

SBAB GROUP GREEN BOND FRAMEWORK 2019

INVESTOR PRESENTATION



SBAB Bank AB (publ)

AB Sveriges Säkerställda Obligationer (publ)

January 2019

SBAB!

Table of content

03	Introducing SBAB
09	SBAB's commitment to sustainability
17	Green efforts to combat climate change
23	SBAB Group Green Bond Framework 2019 <ul style="list-style-type: none">– <i>Use of Proceeds</i>– <i>Process for Project Evaluation and Selection</i>– <i>Management of Proceeds</i>– <i>Reporting & Transparency</i>
36	Appendix <ul style="list-style-type: none">– <i>Financial & business development</i>– <i>Funding, capital & liquidity</i>– <i>Additional information on the SBAB Group Green Bond Framework 2019</i>



INTRODUCING SBAB.

Introducing SBAB!



- 100% owned by the Kingdom of Sweden
- Swedish mortgage portfolio, predominantly residential mortgages
- Savings accounts offered to retail customers, corporate clients and tenant-owners' associations
- Business targets:
 - Profitability: RoE \geq 10%
 - Capitalisation: CET1 Capital Ratio & Total Capital Ratio 1.5% above requirement from the Swedish FSA
 - Dividend: \geq 40% of profits after tax

Rating	Moody's	S&P's
SBAB		
- Short term funding	P-1	A-1
- Long term funding	A1	A
SCBC		
- Long term funding	Aaa	

Business idea

Our business idea is to be innovative and considerate in our offering of loan and savings products to consumers, tenant-owners' associations and property companies in Sweden

Vision

To offer the best residential mortgages in Sweden

Mission

To contribute to better housing and household finances

Lending

SEK **358.0** bn

Deposits

SEK **120.5** bn

Two business areas

Retail

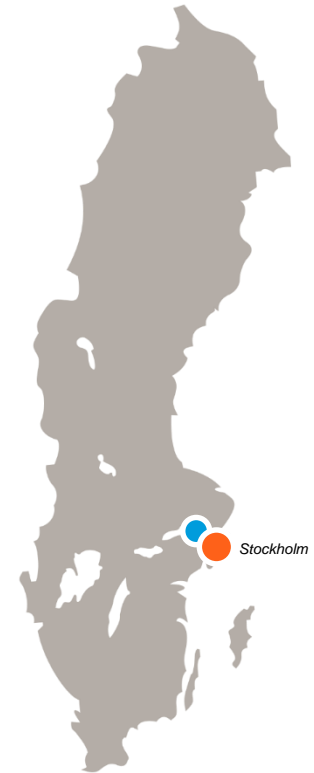
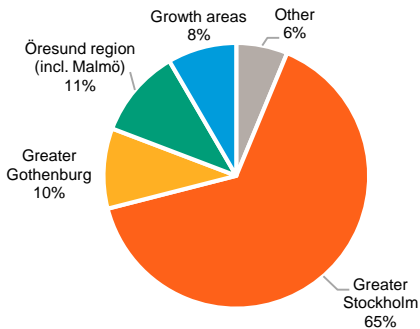
Corporate Clients &
Tenant-Owners'
Associations

Retail

– Total lending SEK 271.6 billion (Q3 2018)

- The Retail business area offers services within housing quality and household finances, such as savings and loan products, insurance, and home locator and estate-agent services. Activities are operated under the **SBAB**, **Booli** and **HiittaMäklare** brands. The core product is residential mortgages. We have no traditional bank branches, which means that our products and services are offered online or by telephone
- 5th largest residential mortgage provider in Sweden
- Our retail customers are primarily located in areas around Stockholm, Gothenburg, Malmö, and other university cities and growth regions

Geographic distribution of lending portfolio

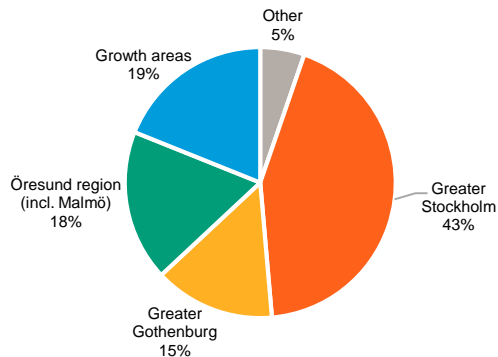


Corporates & TOA

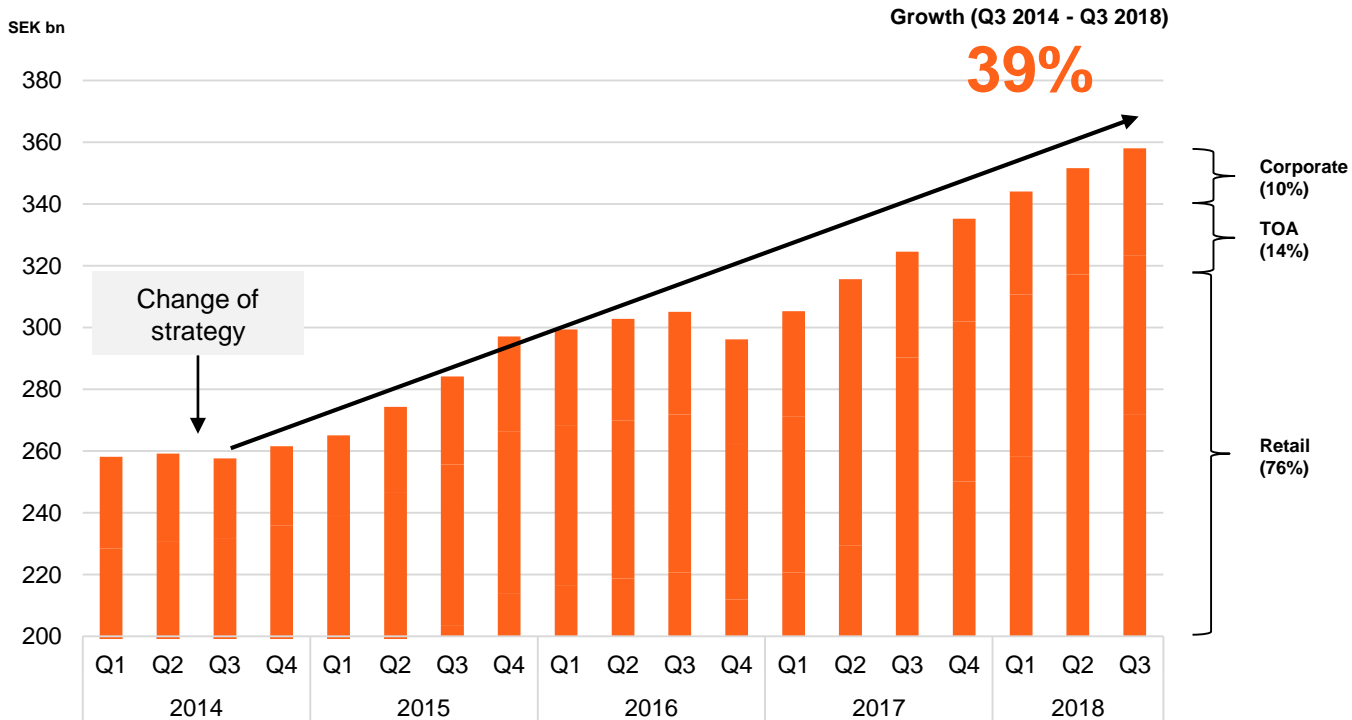
– Total lending SEK 86.4 billion (Q3 2018)

- Savings products and housing financing to property companies and tenant-owners' associations
- We finance multi-family dwellings, both privately owned and owned by tenant-owner associations. The properties may consist of existing buildings or new construction, where we mortgage the land and the construction, and offer final funding
- Credit granting concentrated to growth regions surrounding our three offices in Stockholm, Gothenburg and Malmö

Geographic distribution of loan portfolio



Lending growth

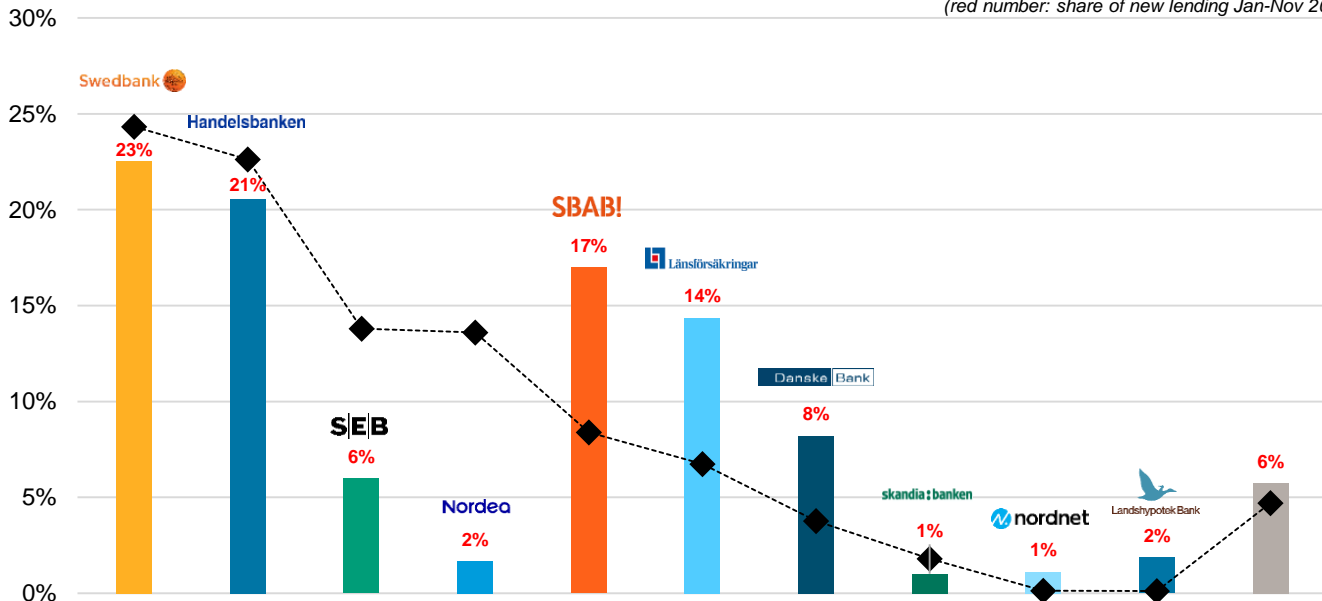


Swedish residential mortgage market 2018

– The four large retail banks are losing market share

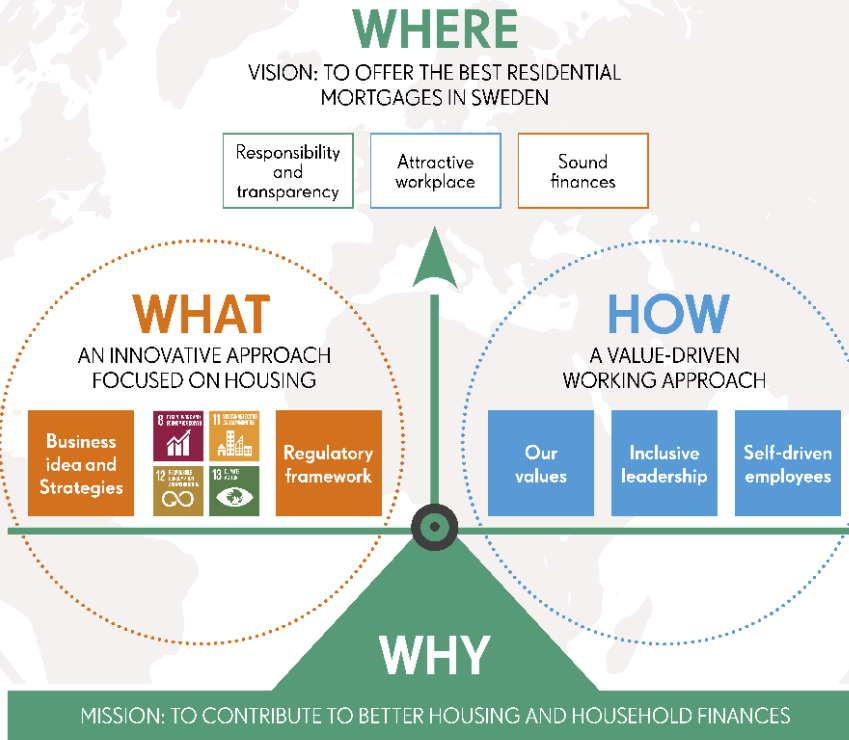
Share of net growth in the Swedish residential mortgage Jan-Nov 2018 vs. market share (Nov 2018)

(black dot = market share Nov 2018)
(red number: share of new lending Jan-Nov 2018)



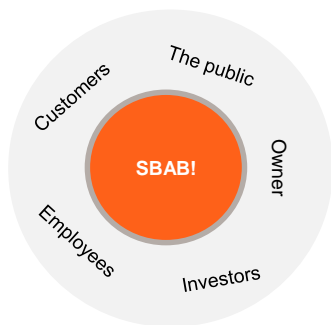
**SBAB'S COMMITMENT
TO SUSTAINABILITY.**

Our sustainable governance model

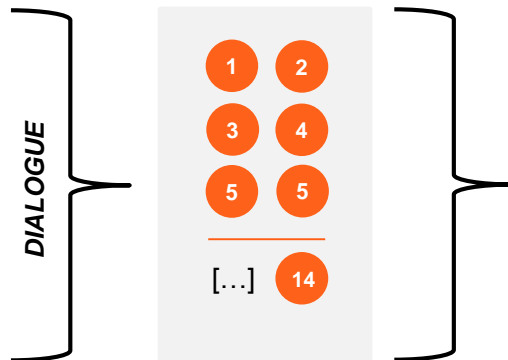


A truly sustainable strategy

SBAB's stakeholders



Material topics



Business idea

Our business idea is to be innovative and considerate in our offering of loan and savings products to consumers, tenant-owners' associations and property companies in Sweden

Vision

To offer the best residential mortgages in Sweden

Mission

To contribute to better housing and household finances

Goals

Strategies & KPIs & monitoring

SBAB's prioritised SDGs



8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. SBAB work with customers and suppliers to ensure acceptable labour conditions, compliance with international guidelines and principles, and promote an equal, inclusive and diverse workplace

11 SUSTAINABLE CITIES AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable. SBAB is committed to adding additional environmental and social sustainability criteria in its credit processes and contribute to sustainable cities and urban development.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns by being open, simple and transparent, and make available relevant knowledge and data to customers to raise awareness in the housing market

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts. By developing products that provide customers with the opportunity and incentives to invest and implement energy and environmental improvement measures in their homes and real estate, SBAB contributes to positive and sustainable social development

Examples of SBAB's activities



8 DECENT WORK AND ECONOMIC GROWTH



- Initiatives to improve respect, diversity & equality at the workplace (e.g. "Respekttrappan")
- Ethical requirements on suppliers through SBAB's supplier code of conduct
- Contributing to GDP growth and jobs in Sweden

11 SUSTAINABLE CITIES AND COMMUNITIES



- Collaboration with Stockholms Stadsmission, Faktum and Situation Stockholm to combat homelessness
- Industry initiative with focus on tax avoidance and working conditions in the housing construction market
- Financing of new construction in order to increase access to housing in Sweden

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- Spreading knowledge and raising awareness on questions pertaining to housing quality and household finances (e.g. SBAB's housing economist & chief economist)
- Tools, services and information pages that help and inform our customers on issues regarding the housing market (e.g. "Räntematchen")

13 CLIMATE ACTION



- Green Mortgages & Green loans
- Green bonds
- Consultation for corporate clients and tenant-owners' associations regarding how to improve energy efficiency in properties

A sustainable business approach



Three overall (commercial and sustainable) target areas

Together, our target areas form the basis of a common approach to SBAB's contribution to sustainable societal development. Sustainability fully integrated in SBAB's business plan since 2017.

Responsibility and transparency

- SBAB's Offering & Customer Satisfaction
- Responsible, Inclusive & Considerate Credit Process
- Knowledge Sharing & Transparency
- Climate-smart Transformation of the Housing Market & Society
- Business Ethics, Customer Integrity & Security
- An Inclusive Housing Market

Attractive workplace

- Corporate Culture
- Leadership
- Respect & Equality
- Attract & Recruit
- Learning & Development
- Health
- Remuneration

Sound finances

- Sustainable Growth & Funding
- Cost Efficiency
- Capitalisation
- Dividend
- Profitability

Examples of SBAB's sustainability work

Responsibility and transparency

Green Mortgages



Green Bonds & Impact Reporting



Tax avoidance and working conditions in the housing construction market



For the homeless, against homelessness

STOCKHOLMS STADSMISSION

Knowledge sharing: "Boendeekonomi är jättekul!"

Over 5 million views of last episode

Transparency: Number of customers who find SBAB's offering straightforward and easy to understand: 85%

Attractive workplace

Respect, diversity & equality



8th place in "Great Place To Work's" list of Sweden's best workplaces in 2018, in the category larger companies.



Employee satisfaction: Percentage of employees who consider SBAB a great place to work: 85%

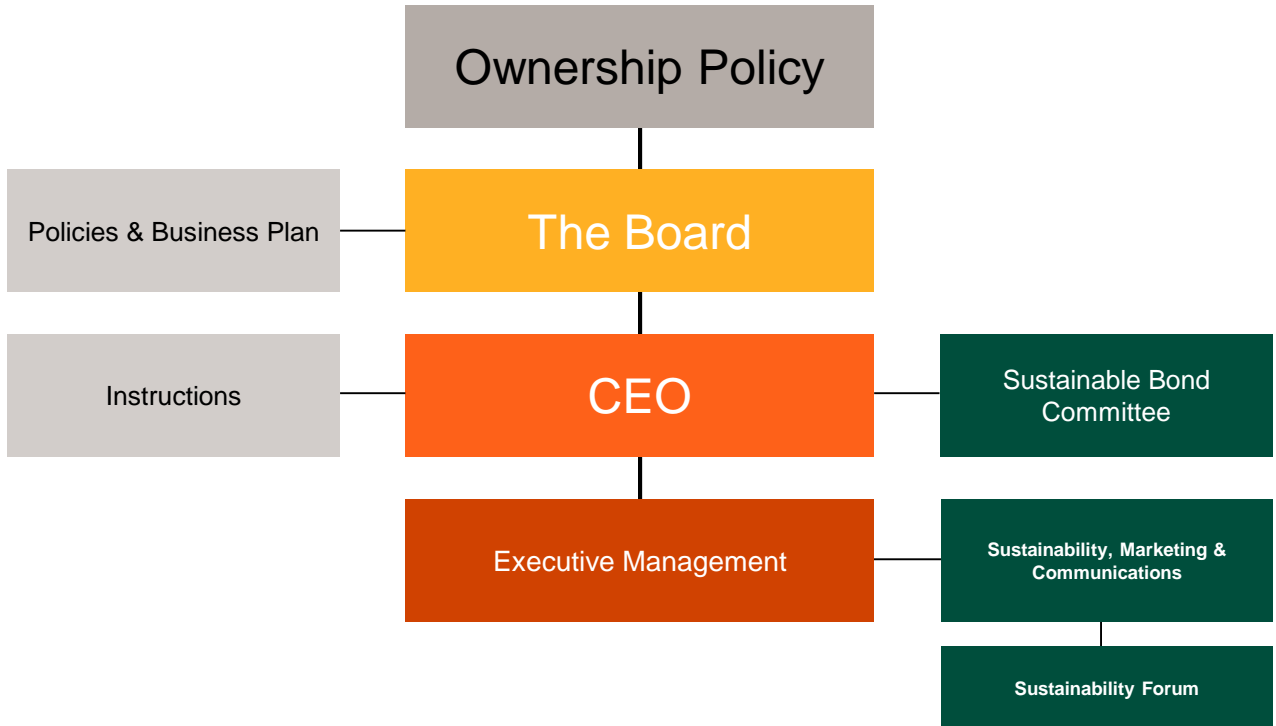
Sound finances

Improved credit metrics

High level of growth
Lending Jan-Sep 2018 vs. Jan-Sep 2017: +10.4%

Strong financial performance
RoE Jan-Sep 2018: 12.1%
C/I ratio Jan-Sep : 31.4%

Governance structure



**GREEN EFFORTS TO
COMBAT CLIMATE CHANGE.**

We need to act now

“There is no single answer to the question of whether it is feasible to limit warming to 1.5°C and adapt to the consequences. Emissions commit to changes, such as further sea level rise, migration of populations, inequality and geopolitical instability”.

Source: IPCC, Special Report on global warming of 1.5°C 2018



Housing market part of the problem

... and the solution

- Residential and service sector account for almost 40% of the total energy use (*Source: Naturvårdsverket*)
- Many of the houses in Sweden were built before 1970's and had limited or no restrictions on energy efficiency in its building standards (*Source: SCB*)
- Building new houses accounts for significant green house gas emissions (18% of annual national emissions 2015) (*Source: Naturvårdsverket*)
- The electrification of society puts pressure on the energy system (*Source: Svenskt näringsliv*)
- To meet national and international energy goals, it has become increasingly important to improve the energy performance of old houses as well as making new buildings meet and exceed current building standards



SBAB – part of the solution

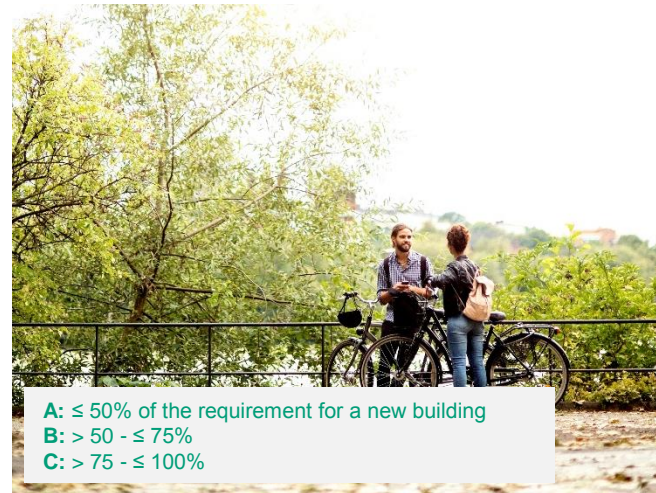
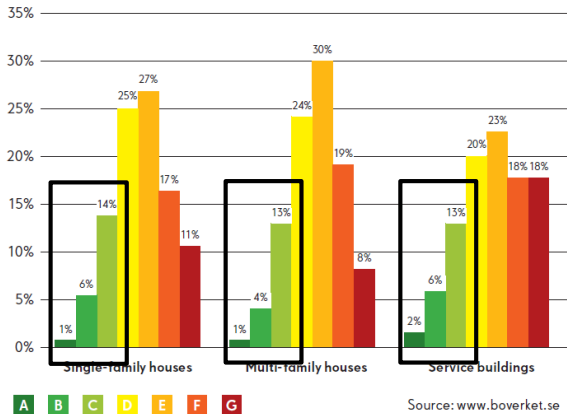
- Driving the Swedish housing market in a sustainable direction
- Demands on new buildings to be sustainable and energy efficient
- Nudging customers in a sustainable direction by using stimulations, e.g. discounts



Energy performance certificates

- Energy performance certificates (“EPC”) is a legal requirement in Sweden
- EPCs include energy classes in the range from A (low energy consumption) to G (high energy consumption)*
- A building that has an energy consumption corresponding to the requirement imposed on a newly built building today is placed in Class C
- Majority of houses and multi-family buildings do not meet current building standards

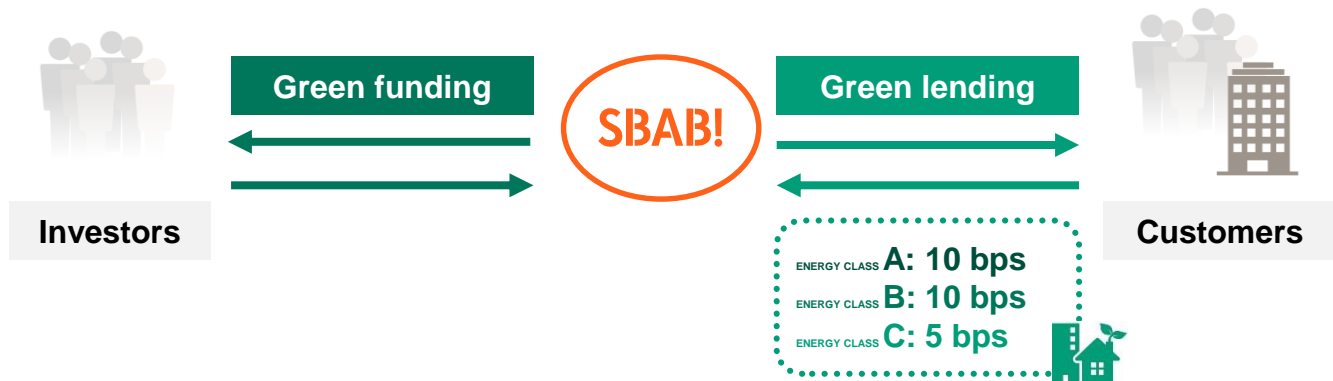
Distribution of energy classes (A to G) as per 2016/31/12



SBAB's green ecosystem

– Incentives to go green

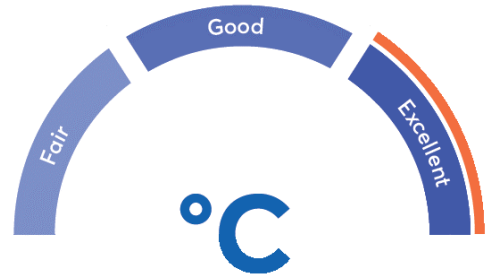
- Green lending to stimulate demand for energy efficient housing as well as creating opportunities and incentives (e.g. by offering discounted loans) for customers to invest and implement energy improving measures in their homes and properties
 - SBAB's most recent green lending product is a [Green Mortgage \(Sw. Grönt Bolån\)](#), which is a discounted residential mortgage available for all customers living in properties with an EPC evidencing an energy class equivalent to or better than the national building standards, i.e. energy class A, B or C.
 - Since 2015, SBAB offers discounted [Green Loans \(Sw. Gröna Lån\)](#) to corporate clients and tenant-owners' associations
 - Focus on financing new construction, as newly built properties more energy-efficient than the older housing stock
- Enable investors to invest their money in a responsible way as well as contributing to a sustainable transition of the Swedish housing and real estate market



SBAB GROUP GREEN BOND FRAMEWORK.



°CICERO
Medium Green



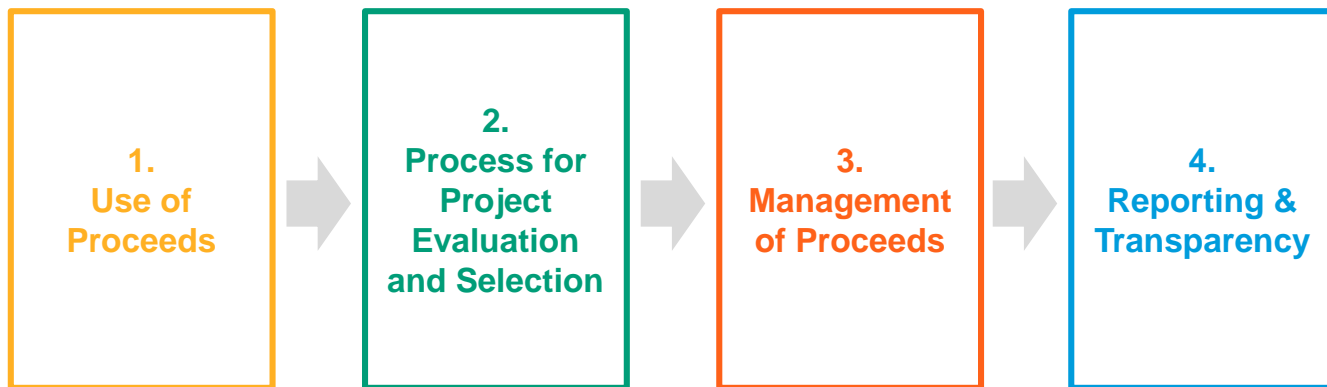
“Overall, the SBAB Green Bond Framework provides **a detailed and sound framework for climate-friendly investments.** The Green Bond Framework lists eligible projects that are supportive of the objective of promoting a transition to low-carbon and climate-resilient growth and is **supported by a strong governance structure.**”

“The overall assessment of the governance structure of SBAB gives it a **rating of Excellent.** The high score is mainly an acknowledgement of the issuer’s **detailed plans for the selection and reporting aspects of green bond eligible projects.**”

“Based on an overall assessment of the activities that will be financed by the green bonds, SBAB’s Green Bond Framework gets the **Medium Green shading.**”

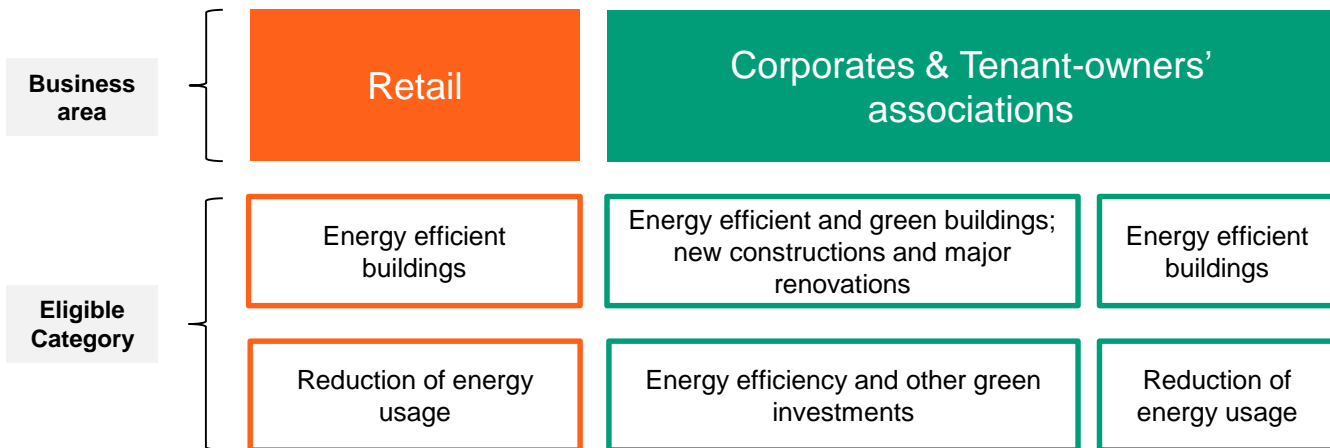
SBAB Group Green Bond Framework

- The Green Bond Framework (available at sbab.se) enables (i) SBAB to issue notes in the form of green bonds under SBAB's Euro Medium Term Note Programme and (ii) SCBC to issue covered bonds in the form of green bonds under SCBC's Euro Medium Term Covered Note
- The framework is built upon the guidelines established by "The Green Bond Principles" published by the International Capital Market Association
- Second opinion provided by CICERO



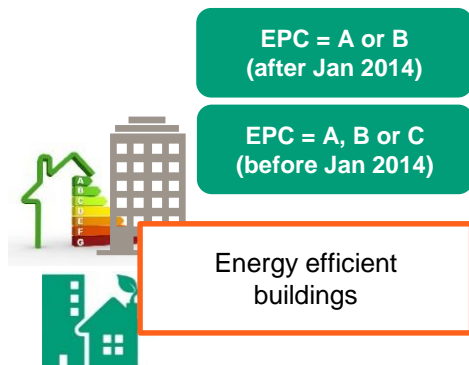
1. Use of Proceeds

- A loan will become an eligible loan if it is used to finance or refinance a project which fulfils one of the below criteria. Each Eligible Green Loan (other than a consumer loan) is primarily secured either by mortgages (Sw. *pantbrev*) pledged in favour of an entity in the SBAB Group if the loan relates to a property (Sw. *fast egendom*) or by a pledge in favour of an entity in the SBAB Group if the loan relates to a tenant-owners' right. In certain cases, the Eligible Green Loans are also secured by a share pledge or through a guarantee.



1. Use of Proceeds (Retail)

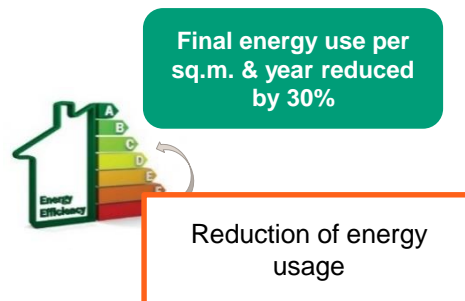
Residential retail mortgage loans (Sw. bolån)



Properties (Sw. fastigheter) owned by one or more individuals where the building on such property

- I. has obtained an EPC with **energy class A or B** (where the construction was initiated **on or after 1 January 2014**);
- II. has obtained an EPC with **energy class A, B or C** (where the construction was initiated **before 1 January 2014**); or
- III. has an **energy performance equivalent to a new EPC with the required criteria set out in (i) or (ii) above**

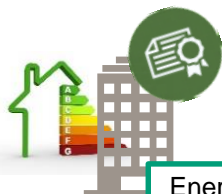
Residential retail mortgage loan and/or consumer loan (Sw. privatlån)



Buildings where the final energy use per sq.m. & year on the property has been **reduced by at least 30%**, as evidence e.g. by a new EPC

1. Use of Proceeds (Corporates & ToA)

Corporate loans



Energy efficient and green buildings;
new constructions and major renovations

New constructions, including rehabilitations or major renovations, of one or more residential or commercial buildings where the project plan specifies that the intention is either to obtain at least one of the below certifications or to construct/renovate the building according to such certification methods.

- (i) **EPC with energy class A or B;**
- (ii) **Miljöbyggnad, (minimum certification “silver”)**
- (iii) **Svanen (Eng. Nordic Swan);**
- (iv) **Passivhus (Eng. Passive House); or**
- (v) **Green Building.**

A building is deemed to be a new construction during the planning phase, the construction or renovation phase (as applicable) and until an EPC has been obtained (“Completion”).

Corporate loans & Loans to tenant-owners' associations (Sw. bostadsrättsförening)



Energy efficient buildings

**EPC = A or B
(after Jan 2014)**

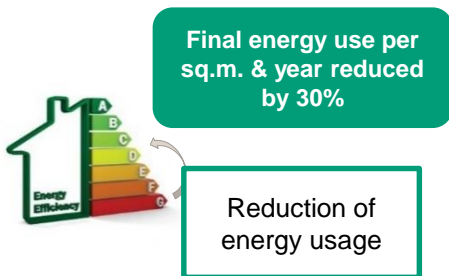
**EPC = A, B or C
(before Jan 2014)**

Properties owned by an entity (including a tenant-owner association) where the residential or commercial building on such property

- I. has obtained an **EPC with energy class A or B** (where the **construction was initiated on or after 1 January 2014**);
- II. has obtained an **EPC with energy class A, B or C** (where the **construction was initiated before 1 January 2014**); or
- III. has an **energy performance equivalent to a new EPC with the required criteria set out in (i) or (ii) above** (as applicable).

1. Use of Proceeds (Corporates & ToA)

Corporate loans & Loans to tenant-owners' associations
(Sw. bostadsrättsförening)



Buildings where the **final energy use per sq.m. & year on the property has been reduced by at least 30%**, as evidence e.g. by a new EPC.

SBAB Green Loans to tenant-owners' associations and corporations



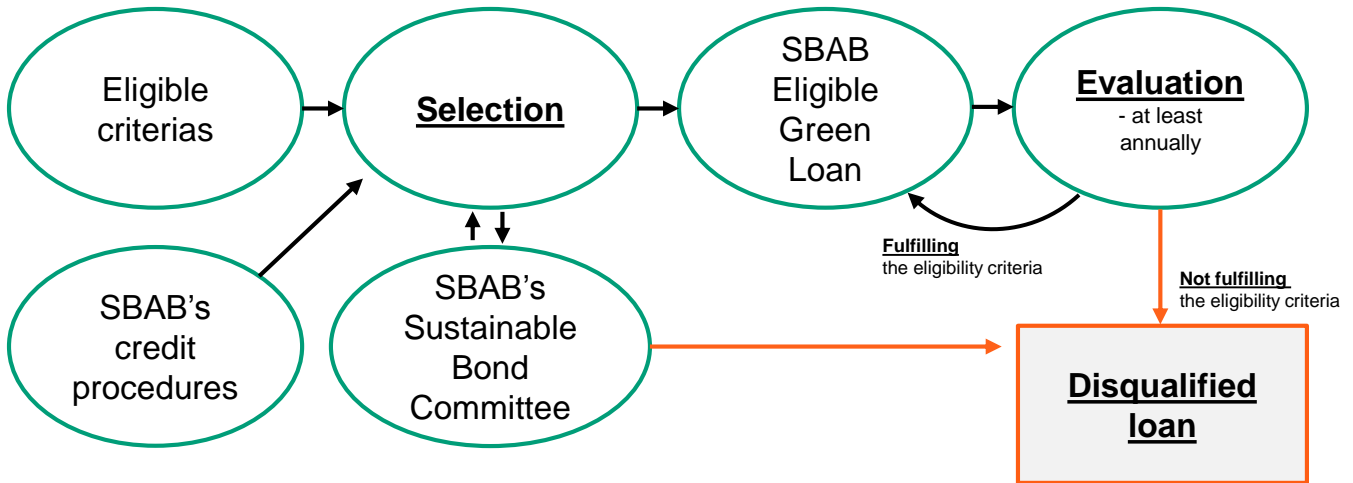
Energy efficiency and other green investments

Activities in buildings where the project plan specifies that the intention is either to **reduce the energy use in such building (e.g. new heat source) or to have an environment enhancing impact (e.g. removal of certain materials such as PCBs) and has qualified to be an SBAB Group green loan (Sw. Gröna Lån)** in accordance with the terms set out from time to time on:

https://www.sbab.se/1/foretag_bostadsrattsforeningar/lana/lan_hos_sbab/grona_lan.html

2. Project Evaluation and Selection

- SBAB Eligible Green Loans will be **selected and approved by the SBAB Group's Sustainable Bond Committee** consisting of a representative from Treasury, Head of Corporate Clients & Tenant-owners' Associations (corporate lending), Head of Customer Experience (private lending), Head of Property Valuation, and sustainability strategists from the corporate and private lending divisions based on the eligibility criteria and SBAB's applicable credit procedures



3. Management of Proceeds

- The net proceeds received by the SBAB Group through the issuance of SBAB Group Green Bonds will be managed by the SBAB Group in a **portfolio approach**. The net proceeds from an SBAB Group Green Bond will thus be allocated to a **portfolio of Eligible Green Loans** (selected in accordance with the process set out under “Use of proceeds”) where an **Eligible Green Loan may be held by either SBAB or SCBC***



- The SBAB Group has assigned specific series and identification numbers to its SBAB Group Green Bonds separating them from the companies' other bonds in issue. Similarly, **each loan that fulfils the eligibility criteria will be marked and thus designated as an Eligible Green Loan**



- The SBAB Group will hold or invest any unallocated SBAB Group Green Bond net proceeds, at its own discretion, in its liquidity portfolio managed by SBAB in accordance with SBAB's liquidity portfolio policy. Details of the composition of the liquidity portfolio are on a yearly basis set out in the SBAB Group's consolidated annual report.



*It is the SBAB Group's intention to designate sufficient Eligible Green Loans to the group portfolio of Eligible Green Loans to ensure that the size thereof always exceeds the total balance of all outstanding SBAB Group Green Bonds.

4. Reporting & Transparency

Reporting and Transparency

- The SBAB Group will annually, and until the maturity of all SBAB Group Green Bonds issued, provide at least the following information to investors on its website www.sbab.se:
 - (i) a summary of Green Bond developments;
 - (ii) the outstanding amounts of issued SBAB Group Green Bonds;
 - (iii) the total proportion of Green Bond net proceeds used to finance new assets and the proportion of Green Bond net proceeds used to refinance existing assets;
 - (iv) the total aggregated proportion of Green Bond net proceeds per category of the eligibility criteria;
 - (v) verification by third party; and
 - (vi) SBAB Group Green Bonds Impact Reporting
- SBAB reports sustainability in an integrated annual report (since 2015)
 - In accordance with GRI Standards: Core option
 - Also constitutes SBAB's Communication on Progress (COP) to the UN Global Compact

Basis for Impact Reporting

- The SBAB Group intends to show reduced or avoided greenhouse gas emissions in proportion to the eligible part financed or refinanced with net proceed from SBAB Group Green Bonds. SBAB will use a baseline calculation method taking into consideration energy savings.*
- Given the potential large number of Eligible Green Loans, and with reference to the requirements in relation to SBAB's customers and the General Data Protection Regulation (GDPR), SBAB intends to show an aggregation of the loan volume and greenhouse gas avoided or reduced as a result of the Eligible Green Loans financed through the issuance of the SBAB Group Green Bonds
- The following metrics for impact reporting will be included:
 - (i) brief description of, at least, two examples of by Eligible Green Loans financed through the issuance of SBAB Group Green Bonds (subject to customer approval being obtained);
 - (ii) annual expected aggregated energy savings (kWh); and
 - (iii) expected aggregated annual greenhouse gas emissions avoided (tonnes)

**The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best intention basis*

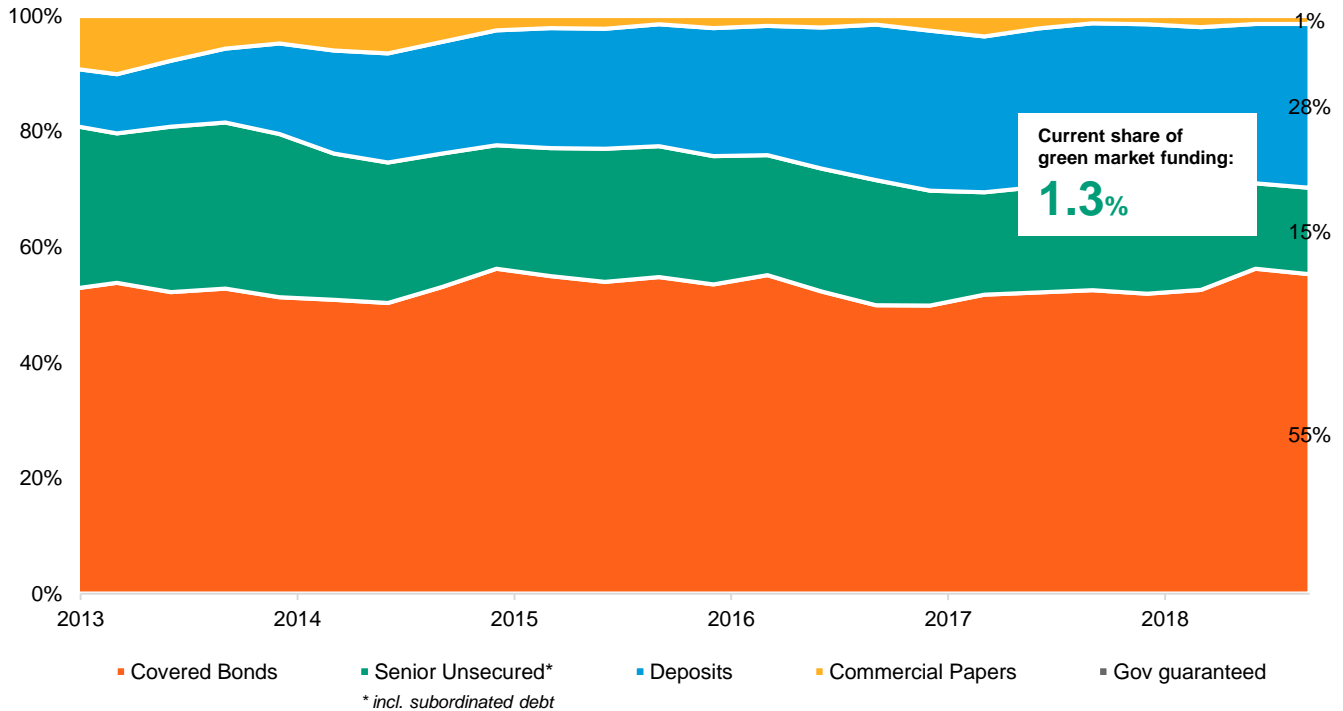
Eligible volumes

As of 31 dec 2018,
a total of approx.
SEK 20 bn has
been identified as
eligible projects,
which corresponds
to approx. **5% of**
SBAB's total
lending



Retail	
Energy efficient buildings	SEK 12 bn
Reduction of energy usage	n/a
Corporates & Tenant-owners' associations	
Energy efficient and green buildings; new constructions and major renovations	SEK 5 bn
Energy efficiency and other green investments	SEK 140 mn
Energy efficient buildings	SEK 3.5 bn
Reduction of energy usage	n/a

Development of funding sources



Why participate in SBAB's green bonds?

SBAB offers investors the opportunity to actively participate in the sustainable transition of the Swedish housing and real estate market

SBAB committed to Green Bonds:

- SBAB first Swedish bank to issue a Green Bond in mid-2016. Second Green Bond was issued in mid 2017
- Leading the way regarding sustainable development in the real estate and in the financial sectors
- Inspiring our stakeholders as well as others to increasingly integrate sustainability in regular business strategies and practices
- Linking green lending to green funding
- Contributing to global and national environmental objectives being met



APPENDIX.

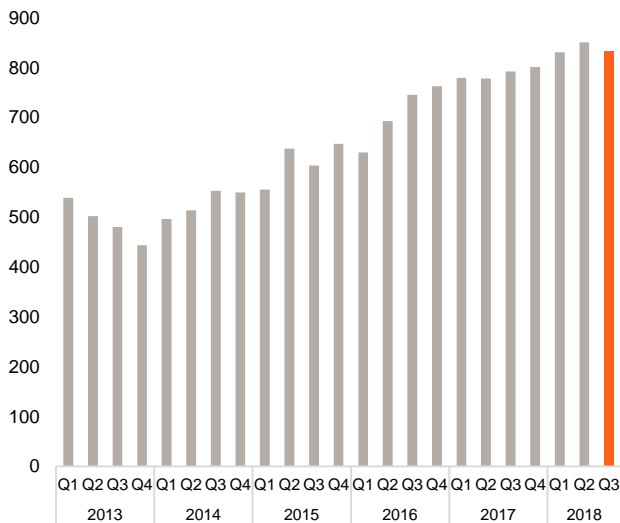
BUSINESS & FINANCIAL DEVELOPMENT.

Financial development

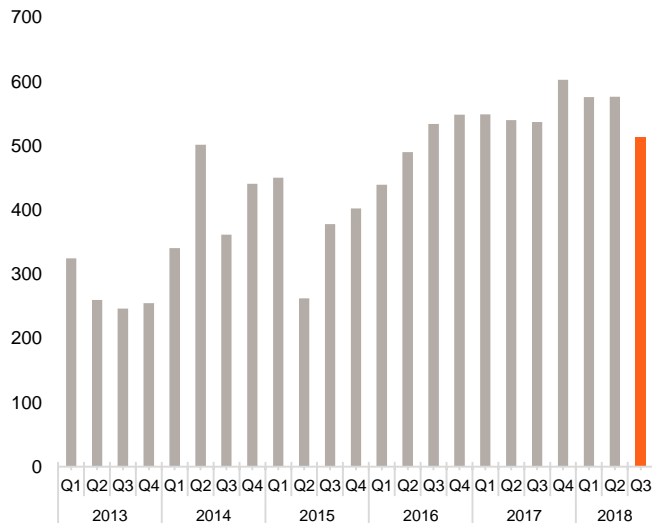
(SEK mn)	Jan-Sep 2018	Jan-Sep 2017	▲
NII	2,514	2,348	▲ +7.1%
Costs	-752	-700	▲ +7.4%
Loan losses	18	4	▼ +14mn
Net commission	-67	-7	▼ -60mn
Operating profit	1,665	1,625	▲ +2.5%
Lending (SEK bn)	358.0	324.4	▲ +10.4%
Deposits (SEK bn)	120.5	107.0	▲ +12.6%
Deposit/lending, %	33.7%	33.0%	▲ +70bps
C/I ratio, %	31.4%	30.2%	▲ +120bps
RoE, %	12.1%	12.4%	▼ -30bps
CET1 capital ratio, %	31.5%	31.4%	▲ +10bps

NII & Operation profit QoQ

Net interest income (SEK mn)



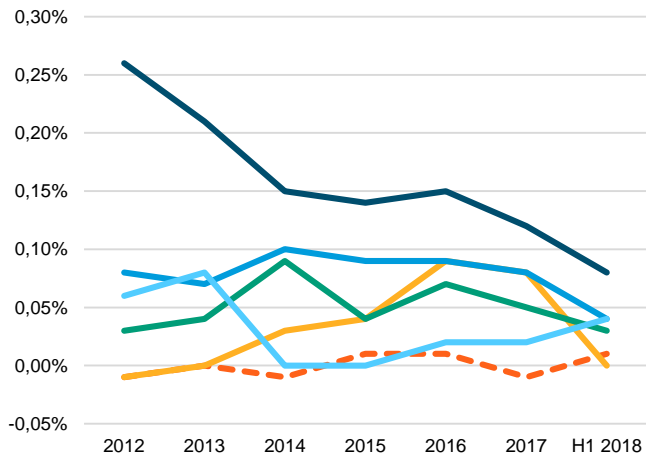
Operating profit (SEK mn)



Operating profit for the third quarter affected by a (non-recurring) commission expense attributable to discontinuance of partnership

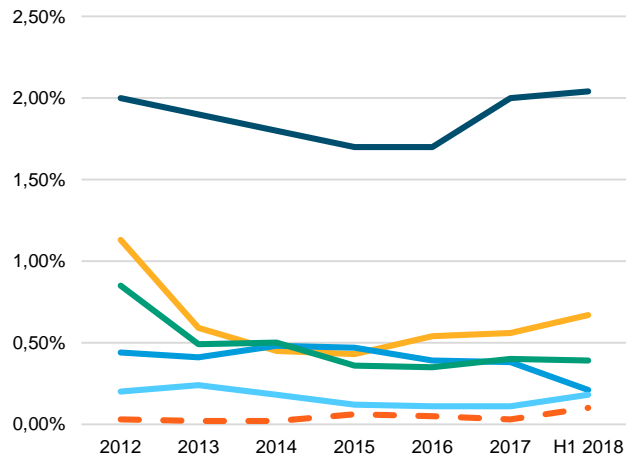
Credit losses vs. peers (H1 2018)

Net credit losses H12018 vs. other banks



--- SBAB
--- Handelsbanken
--- Nordea
--- Swedbank
--- SEB
--- LF Bank

Impaired loans / Net loans H12018 vs. other banks



--- SBAB
--- Handelsbanken
--- Nordea
--- Swedbank
--- SEB
--- LF Bank

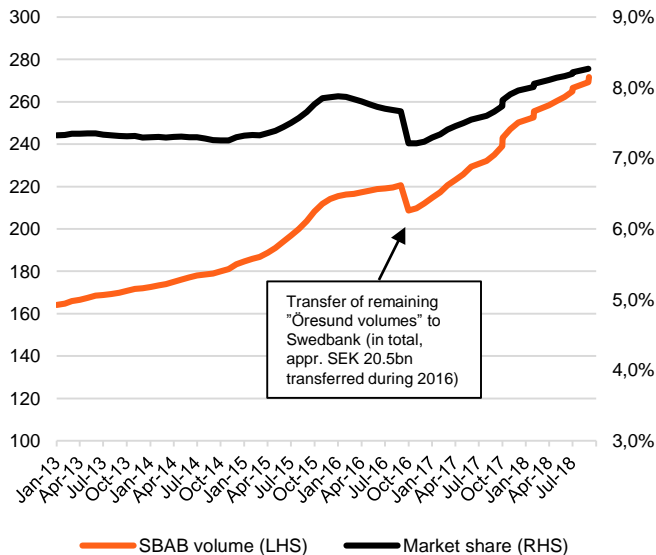
Thorough credit evaluations and low risk assets consistently achieves low credit losses

* As reported by each bank, definition of credit losses/impairments may vary between banks

Retail lending

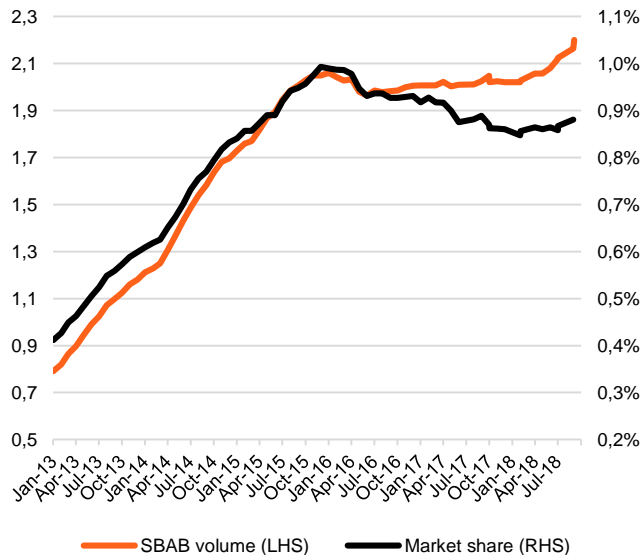
SEK **269.4**bn

Residential mortgages (lending & market share)



SEK **2.2**bn

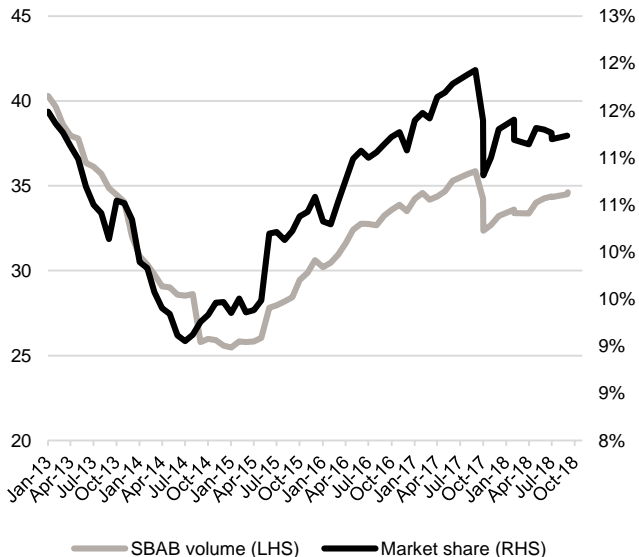
Consumer loans (lending & market share)



Lending to corporates & tenant-own. ass.

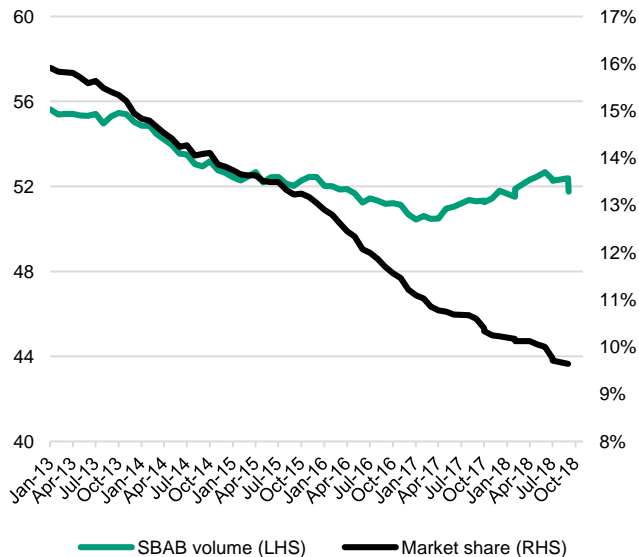
SEK **34.6**bn

Corporates (lending & market share)

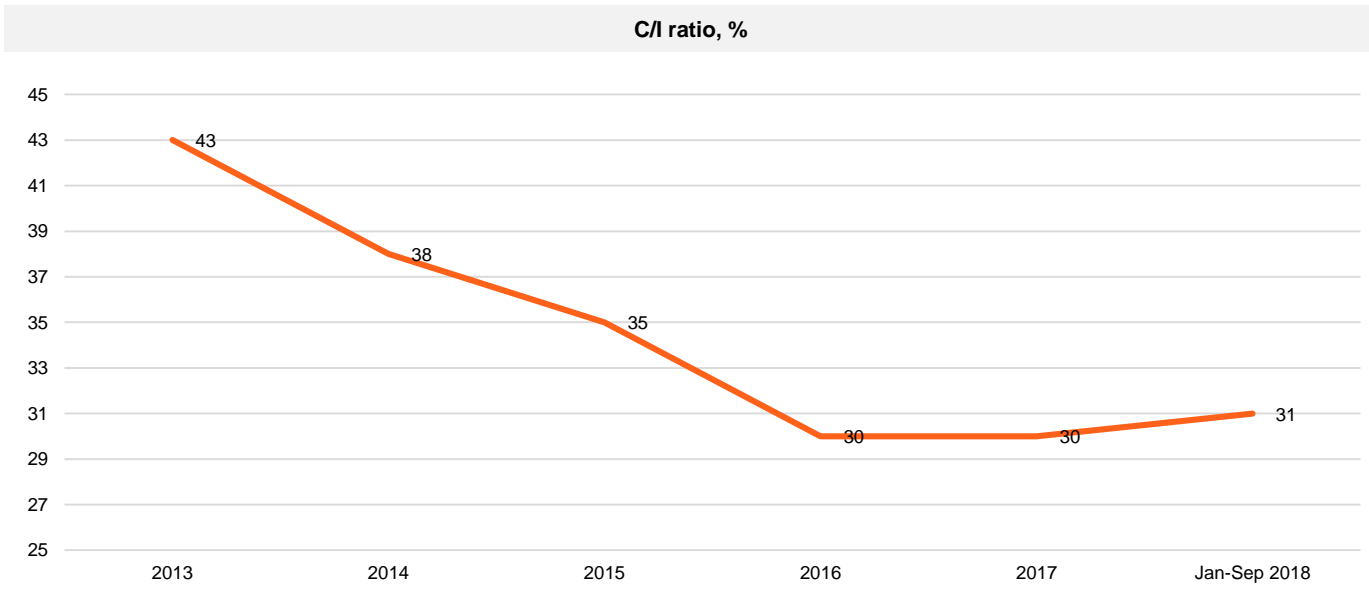


SEK **51.8**bn

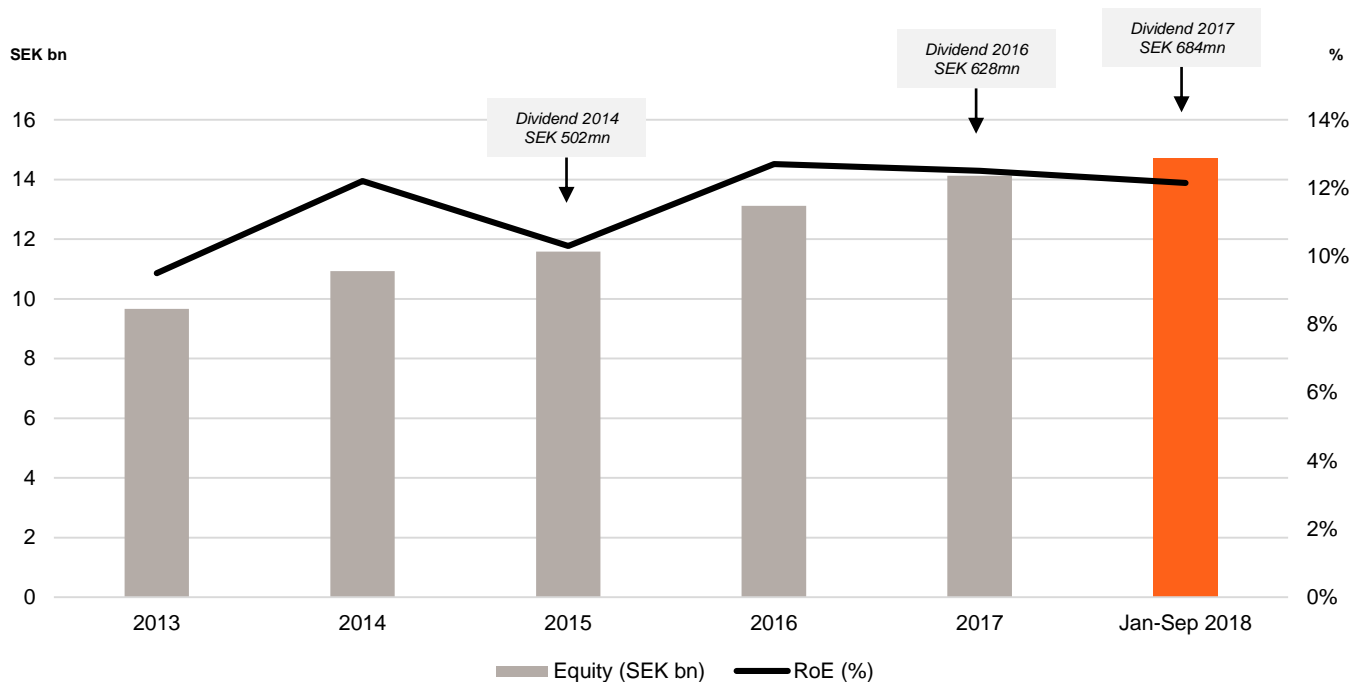
Tenant-Owners' Associations (lending & market share)



Competitive C/I ratio



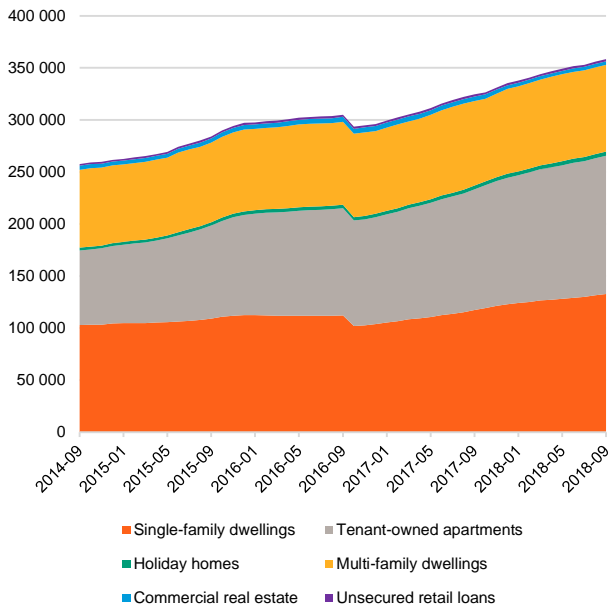
Equity and RoE



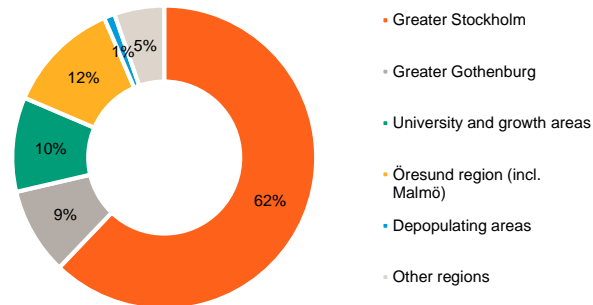
- *Equity adjusted for additional Tier 1 securities and value changes in financial assets recognised in equity*
- *Return on equity calculated as earnings after tax in relation to average equity, after adjustment for additional Tier 1 securities and value changes in financial assets recognised in equity*
- *When calculating the return on equity for Jan–Sep 2018, average equity has been adjusted for dividend of SEK 684 million for 2017*

Overview of collateral (SBAB Group)

Volume (SEK mn) – divided by collateral type



Geographic exposure of collateral



SCBC Cover Pool

– Key characteristics as of 30 Sep 2018

Collateral	100% Swedish residential mortgages *
Over Collateralization	29.7%
Weighted average LTV	55.4%
Weighted average seasoning	4.7 years
Loans in arrears	Arrears below 0.01% (loans in arrears > 30 days are excluded from the Cover Pool)
Number of loans	406 523
Average loan size	SEK 743 281
Geographical location	Spread throughout Sweden; concentrated in economic hubs
Pool type	Dynamic
Originator	SBAB Bank Group
Interest rate type	67% floating, 33% fixed / 52% amortising, 48% interest only

* Occasionally, minor volumes of substitute collateral consisting of AAA rated securities, can be included in the cover pool

OC

– OC changes with house price valuations

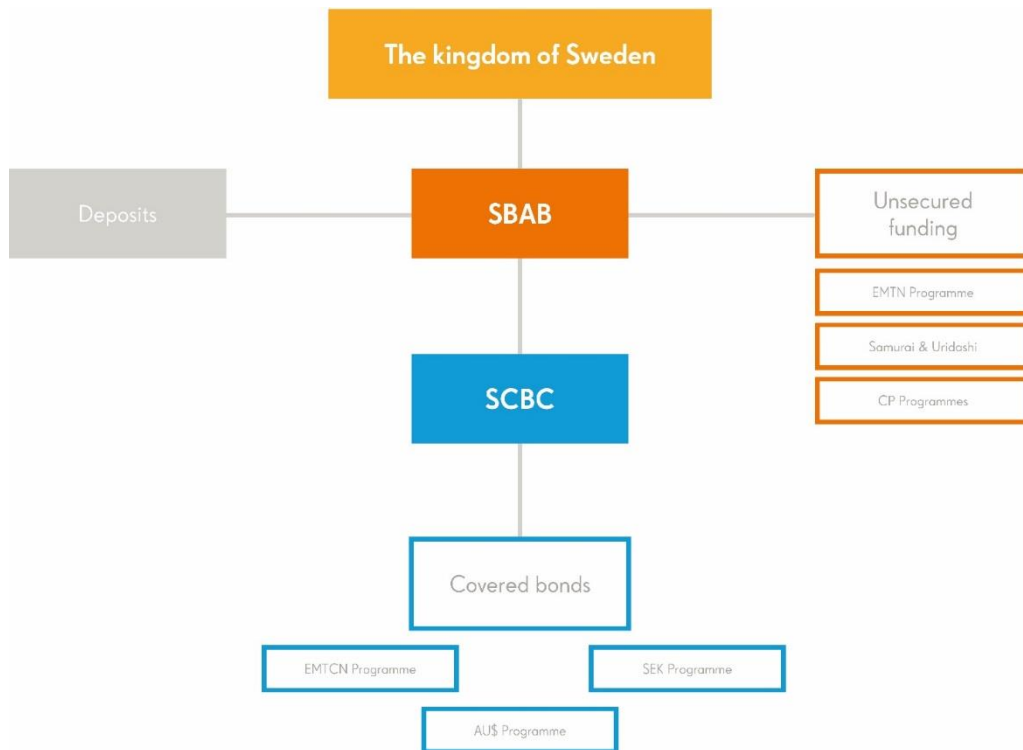
- Lending is originated from SBAB and assets are transferred to the cover pool via true sale - typically once a year or when needed according to funding plan
- Large buffer to a significant fall in house prices - simulation of decline in house prices and the corresponding effect on eligible assets, LTV and OC is shown in the table below as of 30 September 2018
- Eligible assets in SCBC can be moved to cover pool to increase OC

Houseprice change	Eligible assets in cover pool (SEK bn)	WA LTV (%)	OC* (%)
0%	301,2	55,4	30,8
-5%	297,9	57,3	29,4
-10%	293,6	59,0	27,6
-15%	287,9	60,7	25,1
-20%	280,4	62,2	21,9
-25%	270,9	63,6	17,8
-30%	258,0	64,8	12,2

* OC calculated in accordance with requirements from the Swedish FSA

FUNDING, CAPITAL & LIQUIDITY.

Funding structure



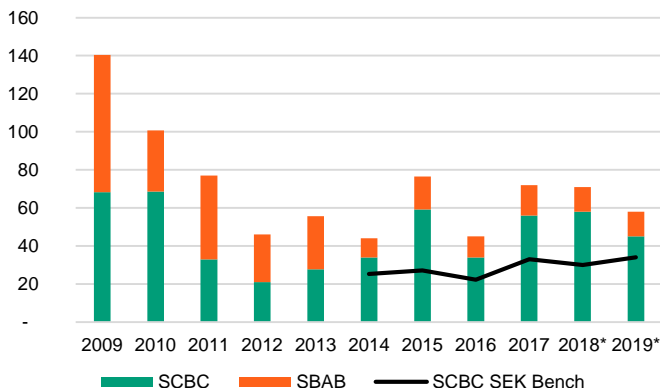
Funding programme

- Total long term funding for 2018 expected to approximately SEK 70bn and around SEK 60bn in 2019
 - Overall strategy is to long term maintain presence and regularity in core funding markets (predominantly EUR and SEK)
 - **New SEK covered bond benchmark/benchmarks per year**
 - **One EUR covered transaction in international funding markets per year**
 - **One EUR public senior preferred in international funding markets per year**
 - Private placements in SEK and international funding markets
 - Senior non preferred issuances – SEK issuance, EUR and other currencies as a complement
 - Capital issuances (AT1 & T2) predominately in SEK
 - SBAB's focus is to use intermediate (5y+) tenors to support duration
 - **Regular future issuance:** Dedicated to SEK and expected to return to EUR senior and covered bond market once a year going forward
 - **Committed to issue green bonds on a regular basis**
-

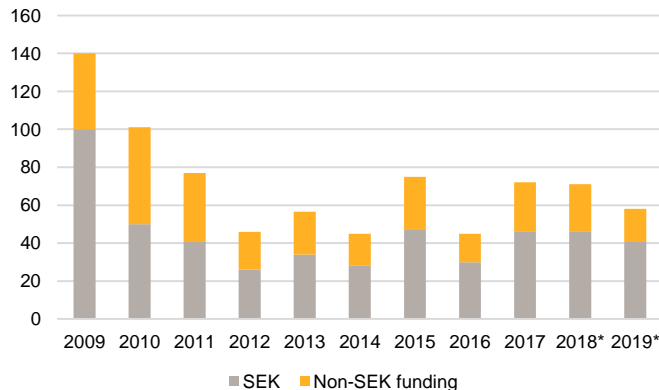
SBAB Group funding

- SBAB Group operates in a number of funding markets. A broad and efficiently diversified investor base is an important part of the Group's funding strategy
- Long term funding volume for 2018 SEK 70bn and for 2019 around SEK 60bn of which a majority in SEK
- Intermediate tenors to support duration
- As of 31 December, SBAB has issued two green bonds, for a total of SEK 3.75 billion, in the senior unsecured format

Annual issuance, SEK (bn)



Currency split, SEK (bn)

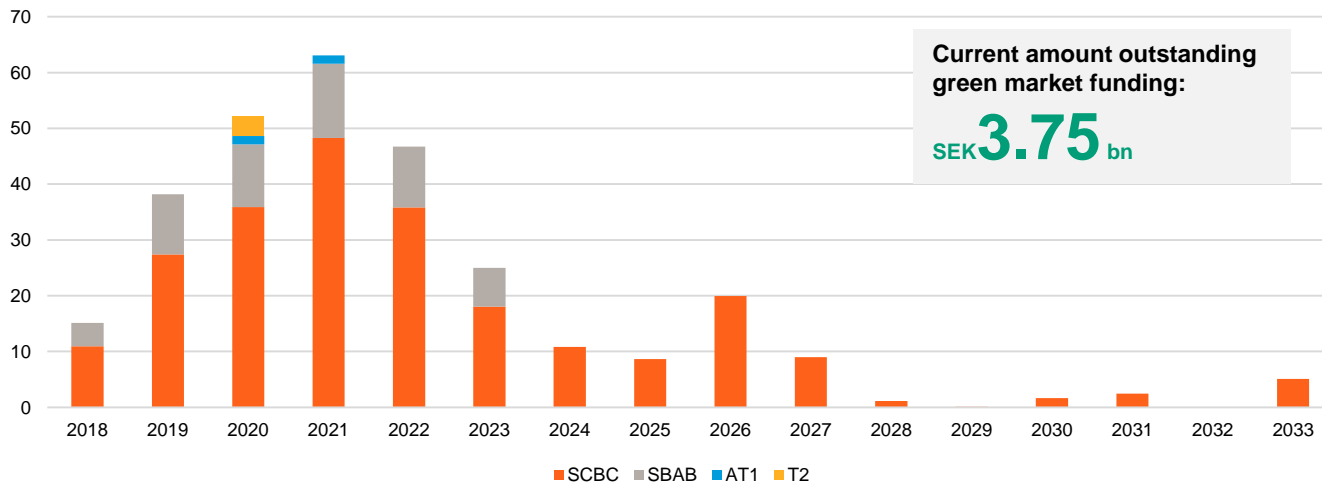


* Expected Issuance

Maturity profile – long term debt

- Well-planned maturity profile limits refinancing risk
- Extended duration through successful benchmark issues in 2026, 2027 and 2033 segments
- Liquidity risk is being mitigated through buy-backs of maturing bonds

Maturity profile (SEK bn)



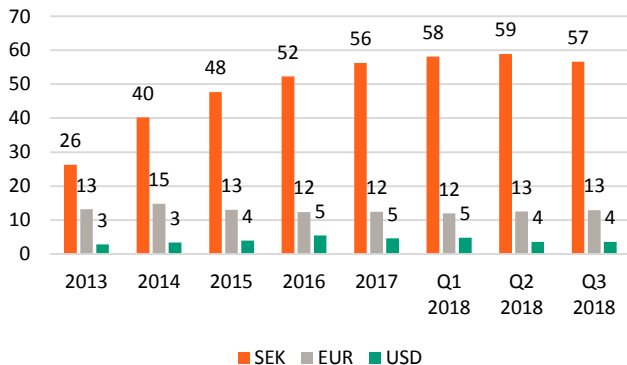
Liquidity portfolio

– SEK 73.0bn (as of 30th September 2018)

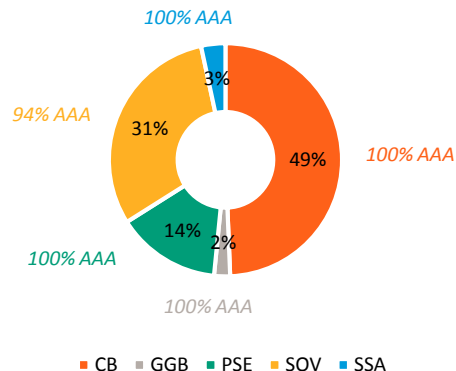
- LCR compliant since 1st January 2013
 - at the end of Q3 2018, LCR* stood at 277% for all currencies combined
- 98% AAA and 2% AA+
- Maximum 10y maturity
- We have increased our portfolio to extend survival horizon
- NSFR at 118%

* According to the European Commission's Delegated Regulation with regard to liquidity coverage requirements

Currency distribution



Securities type



**ADDITIONAL INFORMATION ON
THE SBAB GROUP GREEN BOND
FRAMEWORK 2019.**

Framework 2019 vs. Framework 2016 (1/4)

Main categories	Sub-categories	Framework dated 2018	Framework dated 2016
Residential buildings <u>(Retail clients*)</u>	New & existing buildings	<ul style="list-style-type: none"> (i) Has obtained Energy Performance Certificate ("EPC") with energy class A or B (where the construction was initiated on or after 1 January 2014) (ii) Has obtained EPC with energy class A, B or C (where the construction was initiated before 1 January 2014) (iii) Has an energy performance equivalent to a new EPC with the required criteria set out in (i) or (ii) above 	<ul style="list-style-type: none"> • Non existing
	Reduction of energy usage	<ul style="list-style-type: none"> • Buildings where the final energy use per sq.m. & year on the property has been reduced by at least 30%, as evidence e.g. by a new EPC. 	<ul style="list-style-type: none"> • Non existing

*Retail clients who own properties (Sw. Fastigheter) and/or tenant owners' rights (Sw. bostadsrätter)

Framework 2019 vs. Framework 2016 (2/4)

Main categories	Sub-categories	Framework dated 2018	Framework dated 2016
Residential buildings <u>(Tenant-Owners' Associations)</u>	Existing buildings	<ul style="list-style-type: none"> (i) Has obtained EPC with energy class A or B (where the construction was initiated on or after 1 January 2014) (ii) Has obtained EPC with energy class A, B or C (where the construction was initiated before 1 January 2014) (iii) Has an energy performance equivalent to a new EPC with the required criteria set out in (i) or (ii) above 	<ul style="list-style-type: none"> (i) EPC with energy class A or B (ii) Miljöbyggnad (minimum certification "Silver") (iii) Svanen (Eng. Nordic Swan) (iv) Passivhus (Eng. Passive House) (v) GreenBuilding (vi) LEED (minimum certification "Gold") (vii) BREEAM or BREEAM-SE (minimum certification "Excellent")
	Reduction of energy usage	<ul style="list-style-type: none"> • Buildings where the final energy use per sq.m. & year on the property has been reduced by at least 30%, as evidence e.g. by a new EPC. 	<ul style="list-style-type: none"> • Final energy use per sq.m & year on the property will be or has been reduced by 35%
	Energy efficiency and other green investments	<ul style="list-style-type: none"> • Activities in buildings with intention to reduce the energy use (e.g. new heat source) or to have an environment enhancing impact (e.g. removal of certain materials such as PCBs) and has qualified to be an SBAB Group green loan (Sw. Gröna Lån) in accordance with the terms set out from time to time on www.sbab.se 	<ul style="list-style-type: none"> • Non existing

Framework 2019 vs. Framework 2016 (3/4)

Main categories	Sub-categories	Framework dated 2018	Framework dated 2016
Residential & commercial buildings (Corporate Clients)	New construction incl. major renovations	<ul style="list-style-type: none"> (i) EPC with energy class A or B (ii) Miljöbyggnad, (minimum certification "Silver") (iii) Svanen (Eng. Nordic Swan) (iv) Passivhus (Eng. Passive House) (v) GreenBuilding 	<ul style="list-style-type: none"> (i) EPC with energy class A or B (ii) Miljöbyggnad (minimum certification "Silver") (iii) Svanen (Eng. Nordic Swan) (iv) Passivhus (Eng. Passive House) (v) GreenBuilding (vi) LEED (minimum certification "Gold") (vii) BREEAM or BREEAM-SE (minimum certification "Excellent")
	Existing buildings	<ul style="list-style-type: none"> (i) Has obtained EPC with energy class A or B (where the construction was initiated on or after 1 January 2014) (ii) Has obtained EPC with energy class A, B or C (where the construction was initiated before 1 January 2014) (iii) Has an energy performance equivalent to a new EPC with the required criteria set out in (i) or (ii) above 	<ul style="list-style-type: none"> • Non existing
	Reduction of energy usage	<ul style="list-style-type: none"> • Final energy use per sq.m. & year on the property has been reduced by at least 30%, as evidence e.g. by a new EPC 	<ul style="list-style-type: none"> • Final energy use per sq.m & year on the property will be or has been reduced by 35%

Framework 2019 vs. Framework 2016 (4/4)

Main categories	Sub-categories	Framework dated 2018	Framework dated 2016
Residential & commercial buildings <u>(Corporate Clients)</u>	Energy efficiency and other green investments	<ul style="list-style-type: none"> Activities in buildings with intention to reduce the energy use (e.g. new heat source) or to have an environment enhancing impact (e.g. removal of certain materials such as PCBs) and has qualified to be an SBAB Group green loan (Sw. Gröna Lån) in accordance with the terms set out from time to time on www.sbab.se 	<ul style="list-style-type: none"> Non existing

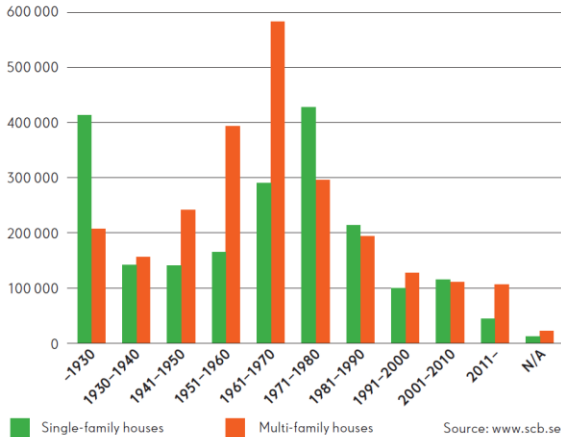
Second opinion & Assurance

– CICERO’s second opinion by category

Category	Green Shading and some concerns
Corporate Clients and Tenant Owners’ Association: Reduction of energy usage	Medium green – ” A 30% reduction is in line with the IEA ‘well below 2 C’ target.”
Corporate Clients and Tenant Owners’ Association: Energy efficiency and other green investments	Medium green – ”Energy efficiency upgrades related to fossil fuel-based energy sources will not be eligible for a green loan”
Corporate Clients and Tenant Owners’ Association: Energy efficient and green buildings; new constructions and major renovations	Medium green - ”Note that all construction projects can have negative local environmental impacts and that these should be minimized.”
Corporate Clients and Tenant Owners’ Association: Energy Efficient Buildings (existing)	Medium green - ”Minimum EPC requirement according to Swedish building regulations for new builds has since 2014 been C”
Retail customer: Reduction of energy usage	Medium green – ” A 30% reduction is in line with the IEA ‘well below 2 C’ target.”
Retail customer: Energy efficient buildings	Medium green – ”Minimum EPC requirement according to Swedish building regulations for new builds has since 2014 been C”

Energy Performance Certificates

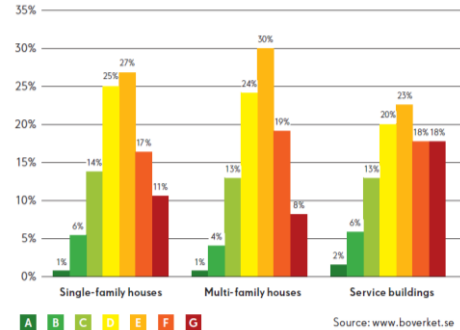
Number of homes by type of housing and building period



EP = Energy performance measures of the building in question
 \leq = less than or equal to
 $>$ = more than

- A = EP is \leq 50 percent of the requirement for a new building.
- B = EP is $>$ 50 - \leq 75 percent of the requirement for a new building.
- C = EP is $>$ 75 - \leq 100 percent of the requirement for a new building.
- D = EP is $>$ 100 - \leq 135 percent of the requirement for a new building.
- E = EP is $>$ 135 - \leq 180 percent of the requirement for a new building.
- F = EP is $>$ 180 - \leq 235 percent of the requirement for a new building.
- G = EP is $>$ 235 percent of the requirement for a new building.

Distribution of energy classes (A to G) as per 2016-12-31



Read more

SBAB Group Green Bond Framework 2019

- SBAB Group Green Bond Framework 2019
- Second Opinion from CICERO 2019
- Q&A on SBAB Group Green Bond Framework 2019

SBAB Green Bond Framework 2016

- Green Bonds Impact Report 2017
- SBAB Green Bond Framework 2016
- Second Opinion from CICERO 2016

https://www.sbab.se/1/in_english/investor_relations/sbab_unsecured_funding/sbab_green_bond.html

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