

Year-end report

January–December 2024

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The year in brief

Q4 2024

(Q3 2024)

- Total lending increased 0.5% to SEK 537.8 billion (535.0). Total deposits increased 3.1% to SEK 255.9 billion (248.1).
- Operating profit grew to SEK 731 million (628), primarily due to an increased net interest income and a more positive outcome for net income from financial transactions. The trend was offset somewhat by higher costs.
- Net interest income grew to SEK 1,339 million (1,223), mainly driven by higher mortgage margins.
- Net credit losses amounted to recoveries of SEK 5 million (recoveries: 39). Confirmed credit losses totalled SEK 4 million (4).
- The return on equity amounted to 10.1% (8.9) and the C/I ratio was 38.5% (38.2).
- The Common Equity Tier 1 (CET1) capital ratio was 12.7% (12.4).

January–December 2024

(January–December 2023)

- Total lending increased 3.9% to SEK 537.8 billion (517.4). Total deposits increased 18.9% to SEK 255.9 billion (215.2).
- Operating profit decreased to SEK 2,900 million (3,070), primarily due to lower net interest income and higher costs.
- Net interest income fell to SEK 5,288 million (5,446), primarily driven by shrinking deposit margins. The trend was offset somewhat by higher deposit volumes.
- Net credit losses decreased to SEK 0 million (loss: 93), mainly due to lower credit loss allowances. Confirmed credit losses totalled SEK 14 million (loss: 9).
- The return on equity amounted to 10.4% (11.5) and the C/I ratio was 35.5% (31.0).
- The Common Equity Tier 1 (CET1) capital ratio was 12.7% (12.3).
- The basis for the Board regarding appropriation of profits for 2024 is to propose a dividend of SEK 913 million, representing 40% of the Group's net profit for the year after tax, in accordance with SBAB's dividend policy.

Selected key metrics

	GROUP					
	2024	2024	Change	2024	2023	Change
	Q4	Q3		Jan-Dec	Jan-Dec	
Total lending, SEK bn	537.8	535.0	+0.5%	537.8	517.4	+3.9%
Total deposits, SEK bn	255.9	248.1	+3.1%	255.9	215.2	+18.9%
Net interest income, SEK mn	1,339	1,223	+9.5%	5,288	5,446	-2.9%
Net commission, SEK mn	-13	-10	-3 mn	-54	-34	-20 mn
Net result of financial transactions, SEK mn	73	-43	+116 mn	86	-95	+181 mn
Expenses, SEK mn	-545	-453	+20.3%	-1,907	-1,663	+14.7%
Net credit losses, SEK mn	5	39	+34 mn	0	-93	-93 mn
Imposed fees: Risk tax and resolution fee, SEK mn	-143	-143	0 mn	-570	-541	+29 mn
Operating profit, SEK mn	731	628	+16.4%	2,900	3,070	-5.5%
Return on equity, %	10.1	8.9	+1.2 pp	10.4	11.5	-0.9 pp
C/I ratio, %	38.5	38.2	+0.3 pp	35.5	31.0	+4.5 pp
CET1 capital ratio, %	12.7	12.4	+0.3 pp	12.7	12.3	+0.4 pp

This is SBAB

Our business idea is to be innovative and considerate in our offering of loans and savings products and other services for better housing and household finances to private individuals, tenant-owners' associations and property companies in Sweden.

Vision

To enable tomorrow's homes and housing

Mission

The considerate bank with the best offering in housing and household finances

Business Area Private

Business Area Private offers services within housing and household finances, such as savings and loan products, insurance mediation, and housing search and real estate agent services. The core product is residential mortgages complemented with savings accounts. Activities are operated under the SBAB, Booli and HittaMäklare brands. We meet our customers and users digitally or by telephone. Our market share in terms of residential mortgages amounted to 8.76% on 31 December 2024, which makes us the fifth-largest residential mortgage bank in Sweden. Booli.se has Sweden's largest offering of homes for sale.

→ [Read more on page 12](#)

SBAB!

hittamäklare!
A service by SBAB

booli!
A service by SBAB

Business Area Corporates & Associations

Business Area Corporates & Associations (tenant-owners' associations) offers property financing solutions to property companies, housing developers and tenant-owners' associations as well as savings accounts to companies and organisations. We finance multi-family dwellings, existing as well as new buildings. We offer personal service to our customers, who are concentrated in growth regions surrounding our offices in Stockholm, Gothenburg and Malmö. The market share for lending to companies (multi-family dwellings) was 18.00% on 31 December 2024. At the same time, the market share for lending to tenant-owners' associations was 11.15%.

→ [Read more on page 13](#)



SBAB assigns priority to four Sustainable Development Goals



Read more about our sustainability agenda in SBAB's Annual Report 2023

Statement from the CEO

We continue to grow the business and we are proud that so many customers are turning to us to finance their homes or to manage and get a return on their savings. For 2024, we posted a stable financial performance, continued good credit quality in lending and the sector's highest level of customer satisfaction. The interest rate cuts by the Riksbank create the preconditions for increased housing market activity and a broader general recovery for Sweden's economy.

Lower inflation and lower policy rates

High cost increases and significantly higher interest rates in the past few years have entailed tough times both for households and for businesses in Sweden. We are pleased to note that inflation was back on target at the end of 2024 and that the Riksbank has therefore started to cut the key policy rate. The Riksbank lowered the policy rate on several occasions during the year by a total of 1.5 percentage points from 4.0% to 2.5%. If the outlook for the economy and inflation remains unchanged, the Riksbank believes that the policy rate will be cut further during the first half of 2025. Some believe that the Riksbank is exercising too much caution in its forecast and may need to lower rates even further to support growth in a weak economy. Geopolitical and political developments are generating some uncertainty. In January 2025, the Riksbank decided to cut the key policy rate by an additional 0.25 percentage points to 2.0%.

The housing market gradually improved in 2024, in pace with falling interest rates. In 2024, housing prices rose an average of 4.2% in Sweden as a whole. The largest price increase was for apartments at 7.1% compared with 2.1% for houses. Despite the upturn, housing

prices average just over 11% below their peak in spring 2022, according to the SBAB Booli Housing Price Index (HPI). Household mortgage borrowing grew 1.4% in 2024, which albeit a year-on-year increase was still low by historical standards. Lending to property companies increased 6.3% during the year, while lending to tenant-owners' associations decreased 0.6%.

We are growing our volumes and capturing market shares

Despite challenging conditions, with low market growth and a highly competitive mortgage market, SBAB has captured a very large share of the net mortgage market growth in 2024. During the year, we increased our market share from 8.40% to 8.76%.

Our total lending amounted to SEK 537.8 billion at the end of the year, corresponding to growth in 2024 of 3.9%. Given the conditions, this represents a good rate of growth and one that we are pleased with and aligns with our long-term ambition to grow our lending volumes toward 2030. At the same time, falling interest rates are expected to increase demand for housing, thereby supporting growth in 2025 and beyond.

We are proud that so many customers are turning to us to finance their homes. We are also proud that customers are increasingly turning to us to manage and get a return on their savings. In the fourth quarter, our total deposits passed SEK 250 billion, just over one year after we passed the SEK 200 billion milestone. And we have achieved this in a period where the market as a whole grew 2.3% for households and shrank 0.5% for corporates and tenant-owners' associations. During the year, we invested significant time and resources in continuing to improve our offering, not least within fixed-term deposits, but also by building other functionality that makes it even easier for our customers to save their money with us. We also continuously endeavour to make our offering visible in the market. It is gratifying that our joint efforts have borne fruit and that we continue to challenge ourselves as well as the market in general, including the major banks, which often offer their customers substandard interest rate terms. Our ambition is to continue to grow deposits as they create substantial value for our customers as well as boost our long-term capacity to achieve the targets we have set for 2030.



Sweden's most satisfied customers

I humbly note that, for the sixth consecutive year, we had Sweden's most satisfied residential mortgage customers according to Swedish Quality Index (Svenskt Kvalitetsindex). According to the same survey, for the seventh consecutive year, we also had Sweden's most satisfied customers within property loans to tenant-owners' associations and property companies. It is clear that our brand, our service model and our know-how in each business area in combination with the simplicity, transparency and accessibility that denote SBAB and our offering, are appreciated by our customers. These attributes have also been confirmed by the Swedish Quality Index (SKI), which stated that customers today have higher requirements in terms of service, proactivity and relevant information than before. SKI also highlighted that our transparent mortgage rate-setting model means we are perceived as more transparent in our pricing than many other market players. Really great.

Booli has more people than ever using it and a wide range of properties. Traffic to Booli increased significantly in 2024 to over 100 million visits. We continue to develop products and services in housing

and household finances with the aim of creating a comprehensive offering that is unique in the market. Booli continues to have the largest offering of homes for sale in the market.

Stable full-year performance and good credit quality

After a somewhat weaker third quarter in terms of earnings, we posted a slight recovery for the last quarter, which was supported by growing business volumes both for deposits and for lending. Pressure on mortgage margins and intense competition have been and remain a challenge. Overall, we posted stable full-year earnings, with a return on equity of 10.4%, which exceeded our owner's profitability target of 10%.

The lending portfolio's overall credit quality remains very good, as shown by our reported figures and key metrics in 2022, 2023 and now also in 2024, despite the great pressure that households and corporates have been under. Net credit losses totalled SEK 0 million for the full year. The proportion of non-performing loans remained low and amounted to 0.16% of total lending at year end. Given our focus on mortgages and housing finance, this strong performance is

not surprising in itself, but it is nonetheless clear evidence that we run a stable, responsible business and that the assets in our balance sheet are of high quality.

Costs continued to increase as planned due to our continued investments in the business to enable future growth and a strong customer offering. The C/I ratio in 2024 amounted to 35.5%. We work in line with our target areas and long-term strategic objectives with a focus on growth, long-term value creation, being an attractive workplace, sustainability and high operational efficiency.

I look forward to an exciting and positive 2025 and would like to take this opportunity to extend my sincere appreciation to all the fantastic employees at SBAB. Last but not least, don't miss the latest episode of Household finances are really fun, available on a channel close to you.

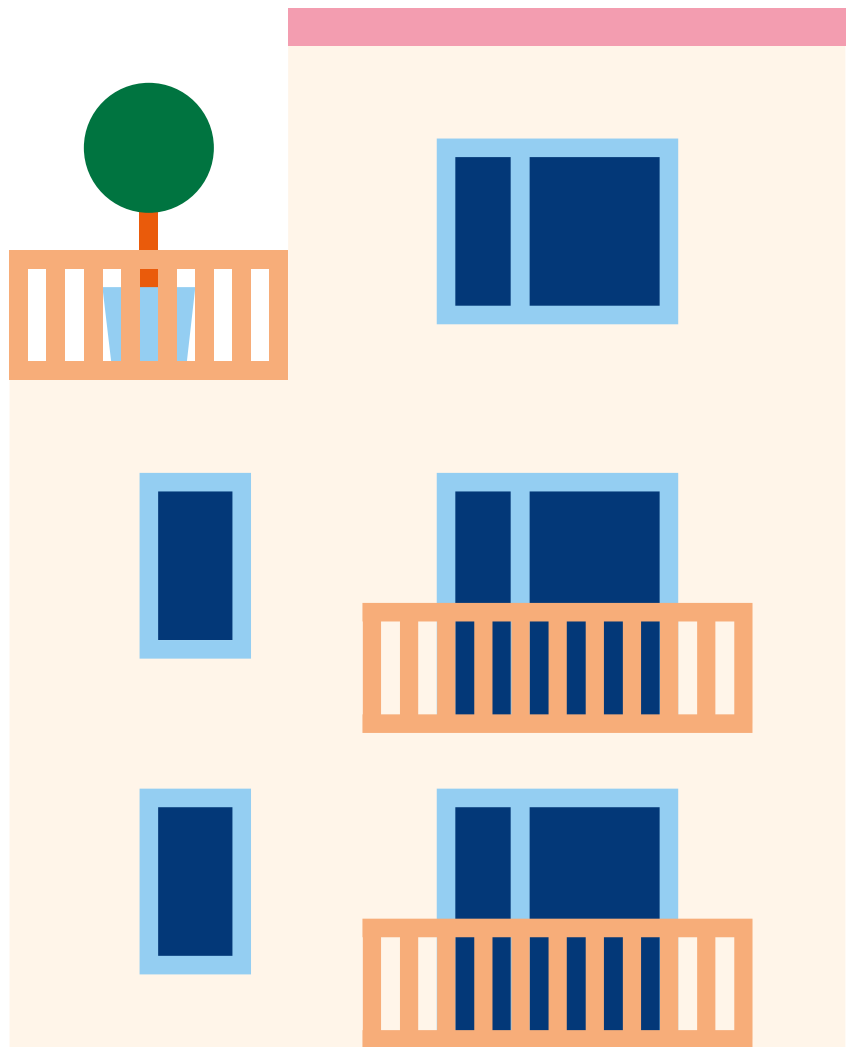
Mikael Inglander
CEO of SBAB

Target areas and long-term strategic goals until 2030

SBAB has decided on five target areas and seven long-term strategic goals extending to 2030. Together, these are expected to help SBAB conduct sustainable operations that generate long-term value for the company's stakeholders and that respond to the changes and challenges the company has identified in its operating environment. The financial targets as set by the owner for profitability, capitalisation and dividends remain unchanged.

Target areas	2030 goals	
Long-term value creation	Return on equity	≥10%
Customer satisfaction	Market Share Residential Mortgages	10%
	Market share Corporate Clients	20%
	Market share Tenant-owners' associations	15%
Sustainable Society	Reduced emissions	-30% (-50% by 2038 ¹⁾)
Efficient Operations	C/I ratio	<30%
Attractive Workplace	Engagement Index (scale from 1 to 5)	≥4

¹ By 2038, emissions from SBAB's lending portfolio and its own emissions from operations will be aligned with the Paris Agreement's 1.5°C goal, which entails 50% lower emissions compared with 2022. Calculation bases may evolve over time where the target level expressed as a percentage may be adjusted.



Market overview

Swedish economy

After a couple of years of high inflation and high interest rates, low inflation and falling interest rates characterised 2024. Economic growth had already slowed in 2023 before stalling for most of 2024. However, in the second half of the year, weak GDP growth could be discerned, for example with a seasonally adjusted quarter-on-quarter increase of 0.3% in the third quarter. Despite relatively stagnant production levels and falling interest rates, companies were under pressure from high costs and weak demand. Employment declined and unemployment continued to rise in 2024. Household mobility and housing demand were low but improved over the year.

Developments in the Swedish housing market impact SBAB's lending and profitability. In turn, developments in the housing market are affected by the general state of the Swedish economy. Sweden is a small, heavily export-dependent economy that is highly influenced by international economic developments.

Read more about the forecasts for Sweden's economy in the latest edition of SBAB Bomarknadsnytt (in Swedish), available [here](#).

Fixed-income market

In May 2024, the Riksbank decided on a first policy rate cut from 4.0% to 3.75%. After a pause over the summer, the cuts continued at a rapid pace in the autumn. In the fourth quarter, the policy rate was cut by 1 percentage point and at year end the rate was 2.5%. In parallel, the Riksbank continued to reduce its holdings of SEK-denominated securities in 2024. A SEK 192 billion decrease to SEK 435 billion means that assets have decreased SEK 577 billion since the peak of SEK 1,012 billion in March 2022.

The overall effect on the economy of a lower policy rate and reduced holdings of Swedish securities is a less restrictive monetary policy in the form of short-term as well as long-term interest-bearing instruments. Over the year, short-term market interest rates declined by around 1.5 percentage points, whereas long-term market interest rates rose a few tenths of a percentage point. For households, these developments have led to a decline in mortgage rates during the year. In January 2024, the average interest rate for a 3-month fixed-interest mortgage was 4.8%. By December 2024, it had fallen

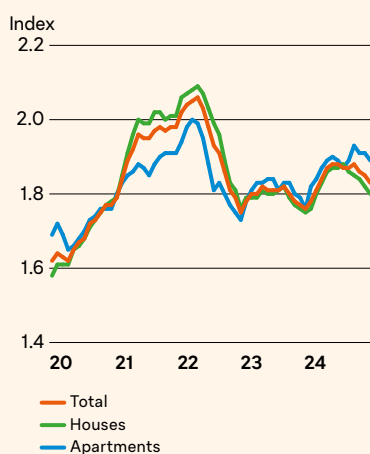
around 1.3 percentage points to 3.5%, with the largest fall in the fourth quarter. Yields on longer fixed-interest mortgages also declined slightly over the year, albeit already in the third quarter, despite a marginal increase in yields on longer mortgage bonds.

Compared with the decline in the policy rate and short-term market interest rates, the fall in households' floating mortgage rates has been slightly lower. One reason for the smaller decline in household mortgage rates is that banks partly finance their lending with savings from households and companies, and that the decline in savings rates over the year was only around 0.8 percentage points. In turn, the lower decline arose due to deposit rates not tracking the increase in the policy rate a couple of years ago. Moreover, a delay applies both for deposit and for lending rates, which means that these are expected to continue to fall in 2025 as a result of market developments in 2024.

Read about forecasts of the mortgage rate trends in the latest edition of SBAB Boräntenytt (in Swedish), available [here](#).

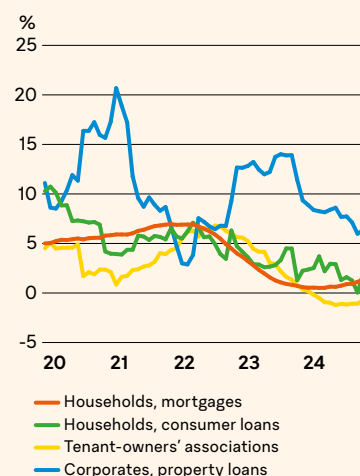
Housing price trend

(SBAB Booli HPI, 2013.01 = 1)



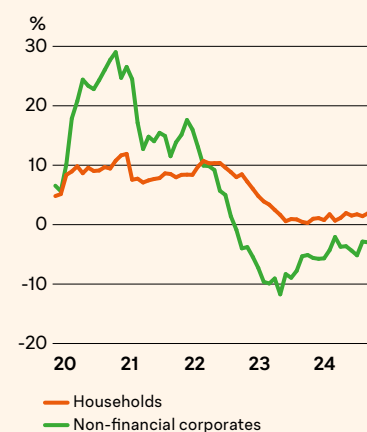
Lending growth

(Percentage, 12-month change)



Deposit growth

(Percentage, 12-month change)



Sources: Macrobond, Statistics Sweden, Booli and SBAB

Housing market

The housing market temperature moved from cold to bordering on normal in 2024, with the strongest improvement for apartments, especially in central city locations. The temperature assessment is based on how six key factors, including supply, selling times, number of bidders and bid premiums, relate to their respective 36-month averages.

Over the year, housing prices rose an average of 4.2% in Sweden as a whole. This was in line with what can be motivated by rising household disposable income, which is the most important long-term explanatory factor. Apartments experienced the largest price increase at 7.1% with a significantly lower increase for houses at 2.7%. Prices fell 2–3% in the fourth quarter, largely attributable to the historical seasonal pattern. Despite the upturn for the full year, housing prices remain on average 11% below their spring 2022 peak.

While housing turnover recovered rapidly in 2024, it remained lower than normal toward the end of the year. Although the house turnover trend had risen to its normal level, the trend for apartment turnover remained around 8% below its normal level. While housing turnover is cyclical, which may partly explain the current low level for apartments, there are other factors in play. To start with, the earlier rapid hikes in mortgage rates led to record low housing turnover in 2023. Subsequently, a pent-up need to change homes has probably boosted caused turnover despite the weak economy.

The market for new housing production differs from the market for existing housing. To begin with, it is impossible to identify any general decline in prices in the wake of the 2022 and 2023 interest rates hikes, even if reduced prices have become more commonplace. On the other hand, sales, which fell sharply already in 2022, remained very low throughout 2024. Nevertheless, the supply of new housing was not any higher in 2024 than in 2022, for example. This is attributable to the low inflow of newly built housing. For Sweden as a whole, the SBAB Booli Housing Market Index (HMI, [available here](#)) indicates that conditions for building housing in 2024 remained relatively balanced during the year. This means that household demand for new housing matched well with the supply. Accordingly, the significantly lower pace of

construction compared with a few years earlier aligned with household demand. This relationship applies for the country as a whole. However, local surpluses or shortages for specific forms of housing can arise.

Read more about housing price trends in the latest edition of SBAB Bomarknadsnytt (in Swedish), available [here](#).

Market for deposits and lending

The rate of growth for retail loans continued to increase during the third and fourth quarters of 2024. On an annualised basis, the seasonally adjusted trend showed an increased growth rate for household mortgages from an average of 0.8% per month for the first quarter to 2.3% per month for the first two months of the fourth quarter. In terms of 12-month figures, the growth rate was 1.3% for November 2024, up from 0.7% for the same month in the previous year. The increase in 2024 was largely attributable to faster lending growth for houses, but also for tenant-owner apartments. The mortgage lending growth rate is expected to continue to increase both in 2025 and in 2026 as the economy improves, employment increases and housing turnover normalises. Household interest in consumer loans remained low in 2024, although seasonally adjusted growth in October and November amounted to 2.5% on an annualised basis. Due to the phase-out of interest tax deductions for these loans, the growth rate is expected to remain relatively low over the next two years despite a gradually improving economy.

Lending to tenant-owners' associations shrank in the first half of 2024, with the seasonally adjusted 1-month trend averaging negative 1.3% on an annualised basis. Lending picked up in the latter part of the year. In November, the seasonally adjusted 1-month trend was 0.4% on an annualised basis, and for the year as a whole the decline is projected to shrink to around negative 0.6%. The weak performance was attributable to higher operating expenses and interest rates pressuring tenant-owners' associations to delay certain investments. However, the growth rate remained healthy for lending to rental property owners, which rose to 6.3% in November expressed in 12-month terms. The relatively healthy growth rate was due to the continued completion of many

rental apartments where construction started in previous years. The growth rate slowed in the fourth quarter and is expected to be around 5.9% in 2025.

In 12-month terms, deposits from households grew 2.4% in November. This represents a clear rebound from weak growth of around 1% in 2023. Households' expectations of their finances and future economic developments mean that they remain cautious about purchasing capital goods, choosing instead to build up their buffers. Deposit growth from companies collapsed in 2022 and 2023, and is still developing negatively. In 12-month terms, deposits decreased 3.5% in November. It is certainly not uncommon for companies' deposit growth to be negative for short periods under certain circumstances, as was the case temporarily in 2008 and for a large portion of 2011, for example. However, the current trend has been unusually protracted and could be due to the fact that companies have reviewed their balance sheets as a result of higher interest rates. For the full-year 2025, SBAB's economists expect deposits to grow.

Risks and uncertainties

Risks and uncertainties related to the Swedish economy and SBAB's lending

The Swedish economy is susceptible to global economic developments and to conditions in the international financial markets. The economic trend in Sweden is the primary risk factor for SBAB's future earnings capacity, and the quality of our assets is mainly exposed to credit risks in the Swedish housing market. The management of interest-rate and currency risks entails some exposure to price risks.

Population growth has outpaced housing construction for quite some time, which has contributed to high demand for housing and a housing shortage. Recent years' high construction rates and now lower population growth have reduced the housing shortage, though some shortages still remain. The high rate of construction and an increasing proportion of home owners in combination with rising housing prices have led to higher levels of private indebtedness, including some highly indebted households. However, housing costs as a percentage of household income are generally low, especially among homeownership households, which is attributable to relatively higher incomes. However, higher interest rates have led to higher housing costs for many of these households.

Previous high inflation means that a large part of household consumption is now significantly more expensive, thereby applying pressure on household finances. In 2024, restrictive monetary policy helped bring inflation down to target, which resulted in the Riksbank implementing a series of policy rate cuts. However, the impact on household borrowing rates has a certain lag, particularly for loans with longer fixed-interest periods, which means that household finances have also been affected by relatively high interest rates in 2024. Moreover, households may perceive interest expenses as high going forward, given that they have long become accustomed to very low mortgage rates and have interpreted this as normal.

Falling policy rates and declining market interest rates also brought down mortgage rates in 2024, a trend that is expected to continue until mid-2025.

Since the majority of households own their own home and due to many mortgages being subject to variable interest, the Swedish economy is sensitive to interest rate changes. While this is positive for the monetary policy's impact, there is a risk of indebted households with tight margins experiencing temporary difficulty coping with ongoing payments on their mortgages as a result of rising interest rates. In the near future, the situation is the opposite. In general, however, stress tests indicate that risks are low in the event of moderately rising interest rates.

Falling mortgage rates have contributed to rising housing prices, albeit nowhere near the housing price decline triggered by the earlier rise in interest rates. In December 2024, house prices remained 14% below their spring 2022 peak, and apartment prices were 5% below. At present, price developments are being held back by a weak labour market and relatively high unemployment. Looking ahead, housing prices are expected to rise moderately in pace with growth in household incomes. Risks linked to rising interest rates could be increased by falling housing prices and rapidly rising unemployment. The risk largely pertains to the degree to which a fundamental downturn in prices leads to behaviour changes that trigger a larger price downturn, and how uncertainty over future housing prices impacts turnover for existing housing and building new housing units.

Many property companies have loans, and higher interest rates reduce their profits and the value of their properties. Higher interest rates can also put pressure on property companies with tight margins. This can include problems maintaining a sufficiently high cash flow to meet current interest expenses or to refinance maturing bonds. In 2024, falling interest rates contributed to lower risk, but given interest rates over the past fifteen years, interest-rate risk remains higher than normal.

Risks related to the global economy and international financial markets

Any disruption in the international financial markets or in the global economy entails a risk for SBAB both as a participant in the Swedish market and as an issuer in


the international capital market. These disruptions could be caused, for example, by global political and macroeconomic events, changes in the monetary policies of central banks or extraordinary events such as pandemics, wars and acts of terrorism. Rising risk premiums on interest-bearing assets and stock market volatility are other factors.

Above all, armed conflict leads to a great deal of human suffering. However, it also affects economic performance and the financial markets, not just locally but often globally. Russia's war with Ukraine has led to extensive sanctions against Russia, to which Russia has responded by cutting off gas supplies to Europe. Israel's war against the terrorist organisations Hamas and Hezbollah has not yet had any clear economic consequences, though it risks leading to higher oil prices. Although SBAB has no presence in the war- or sanction-affected areas, the company is indirectly affected by the unrest through its impact on the global economy. War can lead to high inflation, uncertainty about the future and volatility in the financial markets.

For further information about risks and risk management, please refer to SBAB's 2023 Annual Report.

Mortgages and household finances without the hassle

We want to enable and facilitate every phase of home-owner life – be it buying, selling or living in a home – with our services within housing and household finances.

<p>SBAB! booli! <small>En tjänst från SBAB</small></p> <h2>Buying</h2> <ul style="list-style-type: none"> ✓ Residential mortgages & housing financing ✓ Housing valuations ✓ Search service for homes for sale <p>Business partner services:</p> <ul style="list-style-type: none"> • Home insurance • Mortgage insurance • Legal advice 	<p>booli! hittamäklare! <small>En tjänst från SBAB En tjänst från SBAB</small></p> <h2>Selling</h2> <ul style="list-style-type: none"> ✓ Estate agent recommendations ✓ Housing valuations ✓ Search service for homes for sale <p>Business partner services:</p> <ul style="list-style-type: none"> • Tax declaration help 	<p>SBAB!</p> <h2>Living</h2> <ul style="list-style-type: none"> ✓ Refinancing ✓ Saving ✓ Consumer loans <p>Business partner services:</p> <ul style="list-style-type: none"> • Construction advice 
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Building blocks for our offering

Financial capital & lending

We receive our financial capital from three different sources: equity from owners, funding via the capital market and deposits from the public. In return, we pay interest and dividends. We convert this financial capital to different types of loans and financing for our customers.

Data

In our operations, we collect and process large amounts of information and data about housing and household finances, which we transparently and responsibly convert to knowledge and services for improving the customer offering and experience.

Business development

Volume trends

	GROUP				
	2024	2024	2023	2024	2023
	Q4	Q3	Q4	Jan-Dec	Jan-Dec
New lending for the period, SEK bn	23.5	23.1	16.0	86.0	71.1
Net change in lending for the period, SEK bn	2.8	7.0	-0.5	20.6	8.1
Total lending, SEK bn	537.8	535.0	517.4	537.8	517.4
No. of deposit accounts, thousand	996	995	795	996	795
Net change in deposits, SEK bn	7.8	6.7	15.3	40.7	32.8
Total deposits, SEK bn	255.9	248.1	215.2	255.9	215.2
Deposits/lending, %	47.6	46.3	41.6	47.6	41.6
Business Area Private					
No. of mortgage customers, thousand	298	295	287	298	287
No. of mortgage objects financed, thousand	192	190	184	192	184
New lending, SEK bn	19.8	20.3	10.2	69.3	47.7
Net change in lending for the period, SEK bn	5.4	7.1	-3.2	19.6	-3.0
Total lending, Private, SEK bn	367.7	362.3	348.1	367.7	348.1
Residential mortgages, SEK bn	366.0	360.6	346.3	366.0	346.3
Consumer loans, SEK bn	1.7	1.7	1.8	1.7	1.8
Market share, Residential mortgages, % ¹⁾	8.76	8.63	8.40	8.76	8.40
Market share, Consumer loans, % ¹⁾	0.52	0.53	0.58	0.52	0.58
Total deposits, Private, SEK bn	202.0	198.0	173.1	202.0	173.1
No. of retail customers with savings accounts, thousand	679	669	602	679	602
Market share deposits, Private, % ¹⁾	7.65	7.52	6.69	7.65	6.69
Business Area Corporates & Associations					
No. of housing financing customers	3,114	3,116	3,080	3,114	3,080
New lending, SEK bn	3.7	2.8	5.8	16.7	23.4
Net change in lending for the period, SEK bn	-2.6	-0.1	2.7	0.8	11.1
Total lending, Corporates & Associations, SEK bn	170.1	172.7	169.3	170.1	169.3
Lending, Corporate clients, SEK bn	105.3	105.2	100.8	105.3	100.8
Lending, Tenant-owners' associations, SEK bn	64.8	67.5	68.5	64.8	68.5
Market Share, Corporate Clients (multi-family dwellings), % ¹⁾	18.00	18.13	17.86	18.00	17.86
Market share, Tenant-owners' associations, % ¹⁾	11.15	11.24	11.08	11.15	11.08
Total deposits, Corporates & Associations, SEK bn	53.9	50.1	42.1	53.9	42.1
No. of customers with savings accounts, Corp. & Assoc.	18,400	18,100	16,300	18,400	16,300
Market share deposits, Corp. & Assoc., % ¹⁾	3.73	3.72	2.94	3.73	2.94

¹⁾ Source: Statistics Sweden. The figures in the columns for Q3 2024 correspond with the market shares as of 31 August 2024. The figures in the columns for Jan-Dec 2024 and Q4 2023 correspond with the market shares as of 31 December 2024. The figures in the columns for Jan-Dec 2023 and Q4 2023 correspond with the market shares as of 31 December 2023.

Business Area Private

Trend for Q4 2024 compared with Q3 2024

Business Area Private offers services within housing and household finances, such as savings and loan products, insurance mediation, and housing search and real estate agent services. The core product is residential mortgages complemented with savings accounts. Activities are operated under the SBAB, Booli and HittaMäklare brands. We meet our customers and users digitally or by telephone.

Lending

Growth in the residential mortgage market remains low from a historical perspective, albeit up slightly in the last quarter of the year. During the quarter, the Riksbank lowered the policy rate on two occasions, by 0.50 percentage points in November and thereafter by 0.25 percentage points in December. The policy rate was 2.50% at the end of the year. The Riksbank's interest rate cuts led to SBAB lowering variable mortgage rates during the quarter (mortgages with three-month fixed-interest periods) on three occasions. The market expects further policy rate cuts by the Riksbank in 2025.

SBAB offers simple and straightforward terms and conditions, transparent mortgage rates, high availability through digital services and telephone, and mindful service. Despite low market growth, new lending remained healthy and to-

talled SEK 19.8 billion (20.3) for the quarter. Total lending to private individuals amounted to SEK 367.7 billion (362.3) at the end of the quarter, of which SEK 366.0 billion (360.6) comprised residential mortgages and SEK 1.7 billion (1.7) consumer loans.

At the end of the quarter, the number of residential mortgage customers amounted to 298,000 (295,000) across 192,000 (190,000) mortgage objects. The share of customers with variable mortgage rates amounted to 84.9% (83.3) at the end of the quarter.

The market share of retail mortgages was 8.76% on 31 December 2024 (8.63% on 31 August 2024). At the same date, the market share for consumer loans was 0.52% (0.53% on 31 August 2024).

For more information on credit losses and credit quality, please refer to pages 15–16, and Note 4 and Note 5.

Savings accounts (deposit)

SBAB's retail savings accounts are characterised by competitive savings rates and simple product terms and conditions. Over an extended period, SBAB has increased its investments in marketing to raise the visibility of the offering in the market.

Retail deposits amounted to SEK 202.0 billion (198.0) at the end of the quarter. At the same date, approximately 679,000 (669,000) retail customers held a savings account with SBAB. There has been a great deal of interest in savings accounts with fixed-interest periods

since their launch in the fourth quarter of 2023. At the end of the quarter, the share of deposits with fixed-interest periods amounted to about 32%.

On 31 December 2024, the market share of retail deposits was 7.65% (7.52% on 31 August 2024). The share of retail deposits that was covered by the national deposit guarantee amounted to 78.3% at the end of the quarter, corresponding to approximately SEK 158.2 billion.

User trends

Every month, many people visit SBAB's, Booli's and HittaMäklare's websites and apps to manage mortgages and savings or to find inspiration about housing and household finances. The number of visits to www.sbab.se averaged around 1,746,000 (1,725,000). Booli is a popular platform for finding information about supply, demand and price trends for housing. Booli.se offers services including housing searches and valuations. The number of monthly visits to www.booli.se averaged around 9,400,000 (10,200,000). Booli's monthly property valuation email had some 780,000 subscribers at the end of the quarter. The real estate agent service HittaMäklare is part of Booli. HittaMäklare's service for locating estate agents has been used at some time by about 95% of the registered estate agents in Sweden.

Sweden's most satisfied residential mortgage customers

In 2024, for the sixth consecutive year, SBAB had Sweden's most satisfied residential mortgage customers according to Swedish Quality Index (Swe: Svenskt Kvalitetsindex (SKI)), which measures customer satisfaction in the banking and finance sector each year. SBAB received a customer satisfaction score of 75.6 out of 100, compared with the industry average of 67.8.



Business Area Corporates & Associations

Trend for Q4 2024 compared with Q3 2024

Business Area Corporates & Associations (tenant-owners' associations) offers savings and property financing solutions to property companies, housing developers and tenant-owners' associations as well as savings to corporates and organisations. We finance multi-family dwellings, existing as well as new buildings. We offer personal service to our customers, who are concentrated in growth regions surrounding our offices in Stockholm, Gothenburg and Malmö.

Housing financing (lending)

The housing financing market continued to be driven by the property sector recovery in the fourth quarter. However, the market as a whole increased and a positive trend was posted in terms of the number of transactions, albeit from low levels, particularly for small and medium-sized property companies. Competition for the very best customers remains intense, with well-capitalised commercial banks competing with the bond market as a financing alternative for larger market participants.

Activity in the new production market remains low. High prices for land and materials in combination with a low willingness to pay among consumers pose challenges in terms of cost calculations for construction and property development companies. However, the supply of new housing is expected to decrease going forward due to increased demand. In parallel, a large supply of attractive

land locations is expected to increase the number of construction starts among strong players.

Property management companies continue to post strong operational results. As earlier, focus is on own property management and on conducting activities aimed at adapting operations to higher interest rates and increased costs. This includes selling assets, not distributing dividends or instead distributing smaller ones, conducting new share issues and increased cost control.

SBAB's business focuses on lending on residential properties with good collateral in areas with strong demand. We focus on larger corporate customers with diversified revenue streams and good liquidity. During the quarter, increased inflows of new business volumes were noted, although market shares decreased due to the stronger market growth for bank lending to small and medium-sized companies, which is not SBAB's main market. During the quarter, new lending to corporates amounted to SEK 2.4 billion (1.5). The credit portfolio for financing new production performed largely as forecast, with planned projects being completed according to previously agreed-upon financing, but where demand for new building credits remained low.

The market for lending to tenant-owners' associations is dominated by intense competition and low margins. At the same time, the total market is shrinking. SBAB has good competitiveness even if its market shares decreased slightly during the quarter due to increased loan repayments and

redemptions. During the quarter, new lending to tenant-owners' associations amounted to SEK 1.3 billion (1.2).

Total lending to corporates and tenant-owners' associations amounted to SEK 170.1 billion (172.7) at the end of the quarter, of which SEK 105.3 billion (105.2) comprised lending to corporates and SEK 64.8 billion (67.5) lending to tenant-owners' associations.

The market share of lending to property companies (multi-family dwellings) was 18.00% on 31 December 2024 (18.13% on 31 August 2024). At the same date, the market share for lending to tenant-owners' associations was 11.15% (11.24% on 31 August 2024).

The number of housing financing customers was 3,114 (3,116) at the end of the quarter.

For more information on credit losses and credit quality, please refer to pages 15–16, and [Note 4](#) and [Note 5](#).

Savings accounts (deposit)

Deposits from corporates and organisations during the quarter totalled SEK 53.9 billion (50.1). At the same time, approximately 18,400 (18,100) customers held savings accounts with SBAB. On 31 December 2024, the market share of deposits from corporate clients and organisations was 3.73% (3.72% on 31 August 2024). The share of deposits from corporates and organisations that was covered by the national deposit guarantee amounted to 21.1% at the end of the quarter, corresponding to approximately SEK 11.3 billion.

Sweden's most satisfied corporate customers

In 2024, for the seventh consecutive year, SBAB had Sweden's most satisfied property loan customers according to SKI. SBAB received a customer satisfaction score of 74.4 out of 100, compared with the industry average of 71.3.



Financial performance

Income statement overview

SEK million	GROUP						
	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2024 Jan-Dec	2023 Jan-Dec
Net interest income	1,339	1,223	1,354	1,372	1,332	5,288	5,446
Net commission	-13	-10	-14	-17	-10	-54	-34
Net result of financial transactions (Note 3)	73	-43	16	40	-80	86	-95
Other operating income	15	15	13	14	11	57	50
Total operating income	1,414	1,185	1,369	1,409	1,253	5,377	5,367
Expenses	-545	-453	-470	-439	-448	-1,907	-1,663
Profit before credit losses and imposed fees	869	732	899	970	805	3,470	3,704
Net credit losses (Note 4) ¹⁾	5	39	-21	-23	-31	0	-93
Imposed fees: Risk tax and resolution fee	-143	-143	-142	-142	-139	-570	-541
Operating profit	731	628	736	805	635	2,900	3,070
Tax	-156	-134	-155	-173	-147	-618	-662
Net profit for the period	575	494	581	632	488	2,282	2,408
Return on equity, % ²⁾	10.1	8.9	10.7	11.9	8.9	10.4	11.5
Return on assets, %	0.3	0.3	0.4	0.4	0.3	0.3	0.4
C/I ratio, %	38.5	38.2	34.3	31.2	35.8	35.5	31.0
Credit loss ratio, %	0.00	0.03	-0.02	-0.02	-0.02	0.00	-0.02
Share of credit stage loans 3, gross, %	0.16	0.17	0.16	0.16	0.14	0.16	0.14
Net interest margin, %	0.81	0.74	0.81	0.83	0.82	0.81	0.85
Number of employees (FTEs)	1,082	1,033	1,008	957	948	1,082	948

1) Including impairment and reversals of impairment of financial assets.

2) When calculating the return on equity for Q1 2024, Q2 2024 and Jan-Dec 2024, average equity has been adjusted for the dividend for 2023 of SEK 963 million. When calculating the return on equity for Jan-Dec 2023, average equity has been adjusted for the dividend of SEK 832 million for 2022.

Trend for Q4 2024 compared with Q3 2024

Operating profit grew to SEK 731 million (628), primarily due to an increased net interest income and a higher net income from financial transactions. Increased expenses negatively impacted the item. The return on equity amounted to 10.1% (8.9) and the C/I ratio was 38.5% (38.2).

Net interest income

Net interest income rose to SEK 1,339 million (1,223), mainly due to higher mortgage margins, which were positively impacted by falling market interest rates. The trend was offset somewhat by declining deposit margins. The national deposit guarantee fee amounted to a recovery of SEK 8 million (expense: 29), which positively impacted net interest income.

Net commission

Net commissions decreased to an expense of SEK 13 million (expense: 10) due to reduced revenue from insurance mediation.

Net result of financial transactions

The net result of financial transactions increased to income of SEK 73 million (expense: 43), mainly due to differences in value changes in hedging instruments and hedged items. For more information, please refer to [Note 3](#).

Expenses

Expenses grew to SEK 545 million (453), primarily due to higher personnel-related costs. At the end of the quarter, FTEs amounted to 1,082 (1,033). Increased amortisation and depreciation pertaining to IT-related projects had a negative impact on this item.

Credit quality and credit losses

Total net credit losses amounted to a recovery of SEK 5 million (recovery: 39). Confirmed credit losses amounted to SEK 4 million (4) and recoveries for previous confirmed credit losses amounted to SEK 1 million (1).

During the quarter, total loss provisions decreased by SEK 8 million. Provisions for loans in credit stage 1 and 2 increased by SEK 5 million (decrease: 13) and SEK 4 million (decrease: 43), respectively, while provisions for loans in credit stage 3 decreased by SEK 16 million (increase: 17).

The change in loss provisions for loans in credit stages 1 and 2 was mainly attributable to a management overlay of SEK 30 million due to expected adjustments of the ECL model in 2025 (updates to PD and LGD models for private individuals within the IRB framework). The change in loss provisions for credit stage 3 was mainly attributable to the settlement of a defaulted customer within the Corporates & Associations business area, which had an individually assessed loss provision. In December, the forward-looking information used in the ECL model was updated with new macroeconomic scenarios, which, in combination with previously elevated default rates, led to reduced loss provisions for credit stages 1 and 2. However, loss provisions for credit stage 3 increased as a result of more severe declines in house and real estate prices in the adverse scenarios. During the quarter, positive rating grade migrations were noted in each business area (Private and Corporates & Associations), which led to reduced loss provisions for loans in credit stages 1 and 2.

Loss provisions for loan commitments and undrawn building credits decreased by SEK 1 million (decrease: 1). Guar-

antees available to cover credit losses remained unchanged during the quarter (unchanged). For more information on loan loss provisions and changes to the forward-looking information in the ECL model, please refer to [Note 4](#).

SBAB's credit granting to private individuals, tenant-owners' associations and property companies is based on a sound credit approval process that determines whether customers have the financial capacities required to meet their commitments. Lending in each business area is deemed to be of good credit quality and low credit risk, despite a relatively high interest rate environment. SBAB continues to follow up customers in the Corporates & Associations business area with a high share of market financing and who requiring refinancing over the short and long term, and continues to follow up customers with building credits for housing production, which have been negatively impacted by rising interest rates as well as increased prices of input goods and construction material.

Imposed fees

Imposed fees includes the Swedish risk tax and the resolution fee. The risk tax amounted to 0.06% of the credit institution's liabilities. Imposed fees totalled SEK 143 million (143) for the quarter, of which the risk tax amounted to SEK 90 million (90) and the resolution fee to SEK 53 million (52).

January–December 2024 compared with January–December 2023

Operating profit decreased to SEK 2,900 million (3,070), primarily due to lower net interest income and higher costs. The return on equity amounted to 10.4% (11.5) and the C/I ratio was 35.5% (31.0).

Net interest income declined to SEK 5,288 million (5,446), primarily driven by shrinking deposit margins, which were negatively impacted by declining market interest rates. An increased share of financing from deposits positively impacted the item. The fee for the national deposit guarantee amounted to SEK 79 million (89) for the period.

Net commission income decreased to an expense of SEK 54 million (expense: 34) due to reduced revenue from partnerships.

The net result of financial transactions increased to income of SEK 86 million (expense: 95), mainly due to differences in value changes in hedging instruments and hedged items. For more information, please refer to [Note 3](#).

Costs increased to SEK 1,907 million (1,663), mainly due to increased personnel-related costs, as the number

of employees (FTEs) during the period increased to 1,082 (948), as well as increased costs linked to IT and marketing. In addition, increased amortisation and depreciation pertaining to IT-related projects in the fourth quarter negatively impacted the item.

Net credit losses decreased to SEK 0 million (93). Confirmed credit losses totalled SEK 14 million (9) and recoveries for previous confirmed credit losses amounted to SEK 4 million (recoveries: 4). Provisions for loans in credit stage 1 and 2 decreased by SEK 32 million (increase: 5) and SEK 15 million (decrease: 9), respectively. Provisions for loans in credit stage 3 increased by SEK 48 million (increase: 113). The changes in provisions for credit stage 1 and 2 loans primarily related to revisions in the forward-looking information applied in the impairment model as well as positive rating grade migrations in each business area (Private and Corporates & Associations) during the second half of the year. The changes in credit stage 3 were mainly attributable to an increased number of customers with payment problems in the Private business area, a trend that slowed in the fourth quarter. The decrease of provi-

sions in credit stages 1 and 2 were partly offset by adjustment of the PD estimates in the ECL model and a management overlay for future revisions to the same model given expected updates to the PD and LGD models for private individuals in the IRB framework in 2025. Provisions for loan commitments and undrawn building credits decreased SEK 7 million in 2024 (decrease: 22), and guarantees that available to cover credit losses remained unchanged (decrease: 3). For more information on credit losses, loss provisions and credit quality, please refer to [Note 4](#) and [Note 5](#).

Imposed fees totalled SEK 570 million (541), of which the risk tax amounted to SEK 362 million (359) and the resolution fee to SEK 208 million (182).

Other comprehensive income, recognised directly under equity, amounted to income of SEK 806 million (expense: 2,902), primarily due to interest-rate-related value changes, whereby net profit for the period was negatively impacted by a positive change in euro interest rates. For more information, please see below and refer to [page 24](#).

→ Other comprehensive income

The Group's financial position and development is reflected primarily in the income statement and balance sheet. Moreover, the applied accounting policies give certain revaluation effects, among other effects, which are recognised in other comprehensive income. Other comprehensive income is recognised directly under equity in the balance sheet.

Other comprehensive income includes changes in cash-flow hedges that consist of unrealised value changes from derivatives used for hedging cash flows in the Group's funding in foreign currencies. Borrowings in cash-flow hedges are measured at amortised cost, where value changes are not recognised while derivatives that hedge borrowing are marked to market. This means that changes in rates, primarily in euro, can lead to significant volatility during the term, even if the effect of the interest rates movements over time is marginal. The line item is normally affected positively by a decline in market interest rates and negatively by a rise in market interest rates.

Financial assets measured at FVTOCI consist of unrealised value changes in interest-bearing securities (classified according to certain principles) in the liquidity reserve. The line item is primarily affected by changes in credit spreads in bond holdings.

The item revaluation effects of defined-benefit pension plans includes actuarial gains and losses where changes in the discount rate is the assumption that has the strongest impact on the item.

For more information, refer to [page 24](#).

→ Net result of financial transactions

Net result of financial transactions, recognised in profit or loss, mainly arises through SBAB's application of financial instruments, for example derivatives used to manage interest and currency risks in the Group's assets and liabilities.

Within the framework for applying financial instruments, certain accounting temporary ("unrealised") valuation effects arise, which are driven primarily by external market fluctuations. Changes in market interest rates affect, for example, the value of derivatives and interest-rate risk hedged assets and liabilities. The largest items in the net result of financial transactions consist of these types of effects. Over time, market fluctuations and associated valuation effects typically amount to zero for the instruments that remain on the balance sheet until maturity. The majority of SBAB's current financial instruments are held until maturity. Periods with negative earnings are therefore often followed by periods with positive earnings, and vice versa.

Otherwise, the net result of financial transactions is primarily affected by realised gains and losses on divestments and repurchases of financial instruments and by interest compensation.

For more information, please refer to [Note 3](#).

Balance sheet overview

SEK million	GROUP		
	31 Dec 2024	30 Sep 2024	31 Dec 2023
ASSETS			
Cash and balances at central banks	3,039	260	6,350
Chargeable treasury bills, etc.	–	7,999	36,650
Lending to credit institutions	8,173	10,619	11,807
Lending to the public (Note 5)	537,836	535,000	517,400
Bonds and other interest-bearing securities	97,375	96,268	64,945
Total other assets in the balance sheet	13,463	13,695	13,401
TOTAL ASSETS	659,886	663,841	650,553
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	7,249	5,645	5,606
Deposits from the public	255,873	248,080	215,211
Issued debt securities, etc. (funding)	351,926	361,445	382,770
Subordinated debt	1,999	1,999	1,998
Total other liabilities in the balance sheet	16,741	21,045	20,878
Total liabilities	633,788	638,214	626,463
Total equity	26,098	25,627	24,090
– of which reserves/fair value reserve	–2,931	–2,897	–3,737
– of which, Tier 1 capital instruments	6,100	6,100	5,800
TOTAL LIABILITIES AND EQUITY	659,886	663,841	650,553
CET1 capital ratio, %	12.7	12.4	12.3
Tier 1 capital ratio, %	16.3	15.9	15.8
Total capital ratio, %	17.5	17.1	17.0
Leverage ratio, % ¹⁾	4.19	4.13	4.09
LCR, %	196	258	258
NSFR, %	126	134	132

1) Calculated pursuant to Article 429 in Regulation (EU) No. 575/2013 of the European Parliament and of the Council.

Trend for Q4 2024 compared with Q3 2024

Balance sheet comments

Chargeable treasury bills decreased to SEK 0 billion (8.0), primarily due to reduced holdings of Riksbank certificates, at the same time as cash and balances at central banks increased to SEK 3.0 billion (0.3). Lending to credit institutions decreased to SEK 8.2 billion (10.6), mainly attributable to inflows of securities linked to derivatives (CSAs), which are mainly impacted by changes in interest and exchange rates. The above changes were within the scope of the normal short-term liquidity management. Bonds and other interest-bearing securities increased to SEK 97.4 billion (96.3), primarily driven by new securities purchases within the framework of normal liquidity reserve management. Lending to the public increased to SEK 537.8 billion (535.0), of which SEK 366.0 billion comprised residential mortgages, SEK 1.7 billion consumer loans, SEK 105.3 billion lending to property companies and SEK 64.8 billion lending to tenant-owners' associations. For more information on lending to the public, please refer to [pages 12–13](#) and [Note 5](#).

Liabilities to credit institutions increased to SEK 7.2 billion (5.6), primarily driven by inflows of securities connected to derivatives (CSAs) within the framework of ongoing short-term liquidity reserve management. Deposits from the public increased to SEK 255.9 billion (248.1), of which 86% comprised retail deposits and the remainder non-operational deposits pursuant to the liquidity coverage regulation (EU 2015/61). For more information on deposits from the public, please refer to [pages 12–13](#). For information about issued debt securities, please refer to the "Funding" section. Subordinated debt totalled SEK 2.0 billion (2.0). Equity increased to SEK 26.1 billion (25.6), primarily due to net profit for the period and the outcome for other comprehensive income. Other comprehensive income, which is recognised under equity, decreased to an expense of SEK 34 million (income: 1,505), primarily due to interest-rate-related value changes, whereby net profit for the period was negatively impacted by a positive change in euro interest rates. For more information on this item, please refer to [page 24](#).

Funding

During the year, the Riksbank gradually lowered the policy rate to support growth in a weak economy. During the fourth quarter, the policy rate was lowered on two occasions, firstly by 0.5 percentage points to 2.75% in November and thereafter by 0.25 percentage points to 2.5% in December. Capital market participants have also priced in additional interest rate cuts in 2025.

Swedish and European borrowing markets continue to function satisfactorily, although funding needs are normally somewhat lower during this period. Activity in the domestic covered bonds market was seasonally low. In the second half of 2024, credit spreads in the European market started to widen and the year ended with spreads slightly wider. For much of 2024, the Swedish covered bond market was more balanced and offered relatively cheaper funding.

Recent strong growth in deposits resulted in the SBAB Group's total funding requirements for 2024 being somewhat lower than previous years and amounting to approximately SEK 35 billion. In addition to continuous issues of covered bonds under the Swedish benchmark programme, SBAB issued a SEK 4.0 billion green covered bond in the fourth quarter, which comprised the second transaction under the updated SBAB Group Green Bond Framework 2024 that was published earlier in the year.

During the quarter as a whole, issued debt securities totalled SEK 10.8 billion (7.7). In parallel, securities were repurchased for SEK 15.2 billion (3.6) and securities amounting to SEK 5.4 billion (8.7) matured. Alongside changes in premiums/discounts and changes in SEK exchange rates, this resulted in a decrease in issued debt securities outstanding of SEK 9.5 billion to a total of SEK 351.9 billion (361.4). In total, the SBAB Group has issued bonds corresponding to SEK 35.0 billion in 2024 (of which SEK 31.0 billion comprised covered bond funding and SEK 4.0 billion unsecured funding), which can be compared with the total bonds maturing in 2024 of about SEK 54.1 billion.

At the end of the quarter, unsecured funding amounted to SEK 46.7 billion (50.6), of which SEK 19.8 billion (19.8) comprised senior non-preferred bonds, SEK 26.6 billion (26.9) other senior un-

secured bonds and SEK 0.3 billion (4.0) commercial paper.

Funding through the issue of covered bonds is carried out by the wholly-owned subsidiary, Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation – SCBC). Total covered bond funding amounted to SEK 305.2 billion (310.8) at the end of the quarter, of which SEK 228.9 billion was in SEK and SEK 76.3 billion was in foreign currencies.

Liquidity position

SBAB's liquidity reserve primarily comprises liquid, interest-bearing securities with high ratings¹⁾. At the end of the quarter, the market value of the assets in the liquidity reserve amounted to SEK 98.2 billion (101.1). Taking the Riksbank's and the ECB's haircuts into account, the liquidity value of the assets was SEK 95.0 billion (97.8).

SBAB measures and stress-tests liquidity risk, for example, by calculating the survival horizon. The survival horizon at the end of the quarter totalled 532 days (253), which the company deems satisfactory.

According to the European Commission's Delegated Regulation with regard to liquidity coverage requirements, on 31 December 2024, the LCR was 196% (258) in all currencies combined, which exceeds the minimum requirement of 100%. Measured in SEK, the LCR was 153% (180). The net stable funding ratio (NSFR) amounted to 126.3% (133.6) according to Regulation (EU) 2019/876 of the European Parliament and the Council.

For more information on SBAB's liquidity, please refer to [Note 10](#).

1) Also encompasses non-HQLA (high quality liquid assets) classified assets included in the Riksbank's or the ECB's lists of assets eligible as collateral.

Capital position

SBAB's CET1 capital increased to SEK 21.4 billion (21.2), primarily due to earnings for the year¹. The risk exposure amount (REA) decreased to SEK 168.9 billion (171.5), primarily attributable to positive risk class migrations in the lending portfolio within business area Corporates & Associations. At the end of quarter, SBAB's CET1 capital ratio amounted to 12.7% (12.4) and the total capital ratio to 17.5% (17.1).

As per 31 December 2024, the Swedish FSA's collected capital requirements are estimated to correspond to a CET1 capital ratio of 10.1% and a total capital ratio of 14.4%. SBAB's capital targets thus corresponded to a CET1 capital ratio of not less than 11.1% and a total capital ratio of not less than 15.0%.

SBAB has already received approval for new PD models for retail exposures and corporate exposures (non-retail) from the Swedish FSA, which have been implemented in operations since 2023. At the end of 2024, as per the agreed time plan with the Swedish FSA, SBAB applied for a new LGD model for retail exposures, which will be applied for private individuals with mortgages and unsecured loans. The risk weights for corporate exposures are expected to decrease in conjunction with the implementation of the new Banking Package (the

Basel IV framework), which enters force on 1 January 2025, and which comprises lower standardised LGD values for exposures secured by collateral in properties. The application of the Banking Package's new provisions on sustainable market value for immovable property, which is based both on value at origination and on average market value, will compensate to some extent for the reduced risk weights as LTV ratios are raised in several cases. The impact of new and revised credit conversion factors (CCFs) for off-balance-sheet exposures is expected to generate lower risk weights over a transitional period, mainly for mortgage commitments within retail exposures. Overall, the new Banking Package is expected to positively impact SBAB's overall capital situation and capital ratios, irrespective of the applicable risk-weight floor. Moreover, the new output floor of 72.5% (with a phase-in from 50% over five years) for IRB exposures is not expected to be binding in the near term. The actual outcome of the implementation of Basel IV as of the reference date of 31 March 2025 will be communicated in SBAB's first quarterly report for 2025, which will be published on 30 April 2025.

The Swedish FSA's decision on the supervisory review and evaluation process (SREP) includes Pillar 2 guidance for SBAB of 0% on the risk-weighted capital

requirement and 0.5% on the leverage ratio. The total leverage ratio requirement includes this requirement and the minimum requirement of 3% of the leverage ratio exposure amount, which results in a total leverage ratio requirement of 3.50%. The leverage ratio amounted to 4.19% (4.13) as of 31 December 2024.

For more information on SBAB's capital position, please refer to [Note 11](#) and [Note 12](#).

1) In a decision by the Swedish FSA, subject to the company's auditors being able to confirm the surplus and that deductions for any dividends and foreseeable costs have been conducted pursuant to the Regulation on Prudential Requirements for Credit Institutions and Investment Firms and that these calculations have been conducted in compliance with the Commission Delegated Regulation (EU) No 241/2014, SBAB received approval for using the full-year surplus in own-funds calculations. Deloitte AB conducted the above review for 31 December 2024. This means that net profit for the year has been included in own funds and that expected dividends have reduced own funds.

Components of the capital target

SEK million	CONSOLIDATED SITUATION			
	31 Dec 2024			
	Total capital	%	CET1 capital	%
Internally assessed capital requirement from the Swedish FSA¹	24,273	14.4	16,977	10.1
– of which, Pillar 1 minimum requirement	7,434	4.4	4,182	2.5
– of which, Pillar 1 risk-weight floor, Swedish mortgages (Art. 458 CRR)	6,077	3.6	3,418	2.0
– of which, Pillar 2 requirement (P2R)	3,158	1.9	1,773	1.1
– of which, Capital conservation buffer	4,222	2.5	4,222	2.5
– of which, Countercyclical buffer	3,382	2.0	3,382	2.0
– of which, Pillar 2 guidance (P2G)	–	–	–	–
SBAB's capital target²	25,287	15.0	18,666–22,044	11.1–13.1
SBAB's actual capital	29,534	17.5	21,417	12.7

1) Pertains to the statutory requirements including the Swedish FSA's P2R and P2G.

2) The CEO has decided on a supplementary capital target for CET1 capital, which entails, under normal circumstances, SBAB maintaining a buffer equivalent to 1–3 percentage points above the Swedish FSA's communicated requirements over time. The target is a complement to the lower limit of 0.6 percentage points decided by the Board. For more information, please refer to page 20.

Other information

SBAB's financial targets from the owner

- **Profitability:** A return on equity of no less than 10% over a business cycle.
- **Capitalisation:** The CET1 capital ratio and total capital ratio should be at least 0.6 percentage points higher than the requirements communicated by the Swedish FSA. The CEO has decided on a supplementary capital target for CET1 capital, which entails, under normal circumstances, SBAB maintaining a buffer equivalent to 1–3 percentage points above the Swedish FSA's communicated requirements over time. The target is a complement to the lower limit of 0.6 percentage points decided by the Board.
- **Dividend:** Ordinary dividend of at least 40% of profit for the year after tax, taking the Group's capital structure into account.

Dividend

The basis for the Board regarding appropriation of profits for 2024 is to propose to the AGM a dividend of SEK 913 million, representing 40% of the Group's net profit for the year, in accordance with SBAB's dividend policy.

Events after the end of the period

No significant events occurred after the end of the period.

Auditors' review report

This report has been reviewed by the company's auditor in accordance with the International Standard on Review Engagements (ISRE) 2410. The review report can be found at the end of this report.

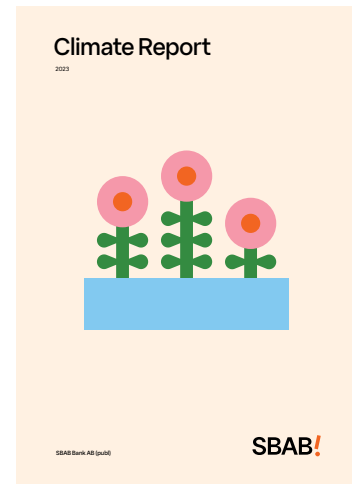
Outcomes for owner's financial targets

	2024	2023	2022	2021	2020
Dividend, %	40 ¹⁾	40	40	40	0
Return on equity, %	10.4	11.5	10.5	11.1	10.8
CET1 capital ratio, above Swedish FSA requirement, %	2.6	2.2	2.6	4.3	5.4
Total capital ratio, above Swedish FSA requirement, %	3.1	2.6	3.0	4.2	5.4

1) The basis for the Board regarding appropriation of profits for 2024 is to propose a dividend of 40% of the Group's net profit for the year after tax, in accordance with SBAB's dividend policy.

Long-term climate goal for 2038

At the end of 2022, SBAB adopted a climate goal to reduce the company's emissions intensity (kgCO₂e per m²) for its lending portfolio 50% by 2038, including a milestone of 30% by 2030. The climate goal is a major and important step for SBAB in driving the green transition together with our customers. The goal is aligned with the Paris Agreement's goal of limiting the global temperature increase to 1.5 °C and is reported each year in a climate report (available here for [2023](#)).



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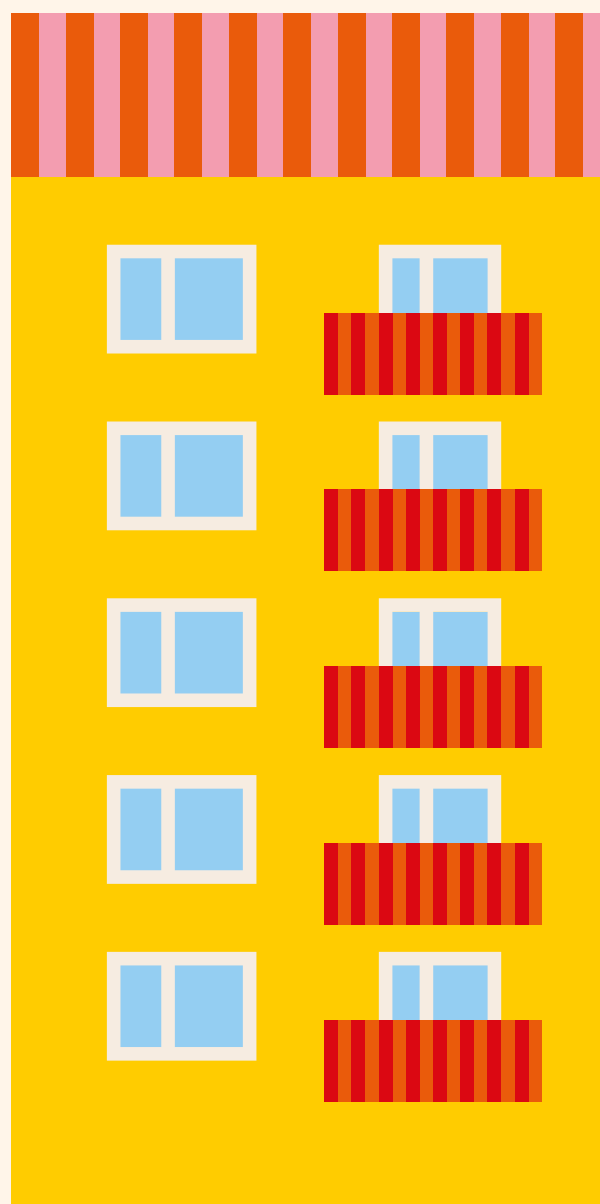
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Condensed income statement

SEK million	GROUP				
	2024	2024	2023	2024	2023
	Q4	Q3	Q4	Jan-Dec	Jan-Dec
Interest income ¹⁾	6,297	6,972	7,268	28,153	25,421
Interest expense	-4,958	-5,749	-5,936	-22,685	-19,975
Net interest income	1,339	1,223	1,332	5,288	5,446
Commission income	10	11	9	38	48
Commission expense	-23	-21	-19	-92	-82
Net result of financial transactions (Note 3)	73	-43	-80	86	-95
Other operating income	15	15	11	57	50
Total operating income	1,414	1,185	1,253	5,377	5,367
Personnel costs	-274	-259	-240	-1,025	-890
Other expenses	-176	-156	-170	-671	-608
Depreciation, amortisation and impairment of PPE and intangible assets	-95	-38	-38	-211	-165
Total expenses before credit losses and imposed fees	-545	-453	-448	-1,907	-1,663
Profit before credit losses and imposed fees	869	732	805	3,470	3,704
Net credit losses (Note 4) ²⁾	5	39	-31	0	-93
Imposed fees: Risk tax and resolution fee	-143	-143	-139	-570	-541
Operating profit	731	628	635	2,900	3,070
Tax	-156	-134	-147	-618	-662
Net profit for the year/period	575	494	488	2,282	2,408

¹⁾In Q4 2024 interest income on financial assets measured at amortised cost, calculated using the effective-interest method, amounted to SEK 5,155 million and for the corresponding period the previous year to SEK 5,662 million for the Group.

²⁾Including impairment and reversals of impairment of financial assets.

Condensed statement of comprehensive income

SEK million	GROUP				
	2024 Q4	2024 Q3	2023 Q4	2024 Jan-Dec	2023 Jan-Dec
Net profit for the period	575	494	488	2,282	2,408
Other comprehensive income					
<i>Components that will be reclassified to profit or loss</i>					
Financial assets measured at FVTOCI	-173	4	33	92	-7
Changes related to cash-flow hedges	129	1,901	3,802	943	3,680
Tax attributable to components that will be reclassified to profit or loss	9	-392	-789	-213	-756
<i>Components that will not be reclassified to profit or loss</i>					
Revaluation effects of defined-benefit pension plans	2	-10	-5	-20	-19
Tax attributable to components that will not be reclassified to profit or loss	-	2	1	4	4
Other comprehensive income/loss	-34	1,505	3,041	806	2,902
Total comprehensive income/loss for the period	541	1,999	3,529	3,088	5,310

The Group's financial position and development is reflected in the income statement and balance sheet. Moreover, the applied accounting policies give certain revaluation effects, that are recognised in other comprehensive income.

Other comprehensive income includes changes in cash-flow hedges that consist of unrealised value changes from derivatives used for hedging cash flows in the Group's funding in foreign currencies. Funding in cash flow hedges is measured at amortised cost, where value changes are not recognised while derivatives that hedge borrowing are marked to market. This means that changes in rates, primarily in euro, can lead to volatility during the term, even if the long-term result is zero. The line item is normally affected positively by a decline in interest rates and negatively by a rise in interest rates.

Financial assets measured at FVTOCI consist of unrealised value changes in debt securities (classified according to certain principles) in the liquidity reserve. The line item is primarily affected by changes in credit spreads in bond holdings.

The item revaluation effects of defined-benefit pension plans includes actuarial gains and losses where change in the discount rate is the assumptions that have the strongest impact on the item.

For further information, refer to SBAB's 2024 Annual Report, [Note G 1](#). See also the Financial development section for comments on the outcome of the period.

Condensed balance sheet

SEK million	GROUP	
	31 Dec 2024	31 Dec 2023
ASSETS		
Cash and balances at central banks	3,039	6,350
Chargeable treasury bills, etc.	-	36,650
Lending to credit institutions	8,173	11,807
Lending to the public (Note 5)	537,836	517,400
Value changes of interest-rate-risk hedged items in macro hedges	-357	-1,565
Bonds and other interest-bearing securities	97,375	64,945
Derivatives (Note 6)	11,296	12,241
Shares and participation in associated companies and joint ventures	6	5
Deferred tax assets	697	911
Intangible assets	453	468
Property, plant and equipment	221	249
Other assets	210	258
Prepaid expenses and accrued income	937	834
TOTAL ASSETS	659,886	650,553
LIABILITIES AND EQUITY		
Liabilities		
Liabilities to credit institutions	7,249	5,606
Deposits from the public	255,873	215,211
Issued debt securities, etc.	351,926	382,770
Derivatives (Note 6)	10,848	15,695
Other liabilities	1,879	2,021
Accrued expenses and deferred income	4,012	3,153
Provisions	2	9
Subordinated debt	1,999	1,998
Total liabilities	633,788	626,463
Equity		
Share capital	1,958	1,958
Reserves/Fair value reserve	-2,931	-3,737
Additional Tier 1 instruments	6,100	5,800
Retained earnings	18,689	17,661
Net profit for the period	2,282	2,408
Total equity	26,098	24,090
TOTAL LIABILITIES AND EQUITY	659,886	650,553

Condensed statement of changes in equity

SEK million	GROUP				Total equity
	Share capital	Reserves/Fair value reserve	Additional Tier 1 instruments	Retained earnings and net profit for the year ¹⁾	
Opening balance, 1 January 2024	1,958	-3,737	5,800	20,069	24,090
Additional Tier 1 instruments	-	-	300	-	300
Additional Tier 1 instruments, dividend	-	-	-	-417	-417
Dividend paid	-	-	-	-963	-963
Other comprehensive income	-	806	-	-	806
Net profit for the year	-	-	-	2,282	2,282
Comprehensive income for the year	-	806	-	2,282	3,088
Closing balance, 31 December 2024	1,958	-2,931	6,100	20,971	26,098
Opening balance, 1 January 2023	1,958	-6,639	5,800	18,830	19,949
Additional Tier 1 instruments, dividend	-	-	-	-340	-340
Dividend paid	-	-	-	-832	-832
Other	-	-	-	3	3
Other comprehensive income	-	2,902	-	-	2,902
Net profit for the year	-	-	-	2,408	2,408
Comprehensive income for the year	-	2,902	-	2,408	5,310
Closing balance, 31 December 2023	1,958	-3,737	5,800	20,069	24,090

1) Retained earnings includes the Parent Company's statutory reserve, which is not distributable.

Condensed cash-flow statement

SEK million	GROUP	
	2024	2023
	Jan-Dec	Jan-Dec
Opening cash and cash equivalents	18,157	23,625
OPERATING ACTIVITIES		
Interest and commissions paid/received	5,946	6,092
Outflows to suppliers and employees	-2,266	-2,039
Taxes paid/refunded	-951	840
Change in assets and liabilities of operating activities	-8,814	-9,324
Cash flow from operating activities	-6,085	-4,431
INVESTING ACTIVITIES		
Change in property, plant and equipment	-24	-32
Change in intangible assets	-126	-131
Acquisition of subsidiaries, participation in associated companies and joint ventures	-1	1
Cash flow from investing activities	-151	-162
FINANCING ACTIVITIES		
Dividend paid	-963	-832
Change in Tier 1 capital instrument	300	-
Repayment of lease liabilities	-46	-43
Cash flow from financing activities	-709	-875
Increase/decrease in cash and cash equivalents	-6,945	-5,468
Closing cash and cash equivalents	11,212	18,157

Cash and cash equivalents are defined as cash and lending to credit institutions.

Change in liabilities attributable to financing activities

SEK million	GROUP									
	Opening balance 1 Jan 2024	Cash flow	Non-cash items		Closing balance 31 Dec 2024	Opening balance 1 Jan 2023	Cash flow	Non-cash items		Closing balance 31 Dec 2023
			Fair value	Other				Fair value	Other	
Subordinated debt	1,998	-	-	1	1,999	1,997	-	-	1	1,998
Lease liabilities	183	-46	-	20	157	192	-43	-	34	183
Additional Tier 1 instruments	5,800	300	-	-	6,100	5,800	-	-	-	5,800
Total	7,981	254	-	21	8,256	7,989	-43	-	35	7,981

Note 1 Accounting policies

The SBAB Group applies the International Financial Reporting Standards (IFRS Accounting Standards[®]) as adopted by the EU. In addition to these accounting standards, Finansinspektionen's (the Swedish FSA) regulations and general guidelines on annual accounts for credit institutions and securities companies (FFFS 2008:25), the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups were taken into consideration. The Group's interim report fulfils the requirements stipulated under IAS 34, Interim Financial Reporting.

Statutory IFRS Accounting Standards is applied for the Parent Company, which means that this interim report has been prepared in compliance with IFRS subject to the additions and exceptions that ensue from the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, the Swedish FSA's regulations and general guidelines on annual accounts for credit institutions and securities companies (FFFS 2008:25) and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies.

Note 2 Changes in risks

Credit risk in lending operations

During the fourth quarter of 2024, a reduced credit risk was observed in SBAB's lending. The proportion of customers exhibiting payment difficulties remained limited, and within the Private business area, the inflow of loans to credit stage 3 declined. Alongside positive interest rate development, positive rating grade migrations occurred in both business areas, Private and Corporates & Associations respectively. During the quarter, credit bureau information for all customers in the lending portfolio and market values for houses and condominiums were updated, both resulting in improved credit risk.

The forward-looking information was revised in December 2024 due to continuous monitoring of global economic developments. The forward-looking information indicates positive interest rate trends with declining rates over the longer term and greater price increases for houses and real estate properties in positive scenarios, while slightly larger price declines in negative scenarios were observed, influenced by recent months' price increases. The update in forward-looking information contributed to milder PD effects due to a lower interest rate trajectory combined with previously elevated default frequencies in the past year and slightly higher LGD effects due to greater price declines in negative scenarios. Consequently, the update in forward-looking information resulted in decreased loss provisions for credit stages 1 and 2, while loss provisions for credit stage 3 increased.

To account for upcoming updates to the PD and LGD retail models for private individuals within the IRB system, which the bank intends to implement in the ECL model during 2025, a management overlay of SEK 30 million was applied to loss provisions. The management overlay is explained by slightly more conservative scores from the models. The overlay applies only to credit stages 1 and 2 within the Private business area and will remain in effect until the ECL model has been adapted.

Overall, the above effects resulted in an increase in loss provisions for credit stages 1 and 2 despite an improved macroeconomic outlook and positive rating grade migrations. For credit stage 3, a reduction in loss provisions was observed, attributed to the settlement of a defaulted customer's exposure within the Corporate Clients & Tenant-Owners' Associations business area, which previously had an individually assessed loss provision of SEK 17 million.

Total loss provisions as of December 31, 2024, amounted to SEK 296 million, compared with SEK 304 million as of September 30, 2024.

The Loan-to-Value (LTV) ratio for private individuals, real estate companies, and tenant-owners' associations amounted to 59%, 60%, and 32% respectively per 31 December 2024, compared to 59%, 61%, and 32% respectively per 30 September 2024. For more information on credit losses, loss allowances, and credit quality, see [Note 4](#).

Since SBAB's business model is exclusively based on financing housing, flood risk within sustainability is identified as one of the primary climate risks in the lending operations. Climate risk within the lending portfolio is measured by a key risk indicator (KRI) that is defined as a value that indicate a change in climate risk profile. The KRI covers the acute physical risks regarding floods and monitors the share of capital linked to houses in zones with an elevated risk of flooding. During the fourth quarter of 2024 the results from the KRI does not indicate any changes in risk.

New and amended accounting principles that come into effect in 2024 or later
IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS1 Presentation of Financial Reports. The new standard will be effective for fiscal years beginning on or after Januari 1, 2027. Analysis is underway of the effect the new standard will have on the SBAB Group's financial report.

Other changed accounting principles with entry into force in 2024 or later are currently deemed to have no significant impact on the SBAB Group's accounting or financial reports.

The condensed interims reports are prepared on a going concern basis. The condensed interim reports were approved by the board for publication on February 6, 2025.

Counterparty credit risk in treasury operations

SBAB models counterparty credit risk according to CRR II Standardised Approach (SA-CCR). Total usage of SBAB's limits to transactional counterparties decreased to SEK 5,458 million as of December 31, 2024 compared to SEK 5,735 million as of September 30, 2024.

Liquidity risk

SBAB's liquidity positions remained strong during the fourth quarter of 2024. LCR by end of the fourth quarter of 2024 decreased in comparison with LCR level for the third quarter of 2024. The survival horizon increased in comparison with the third quarter of 2024. The over collateralization level (OC-level) decreased in comparison with the third quarter of 2024. The deposit-to-loan ratio increased during the fourth quarter of 2024 as the deposit growth rate was good. NSFR has decreased in comparison with the third quarter of 2024. See [Note 10](#) and Balance sheet for more information.

Market risk

SBAB uses Value at Risk (VaR) to quantify market risk, calculated based on a holding period of one year and a 99% confidence interval. SBAB's model is a historical model and applies percentiles in historical market data from the past two years. At 31 December 2024, SBAB's VaR amounted to SEK 1,439 million, compared to SEK 1,443 million at 30 September, 2024.

Operational risk

The change of SBAB's core ICT-system, with end date in the second quarter of 2026, is ongoing and complex. Therefore, the project is still a source to exposure for operational risks.

Business risk

Financial markets and the real economy continue to be impacted by the current geopolitical situation, as well as by the falling interest rates. The impact on SBAB's financial position is however moderate. Business risk is estimated to be at a low level. No material changes in the competitive landscape were observed during the last quarter and SBAB has not entered any new, or exited any existing, markets or segments

Concentration risk

The lending to the ten largest customer groups accounted for 7,5 percent of total lending volume which is slightly higher compared to Q3 2024. SBAB has a limited lending on commercial property which amounted to 2 percent of lending to the public as of 31 December 2024, which is unchanged compared to 30 September 2024. For more information on the geographical distribution of the lending portfolio, please refer to [Note 5](#). SBAB also evaluates the capital requirement for concentration risk on a regular basis and quantifies the risk with economic capital risk for credit risk exposures. For more information, please see [Note 12](#).

Note 3 Net result of financial transactions

SEK million	GROUP				
	2024	2024	2023	2024	2023
	Q4	Q3	Q4	Jan-Dec	Jan-Dec
Gains/losses on interest-bearing financial instruments					
- Change in value of hedged items in hedge accounting	375	-1,958	-4,277	-1,599	-3,190
- Derivatives in hedge accounting	-335	1,895	4,276	1,587	3,138
- Other derivatives	-145	-51	-217	-69	-47
- Interest-bearing securities, Fair Value Option	-	-	2	2	2
- Interest-bearing securities at fair value through other comprehensive income	3	15	-14	-70	-213
- Interest-bearing securities at amortised cost	-4	-22	-29	-78	-43
- Realised gain/loss from financial liabilities at amortised cost	170	73	180	284	301
- Loan receivables at amortised cost	6	5	1	22	-45
Currency translation effects	3	0	-2	7	2
Total	73	-43	-80	86	-95

SBAB uses derivatives to manage interest-rate and currency risk in the Group's assets and liabilities. Derivatives are recognised at fair value in the balance sheet. SBAB's risk management and hedge accounting strategies entail that profit variations between periods may arise for individual items in the table above, as

a result of changes in market interest rates, but that they are in general offset by profit variations in other items. Profit variations not neutralised through risk management and hedge accounting are commented on in the income statement overview.

Note 4 Net credit losses

SEK million	GROUP				
	2024	2024	2023	2024	2023
	Q4	Q3	Q4	Jan-Dec	Jan-Dec
Lending to the public					
Confirmed credit losses	-4	-4	-2	-14	-9
Recoveries of previously confirmed credit losses	1	1	1	4	4
Adjustment of interest, written down loans	0	2	1	4	2
Change in provision for the period – credit stage 1	-5	13	-11	32	-5
Change in provision for the period – credit stage 2	-4	43	35	15	9
Change in provision for the period – credit stage 3	16	-17	-59	-48	-113
Guarantees ¹⁾	0	0	0	0	-3
Net credit losses for the period – lending to the public	4	38	-35	-7	-115
Loan commitments and building credits²⁾					
Change in provision for the period – credit stage 1	0	1	0	3	18
Change in provision for the period – credit stage 2	1	0	5	3	5
Change in provision for the period – credit stage 3	0	0	-1	1	-1
Net credit losses for the period – loan commitments and building credits	1	1	4	7	22
Other financial instruments					
Change in provision for the period – credit stage 1	0	0	0	0	0
Net credit losses for the period – other financial instruments	0	0	0	0	0
Total	5	39	-31	0	-93

1) The item includes guarantees for loan commitments.

2) Credit provisions for loan commitments and building credits are included in the "Provisions" item in the balance sheet

Note 4 Net credit losses, Cont.

Total net credit losses for the fourth quarter of 2024 amounted to a positive SEK 5 million compared to a positive SEK 39 million during the third quarter of 2024 (positive SEK 39 million). Confirmed credit losses amounted to SEK 4 million (SEK 4 million), and recoveries of previously confirmed credit losses were SEK 1 million (SEK 1 million). During the quarter, total loss provisions decreased by SEK 8 million (decrease of SEK 40 million). Loss provisions for loans in credit stage 1 increased by SEK 5 million (decrease of SEK 13 million), and for loans in credit stage 2 by SEK 4 million (decrease of SEK 43 million), while they decreased for credit stage 3 by SEK 16 million (increase of SEK 17 million).

The change in provisions for loans in credit stages 1 and 2 was mainly influenced by a management overlay amounting to SEK 30 million. The reason for the management overlay is the upcoming updates to the PD and LGD retail models for private individuals within the IRB system, which the bank intends to implement in the ECL model during 2025. These updates lead to more conservative scores from the models. The adjustment applies only to credit stages 1 and 2 within the Private business area and will remain in place until the ECL model has been adapted.

The change in provisions for loans in credit stage 3 is mainly explained by the settlement of a defaulted customer's exposure within the Corporate & Associations business area, which previously had an individually assessed loss provision of SEK 17 million.

The update of forward-looking information in December 2024, including new macroeconomic scenarios, continues to indicate a trend of lower interest rates going forward. This, combined with previously elevated default rates, resulted in milder future PD effects and thus a reduction in loss provisions for both credit stages 1 and 2. However, for credit stage 3, loss provisions increased as price declines for houses and real estate properties were slightly higher in negative scenarios, mainly affecting credit stage 3.

Furthermore, positive rating grade migrations were observed during the quarter in both business areas, Private and Corporate & Associations respectively, which primarily reduced loss provisions in credit stages 1 and 2.

Loss provisions for loan commitments and undrawn building credits decreased by SEK 1 million during the fourth quarter of 2024 (decrease of SEK 1 million). Guarantees available to cover credit losses remained unchanged (no change) during the quarter.

Sensitivity analysis of forward-looking information

Lending to the public and loan commitments

Factors	Scenario 1 (40%)			Scenario 2 (10%)			Scenario 3 (25%)			Scenario 4 (25%)		
	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
GDP ¹⁾ , Δ	+2.2%	+5.3%	+7.4%	+3.3%	+8.1%	+11.2%	-6.8%	-0.6%	+2.2%	-2.9%	-3.7%	-2.3%
Repo rate	2.2%	2.1%	2.2%	2.1%	2.1%	2.4%	2.4%	2.5%	2.5%	2.7%	3.2%	3.2%
Unemployment	8.3%	7.9%	7.5%	8.1%	7.1%	6.3%	8.7%	11.1%	10.0%	8.5%	9.4%	10.1%
House prices, Δ	+2.0%	+4.5%	+3.6%	+6.6%	+1.3%	+3.2%	-7.3%	-5.9%	+0.3%	-8.2%	-12.7%	-8.2%
Prices of tenant-owners' rights, Δ	+4.0%	+4.5%	+4.1%	+9.4%	+0.5%	+3.5%	-6.4%	-9.4%	-1.0%	-8.8%	-16.6%	-7.3%
Property prices, Δ	-0.1%	+1.2%	+4.0%	+2.5%	+1.4%	+2.8%	-6.3%	-5.8%	-6.3%	-8.1%	-8.4%	-11.9%
ECL	SEK 165 million			SEK 158 million			SEK 344 million			SEK 513 million		
Weighted ECL²⁾	SEK 296 million											

1) Not included in the ECL calculation

2) Of which, SEK 294 million was attributable to lending to the public and SEK 2 million to off-balance-sheet items linked to loan commitments and building credits

Impairment model and credit loss provisions

SBAB evaluated forward-looking information during the fourth quarter of 2024 and received updated macroeconomic forecasts from SBAB's Chief Economist for a revision of the forward-looking data. This forward-looking information is applied in the impairment model used for calculating expected credit losses (ECL model) and thus thereby credit loss allowances.

The updates to the macroeconomic forecasts reflect a slowing interest rate trend with declining rates over the longer term, as well as greater price increases for houses and real estate properties in the positive scenarios but slightly larger price declines in the negative scenarios, considering recent months' price increases. The Swedish economy is still expected to be influenced by the relatively high interest rate levels due to recent years' inflation and increased global economic uncertainty.

All scenarios in the forward-looking information account for slightly lower interest rates over the coming years, with the interest rate peak considered to have already occurred. In line with this interest rate trend, unemployment is expected to decrease, except in the negative scenarios where continued high interest rates during 2025 are projected to impact the Swedish economy and especially unemployment levels. House and condominium prices are specifically expected to rise with declining interest rates in positive scenarios 1 and 2 but show significant declines in negative scenarios 3 and 4.

As of December 31, 2024, total loss provisions amounted to SEK 296 million, compared to SEK 304 million as of September 30, 2024.

The revised forward-looking information has led to reduced loss provisions in both credit stages 1 and 2 across both business areas, driven by milder PD estimate effects in the ECL model. This results from a flattening interest rate trend combined with previously elevated default rates observed during 2024.

However, loss provisions for credit stage 3 increased due to greater price declines in the negative scenarios, jointly increasing loss provisions related to forward-looking information by SEK 6 million.

Furthermore, positive rating grade migrations were observed in both business areas, reducing loss provisions for credit stages 1 and 2 by SEK 23 million, of which SEK 13 million is attributed to Corporates & Associations. For credit stage 3, loss provisions decreased by SEK 21 million, of which SEK 18 million was attributed to the Corporates & Associations business area due to the settlement of a defaulted customer's exposure with individually assessed loss provisions of SEK 17 million.

Due to upcoming updates to the PD and LGD retail models for private individuals within the IRB system, which the bank plans to implement in the ECL model during 2025, a management overlay of SEK 30 million was applied to the loss provisions. This management overlay is explained by slightly more conservative scores from the models and resulted in increased loss provisions in credit stages 1 and 2 within the Private business area.

The table above depicts the forward-looking information, consisting of a weighting of the four scenarios with forecasts of the macroeconomic factors applied in the ECL model. The underlying credit risk models for calculating ECL, which largely depend on customer payment behaviour and the market values of collateral, have shown improved credit risk during the quarter.

SBAB is currently comfortable with the size of the credit loss provisions totalling SEK 296 million as of December 31, 2024.

Overall credit quality

The credit quality in SBAB's lending remains strong, and the credit risk in loans to private individuals is low. Lending within the Private segment is based on a

Note 4 Net credit losses, Cont.

robust credit assessment process that ensures a customer has the financial capacity to meet their obligations. The Swedish Financial Supervisory Authority's (SFSA) annual mortgage survey, using data from 2023, indicates that new customers still have healthy margins to manage their payments despite the deteriorating economic conditions. The average Loan-to-Value ratio³⁾ (LTV) in the mortgage portfolio at the end of the fourth quarter of 2024 was 59% (59%), and the average mortgage at the same time was SEK 1.9 million (SEK 1.9 million). The LTV in new lending during the quarter was 68% (67%), and the Debt-to-Income ratio was 3.7 (3.4). A small number of individually assessed loss provisions within the Private business area contributed to a SEK 2 million increase in loss provisions during the fourth quarter of 2024.

The credit quality of SBAB's lending to real estate companies, property developers, and tenant-owners' associations also remains strong. For real estate companies and tenant-owners' associations, the average LTV at the end of the fourth quarter was 60% (61%) and 32% (32%), respectively. In the Corporates & Associations business area, the granting of loans is based on an assessment of the customers' ability to generate stable cash flows over time and whether adequate collateral can be provided. With the economic

development of high inflation followed by rising interest rates, proactive efforts have been made to identify customers who are or may become particularly financially vulnerable.

SBAB has maintained the frequency of monitoring customers with market financing to be refinanced in both the short and long term, as well as those with building credits related to housing production, which are particularly affected by rising interest rates and increasing prices of inputs and building materials. Furthermore, there is a more frequent evaluation of customers' rating grades using expert assessment. No individually assessed loss provisions were deemed necessary in this business area during the fourth quarter of 2024. However, an individually assessed loss provision for a property developer with a building credit was reversed after the engagement was refinanced by another bank. This resulted in a SEK 17 million decrease of loss provisions.

3) The loan-to-value (LTV) ratio is defined as the size of a loan in relation to the market value of pledged collateral. The reported average is the exposure weighted average. Where applicable, the calculation takes into consideration contributory factors such as guarantees and the collateral's lien priority. SBAB verifies the market values on a regular basis. For residential properties and tenant-owners' rights, the market value is verified at least every third year.

Note 5 Lending to the public

SEK million	GROUP	
	31 Dec 2024	31 Dec 2023
Opening balance, per year	517,400	509,492
New lending for the period	86,000	71,068
Amortisation, repayments	-65,549	-63,042
Confirmed credit losses	-14	-9
Change in provision for expected credit losses ¹⁾	-1	-109
Closing balance, per year/period	537,836	517,400

1) For further information, please refer to Note 4 ("Change in provision for the period – credit stages 1, 2 and 3").

Distribution of lending, including provisions

SEK million	GROUP	
	31 Dec 2024	31 Dec 2023
Lending, Residential mortgages	365,986	346,314
Lending, Corporate Clients & Tenant-Owners' Associations	170,195	169,321
Lending, Consumer loans	1,655	1,765
Total	537,836	517,400

Geographical composition

	GROUP			
	Lending, Residential mortgages %		Lending, Corporate Clients & Tenant-Owners' Associations %	
	2024	2023	2024	2023
	Q4	Q4	Q4	Q4
Stockholm area	62.5	63.2	48.8	50.2
Öresund region	9.3	9.2	18.9	17.9
University cities and growth regions	10.3	10.8	15.3	16.7
Gothenburg area	10.9	10.9	8.9	8.7
Other regions	7.0	5.9	8.2	6.6

Note 5 Lending to the public, Cont.

Lending to the public by credit stage

SEK million	GROUP	
	31 Dec 2024	31 Dec 2023
Credit stage 1		
Gross lending	501,116	466,456
Provision	-35	-66
Total	501,081	466,390
Credit stage 2		
Gross lending	36,157	50,501
Provision	-66	-81
Total	36,091	50,420
Credit stage 3		
Gross lending	857	735
Provision	-193	-145
Total	664	590
Total gross lending	538,130	517,692
Total provisions	-294	-292
Total	537,836	517,400

Lending to the public and provisions

SEK million	GROUP							
	Credit stage 1		Credit stage 2		Credit stage 3		Capital	
Capital	Capital	Provision	Capital	Provision	Capital	Provision	Capital	Provision
Opening balance, 1 January 2024	466,456	-66	50,501	-81	735	-145	517,692	-292
Moved to credit stage 1	24,693	-44	-24,654	37	-39	7	0	0
Moved to credit stage 2	-19,774	7	19,888	-18	-114	11	0	0
Moved to credit stage 3	-201	0	-353	2	554	-3	0	0
Volume change*	28,019	9	-8,617	13	-255	38	19,147	60
Revaluation**	1,924	59	-608	-19	-11	-111	1,305	-72
Confirmed credit losses	-1	-	-	-	-13	10	-14	10
Closing balance, 31 December 2024	501,116	-35	36,157	-66	857	-193	538,130	-294

*Refers to new lending, amortizations, redemptions and loan transfers between SBAB and SCBC.

**Refers to revaluation of ECL as well as changes in transaction and modification costs.

For further information on changes in provision for the period – credit stages 1, 2 and 3, please refer to [Note 4](#).

SEK million	GROUP							
	Credit stage 1		Credit stage 2		Credit stage 3		Capital	
Capital	Capital	Provision	Capital	Provision	Capital	Provision	Capital	Provision
Opening balance, 1 January 2023	478,737	-62	30,567	-90	371	-31	509,675	-183
Moved to credit stage 1	17,860	-45	-17,830	43	-30	2	0	0
Moved to credit stage 2	-43,899	9	43,966	-11	-67	2	0	0
Moved to credit stage 3	-218	0	-374	5	592	-5	0	0
Volume change*	12,787	-10	-5,749	3	-115	-9	6,923	-16
Revaluation**	1,189	42	-78	-31	-8	-110	1,103	-99
Confirmed credit losses	-	-	-1	-	-8	6	-9	6
Closing balance, 31 December 2023	466,456	-66	50,501	-81	735	-145	517,692	-292

*Refers to new lending, amortizations, redemptions and loan transfers between SBAB and SCBC.

**Refers to revaluation of ECL as well as changes in transaction and modification costs.

For further information on changes in provision for the period – credit stages 1, 2 and 3, please refer to [Note 4](#).

Note 6 Derivatives

SEK million	GROUP					
	31 Dec 2024			31 Dec 2023		
	Assets measured at fair value	Liabilities measured at fair value	Total nominal value	Assets measured at fair value	Liabilities measured at fair value	Total nominal value
Interest-rate-related	4,374	10,844	491,935	5,390	14,946	497,610
Currency-related	6,922	4	86,552	6,851	749	95,549
Total	11,296	10,848	578,487	12,241	15,695	593,159

Cross-currency interest-rate swaps are classified as currency-related derivatives.

Note 7 Operating segments

SEK million	GROUP					
	Jan-Dec 2024					
	Follow-up of operations			Reconciliation against the statutory income statement		
	Retail	Corporate Clients & Tenant-Owners' Associations	Total	Administrative consultants	IFRS 16 Leasing ¹⁾	Statutory profit
Net interest income	3,150	2,138	5,288	-	-	5,288
Commission income	37	1	38	-	-	38
Commission expense	-64	-28	-92	-	-	-92
Net result of financial transactions	51	35	86	-	-	86
Other operating income	56	1	57	-	-	57
Total operating income	3,230	2,147	5,377	-	-	5,377
Salaries and remuneration	-470	-175	-645	-	-	-645
Other personnel costs	-291	-118	-409	29	-	-380
Other expenses	-526	-160	-686	-29	44	-671
Depreciation, amortisation and impairment of PPE and intangible assets	-124	-43	-167	-	-44	-211
Net credit losses	-69	69	0	-	-	0
Imposed fees: Risk tax and resolution fee	-379	-191	-570	-	-	-570
Operating profit ²⁾	1,371	1,529	2,900	0	0	2,900
Tax	-292	-326	-618	-	-	-618
Profit after standardised tax	1,079	1,203	2,282	0	0	2,282
Return on equity, %	8.1	13.9	10.4	-	-	10.4

1) Depreciation charge for right-of-use assets of office premises.

2) Segment performance.

Note 7 Operating segments, Cont.

SEK million	GROUP					
	Jan-Dec 2023					
	Follow-up of operations			Reconciliation against the statutory income statement		
	Retail	Corporate Clients & Tenant-Owners' Associations	Total	Administrative consultants	IFRS 16 Leasing	Statutory profit
Net interest income	3,336	2,110	5,446	-	-	5,446
Commission income	47	1	48	-	-	48
Commission expense	-60	-22	-82	-	-	-82
Net result of financial transactions	-70	-25	-95	-	-	-95
Other operating income	49	1	50	-	-	50
Total operating income	3,302	2,065	5,367	-	-	5,367
Salaries and remuneration	-400	-158	-558	-	-	-558
Other personnel costs	-259	-113	-372	40	-	-332
Other expenses	-463	-146	-609	-40	41	-608
Depreciation, amortisation and impairment of PPE and intangible assets	-73	-51	-124	-	-41	-165
Net credit loss	-22	-71	-93	-	-	-93
Imposed fees: Risk tax and resolution fee	-353	-188	-541	-	-	-541
Operating profit	1,732	1,338	3,070	0	0	3,070
Tax	-372	-290	-662	-	-	-662
Profit after standardised tax	1,360	1,048	2,408	0	0	2,408
Return on equity, %	10.0	14.1	-	-	-	11.5

All expenses and revenues are fully allocated to the segments Retail and Corporate Clients & Tenant-Owners' Associations. In relation to the statutory income statement, an expense of SEK -29 million (-40) was transferred between the rows "Other expenses" and "Other personnel costs." The cost refers to administrative consultants, which pertain to "Other personnel costs" in the internal monitoring. IFRS 16 is not taken into account in the follow-up of

operations. All expenses identified in IFRS 16, with the exception of the interest component, are to be considered as costs for premises. The effect of IFRS 16 on the Group is recognised in the reconciliation against the statutory income statement. For more information on IFRS 16, please refer to [Note G 1](#) in SBAB's 2023 Annual Report.

Note 8 Classification of financial instruments

Financial assets

SEK million	GROUP						
	31 Dec 2024						
	Financial assets measured at FVTPL			Financial assets measured at FVTOCI	Financial assets measured at amortised cost	Total	Total fair value
Fair value option	Derivatives in hedge accounting	Other (Obligatory) classification					
Cash and balances at central banks	-	-	-	-	3,039	3,039	3,039
Chargeable treasury bills, etc.	-	-	-	-	-	-	-
Lending to credit institutions	-	-	-	-	8,173	8,173	8,173
Lending to the public	-	-	-	-	537,836	537,836	536,362
Value changes of interest-rate-risk hedged items in macro hedges	-	-	-	-	-357	-357	-
Bonds and other interest-bearing securities	-	-	-	92,073	5,302	97,375	97,363
Derivatives	-	10,798	498	-	-	11,296	11,296
Other assets	-	-	-	-	208	208	208
Prepaid expenses and accrued income	-	-	-	526	331	857	857
Total financial assets	-	10,798	498	92,599	554,532	658,427	657,299

Financial liabilities

SEK million	GROUP				
	31 Dec 2024				
	Financial liabilities measured at FVTPL		Financial liabilities measured at amortised cost	Total	Total fair value
Derivatives in hedge accounting	Held for trading				
Liabilities to credit institutions	-	-	7,249	7,249	7,249
Deposits from the public	-	-	255,873	255,873	255,873
Issued debt securities, etc.	-	-	351,926	351,926	347,901
Derivatives	10,435	413	-	10,848	10,848
Other liabilities	-	-	350	350	350
Accrued expenses and deferred income	-	-	3,950	3,950	3,950
Subordinated debt	-	-	1,999	1,999	1,994
Total financial liabilities	10,435	413	621,347	632,194	628,165

Note 8 Classification of financial instruments, Cont.

Financial assets

SEK million	GROUP						
	31 Dec 2023						
	Financial assets measured at FVTPL			Financial assets measured at FVTOCI	Financial assets measured at amortised cost	Total	Total fair value
Fair value option	Derivatives in hedge accounting	Other (Obligatory) classification					
Cash and balances at central banks	-	-	-	-	6,350	6,350	6,350
Chargeable treasury bills, etc.	442	-	-	36,208	0	36,650	36,650
Lending to credit institutions	-	-	-	-	11,807	11,807	11,807
Lending to the public	-	-	-	-	517,400	517,400	515,257
Value changes of interest-rate-risk hedged items in macro hedges	-	-	-	-	-1,565	-1,565	-
Bonds and other interest-bearing securities	0	-	-	54,671	10,274	64,945	64,933
Derivatives	-	11,794	447	-	-	12,241	12,241
Other assets	-	-	-	-	262	262	262
Prepaid expenses and accrued income	6	-	-	351	390	747	747
Total financial assets	448	11,794	447	91,230	544,918	648,837	648,247

Financial liabilities

SEK million	GROUP				
	31 Dec 2023				
	Financial liabilities measured at FVTPL		Held for trading	Financial liabilities measured at amortised cost	Total
Derivatives in hedge accounting					
Liabilities to credit institutions	-	-	5,606	5,606	5,606
Deposits from the public	-	-	215,211	215,211	215,211
Issued debt securities, etc.	-	-	382,770	382,770	374,741
Derivatives	14,815	880	-	15,695	15,695
Other liabilities	-	-	382	382	382
Accrued expenses and deferred income	-	-	3,097	3,097	3,097
Subordinated debt	-	-	1,998	1,998	1,973
Total financial liabilities	14,815	880	609,064	624,759	616,705

Fair value measurement of financial instruments

The measurement policies for financial instruments recognised at fair value in the balance sheet are provided in [Note G 1](#) (Accounting Policies) in SBAB's 2023 Annual Report. In the "total fair value" column above, information is also provided on the fair value of financial instruments that are recognised at amortised cost in the balance sheet.

The carrying amounts for current receivables and liabilities have been assessed as equal to their fair values. Investments at amortised cost were measured at quoted prices, Level 1.

For Lending to the public, Issued debt securities and Subordinated debt, fair value is established based on generally accepted valuation techniques. As far as possible, calculations made in conjunction with measurement are based on observable market data. Mainly, the models used are based on discounted cash flows.

Issued debt securities and subordinated debt are measured at the Group's current borrowing rate, Level 2. For lending to the public, where no observable credit margin data is available at the time of measurement, the credit margin on the most recent stipulated date of expiry is applied to set the discount rate, Level 3.

Note 9 Fair value disclosures

SEK million	GROUP							
	31 Dec 2024				31 Dec 2023			
	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	Total	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	Total
Assets								
Chargeable treasury bills, etc.	-	-	-	-	662	35,988	-	36,650
Bonds and other interest-bearing securities	92,073	-	-	92,073	54,670	-	-	54,670
Derivatives	-	11,296	-	11,296	-	12,241	-	12,241
Prepaid expenses and accrued income	526	-	-	526	357	-	-	357
Total	92,599	11,296	-	103,895	55,689	48,229	-	103,918
Liabilities								
Derivatives	-	10,848	-	10,848	-	15,695	-	15,695
Total	-	10,848	-	10,848	-	15,695	-	15,695

The measurement policies for financial instruments recognised at fair value in the balance sheet are provided in [Note G 1](#) (Accounting Policies) in SBAB's 2023 Annual Report. In the table, financial assets and liabilities recognised at fair value in the balance sheet are divided on the basis of the measurement levels used below. No transfers were made between levels in 2023 or 2024.

Quoted market prices (Level 1)

Measurement at quoted prices in an active market for identical assets and liabilities. A market is deemed to be active if the price data is easily accessible and corresponds to actual regularly occurring transactions. The measurement method is used for holdings of quoted interest-bearing securities and for publicly quoted derivatives, primarily interest-rate futures.

Measurement based on observable market data (Level 2)

Measurement aided by external market information other than quoted prices included in Level 1, such as quoted interest rates or prices for closely related instruments. The main tools used are models based on discounted cash flows. This group includes all non-quoted derivatives and certificates.

Measurement based in part on unobservable data (Level 3)

Measurement whereby a material component of the model is based on estimates or assumptions that do not originate directly from the market. This method is currently not used on any asset or liability.

Note 10 Liquidity reserve and liquidity risk

The assets in SBAB's liquidity reserve comprises liquid, interest-bearing securities with high ratings and form an integrated part of the Group's liquidity risk management. Securities holdings are limited by asset class and by country, respectively, and must have at least an AA-rating (as stated by Moody's Investors Service's ratings system) on acquisition. In addition to these collective limits, limits for individual issuers may also be set. The following table is reported according to the Swedish Bankers' Association's template for liquidity reserve disclosures and is based on the European Commission's Delegated Regulation EU (2015/61) with regard to liquidity coverage requirements.

Calculation of survival horizon

SBAB measures and stress tests liquidity risk by calculating the survival horizon, which is an internal metric used to identify how long SBAB will be able to meet its payment obligations without access to capital market funding, and includes outflows from deposits under a stressed scenario. The survival horizon has been limited to a minimum of 180 days at the consolidated level at any given time.

The survival horizon is calculated by totalling the maximum need of liquidity for each coming day and comparing this to the size of the liquidity portfolio after applicable haircuts. The calculations are based on a crisis scenario in which

all loans are assumed to be extended on maturity, meaning that no liquidity is added through loan redemption, and where no funding is available and deposits decline. Accordingly, the maximum need for liquidity can be identified for every given future period, and the necessary liquidity reserve can be established. SBAB's survival horizon amounted to 532 days at 31 December 2024 (253 days at 30 September 2024).

Regulatory measures

The liquidity coverage ratio (LCR) is defined in accordance with the European Commission Delegated Regulation with regard to liquidity coverage requirements and calculates the degree to which a bank's liquid assets cover its net cash flows for the coming 30 days in a stressed scenario. Net cash flows comprise contractual inflows and outflows, and theoretical flows based on historical data, for example, withdrawals of the bank's deposits. At 31 December 2024, the LCR was 196% (258% as of 30 September 2024) in all currencies at the consolidated level. The significant currencies for the bank are SEK and EUR, where LCR was 153% (180%) in SEK and 720% (5,517%) in EUR.

The net stable funding ratio (NSFR), amounted to 126.3% (133.6%) according to of Regulation (EU)2019/876 of the European Parliament and the Council.

SEK billion		CONSOLIDATED SITUATION									
		31 Dec 2024					31 Dec 2023				
		Total	Distribution by currency				Total	Distribution by currency			
	SEK	EUR	USD	Other		SEK	EUR	USD	Other		
Level 1 assets	92.0	73.8	17.8	0.4	-	100.8	84.1	15.7	1.0	-	
Cash and balances with central banks ¹⁾	10.3	10.3	-	-	-	9.9	9.9	-	-	-	
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	14.0	9.2	4.8	-	-	42.4	40.0	2.4	-	-	
Securities issued by municipalities and public sector entities	20.3	17.3	2.6	0.4	-	12.0	6.9	4.1	1.0	-	
Extremely high quality covered bonds	47.4	37.0	10.4	-	-	36.5	27.3	9.2	-	-	
Other assets	-	-	-	-	-	-	-	-	-	-	
Level 2 assets	5.8	5.8	-	-	-	2.5	2.5	-	-	-	
Level 2A assets	5.8	5.8	-	-	-	2.5	2.5	-	-	-	
Securities issued or guaranteed by sovereigns, central banks, municipalities and public sector entities	-	-	-	-	-	-	-	-	-	-	
High quality covered bonds	5.8	5.8	-	-	-	2.5	2.5	-	-	-	
Corporate debt securities (lowest rating AA-)	-	-	-	-	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	-	-	-	-	
Level 2B assets	-	-	-	-	-	-	-	-	-	-	
Asset-backed securities	-	-	-	-	-	-	-	-	-	-	
High quality covered bonds	-	-	-	-	-	-	-	-	-	-	
Corporate debt securities (rated A+ to BBB-)	-	-	-	-	-	-	-	-	-	-	
Shares (major stock index)	-	-	-	-	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	-	-	-	-	
Liquidity reserve	97.8	79.6	17.8	0.4	-	103.3	86.6	15.7	1.0	-	

1) Includes central bank facilities.

Note 11 Capital adequacy, own funds and capital requirements

Amendments to the Banking Package

The capital adequacy is based on the consolidated version of the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD) which have been adapted to the Banking Package adopted on 7 June 2019. Information in this note refers to the minimum capital requirements according to Pillar 1 and corresponds to the disclosure requirements in the CRR, part eight and the Swedish FSA regulation FFFS 2014:12.

In June 2024 changes in CRR and CRD were adopted and published in the Official Journal, which means that the last parts of the Basel 3 regulations have been completed (so called Basel IV). The regulations contain amendments that improve the comparability of risk-based capital measures between banks within EU. This will reduce the scope for unjustified differences. The regulation includes changes to the standardised approach and the internal rating-based

(IRB) approach used to calculate capital requirements for credit risk. For the calculation of capital requirement according to IRB a floor is introduced, where risk-weighted exposure amounts (REA) must not be less than 72.5% of what the standardised approach measures, with a transitional period during 2025 - 2030. The regulations are mainly to be applied from 1 January 2025, but for several years transitional rules will apply.

Buffer requirements

The countercyclical buffer rate for Swedish exposures amounts to 2% as of 31 December 2024. The Swedish FSA has announced in the fourth quarter 2024 that the countercyclical buffer rate is left unchanged. The countercyclical buffer rates for Denmark and Norway are unchanged at 2.5% as of 31 December 2024.

Capital adequacy

SEK million	CONSOLIDATED SITUATION				
	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Available own funds (amounts)					
Common Equity Tier 1 (CET1) capital	21,417	21,193	20,954	20,638	20,414
Tier 1 capital	27,517	27,293	28,654	28,338	26,214
Total capital	29,534	29,312	30,657	30,342	28,209
Risk-weighted exposure amounts					
Total risk exposure amount	168,889	171,486	172,860	169,898	166,294
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%)	12.7	12.4	12.1	12.1	12.3
Tier 1 ratio (%)	16.3	15.9	16.6	16.7	15.8
Total capital ratio (%)	17.5	17.1	17.7	17.9	17.0
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.9	1.9	1.9	1.9	1.9
of which: to be made up of CET1 capital (percentage points)	1.1	1.1	1.1	1.1	1.1
of which: to be made up of Tier 1 capital (percentage points)	1.4	1.4	1.4	1.4	1.4
Total SREP own funds requirements (%)	9.9	9.9	9.9	9.9	9.9
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0
Systemic risk buffer (%)	-	-	-	-	-
Global Systemically Important Institution buffer (%)	-	-	-	-	-
Other Systemically Important Institution buffer (%)	-	-	-	-	-
Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
Overall capital requirements (%)	14.4	14.4	14.4	14.4	14.4
CET1 available after meeting the total SREP own funds requirements (%)	7.1	6.8	6.6	6.6	6.7

Note 11 Capital adequacy, own funds and capital requirements, Cont.

SEK million	CONSOLIDATED SITUATION				
	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Leverage ratio					
Total exposure measure	656,664	661,432	653,330	661,207	640,914
Leverage ratio (%)	4.2	4.1	4.4	4.3	4.1
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 (percentage points)	-	-	-	-	-
Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	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	3.0	3.0	3.0
Liquidity Coverage Ratio					
Total high-quality liquid assets (HQLA) (Weighted value -average)	104,433	104,421	101,830	100,021	97,063
Cash outflows - Total weighted value	57,895	56,787	56,246	59,392	55,684
Cash inflows - Total weighted value	16,700	16,551	16,957	19,495	17,018
Total net cash outflows (adjusted value)	41,195	40,236	39,289	39,897	38,666
Liquidity coverage ratio (%)	253.5	259.5	259.2	250.7	251.0
Net Stable Funding Ratio					
Total available stable funding	530,349	558,876	551,168	573,250	547,015
Total required stable funding	419,976	418,267	414,806	419,475	414,762
NSFR ratio (%)	126.3	133.6	132.9	136.7	131.9

Note 11 Capital adequacy, own funds and capital requirements, Cont.

Disclosures in accordance with Article 4 of Commission Implementing Regulation (EU) No 637/2021, Annex VII.

Own funds

SEK million	GROUP	
	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 (CET1) capital : Instruments and reserves		
Capital instruments and the related share premium accounts	1,958	1,958
Retained earnings	18,651	17,635
Accumulated other comprehensive income (and other reserves)	-2,930	-3,737
Independently reviewed year-end profits net of any foreseeable charge or dividend ¹⁾	1,383	1,441
Common Equity Tier 1 (CET1) capital before regulatory adjustments	19,062	17,297
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)	-115	-121
Intangible assets (net of related tax liability) (negative amount)	-178	-173
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	3,009	3,758
Negative amounts resulting from the calculation of expected loss amounts	-343	-330
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-
Other regulatory adjustments ²⁾	-18	-16
Total regulatory adjustments to Common Equity Tier 1 (CET1)	2,355	3,118
Common Equity Tier 1 (CET1) capital	21,417	20,414
Additional Tier 1 (AT1) capital: Instrument		
Capital instruments and the related share premium accounts	6,100	5,800
– of which, classified as equity under applicable accounting standards	6,100	5,800
– of which, classified as liabilities under applicable accounting standards	-	-
Amount of qualifying items referred to in Article 484(4) CRR and the related share premium accounts subject to phase out from AT1	-	-
Additional Tier 1 (AT1) capital before regulatory adjustments	6,100	5,800
Additional Tier 1 (AT1) capital: regulatory adjustments		
Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-
Additional Tier 1 capital (AT1) capital	6,100	5,800
Tier 1 capital (T1=CET1+AT1)	27,517	26,214
Tier 2 (T2) capital : instruments		
Capital instruments and the related share premium accounts	2,012	1,995
Credit risk adjustments	5	-
Tier 2 (T2) capital before regulatory adjustments	2,017	1,995
Tier 2 capital: regulatory adjustments		
Total regulatory adjustments to Tier 2 (T2) capital	-	-
Tier 2 (T2) capital	2,017	1,995
Total capital (TC=T1+T2)	29,534	28,209
Total risk-exposure amount	168,889	166,294

Note 11 Capital adequacy, own funds and capital requirements, Cont.

SEK million	GROUP	
	31 Dec 2024	31 Dec 2023
Capital ratios and requirements including buffers %		
Common Equity Tier 1 capital	12.7	12.3
Tier 1 capital	16.3	15.8
Total capital	17.5	17.0
Institution-CET1 overall capital requirements	10.1	10.1
– of which, capital conservation buffer requirement	2.5	2.5
– of which, countercyclical buffer requirement	2.0	2.0
– of which, systemic risk buffer requirement	–	–
– of which, G-SII buffer and O-SII buffer	–	–
– of which, additional own funds requirements to address the risk other than the risk of excessive leverage	1.1	1.1
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	7.1	6.7

1) Net profits for the year-end were reduced by the expected dividend of SEK 913 million. The results have been verified by Deloitte AB pursuant to Article 26, Point 2a of the Capital Requirements Regulation.

2) A small deduction from CET1 capital has been made due to the NPL backstop, pursuant to Article 36, Point 1m of the Capital Requirements Regulation.

Note 11 Capital adequacy, own funds and capital requirements, Cont.

Risk exposure amounts and capital requirements

SEK million	CONSOLIDATED SITUATION			
	31 Dec 2024		31 Dec 2023	
	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement
Credit risk recognised in accordance with IRB approach				
Exposures to corporates	56,774	4,542	61,670	4,934
Retail exposures	17,763	1,421	21,268	1,701
– of which, exposures to SMEs	–	–	–	–
– of which, retail exposures secured by immovable property	17,763	1,421	21,268	1,701
Total exposures recognised with the IRB approach	74,537	5,963	82,938	6,635
Credit risk recognised with the standardised approach				
Exposures to governments and central banks	0	0	0	0
Exposures to regional governments or local authorities or agencies	0	0	0	0
Exposures to multilateral development banks	0	0	0	0
Exposures to international organisations	0	0	0	0
Exposures to institutions ¹⁾	710	57	1,025	82
– of which, derivatives according to CRR, Appendix 2	672	54	1,025	82
– of which, repos	38	3	–	–
– of which, other	0	0	0	0
Retail exposures	2,057	165	1,785	143
Exposures in default	7	1	6	0
Exposures in the form of covered bonds	5,868	469	4,381	350
Exposures to institutions and corporates with a short-term credit rating	43	3	12	1
Equity exposures	107	9	106	9
Other items	455	36	526	42
Total exposures recognised with standardised approach	9,247	740	7,841	627
Market risk	417	33	257	21
– of which, position risk	–	–	–	–
– of which, currency risk	417	33	257	21
Operational risk	7,603	608	6,669	534
– of which, standardised approach	7,603	608	6,669	534
Credit valuation adjustment risk (CVA risk)	1,119	90	1,704	136
Additional requirements under Article 458 of the CRR	75,966	6,077	66,885	5,351
Total risk exposure amount and minimum capital requirements	168,889	13,511	166,294	13,304
Capital requirements for capital conservation buffer		4,222		4,157
Capital requirements for countercyclical buffer		3,382		3,330
Total capital requirements		21,115		20,791

1) The risk-weighted amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 710 million (1,025).

Note 12 Internally assessed capital requirement

The internal capital adequacy assessment aims to ensure that SBAB has sufficient capital to withstand a financial crisis. The internally assessed capital requirement for the SBAB Group amounted to SEK 10,631 million (SEK 11,632 million per 31 December 2023). The internal capital requirement is assessed using internal models for economic capital and is not fully comparable to the estimated capital requirement published by the Swedish FSA due to differences in both assumptions and methodologies. SBAB estimates that total capital

requirement as of 31 December 2024 according to Swedish FSA amount to SEK 24,273 million, of which SEK 3,158 million comprise capital requirement in Pillar 2. SBAB quantifies the internal capital requirement within the scope of the internal capital adequacy assessment process (ICAAP). Internal capital requirement is defined as the higher of the economic capital and the regulatory capital requirement based on Pillar 1, Pillar 2, and buffer requirements for each risk category.

	CONSOLIDATED SITUATION	
	31 Dec 2024	31 Dec 2023
	Internally assessed capital requirement	
	SEK million	SEK million
Credit risk	6,703	7,262
Market risk	1,591	2,070
Operational risk	608	534
Concentration risk	1,521	1,565
Sovereign risk	118	65
CVA	90	136
Other risks ¹⁾	0	0
Total	10,631	11,632
Total Own funds	29 534	28,209

1) This includes pension and business risk

Parent Company

Trend for January–December 2024 compared with January–December 2023

Profit before credit losses and imposed fees decreased to SEK 1,874 million (6,199), mainly attributable to lower anticipated dividend from the subsidiary AB Sveriges Säkerställda Obligationer (pubp) (SCBC), which amounted to SEK 579 million (5,000). Net interest income increased during the period and amounted to SEK 1,617 million (1,407), mainly due to an increased share of deposits in the funding mix. Net commission decreased and amounted to an expense of SEK 5 million (income 22), mainly due to reduced revenue from insurance brokerage and increased expenses linked to funding operations. Net result of financial transactions amounted to an income of SEK 58 million (expense 68). The difference was mainly attributable to changes in value

on hedging instruments and on hedged items as well as revaluation of credit risk in derivative instruments. Other operating income amounted to SEK 1,453 million (1,455) and mainly comprised fees from SCBC for administrative services in line with the applicable outsourcing agreements. Expenses increased to SEK 1,828 million (1,617), mainly due to higher costs for staff together with higher costs for depreciation. Credit losses amounted to a reversal SEK 46 million (19) after dissolution of previous credit loss provisions. Fees imposed amounted to SEK 200 million (194). Lending to the public amounted to SEK 17.1 billion (24.2) and deposits from the public to SEK 255.9 billion (215.92). The CET1 capital ratio amounted to 34.7% (30.3%) and the total capital ratio was 54.5% (47.2%). The internally assessed capital requirement was SEK 5,464 million (5,679).

Consolidated income statement

SEK million	PARENT COMPANY				
	2024	2024	2023	2024	2023
	Q4	Q3	Q4	Jan–Dec	Jan–Dec
Interest income	2,943	3,402	3,119	13,223	10,331
Interest expense	-2,558	-2,982	-2,785	-11,606	-8,924
Net interest income	385	420	334	1,617	1,407
Dividends received	579	-	5,000	579	5,000
Commission income	8	11	14	50	71
Commission expense	-15	-12	-14	-55	-49
Net result of financial transactions	29	-10	-74	58	-68
Other operating income	413	347	403	1,453	1,455
Total operating income	1,399	756	5,663	3,702	7,816
Personnel costs	-280	-260	-245	-1,046	-910
Other expenses	-197	-175	-195	-752	-679
Depreciation, amortisation and impairment of PPE and intangible assets	-8	-8	-7	-30	-28
Total expenses before credit losses and imposed fees	-485	-443	-447	-1,828	-1,617
Profit/loss before credit losses and imposed fees	914	313	5,216	1,874	6,199
Net credit losses	30	26	11	46	-19
Imposed fees; Risk tax and resolution fee	-50	-50	-57	-200	-194
Impairment of financial assets	-	-	-5	-	-60
Operating profit	894	289	5,165	1,720	5,926
Tax	-70	-65	-41	-256	-223
Net profit for the period	824	224	5,124	1,464	5,703

Consolidated statement of comprehensive income

SEK million	PARENT COMPANY				
	2024	2024	2023	2024	2023
	Q4	Q3	Q4	Jan-Dec	Jan-Dec
Net profit/loss for the period	824	224	5,124	1,464	5,703
Other comprehensive income					
<i>Components that will be reclassified to profit or loss</i>					
Financial assets measured at FVTOCI	-174	6	33	92	-7
Changes related to cash-flow hedges	12	33	54	42	124
Other	-	-	-	1	-
Tax attributable to components that will be reclassified to profit or loss	33	-8	-18	-28	-24
Other comprehensive income/loss, net of tax	-129	31	69	107	93
Total comprehensive income for the period	695	255	5,193	1,571	5,796

Consolidated balance sheet

SEK million	PARENT COMPANY	
	31 Dec 2024	31 Dec 2023
ASSETS		
Cash and balances at central banks	3,039	6,350
Chargeable treasury bills, etc.	–	36,650
Lending to credit institutions (Note 13)	202,199	154,568
Lending to the public	17,066	24,180
Bonds and other interest-bearing securities	97,375	64,945
Derivatives	19,795	24,618
Shares and participations in associated companies and joint ventures	6	5
Shares and participations in Group companies	17,201	17,201
Deferred tax assets	0	27
Intangible assets	12	15
Property, plant and equipment	57	59
Other assets	32	75
Prepaid expenses and accrued income	1,425	1,280
TOTAL ASSETS	358,207	329,973
LIABILITIES AND EQUITY		
Liabilities		
Liabilities to credit institutions	8,776	6,980
Deposits from the public	255,873	215,211
Issued debt securities, etc.	46,716	56,593
Derivatives	20,357	25,813
Other liabilities	1,695	1,604
Accrued expenses and deferred income	1,421	888
Provisions	2	9
Subordinated debt	1,999	1,998
Total liabilities	336,839	309,096
Equity		
Restricted equity		
Share capital	1,958	1,958
Statutory reserve	392	392
Total restricted equity	2,350	2,350
Unrestricted equity		
Fair value reserve	48	–59
Additional Tier 1 instruments	6,100	5,800
Retained earnings	11,406	7,083
Net profit for the period	1,464	5,703
Total unrestricted equity	19,018	18,527
Total equity	21,368	20,877
TOTAL LIABILITIES AND EQUITY	358,207	329,973

Note 13 Lending to credit institutions

Of the Parent Company's lending to credit institutions at 31 december, 2024, SEK 194,067 million relates to a receivable from the wholly owned subsidiary AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation, SCBC), compared with SEK 142,789 million at the end of 2023. This receivable is subordinated in the event of receivership or liquidation, which means that payment is received only after other creditors of the subsidiary have been

paid. Of the total receivable, SEK 24,000 million (24,000) comprises of internal Group debt instruments (senior non-preferred notes), issued by the subsidiary SCBC for the purpose of meeting the minimum requirement for own funds and eligible liabilities (MREL) announced by the Swedish National Debt Office.

Note 14 Capital adequacy, own funds and capital requirements – Parent Company

Amendments to the Banking Package

The capital adequacy is based on the version of the Capital Requirements Regulation and the Capital Requirements Directive which have been adapted to the Banking Package adopted on 7 June 2019.

Information in this note refers to the minimum capital requirements according to Pillar 1 and corresponds to the disclosure requirements in the Capital Requirements Regulation, part eight and the Swedish FSA regulation FFFS 2014:12 on supervisory requirements and capital buffers.

In June 2024 changes in CRR and CRD were adopted and published in the Official Journal, which means that the last parts of the Basel 3 regulations have been completed. The regulation contains amendments that improve the comparability of risk-based capital measures between the banks in the EU banking sector. This will reduce the scope for unjustified differences. The regulation includes changes to the standardized approaches and the internal models

used to calculate capital requirements for credit risk. For the internal models a capital requirement floor is introduced, where risk weighted exposure amounts must not be less than 72.5% of what the standardized approach measures, with a transitional period during 2025 - 2030.

The rules are mainly to be applied from 1 January 2025, but for several years transitional rules will apply.

Buffer requirements

The countercyclical buffer rate for Swedish exposures amounts to 2% as of 31 December 2024. The Swedish FSA has announced in the fourth quarter 2024 that the countercyclical buffer rate is left unchanged. The countercyclical buffer rates for Denmark and Norway are unchanged at 2.5% as of 31 December 2024.

Capital adequacy

SEK million	PARENT COMPANY				
	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Available own funds (amounts)					
Common Equity Tier 1 (CET1) capital	14,208	13,791	13,861	13,849	13,996
Tier 1 capital	20,308	19,891	21,561	21,549	19,796
Total capital	22,320	21,905	23,558	23,545	21,791
Risk-weighted exposure amounts					
Total risk exposure amount	40,966	47,390	48,160	47,196	46,154
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%)	34.7	29.1	28.8	29.3	30.3
Tier 1 ratio (%)	49.6	42.0	44.8	45.7	42.9
Total capital ratio (%)	54.5	46.2	48.9	49.9	47.2
Additional own funds requirement to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirement to address risks other than the risk of excessive leverage (%)	3.3	3.3	3.3	3.3	3.3
of which: to be made up of CET1 capital (percentage points)	1.9	1.9	1.9	1.9	1.9
of which: to be made up of Tier 1 capital (percentage points)	2.5	2.5	2.5	2.5	2.5
Total SREP own funds requirement (%)	11.3	11.3	11.3	11.3	11.3

Note 14 Capital adequacy, own funds and capital requirements – Parent Company, Cont.

SEK million	PARENT COMPANY				
	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0
Systemic risk buffer (%)	-	-	-	-	-
Global Systemically Important Institution buffer (%)	-	-	-	-	-
Other Systemically Important Institution buffer (%)	-	-	-	-	-
Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
Overall capital requirements (%)	15.8	15.8	15.8	15.8	15.8
CET1 available after meeting the total SREP own funds requirements (%)	28.3	22.8	22.4	23.0	24.0
Leverage ratio					
Total exposure measure	148,233	166,173	179,079	189,574	168,952
Leverage ratio (%)	13.7	12.0	12.0	11.4	11.7
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 (percentage points)	-	-	-	-	-
Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	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	3.0	3.0	3.0
Liquidity Coverage Ratio¹⁾					
Total high-quality liquid assets (HQLA) (Weighted value -average)					
Cash outflows - Total weighted value					
Cash inflows - Total weighted value					
Total net cash outflows (adjusted value)					
Liquidity coverage ratio (%)					
Net Stable Funding Ratio¹⁾					
Total available stable funding					
Total required stable funding					
NSFR ratio (%)					

1) SBAB Bank AB is treated as a single liquidity sub-group, together with AB Sveriges Säkerställda Obligationer (publ), according to Article 8 (CRR) and a decision by Swedish FSA. Therefore Liquidity information is only regarded material on a consolidated basis. For results at consolidated level, see Note 11.

Note 14 Capital adequacy, own funds and capital requirements – Parent Company, Cont.

Disclosures in accordance with Article 4 of Commission Implementing Regulation (EU) No 637/2021, Annex VII.

Own funds

SEK million	PARENT COMPANY	
	31 Dec 2024	31 Dec 2023
Common Equity Tier 1 (CET1) capital instruments: Instruments and reserves		
Capital instruments and the related share premium accounts	1,958	1,958
Retained earnings	11,797	7,475
Accumulated other comprehensive income (and other reserves)	48	-59
Independently reviewed year-end profits net of any foreseeable charge or dividend ¹⁾	552	4,740
Common Equity Tier 1 (CET1) capital before regulatory adjustments	14,355	14,114
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)	-150	-159
Intangible assets (net of related tax liability) (negative amount)	-5	-3
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	55	88
Negative amounts resulting from the calculation of expected loss amounts	-30	-29
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-
Other regulatory adjustments ²⁾	-17	-15
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-147	-118
Common Equity Tier 1 (CET1) capital	14,208	13,996
Additional Tier 1 (AT1) capital: Instrument		
Capital instruments and the related share premium accounts	6,100	5,800
– of which, classified as equity under applicable accounting standards	6,100	5,800
– of which, classified as liabilities under applicable accounting standards	-	-
Amount of qualifying items referred to in Article 484(4) CRR and the related share premium accounts subject to phase out from AT1	-	-
Additional Tier 1 capital before regulatory adjustments	6,100	5,800
Additional Tier 1 (AT1) capital: regulatory adjustments		
Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-
Additional Tier 1 (AT1) capital	6,100	5,800
Tier 1 capital (T1= CET1+AT1)	20,308	19,796
Tier 2 (T2) capital: Instruments		
Capital instruments and the related share premium accounts	2,012	1,995
Credit risk adjustments	-	-
Tier 2 (T2) capital before regulatory adjustments	2,012	1,995
Tier 2 (T2) capital: regulatory adjustments		
Total regulatory adjustments to Tier 2 (T2) capital	-	-
Tier 2 (T2) capital	2,012	1,995
Total capital (TC= T1+T2)	22,320	21,791
Total risk-exposure amount	40,966	46,154

Note 14 Capital adequacy, own funds and capital requirements – Parent Company, Cont.

SEK million	PARENT COMPANY	
	31 Dec 2024	31 Dec 2023
Capital ratio and requirements including buffers, %		
Common Equity Tier 1 capital	34.7	30.3
Tier 1 capital	49.6	42.9
Total capital	54.5	47.2
Institution CET1 overall capital requirements	10.9	10.9
– of which, capital conservation buffer requirement	2.5	2.5
– of which, countercyclical buffer requirement	2.0	2.0
– of which, systemic risk buffer requirement	–	–
– of which, G-SII buffer and O-SII buffer	–	–
– of which, additional own funds requirements to address the risk other than the risk of excessive leverage	1.9	1.9
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	28.3	24.0

1) Net profits for the year-end were reduced by the expected dividend of SEK 913 million. The results have been verified by Deloitte AB pursuant to Article 26, Point 2a of the Capital Requirements Regulation.

2) A minor amount generated a deduction of NPL backstop, pursuant to Article 36, Point 1m of the Capital Requirements Regulation.

Note 14 Capital adequacy, own funds and capital requirements – Parent Company, Cont.

Risk exposure amounts and capital requirements

SEK million	PARENT COMPANY			
	31 Dec 2024		31 Dec 2023	
	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement
Credit risk recognised in accordance with IRB approach				
Exposures to corporates	7,306	584	14,709	1,176
Retail exposures	860	69	832	67
– of which, exposures to SMEs	–	–	–	–
– of which, retail exposures secured by immovable property	860	69	832	67
Total exposures recognised with the IRB approach	8,166	653	15,541	1,243
Credit risk recognised with the standardised approach				
Exposures to governments and central banks ¹⁾	0	0	10	1
Exposures to regional governments or local authorities or agencies	0	0	0	0
Exposures to multilateral development banks	0	0	0	0
Exposures to international organisations	0	0	0	0
Exposures to institutions ²⁾	709	57	1,056	85
– of which, derivatives according to CRR, Appendix 2	551	44	902	72
– of which, repos	–	–	–	–
– of which, other	158	13	154	12
Retail exposures	2,057	165	1,785	143
Exposures in default	7	1	6	0
Exposures in the form of covered bonds	5,868	469	4,381	350
Exposures to institutions and corporates with a short-term credit rating	41	3	11	1
Equity exposures	17,207	1,377	17,206	1,377
Other items	178	13	175	13
Total exposures recognised with standardised approach	26,067	2,085	24,630	1,970
Market risk	64	5	35	3
– of which, position risk	–	–	–	–
– of which, currency risk	64	5	35	3
Operational risk	3,835	307	3,292	263
– of which, standardised approach	3,835	307	3,292	263
Credit valuation adjustment risk (CVA risk)	634	51	1,225	98
Additional requirements under Article 458 of the CRR	2,200	176	1,431	115
Total risk exposure amount and minimum capital requirements	40,966	3,277	46,154	3,692
Capital requirements for capital conservation buffer		1,024		1,154
Capital requirements for countercyclical buffer		822		926
Total capital requirements		5,123		5,772

1) Risk-weighted amount for governments and central banks amounts to SEK 0 million (SEK 10 million as of 31 December 2023) due to deferred tax according to CRR Article 48(4).

2) The risk-weighted amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 551 million (902).

Alternative performance measures

Alternative performance measures (APMs) are financial metrics of historical or future performance, financial position or cash flows that are not defined in the applicable rules for financial reporting (such as IFRS and the Swedish Annual Accounts Act) or in the EU's Capital Requirements Directive (CRD IV)/Capital Requirements Regulation (CRR).

SBAB uses APMs when these are relevant for the presentation and follow-up of the Group's financial position and when these metrics are deemed to provide additional valuable information to readers of the financial reports. SBAB has also chosen to present the APMs as they are in common use within the industry. APMs can be calculated with various approaches and, accordingly, SBAB's metrics are not directly comparable with similar metrics presented by other companies.

Deposits/lending

Definition: Ratio of total deposits from the public to total lending to the public (closing balances).

The APM aims to provide the reader with further information regarding the relative ratio of deposits to lending.

SEK million	GROUP	
	31 Dec 2024	31 Dec 2023
Deposits from the public	255,873	215,211
Lending to the public	537,836	517,400
Deposits/lending, %	47.6	41.6

C/I ratio

Definition: Total expenses before credit losses and imposed fees for the period in relation to total operating income for the period.

The APM aims to provide the reader with further information regarding the Group's cost-efficiency.

SEK million	GROUP	
	2024	2023
	Jan-Dec	Jan-Dec
Expenses	-1,907	-1,663
Operating income	5,377	5,367
C/I ratio, %	35.5	31.0

C/L ratio

Definition: Expenses for the period (annualised) before credit losses and imposed fees in relation to lending to the public (calculated using the opening and closing balances for the period).

The APM aims to provide the reader with further information regarding the Group's cost-efficiency.

SEK million	GROUP	
	2024	2023
	Jan-Dec	Jan-Dec
Expenses	-1,907	-1,663
Aver. lending to the public	527,618	513,446
C/L ratio, %	0.36	0.32

Return on equity

Definition: Net profit for the period (annualised) in relation to average equity (calculated using the opening and closing balances for the reporting period), after adjustment for additional Tier 1 instruments and value changes in financial assets recognised in equity.

The APM aims to provide the reader with further information regarding the Group's profitability in relation to unrestricted equity.

SEK million	GROUP	
	2024	2023
	Jan-Dec	Jan-Dec
Net profit for the period	2,282	2,408
Average equity	21,997 ¹⁾	20,991 ²⁾
Return on equity, %	10.4	11.5

1) Average equity has been adjusted for dividend of SEK 963 million for 2023.

2) Average equity has been adjusted for dividend of SEK 832 million for 2022.

Net interest margin

Definition: Net interest income for the period (annualised) in relation to average (calculated using the opening and closing balances for the reporting period) total balance sheet.

The APM aims to provide the reader with further information regarding the Group's profitability.

SEK million	GROUP	
	2024	2023
	Jan-Dec	Jan-Dec
Net interest income	5,288	5,446
Average balance sheet total	661,864	642,519
Net interest margin, %	0.81	0.85

Credit loss ratio

Definition: Credit losses for the period (annualised) in relation to total lending to the public (closing balance).

The APM aims to provide the reader with further information regarding the relative ratio of credit losses to total lending.

SEK million	GROUP	
	2024	2023
	Jan-Dec	Jan-Dec
Credit losses	0	-93
Lending to the public	537,836	517,400
Credit loss ratio, %	0.00	-0.02

Share of Stage 3 loans, gross, %

Definition: Gross lending in credit stage 3 (closing balance) in relation to total lending to the public (closing balance).

The APM aims to provide the reader with further information regarding the proportion of non-performing loans pursuant to accepted accounting standards relative to the total loan portfolio.

SEK million	GROUP	
	31 Dec 2024	31 Dec 2023
Gross lending credit stage 3	857	735
Lending to the public	537,836	517,400
Share of Stage 3 loans, %	0.16	0.14

New lending

Definition: Gross lending for the period.

The APM aims to provide the reader with an image of the inflow of new business during the reporting period.

Definitions of other key performance indicators

Number of employees (FTEs)	Number of employees expressed as full-time equivalents (FTEs), adjusted for sick leave and leave of absence
Return on assets	Net profit in relation to balance sheet total
CET1 capital ratio	CET1 capital in relation to risk-weighted assets
Total capital ratio	Own funds in relation to risk-weighted assets
Tier 1 capital ratio	Tier 1 capital in relation to risk-weighted assets
Leverage ratio	Tier 1 capital in relation to total assets and off-balance sheet exposures restated with the application of credit conversion factors
Liquidity coverage ratio, LCR	Liquid assets in relation to net cash outflows over a 30-day stress scenario in accordance with the European Commission's Delegated Regulation EU (2015/61) with regard to liquidity coverage requirements
Survival horizon	The number of days that the need for liquidity can be met in a stress scenario before new liquidity is needed
Net stable funding ratio, NSFR	A liquidity risk metric of a structural nature that demonstrates the stability of the Group's funding in relation to its assets. From 30 September 2019, NSFR is calculated pursuant to Regulation (EU) 2019/876 of the European Parliament and the Council

Auditors' review report

To the Board of Directors in SBAB Bank AB (publ), org.nr. 556253-7513

Introduction

We have reviewed the condensed interim financial information (year-end report) of SBAB Bank AB (publ) for the period 1 January – 31 December 2024. The Board of Directors and the CEO are responsible for the preparation and presentation of this year-end report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this year-end report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 Review of Interim Financial Information performed by the company's auditors. A review

consists of making inquiries, primarily with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the year-end report for the Group is not, in all material aspects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities

Companies and as regards the parent company in accordance the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockhol, 6 February, 2025

Deloitte AB

Signature on Swedish original

Malin Lüning
Auktoriserad revisor

The CEO affirms that this report provides an accurate overview of the operations, financial position and performance of the Parent Company and the Group, and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Solna, February 6 2025

Mikael Inglander
CEO

Financial calendar

Annual Report 2024	20 March 2025
Interim Report Jan–Mar 2025	30 April 2025
Interim Report Jan–Jun 2025	16 July 2025
Interim Report Jan–Sep 2025	23 October 2025
Year-end Report 2025	13 February 2026

The Annual General Meeting will be held in Solna 29 April 2025

Credit ratings

	Moody's	Standard & Poor's
Long-term funding, SBAB	A1	A+
Long-term funding, SCBC	Aaa	–
Short-term funding, SBAB	P-1	A-1



Contact

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This information was submitted
for publication on 07 February 2025
at 08:00 (CET).

SBAB Bank AB (publ)
Corp. Reg. No.: 556253-7513

While every care has been taken in the translation of this report, readers are reminded that the original report, signed by the Board of Directors and the CEO, is in Swedish.