in the same manner as for other derivatives.

SEKm	2025				2024	2025		2024	
	Remaining contractual maturity, nominal amount				Total	Positive market values		Negative market values	
	<1 year	1-5 year	> 5 year	Total					
Derivatives in hedge accounting									
Fair value hedge									
Interest-rate swaps	47 348	294 045	15 319	356 712	338 118	6 446	6 790	3 129	3 619
Portfolio fair value hedge									
Interest-rate swaps	93 975	149 146	4 305	247 426	287 275	1 035	3 300	1 924	1 457
Cash flow hedge									
Cross currency basis swaps	12 926	77 055	12 912	102 893	82 636	2 778	7 520	1 252	
Total	154 249	520 246	32 536	707 031	708 029	10 259	17 610	6 305	5 076
Other derivatives									
Interest-rate related contracts									
Interest-rate swaps	11 000	108		11 108	1 865	201	8	3	19
Currency-related contracts									
Cross currency basis swaps	270	1 444	964	2 678	2 847	35	92	167	49
Total	11 270	1 552	964	13 786	4 712	236	100	170	68
Grand total	165 519	521 798	33 500	720 817	712 741	10 495	17 710	6 475	5 144

18 Hedge accounting

Fair value hedge

Swedbank Mortgage's approach to managing market risk, including interest rate risk, and its exposure to those risks are presented in note 4. The risk of changes in interest rates on the fair value of certain fixed rate financial instruments is mitigated in accordance with the Swedbank Mortgage's risk management strategy by using interest rate swaps. Where hedge accounting is applied, interest rate risk on fixed rate loans to the public is hedged on a portfolio basis whereas debt securities in issue are identified and hedged on an issuance by issuance basis. Interest rate swaps designated as the hedging instruments are reported in the balance sheet in the Derivatives line. Designated fair value hedge relationships are used to hedge the benchmark interest rate risk, which is an observable and reliably measurable component of the interest rate risk and of the fair value. Where hedge accounting is applied, Swedbank Mortgage ensures that the relationships meet the criteria outlined in note 2 including the effectiveness requirements

Hedge ineffectiveness is reported in the income statement as Net gains and losses on financial items. Potential sources of hedge ineffectiveness are primarily related to different discount curves applied for the valuation of the respective hedged item and the interest rate swaps.

One-to-one hedges – effectiveness assessment under IFRS 9

The economic relationship between the debt securities and the interest rate swap are assessed using a qualitative analysis of the critical terms. The critical terms are matched between the financial instruments, particularly regarding notional amount, reference interest rate, repricing dates and tenor. The fair values of the instruments are expected to move in opposite directions as a result of changes in the hedged benchmark interest rate risk. The hedge ratio is 1:1 as the nominal amount of the interest rate swap matches the issued amount of the hedged debt securities or subordinated liabilities. Swedbank Mortgage assesses hedge effectiveness by comparing the changes in fair value of the debt

securities resulting from movements in the benchmark interest rate with the changes in fair value of the designated interest rate swaps.

Portfolio hedges– effectiveness test under IAS 39

Mortgage loans are grouped into quarterly time buckets based on the next interest rate fixing dates. Each time bucket position is hedged using interest rate swaps with a nominal amount covering a portion of the total loans. A specified loan amount in each time bucket is therefore designated as the hedged item. The portfolio fair value hedges are assessed for effectiveness both prospectively and retrospectively. The prospective assessment is performed using a qualitative analysis of the critical terms of the hedged item and the interest rate swap. The retrospective assessment is performed daily on cumulative basis by using of the dollar offset method. The changes in fair value of the mortgage loans due resulting from movements in the benchmark interest rate are compared with the changes in fair value of the designated interest rate swaps. The tables below provide information relating to the hedged items and hedging instruments in qualifying fair value hedge relationships.

Hedging instruments and hedge ineffectiveness

	2025			2024		
	Interest rate risk					
	Portfolio hedge	Debt securities in issue	Total	Portfolio hedge	Debt securities in issue	Total
Nominal amount	247 426	356 712	604 138	287 275	338 118	625 393
Carrying amount ¹⁾						
Assets	1 035	6 446	7 481	3 299	6 790	10 090
Liabilities	1 924	3 129	5 053	1 457	3 619	5 076
Change in fair value used for recognising hedge ineffectiveness	703	-902	-199	2 847	-668	2 179
Ineffectiveness recognised in Profit or loss ²⁾	19	244	263	174	-142	32

¹⁾ Hedging instrument are presented on the balance sheet line derivatives

²⁾ Ineffectiveness in hedge accounting are presented on line Net gains and losses in the income statement

Hedged items

	2025				2024			
	Portfolio hedge, Loans to the public	Value change of interest hedged item in portfolio hedge	Debt securities in issue, one-to-one hedges	Total	Portfolio hedge, Loans to the public	Value change of interest hedged item in portfolio hedge	Debt securities in issue, one-to-one hedges	Total
Carrying amount								
Assets	247 426			247 426	287 275			287 275
Liabilities			358 912	358 912			337 983	337 983
Accumulated amount of fair value hedge adjustment on the hedged item								
Assets		-597		-597		-2 723		-2 723
Liabilities			-1 118	-1 118			-697	-697
Change in value used for recognising hedge ineffectiveness	-597		1 118	522	-2 723		697	-2 026

Maturity profile and average price, Fair value hedges of interest rate risk

	Remaining contractual maturity					
	2025			2024		
	<1 yr	1-5 yrs.	>5 yrs.	<1 yr	1-5 yrs.	>5 yrs.
Portfolio hedge						
Nominal amount (m SEK)	93 975	149 146	4 305	127 200	154 605	5 470
Average fixed interest rate %	1.44	2.10	1.82	1.42	1.60	1.38
Fair value hedges						
Nominal amount (m SEK)	47 348	294 045	15 319	66 211	255 145	16 762
Average fixed interest rate %	1.71	2.57	1.56	0.69	2.47	1.55

Cash flow hedge

Swedbank Mortgage's approach to managing market risk, including currency risk, and its exposure to those risks are presented in note 4. In accordance with Swedbank Mortgage's risk management strategy, cross currency basis swaps are entered into to mitigate the foreign currency risk on future principal and interest payments of foreign currency debt securities. The hedged items are the aggregate exposures of foreign currency fixed rate debt securities in issue and interest rate swaps in the same foreign currency. The hedging instruments are cross currency basis swaps, which convert the foreign currency cash flows into SEK. The foreign currency basis spread in the cross-currency basis swaps is excluded from the hedge accounting relationship and is accounted for as described in note 2. Cross currency basis swaps designated as hedging instruments are reported in the balance sheet in the Derivatives line.

Designated cash flow hedge relationships are used to hedge against movements in foreign currency. Where hedge accounting is applied, Swedbank Mortgage ensures that the relationships meet the criteria outlined in note 2. Swedbank Mortgage ensures that designated hedge relationships fulfil the effectiveness requirements. The economic relationship between the aggregate exposure and the cross-currency basis swap are assessed using a qualitative analysis of the critical terms, which are matched. The fair values of the instruments are expected to move in opposite directions as a result of a change in the foreign currency rate. The hedge ratio is 1:1 as the nominal amount of the currency swap matches the nominal amount of the hedged aggregate exposure.

Swedbank Mortgage assesses hedge effectiveness by comparing the changes in fair value of the aggregate exposure due to movements in the foreign currency rate with the changes in fair value of the designated part of the cross-currency basis swaps. The changes in fair value of the aggregate exposure are calculated using a hypothetical derivative, which reflects the terms of the aggregate exposure. Hedge ineffectiveness is reported in the income statement as Net gains and losses on financial items. Potential sources of hedge ineffectiveness are primarily related to different discount curves applied for the valuation of the respective hedged item and the interest rate swaps.

The tables below provide information relating to the hedged items and hedging instruments in qualifying cash flow hedge relationships.

Hedging instruments	2025	2024
Cross currency basis swaps, EUR(SEK)		
Nominal amount	102 893	82 636
Carrying amount		
Assets	2 778	7 520
Liabilities	1 252	
Hedge effectiveness		
Change in fair value of hedging instrument used for measuring hedge ineffectiveness	1 778	8 557
Change in fair value fo hedged items used for measuring hedge ineffectiveness		
EUR debt securities in issue and interest rate swaps	-1 787	-8 303
Ineffectiveness recognised in the income statement during the year	-184	193
Cash flow hedge reserve		
Opening balance 1 January	160	180
Gains or losses from hedges recognised in other comprehensive income	-6 518	917
Amount reclassified to the incom statement, net gains and losses on financial items	6 291	-941
Other comprehensive income before tax	-227	-24
Tax	47	5
Closing balance 31 December	-20	160

Maturity profile and average price, hedging instrument

	Remaining contractual maturity					
	2025			2024		
	<1 yr	1-5 yrs.	>5 yrs.	<1 yr	1-5 yrs.	>5 yrs.
Foreign currency risk						
Nominal amount (m SEK)	12 926	77 055	12 912	20 561	48 015	14 060
Average EUR FX rate	10.30	10.79	9.94	10.45	10.45	9.93

19 Other assets

SEKm	2025	2024
Tax account	316	380
Other assets	39	65
Total	355	445

20 Debt securities in issue

SEKm	2025	2024
Covered bonds	407 410	362 313
Change in value due to hedge accounting at fair value	-1 118	-697
Total debt securities in issue	406 292	361 616

Turnover during the period

SEKm	2025	2024
Opening balance	361 616	361 435
Issued	134 907	88 666
Repurchased	-33 347	-23 577
Repaid	-60 631	-80 743
Interest	9 913	7 621
Interest, change in market values or in hedged item in hedge accounting at fair value	-657	4 419
Changes in exchange rates	-5 509	3 795
Closing balance	406 292	361 616

21 Other liabilities

SEKm	2025	2024
Current tax liabilities	167	305
Debt to group entity	5 895	8 239
Other liabilities	147	313
Total	6 209	8 856

22 Accrued expenses and prepaid income

SEKm	2025	2024
Other	189	326
Total	189	326

23 Equity according to Annual Accounts Act for Credit Institutions and Securities Companies

SEKm	2025	2024
Restricted equity		
Share capital	11 500	11 500
Statutory reserve	3 100	3 100
Total	14 600	14 600
Non-restricted equity		
Conditional shareholders' contribution	2 400	2 400
Unconditional shareholders' contribution	14 745	14 745
Cash flow hedge reserve	-20	160
Foreign currency basis reserve	-199	-802
Other retained earnings	24 765	23 595
Total	41 692	40 098
Total equity	56 292	54 698

Changes in equity during the period are reported in the statement of changes in equity

	5 900	5 900
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Number of shares

Approved and issued, million	23	23
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The quote value per share is SEK 0.50. All shares are fully paid.

24 Pledged assets, contingent liabilities and commitments

SEKm	2025	2024
Assets pledged		
Loans receivable pledged for covered bonds ¹⁾	434 696	374 936
Commitments	20 164	10 122
Total	444 860	385 058

¹⁾ Consists of collateral for covered bonds. This collateral is reported as the customers nominal loan principal, including accrued interest. The holders of the covered bonds have preferential rights to the collateral in the event of a bankruptcy.

25 Related parties

Parent company

Swedbank Mortgage is a wholly-owned subsidiary of Swedbank. The following headings in the balance sheet and statement of comprehensive income include transactions with the parent company in the amounts specified.

SEKm	2025	2024
Group receivables		
Loans to credit institutions	66 539	22 665
Derivatives	10 494	17 710
Other assets	16	29
Total	77 049	40 404
Group liabilities		
Amounts owed to credit institutions	675 992	680 703
Debt securities in issue	7 559	8 185
Derivatives	6 475	5 144
Other liabilities	5 908	8 250
Eligible liabilities	44 136	44 172
Total	740 070	746 454
Statement of comprehensive income		
Interest income	937	1 452
Interest expense	-17 596	-26 830
Other expenses	-13	-12
Total	-16 672	-25 390

Other companies in the Swedbank Group

The following headings in the balance sheet and statement of comprehensive income include transactions with other companies in the Swedbank Group in the amounts specified.

SEKm	2025	2024
Group receivables		
Other assets	22	37
Total	22	37
Group liabilities		
Debt securities in issue	32 519	0
Total	32 519	0
Statement of comprehensive income		
Commission expense		
Interest income	22	37
Interest expense	-591	-213
Total	-569	-176

Senior executives, see note 9 for further information.

26 Financial assets and liabilities, which have been offset or are subject to netting or similar agreements

The disclosures below refer to reported financial instruments that are subject to legally binding netting agreements, even when they have not been offset in the balance sheet. All financial instruments which are subject to netting agreements have the parent company Swedbank as counterparty.

SEKm	2025	2024
Assets		
Financial assets, which have not been offset or are subject to netting or similar agreements		
Financial assets, which have been offset or are subject to netting or similar agreements	10 494	17 710
Carrying amount presented in the balance sheet	10 494	17 710
Related amount not offset in the balance sheet		
Derivatives, netting agreements	6 475	5 144
Net amount - assets	4 019	12 566
Liabilities		
Financial liabilities, which have not been offset and not subject to netting or similar agreements		
Financial liabilities, which have been offset or are subject to netting or similar agreements	6 475	5 144
Carrying amount presented in the balance sheet	6 475	5 144
Related amount not offset in the balance sheet		
Derivatives, netting agreements	6 475	5 144
Net amount - liabilities	0	0

27 Valuation categories of financial instruments

Financial assets	2025					
	Amortised cost	Fair value through profit or loss		Hedging instruments	Total	Fair value
		Mandatorily	Trading			
Carrying Amount in SEKm						
Loans to credit institutions	67 449				67 449	67 449
Loans to the public	1 117 827				1 117 827	1 118 661
Value change of interest hedged items in portfolio hedge	-597				-597	-597
Derivatives			235	10 259	10 494	10 494
Other financial assets	355				355	355
Total	1 185 034		235	10 259	1 195 528	1 196 362

Financial liabilities	2025						
	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	675 992				675 992	677 735	
Debt securities in issue ¹⁾	406 174		118	118	406 292	407 583	
Derivatives		170		170	6 305	6 475	
Other financial liabilities	6 231				6 231	6 231	
Eligible liabilities	44 136				44 136	45 371	
Total	1 132 533	170	118	288	6 305	1 139 126	

¹⁾Nominal amount of debt securities designated at fair value through profit or loss was SEK 108m

Financial assets
2024

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

Financial liabilities
2024

	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	680 703					680 703	681 819
Debt securities in issue ¹⁾	361 490		126	126		361 616	360 263
Derivatives		68		68	5 076	5 144	5 144
Other financial liabilities	8 877					8 877	8 877
Eligible liabilities	44 172					44 172	45 825
Total	1 095 242	68	126	194	5 076	1 100 512	1 101 928

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

28 Fair value of financial instruments

Determination of fair value of financial instruments

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. An active market is considered a regulated or reliable marketplace where quoted prices are easily accessible, and which demonstrates regularity. Market activities are 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.

Financial instruments recognised at fair value

The below table shows assets and liabilities that are recognised at fair value disaggregated by valuation technique (fair value hierarchy).

Level 1 contains debt securities in issue that are traded on an active market. Fair values are determined using unadjusted quoted market prices.

Level 2 contains derivatives and debt securities in issue that are not traded on an active market. Fair value of these instruments is determined based on discounted cash flow models using market implied curves.

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 level 1 and level 2 during the period.

Swedbank Mortgage has no financial instruments that are carried at fair value within Level 3.

SEKm	2025				2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Derivatives		10 494		10 494		17 710		17 710
Total		10 494		10 494		17 710		17 710
Liabilities								
Debt securities in issue		118		118		126		126
Derivatives		6 475		6 475		5 144		5 144
Total		6 593		6 593		5 270		5 270

Financial instruments at amortised cost

The following table summarises the fair value disaggregated into the three fair value levels for financial assets and liabilities measured at amortised cost on the balance sheet.

SEKm	2025				2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Loans to credit institutions		67 449		67 449		22 665		22 665
Loans to the public		1 118 661		1 118 661		1 117 889		1 117 889
Total		1 186 110		1 186 110		1 140 554		1 140 554
Liabilities								
Amounts owed to credit institutions			677 735	677 735			681 819	681 819
Debt securities in issue	231 015	176 450		407 465	208 854	151 284		360 138
Eligible liabilities			45 371	45 371			45 825	45 825
Total	231 015	176 450	723 106	1 130 571	208 854	151 284	727 644	1 087 782

For floating rate loans, the carrying amount is considered a good approximation of fair value. Fair value of fixed rate loans is derived from discounting expected cash flows in a way that reflects the current product margins for lending to borrowers of similar credit quality.

Fair values of amounts owed to credit institutions, which consist of loans owed to the parent company, are estimated using discounted cash flows, where risk-free interest rates are used.

For valuation techniques of debt securities in issue, see section "Financial instruments at fair value".

29 Proposed distribution of profit

In accordance with the balance sheet for Swedbank Mortgage, the following profit after deduction for a paid group contribution of SEK 5 895 m are at the disposal of the annual general meeting:

SEKm	2025	2024
Retained earnings earlier years	36 059	32 562
Fair value fund	-219	-641
Profit for the year	5 851	8 178
Total at disposal	41 692	40 098
The Board proposes that the profit be carried forward to the next year	41 692	40 098
Total	41 692	40 098

30 Events after 31 December 2025

No material events have occurred after 31 December 2025.

31 Sustainability report

Swedbank Mortgage AB (publ) does not publish a statutory Sustainability Report according to the Annual Accounting Act Chapter 7, 31 a. Parent Company, Swedbank AB (publ) org. No. 502017-7753, which is based in Stockholm, publishes a Sustainability Report for the Group in which the company is included. The Group's sustainability report is available in Swedbank AB's annual report on page 71 to 180.

Definitions

Average balance

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

Capital base

The sum of Tier 1 and Tier 2 capital according to Article 72 in CRR.

Common Equity Tier 1 capital

Common Equity Tier 1 capital according to Article 26 after applicable adjustments specified in Articles 32-35, deductions according to Article 36 and the exemptions and alternatives in Articles 48, 49 and 79 in CRR.

Common Equity Tier 1 capital ratio

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

Credit impairment

Established losses and provisions less recoveries related to loans as well as the year's net expenses for guarantees and other contingent liabilities.

Earnings per share before and after dilution

Profit for the year allocated to shareholders in relation to the weighted average number of shares outstanding during the period.

Impaired loans

Loans where there is, on individual level, objective evidence of a loss event, and where this loss event has an impact on the cash flow of the exposure. Impaired loans, gross, less specific provisions for loans assessed individually constitute impaired loans, net.

Forborne loan

A loan where the terms have been modified to more favorable for the borrower's financial difficulties.

Leverage ratio

Tier 1 capital in relation to the total exposure measure, where the exposure measure includes both on- and off-balance sheet items.

Loan-to-value ratio (LTV)

Loan amount in relation to the market value of the collateral, according to definition by the Association of Swedish Covered Bond Issuers (ASCB, www.ascb.se).

Past due

A loan is past due when the counterparty has failed to make a payment within 5 days of the due date.

Provision for credit impairment

Impairment of loans if the solvency of the borrower is not expected to improve sufficiently within two years and the value of the collateral does not cover the loan amount.

Risk exposure amount

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

Tier 1 capital

The sum of Common Equity Tier 1 capital and additional Tier 1 capital according to Article 25 in CRR.

Tier 1 capital ratio

Tier 1 capital in relation to risk exposure amount.

Total capital ratio

Own funds in relation to the total risk exposure amount.

Alternative performance measures

Swedbank Mortgage prepares its financial statements in accordance with IFRS as issued by the IASB, as set out in Note 1. The annual report includes a number of alternative performance measures, which provide more comparative information between 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.

Credit impairment provision ratio Stage 1 loans

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

Credit impairment provision ratio Stage 2 loans

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

Credit impairment provision ratio Stage 3 loans

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

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.

Equity per share

Shareholders' equity in relation to the number of shares outstanding.

Net interest margin

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

Return on equity

Profit for the period allocated to shareholders in relation to average (calculated on month-end figures) shareholders' equity.

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 provision ratio for impaired loans

All provisions for loans in relation to impaired loans, gross.

Equity and total assets, monthly**2025**

mSEK	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Assets	1 158 228	1 179 480	1 193 561	1 198 323	1 181 220	1 153 591	1 150 687	1 153 403	1 157 649	1 160 234	1 161 798	1 195 585
Equity	55 291	55 984	55 162	55 685	56 181	55 373	55 950	56 520	55 792	56 263	56 700	56 292

2024

mSEK	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Assets	1 162 835	1 159 917	1 160 576	1 172 572	1 160 760	1 193 890	1 197 680	1 200 344	1 167 504	1 162 237	1 161 202	1 155 514
Equity	54 096	54 736	53 845	54 332	54 802	53 982	54 543	55 215	54 338	54 995	55 751	54 698

2023

mSEK	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Assets	1 206 768	1 203 594	1 159 032	1 151 756	1 158 030	1 158 489	1 157 564	1 152 060	1 166 274	1 168 830	1 171 836	1 153 624
Equity	48 223	48 914	47 955	48 430	48 866	48 283	48 662	49 002	53 320	53 715	54 316	53 607

2022

mSEK	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total Assets	1 141 379	1 232 115	1 245 513	1 247 684	1 260 226	1 198 910	1 146 958	1 151 022	1 156 007	1 153 259	1 191 690	1 191 720
Equity	47 084	48 066	46 630	47 466	47 904	46 771	47 669	48 376	47 534	48 079	48 697	47 707

Signatures of the Board of Director and the CEO

The Board of Directors and the CEO hereby affirm that the annual report has been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), the instructions and general guidelines of the Swedish Financial Supervisory Authority (FFFS 2008:25) and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for Legal Entities, and provides an accurate portrayal of the company's position and earnings and that the Board of Directors' Report provides an accurate review of trends in the company's operations, position and earnings, as well as describes significant risks and instability factors faced by the company.

Stockholm 17 February 2026

Jennifer Barck
Chairman

Annika Lundberg
CEO

Mattias Persson

Karin Mattsson

Mats Lindgren

Pia Gisgård

Auditor's report submitted on 18 February 2026

Öhrlings PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant
Author in charge

Martin By
Authorised Public accountant

Auditor's report

To the general meeting of the shareholders of Swedbank Hypotek AB, corporate identity number 556003-3283

Report on the annual accounts

Opinions

We have audited the annual accounts of Swedbank Hypotek AB for the year 2025.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of Swedbank Hypotek AB as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The statutory administration report is consistent with the other parts of the annual accounts.

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

Our opinions in this report on the annual accounts are consistent with the content of the additional report that has been submitted to the Swedbank Hypotek AB's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

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

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

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

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

<i>Key Audit Matter</i>	<i>How our audit addressed the Key Audit Matter</i>
<p><i>Credit Impairment allowances on loans</i></p> <p>Accounting for impairment of loans to customers requires subjective judgement over both timing and size of any such impairment. Swedbank Hypotek makes provisions for expected credit losses (ECL) in accordance with accounting standard IFRS 9 which categorise loans into three stages depending on the level of credit risk or changes in credit risk for each individual loan.</p> <p>Stage 1 representing a probable 12 month Expected Credit Loss (ECL) applies to all loans performing as originally intended. For loans where there is deemed to be a significant increase in credit risk since initial recognition, stage 2, or loans in default, stage 3, a lifetime ECL is calculated. The ECL is calculated as a function of the probability of default, the exposure at default and the loss given default, as well as the timing of the loss. IFRS 9 also allows for post model expert credit judgement to be applied to loan loss provisioning. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group's estimation of ECLs are: Model estimations - inherently judgmental modelling is used to estimate ECLs which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD") and Exposures at Default ("EAD"). The PD models are the key drivers of the ECLs and impact the staging of assets. As a result, the PD models are considered the most significant judgmental aspect of the Group's ECL modelling approach.</p> <p>Macroeconomic factors - IFRS 9 requires the Group to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions..</p> <p>Post model expert credit adjustment - Adjustments to the model-driven ECL results are raised by management to address known impairment model limitations or emerging trends. Such adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts.</p> <p>Refer to Annual Report note 3, 5 and 11.</p>	<p>In our audit we perform a variety of procedures over the credit impairments.</p> <p>Controls testing: We performed end to end process walk-throughs to identify the key systems, applications and controls used in the ECL processes. We tested the IT environment for key systems and applications used in the ECL process.</p> <p>Our testing included testing the design and operating effectiveness of the controls covering input data. We also evaluated controls over models as well as the calculation and authorisation of year end post model expert credit adjustments. Model estimations: We have reviewed key assumptions and estimates used in the models and performed recalculations for a sample of loans for us to obtain comfort that the ECL is calculated correctly and that it is in line with our expectations. These recalculations were performed on the most significant models used in the loan portfolio. Macro economic factors: We have assessed the reasonability of the assumptions Swedbank uses in their assessment of macroeconomic factors. This included analysis of Gross Domestic Product, property price increase and unemployment rate projections against other independent sources as well as our own professional judgement.</p> <p>Tests of details: We have performed tests of details in a number of areas including the individually assessed credits and the calculation of post model expert credit adjustments.</p> <p>Disclosures: We have assessed whether the disclosures in the annual report are appropriate.</p>
<p><i>Valuation of financial instruments held at fair value</i></p> <p>When accounting for financial instruments held at fair value, these are divided into three levels in accordance with IFRS 9. Level 1 are actively traded instruments where the value can be derived from a marketplace. Level 2 are instruments where the value is calculated using a model, but the model inputs can be derived from an actively traded marketplace such as foreign exchange rates or interest rates. Level 3 are instruments where the value is calculated using a model that is to a large extent dependent on estimates</p>	<p>In our audit, we perform a variety of procedures over valuation of financial instruments held at fair value.</p> <p>Controls testing: We performed end to end process walk-throughs to identify the key systems, applications and controls used in the valuation processes. We tested the IT environment for key systems and applications used in the valuation of financial instruments held at fair value.</p>

and judgements. Swedbank Hypotek does not have any financial instruments held at fair value in Level 1 and 3. Valuation of Level 2 financial instruments was an area of focus in the audit due to the degree of complexity involved in valuing these positions and their significance in presenting both financial position and the result. Determining the fair value of Level 2 financial instruments is important due to the properties of the instrument as well as their impact on the financial reporting. Refer to the Annual Report note 3, 17, 26, 27 and 28.

We have tested the design and operating effectiveness of key controls supporting the identification and measurement, and oversight of valuation of financial instruments.

Test of details: We have performed tests of details for all levels of financial instruments. For valuations based on models, we used our valuation experts to perform independent valuations of a sample of positions.

Disclosures: We have assessed whether the disclosures in the annual report are appropriate.

Responsibilities of the Board of Directors and the Managing Director

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

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

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

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

A further description of our responsibility for the audit of the annual accounts is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

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

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Swedbank

Hypotek AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Swedbank Hypotek AB for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are

independent of Swedbank Hypotek AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97, Stockholm, was appointed auditor of Swedbank Hypotek AB by the general meeting of the shareholders on the 11 April 2025 and has been the company's auditor since 2019.

Stockholm 18 February 2026
Öhrlings PricewaterhouseCoopers AB

Anneli Granqvist
Authorized Public Accountant
Auditor in charge

Martin By
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

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