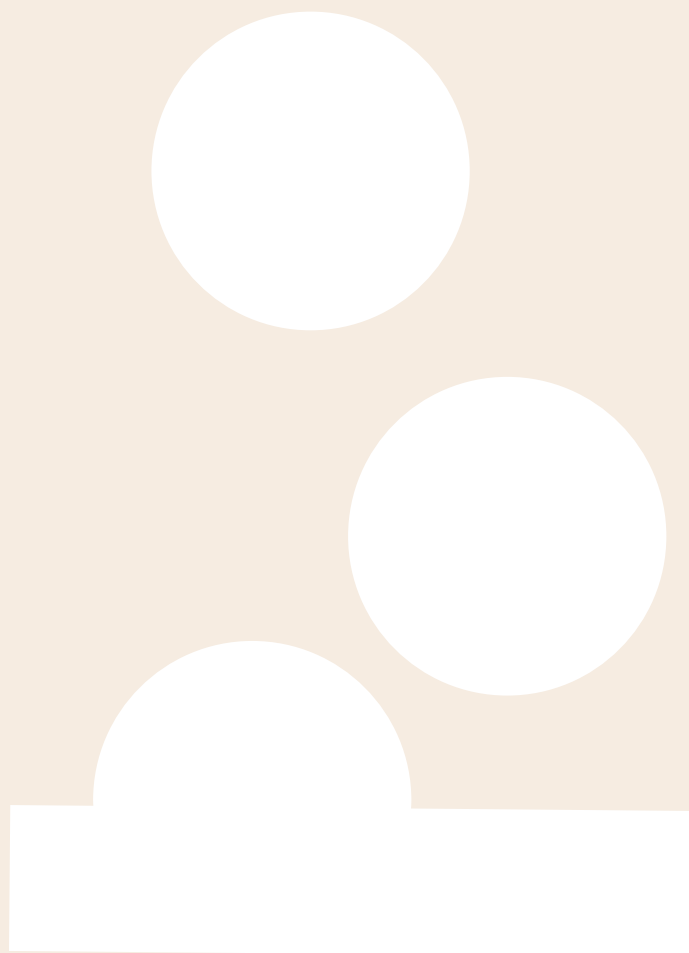


Capital adequacy and risk management 2024

Pillar 3 of the CRR regulations



SBAB!

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Not applicable disclosure requirements

Heading		Reason
EU CCR4	IRB approach – CCR exposures by exposure class and PD scale	SBAB uses the standardised approach for calculating counterparty credit risk.
EU CCR6	Credit derivatives exposures	SBAB has no credit derivative exposures.
EU CCR7	RWEA flow statements of CCR exposures under the IMM	SBAB does not use the IMM for calculating RWEA's.
EU CR2-A	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	SBAB's NPL ratio is below 5%.
EU CQ2	Quality of forbearance	SBAB's NPL ratio is below 5%.
EU CQ6	Collateral valuation loans and advances	SBAB's NPL ratio is below 5%.
EU CQ7	Collateral obtained by taking possession and execution processes	SBAB does not have any collateral which has been obtained by taking possessions or through execution processes.
EU CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	SBAB does not have any collateral which has been obtained by taking possessions or through execution processes.
EU CR10	Specialised lending and equity exposures under the simple riskweighted approach	SBAB does not conduct any specialised lending nor are equity exposures calculated under the simple risk weighted approach.
EU CR7	IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques	SBAB does not use credit derivatives for credit risk mitigation.
EU CR9.1	IRB approach – Back testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)	SBAB not subject to Article
EU MR2-A	Market risk under the internal Model Approach (IMA)	SBAB does not use the internal model approach.
EU MR2-B	RWA flow statements of market risk exposures under the IMA	SBAB does not use the internal model approach.
EU MR3	IMA values for trading portfolios	SBAB does not use the internal model approach.
EU MR4	Comparison of VaR estimates with gains/losses	SBAB does not use the internal model approach.
EU MRB	Qualitative disclosure requirements for institutions using the internal Market Risk Models	SBAB does not use the internal model approach.
EU SECA	Qualitative disclosure requirements related to securitisation exposures	SBAB has no securitised loans of its own and has not contributed to any other institution's securitisation.
EU SEC1	Securitisation exposures in the non trading book	SBAB has no securitised loans of its own and has not contributed to any other institution's securitisation.
EU SEC2	Securitisation exposures in the trading book	SBAB has no securitised loans of its own and has not contributed to any other institution's securitisation.
EU SEC3	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	SBAB has no securitised loans of its own and has not contributed to any other institution's securitisation.
EU SEC4	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor	SBAB has no securitised loans of its own and has not contributed to any other institution's securitisation.
EU SEC5	Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	SBAB has no securitised loans of its own and has not contributed to any other institution's securitisation.
EU INS1	Insurance participations	SBAB does not hold any own fund instruments in insurance, re-insurance undertakings or insurance holding companies. SBAB does not offer any insurance services.
EU INS2	Financial conglomerates information on own funds and capital adequacy ratio	SBAB is not a financial conglomerate.
EU REM3	Deferred remuneration	SBAB does not use a payment scheme with deferred remuneration.
EU REM4	Remuneration of 1 million EUR or more per year	SBAB does not pay to any single person equaling or over EUR 1 million per year.

Glossary

Additional Tier 1 capital

Additional Tier 1 capital generally comprises perpetual subordinated loans that meet the requirements in Article 52 of the CRR.

Asset and Liability Committee (ALCO)

The Committee that handles matters relating to risk and capital planning, which are then addressed by Executive Management and the Board.

Capital requirements under Pillar 1

Refers to the minimum amount of capital required in accordance with the CRR and CRD IV, the Special Supervision of Credit Institutions -and Investment Firms Act (2014:968), the Capital Buffers Act (2014:966) and the Swedish FSA's regulations regarding prudential requirements and capital buffers (FFFS 2014:12).

Capital requirements under Pillar 2

The assessment is based on economic capital which, in combination with capital based on stress tests and capital for further risk, comprises the company's own assessment of the appropriate scope of risk capital. Under Pillar 2, the capital requirement may not be less than the capital metric under Pillar 1 for each risk type.

Common Equity Tier 1 (CET1) capital

Common Equity Tier 1 capital is one of the components of own funds and primarily consists of equity. Deductions are made for dividends generated, intangible assets as well as the difference between expected losses and provisions made for probable loan losses.

Credit conversion factor (CCF)

The percentage of an off-balance sheet item that is expected to be utilised before a possible future default.

Credit Support Annexe (CSA)

Supplement to the ISDA Master Agreement that regulates the provision of collateral in connection with a derivative transaction.

Credit valuation adjustment risk (CVA risk)

CVA is defined as the risk of a downgrade in the credit quality of SBAB's OTC derivative counterparties, higher exposure and/or longer average duration of derivatives. Transactions with a central counterparty (CCP) should be excluded from the capital requirement for CVA risk.

Directive 2013/36/EU – CRD IV of the European Parliament and of the Council on authority to conduct operations in credit institutions and on the supervision of credit institutions and securities companies

Common European regulations on risk management and capital adequacy.

Economic capital

Economic capital is based on models in which SBAB assesses quantifiable risks. This constitutes an important component in, for example, pricing, financial control and in assessment of the requisite scope of risk capital.

ESG factors

Environmental, social or governance matters that may have a positive or negative impact on the financial performance or solvency of an entity, sovereign or individual.

ESG risk

Environmental risk, social risk, governance risk. ESG risk are the risks of any negative financial impact on the institution stemming from the current or prospective impacts of ESG factors on its counterparties or invested assets.

Expected loss (EL)

The calculated EL must be covered by earnings from operating activities, while unexpected losses must be covered by the company's equity. EL is arrived at by calculating the risk associated with each individual loan using a statistical model based on a longer time horizon. EL is measured through the formula $EL = PD * LGD * EAD$.

Exposure at default (EAD)

Exposure at the time of default. Calculating the EAD for off-balance-sheet items entails multiplying the unutilised amount by a credit conversion factor (CCF).

Green asset ratio (GAR)

Shows the proportion of exposures related to Taxonomy-aligned activities compared to the total assets, according to Delegated Regulation (EU) 2021/2178.

Global Master Repurchase Agreement (GMRA)

International standardised agreement for repurchases.

Interest rate risk in the banking book (IRRBB)

Interest rate risk in the banking book (IRRBB) refers to the current or prospective risk to the bank's capital and earnings arising from adverse movements in interest rates that affect the bank's banking book position.

Internal capital adequacy assessment process (ICAAP)/ Internal capital and liquidity adequacy assessment process (ICLAAP)

Process according to Article 73 of CRD IV for continuously calculating and maintaining capital and liquidity in an amount, type and distribution that is sufficient to cover the risks to which the bank is or will become exposed.

Internal ratings-based approach (IRB approach)

The IRB approach is used to calculate the regulatory capital requirements for credit risk. The foundation IRB (FIRB) approach entails that the institution is only to estimate the PD parameter. In the advanced IRB (AIRB) approach, the institution is to estimate, in addition to PD, one or several of the parameters CCF, LGD and M (maturity).

International Swaps and Derivatives Association (ISDA) Master Agreement

Framework agreement that regulates the rights and obligations between the parties to a derivative transaction, primarily the netting of debt in the event of insolvency.

Liquidity coverage ratio (LCR)

The LCR is a liquidity risk metric that measures the relation between liquid assets and a 30-day net cash outflow in a stressed scenario.

Loan-to-value (LTV)

The loan-to-value ratio expresses the extent of a loan in relation to the value of pledged collateral.

Loss given default (LGD)

Loss amount in the event of default.

Minimum capital requirement

The lowest amount that the company is permitted to have as own funds.

Net stable funding ratio (NSFR)

NSFR is a metric that captures the structural liquidity risk and reflects the stability of the group's funding in relation to its assets.

Non-performing loans (NPL)/ Non-performing exposures (NPE)

Non-performing loans/exposures are defined as defaulted exposures plus forbore exposures. A default shall be considered to have occurred when the obligor is unlikely to pay its credit obligation to the institution or the obligor is past due more than 90 days on any material credit obligation.

NPL ratio

The computation of the NPL ratio is defined by the EBA and consists of gross carrying amount of non-performing loans and advances divided by the gross carrying amount of total loans and advances subject to the NPL/NPE definition.

Off-balance-sheet items

A commitment, pledged collateral or similar item that is not recognised in the balance sheet because it is unlikely that it will be necessary to realise or utilise it, or because, due to its nature, it cannot be calculated with sufficient reliability. Contingent liabilities may also comprise possible commitments, meaning it is uncertain whether or not the commitment exists.

Own funds

Own funds consist primarily of equity and subordinated loans and act as a buffer against unexpected losses.

Perpetual subordinated loans

Perpetual subordinated loans have a maturity that is essentially unlimited, but they can be repurchased with the permission of Finansinspektionen (the Swedish FSA/SFSA).

Probability of default (PD)

Probability of default of a customer or counterparty within one year.

Risk and Capital Committee

The Committee's principal task is to prepare issues within the risk and capital area and address them to the Board.

Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR)

Common European regulations on risk management and capital adequacy.

Repo transaction

A repo transaction (repurchase agreement) is a short-term borrowing arrangement where one party sells securities to another with an agreement to repurchase them at a later date for a pre-determined price.

Risk exposure amount (RWEA or REA) under CRR

The CRR regulations permit the use of the IRB approach, within the Pillar 1 framework, to establish REAs for balance-sheet and off-balance sheet exposures based on SBAB's own models for credit risk and operational risk. The risk weightings of other exposures are determined on a standardised basis, in appropriate cases based on the counterparty's rating.

Risk-weight floor, Residential mortgages, Pillar 1

The addition of a risk exposure amount (REA) calculated based on Swedish residential mortgage exposures, which entail a risk weight for these exposures of at least 25%. The supplement only applies for credit institutions that apply the IRB approach. The requirement of a risk-weight floor for Swedish residential mortgages has been moved from Pillar 2 to Pillar 1 and entered into force 31st of December 2018.

Survival horizon

Measurement of the number of days over which liquidity needs can be met in a stressed scenario without access to new liquidity.

Tier 1 capital

Tier 1 capital mainly comprises equity and additional Tier 1 capital.

Tier 2 instruments

Subordinated loans that meet the requirements in Article 63 of the CRR may be included in own funds.

Total capital ratio

Own funds divided by the risk exposure amount.

Value at Risk (VaR)

A statistical metric of the maximum expected loss at a given level of security and over a defined time period.

1 Introduction

In this annual report, SBAB discloses information in compliance with Part Eight of Regulation (EU) No 575/2013 (CRR) and the Swedish Financial Supervisory Authority's (SFSA) regulation (FFFS 2014:12) regarding prudential requirements and capital buffers.

1.1 ABOUT SBAB

SBAB Bank AB (publ) is owned by the Swedish state. Its operations, which consist principally of deposit operations and residential mortgage lending to consumers, tenant-owners' associations and property companies in Sweden, are characterized by a low level of risk. SBAB is well capitalised. The CET1 capital ratio has increased to 12.7 (12.3) mainly due to year-end results that increased the CET1 capital. The total risk exposure amount has increased with 2.6 billion, partly due to increased risk exposure amount in operational risk but mainly driven by increased volumes in the liquidity portfolio of primarily covered bonds.

The credit loss ratio during 2024 remained low. The continued strength of its capital position and good risk management means that SBAB meets the supervisory rules adopted by the EU. During the past year liquidity risk continued to remain low. The capital requirement for market risk has slightly increased compared to 2023. Furthermore, the market risk in Pillar 1 consists of currency risk only.

1.2 REGULATORY FRAMEWORK FOR PILLAR 3 REPORT

This report refers to the consolidated situation and the conditions prevailing on 31 December 2024. For periodic information, please refer to the quarterly reports "Disclosure of capital, liquidity and leverage ratio" at www.sbab.se.

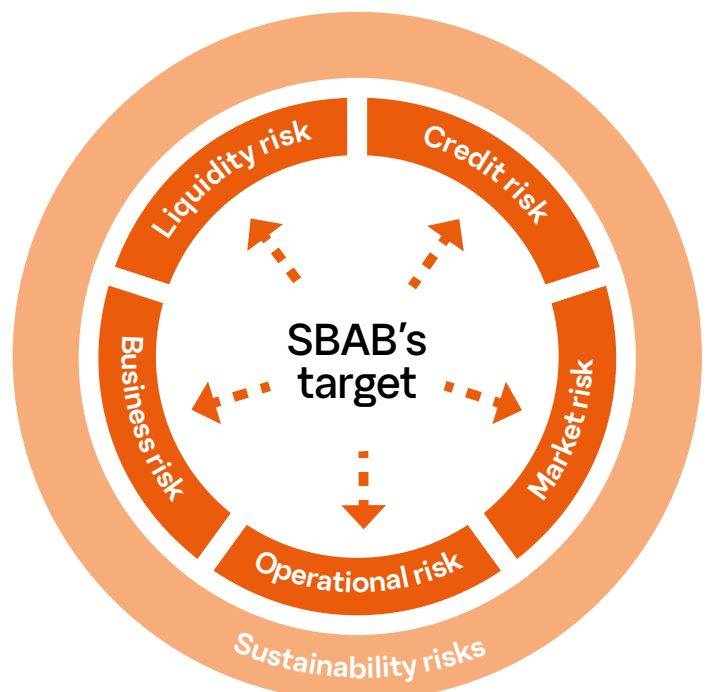
Pillar 3 entails extended disclosures by banks with regard to their capital position, risk exposures and risk management processes. Pillar 3 requires all material risks to be disclosed, for investors and other market participants to assess the risk profile of individual banks.

The Pillar 3 report is prepared in accordance with the requirements of EU and Swedish regulation, in particular the Capital Requirements Regulation ((CRR) (EU Regulation No 575/2013, Part 8)). The CRR mandates the EBA, in Article 434a, to develop draft implementing technical standards (ITS) specifying uniform disclosure formats, and associated instructions in accordance with which the disclosures required under Titles II and III of Part Eight of the CRR shall be made. The EBA Final draft implementing technical standards (ITS) has been adopted by EU Commission in implementing Regulation (EU) 2021/637 and entered into force from 28 June 2021. The regulation which entails a consistent and complete Pillar 3 disclosure framework

with uniform formats for both qualitative and quantitative information within a wider scope of risk information.

In addition, the SBAB Pillar 3 report is prepared according to the Swedish Financial Supervisory Authority's regulations on prudential requirements and capital buffers (FFFS 2014:12). Changes in the SFSA's regulation FFFS 2014:12 has been considered in this report. Environmental, social and governance (ESG) disclosure regulation under Pillar 3 is since end of 2022 implemented in this report in the section "Sustainability risks"

This report shows the significant risks for SBAB broken down by risk type as per the table on the next page.



SBAB'S RISK APPETITE

➔ Read more on page 13.

For information about Sustainability risks, refer to Chapter 9 in this Report and to SBAB's Annual Report.

2 The Board's statement on risk management and a brief risk declaration

The Board of Directors of SBAB Bank AB (publ) supports the risk management described in this document and considers that it meets the requirements in relation to SBAB's risk profile and the adopted short and long-term strategic, capital and financial plans.

RISK APPETITE AND RISK PROFILE

Risk type	RISK APPETITE		RISK PROFILE	
	Classification	Level	Limit utilisation	Proportion of economic capital, %
Credit risk in lending operations	Wanted risk	Medium	Medium	81
Credit risk in treasury operations	Necessary risk	Low	Low	1
Market risk	Necessary risk	Low	Low	16
Operational risk	Necessary risk	Low	Low	3
Business risk	Necessary risk	Low	Low	-
Liquidity risk	Necessary risk	Low	Low	-
Sustainability risk	Necessary risk	Low	Low	-

SBAB CLASSIFIES RISKS AS WANTED OR NECESSARY:

- Wanted risks comprise those directly related to the business concept.
- Necessary risks are those arising from activities that are regarded as a direct prerequisite for being able to implement the business concept efficiently and competitively, whereby a certain level of risk is accepted.

Credit risk is central to SBAB's business model and is considered to be the dominant risk in SBAB's operations. Credit risk directly related to SBAB's business operations qualifies as a wanted risk, while credit risk related to liquidity investments or in the form of counterparty credit risk is classified as necessary risk that is acceptable, but where the level of risk should be limited.

Market risk and its components are primarily considered a necessary risk. Market risk should be kept at a low level and not be a predominant risk.

Operational risk is defined as a necessary risk, which means that both expected and unexpected losses must be optimised based on the expected positive effects to be achieved in the form of anticipated revenues, cost savings or reductions in other risk.

Business risk is defined as a necessary risk. Changes in the form of new products or new markets may only constitute a small part of SBAB's activities and must be implemented at such a pace that SBAB does not substantially jeopardise its earnings level and with great probability avoids pressure on its own funds. The quantifiable portion of business risk is included in the evaluation of the capital situation in a normal economic downturn.

Liquidity risk is defined as a necessary risk and must be maintained at such a level that SBAB can manage a period of acute liquidity crisis without depending on the capital market. Liquidity risk is not managed by capital provisions but by maintaining a liquidity reserve.

Sustainability risk is a general risk and there are elements of sustainability risks across SBAB's entire operations. Sustainability risk is classified as a necessary risk and consists of three components; environmental, social and governance risk.

3 Risk management approach and governance

SBAB's operations are to be conducted so that risks are adapted to SBAB's risk-bearing capacity. Risk-bearing capacity primarily refers to the capacity to manage expected and unexpected losses by means of own funds or ongoing earnings capacity and, secondly, the capacity to minimize unwanted risks by means of appropriate functions, strategies, processes, procedures, internal rules, limits and controls. Certain risks cannot be quantified and compared with the risk-bearing capacity. In such cases, the cost of mitigating the risk should be weighed against the desired level of risk and the change in the level of risk achieved through a particular measure. SBAB's risk strategy involves managing and evaluating risks that the operations are or may be exposed to, through:

- Clear and documented internal procedures and control systems.
- An appropriate and transparent organisational structure with clearly defined and documented roles and responsibilities.
- Current and documented decision-making procedures that clearly state the reporting structure.
- Risk evaluation methods and system support that are adapted to the operations' requirements, complexity and size.
- Sufficient resources and competence to achieve the desirable quality in both business and control activities.
- Regular incident reporting by the operations according to a documented process.
- Documented and communicated contingency and continuity plans.
- Clear instructions on internal capital adequacy assessments, credit risk, operational risk, liquidity risk and market risk, which are updated annually and adopted by the CEO or, if required, by the Board of Directors.
- All significant risks for SBAB are limited by the Board and are compatible with the pre-determined risk appetite.

3.1 RISK MANAGEMENT

INSTITUTION RISK MANAGEMENT APPROACH (EU OVA)

SBAB classifies risks as wanted or necessary. Wanted risks comprise those directly related to the business model. Necessary risks are those arising from activities that are regarded as a direct prerequisite for being able to implement the business model efficiently and competitively, whereby a certain level of risk is accepted.

SBAB should only deliberately expose itself to risks directly attributable or necessary to SBAB's business operations. Such risks primarily encompass credit risk, liquidity risk, market risk, business risk, operational risk and sustainability risk.

Declaration approved by the management body on the adequacy of the risk management arrangements (*Point (e) of Article 435(1) CRR*)

The board of directors of SBAB Bank AB (publ) assures that the risk management arrangements and measurement systems described in this document are transparently and truthfully disclosed and that they meet the requirements in relation to SBAB's risk profile and adopted short and long-term strategic, capital and financial plans. *See Chapter 2 for the Board's statement on risk management and a brief risk declaration.*

Disclosure of concise risk statement approved by the management body (*Point (f) of Article 435(1) CRR*)

SBAB's Board has the ultimate responsibility for the company's total risk exposure and determines the risk policy, capital policy and risk appetite. The Board assures that all relevant risks have been holistically evaluated and that appropriate limits and escalation processes are in place to monitor and control the risks that SBAB is exposed to. Additionally, all exposures exceeding 2% of own funds are identified and analysed for the purpose of deciding whether they fall within the framework of large exposures in relation to a group of connected customers or clients. Furthermore, key ratios and figures that show how the risk profile of the institution interacts with the risk tolerance set by the management body are disclosed in the significant risks. *See Chapter 2 for the Board's statement on risk management and a brief risk declaration.*

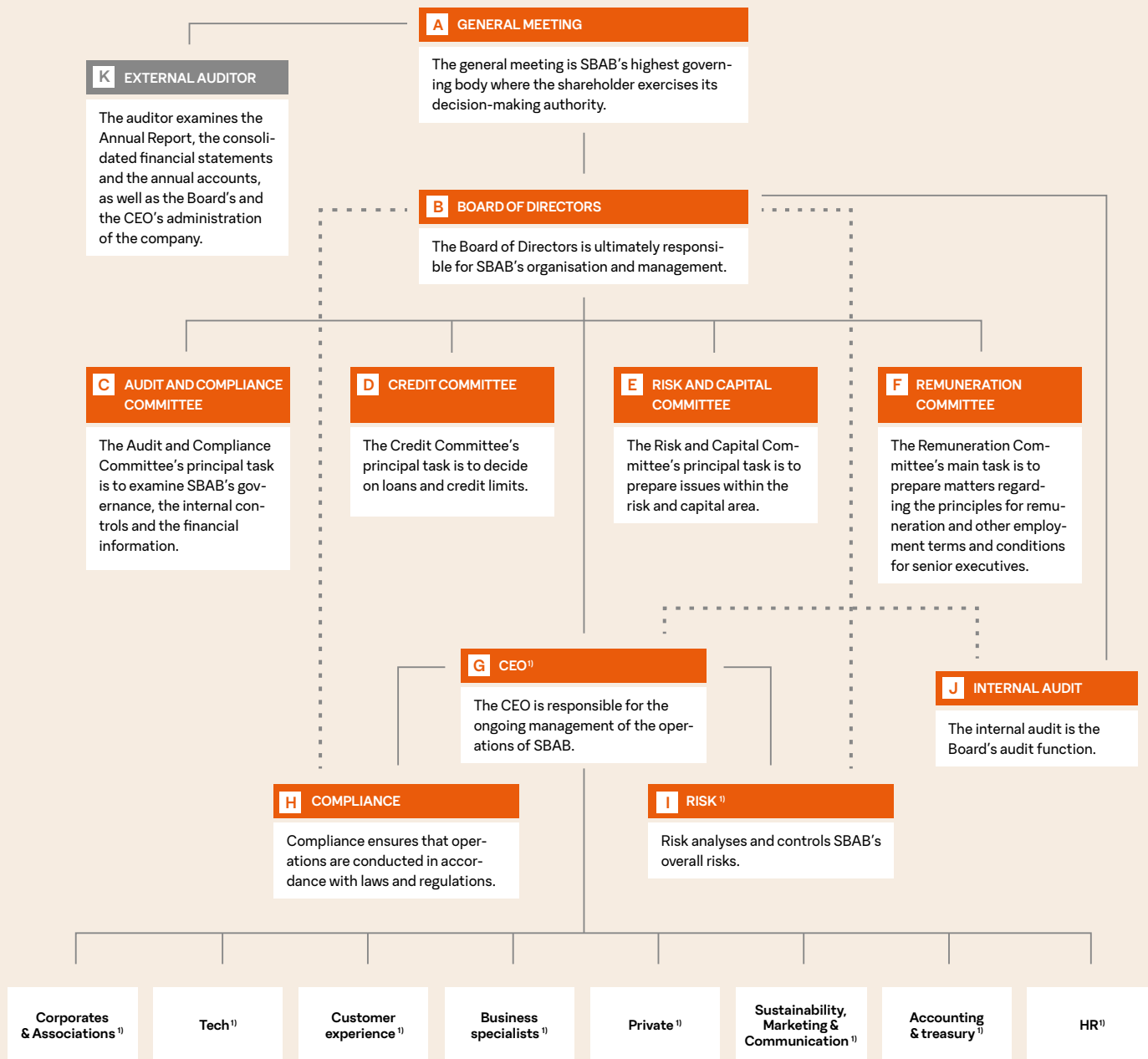
Information on the risk governance structure for each type of risk (Point (b) of Article 435(1) CRR)

When the Board determines the business strategy, it takes into account the risks that SBAB is and may be exposed to as well as the capital required to cover SBAB's risks. The Board or its committees are to approve all significant methods, models and processes used in risk management. For more information regarding the Board's committees, see the Corporate Governance Report in SBAB's Annual Report.

Information on the overall internal control framework and how its control functions are organised (authority, resources, statute, independence), the major tasks they perform, and any actual and planned material changes to these functions:

The Board and CEO have a sound overall comprehension of SBAB's risk profile and a detailed understanding of the content of the risk reports submitted to them. The CRO ensures that the Board and CEO receives ongoing training in risk-related issues and that new members are trained within two months of commencing their appointment. The CEO is responsible for ongoing administration in accordance with the strategies, guidelines and governance documents adopted by the Board. The CEO is to ensure that the methods, models and processes of the internal measurement and control systems of identified risks function as intended and are approved by the Board. In ALCO (Asset & Liability Committee), issues concerning capital management, liquidity preparedness, overall strategy regarding market risk and limit issues are discussed. In addition, issues related to finance strategy, balance sheet planning and internal pricing are discussed with the CEO. The CEO also ensures, on an ongoing basis, that reporting to the board by each unit, including the Risk Control function, is conducted in accordance with the relevant instructions. The CRO is responsible for the independent Risk Control function, which comprises identification, quantification, analysis, follow-up and reporting of all risks. The CRO is directly subordinate to the CEO and reports to the CEO and Board of Directors of SBAB.








ORGANISATION



¹⁾ Included in Executive Management.

SIGNIFICANT RISKS

The table significant risks disclose all the relevant risks for SBAB and the table Risk appetite and risk profile how they interact with the risk tolerance approved by the board of directors.

Risk type	Risk appetite		Risk profile	Risk management
	Classification	Level		
 <p>Credit risk in lending operations The risk that the counterparty does not fulfil its payment obligations towards SBAB. Credit risk arises in conjunction with loans and loan commitments, as well as in connection with value changes in pledged assets entailing that these no longer cover the Group's receivables. The credit risk also includes concentration risk, which refers to the increase in credit risk that arises in large exposures to individual counterparties, or in the case of concentrations toward specific regions or industries. → Read more in chapter 5</p>	Wanted risk	Medium	SBAB primarily offers housing mortgages to consumers, tenant-owners' associations and property companies where collateral comprises mortgage deeds in immovable property or rights-of-use. The majority of SBAB's customer base is concentrated to major metropolitan areas.	Credit risk is central to SBAB's business model and it is considered to be the dominant risk in operations. SBAB manages credit risk in a consistent manner and the analysis of risk level is conducted on a regular basis and reported to the Board, the CEO and the Executive Management. Credit granting in SBAB is characterised by responsible credit granting considering the customer's long-term repayment capacity and resilience as well as the value of posted collateral. Credit rules and credit management are continuously analysed, processed and improved. Corporate clients are processed individually while retail customers are analysed using a structured process in conjunction with the credit approval process. Concentration risk and major exposures are carefully monitored and followed up.
 <p>Credit risk in treasury operations Defined as the total of counterparty risk and investment risk. Counterparty risk is defined as credit risk in derivatives that arises when the value of the instrument is affected by, for example, changes in interest rates and/or currency exchange rates, which means SBAB receives a claim against the counterparty. In addition, counterparty risk entails that SBAB's financial counterparties cannot meet their commitments under repo contracts. Investment risk is defined as credit risk in financial investments and entails the risk that a debtor does not fulfil its payment obligations. Financial investments are incorporated in liquidity management, which aims to reduce liquidity risk and utilise surplus capital to contribute to increased profitability. → Read more in chapter 5</p>	Necessary risk	Low	SBAB's counterparty risks and investment risks are low and are not considered dominant risks.	SBAB manages counterparty risk in a consistent manner and the analysis of risk level is conducted on a regular basis and reported to the Board, the CEO and the Executive Management. Counterparty-risk exposure is primarily covered through collateral agreements in which the counterparty provides collateral in an effort to reduce exposure. Investment risk is mitigated as SBAB only invests in interest-bearing bonds with high credit ratings.
 <p>Market risk In SBAB's operations, the risk of loss or reduced future income due to market fluctuations comprises interest-rate, currency, credit spread, basis and pension risk. Interest-rate risk pertains to interest rate variations that lead to losses or lower future income as assets and liabilities have different fixed-interest periods and/or interest terms. Currency risk refers to the risk of changes in SEK exchange rates leading to losses or lower future income. Credit spread risk pertains to an exposure to changing conditions between an issuer's interest expense in comparison with a reference rate. Basis risk refers to the risk associated with deposits and lending that are fixed to different interest bases. Pension risk pertains to the risk arising from value changes in the portfolio intended to cover the bank's pension commitments. → Read more in chapter 7</p>	Necessary risk	Low	SBAB's market risk is low and is not considered a dominant risk.	SBAB manages market risk in a consistent manner and the analysis of risk level is conducted on a regular basis and reported to the Board, the CEO and the Executive Management. Interest-rate risk is to be mitigated through direct funding in matched currencies and tenors or the use of derivatives. Currency risks are mitigated as funding in international currency is hedged through currency swaps or matched against assets in the liquidity portfolio in the same currency.
 <p>Operational risk The risk of losses due to inadequate or failed internal processes, human error, faulty systems or from external events, including legal risks. Legal risk pertains to the risk of legal sanctions or failure to discharge legal undertakings. The category also includes compliance risks. Regulatory compliance is essential in maintaining confidence in SBAB's operations, but market practice and ethical guidelines also impact SBAB's approach to employees and customers. → Read more in chapter 8</p>	Necessary risk	Low	Operational risk is a natural part of all business. SBAB aims to optimise the relationship between costs for reducing risk and any of its potential outcomes. Operational risk is a prerequisite for implementing the business concept efficiently and competitively, taking into account operations, strategy, risk appetite and the macro environment.	SBAB manages operational risk in a consistent manner and the analysis of risk level is conducted on a regular basis and reported to the Board, the CEO and the Executive Management. Self-evaluation of material processes is performed annually. Changes with potential to affect the bank's risk level together with related risks are identified at an early stage and, prior to decision on implementation, the second line of defence submits a report. Unexpected events that can negatively affect the bank are to be reported as incidents and managed according to pre-determined instructions.
 <p>Business risk The risk of declining earnings due to harsher competition, inappropriate strategies or erroneous decisions. SBAB differentiates business risk between strategic risk, the risk of weaker earnings and reputational risk. Strategic risk pertains to the risk of a loss arising, for example, due to unfavourable business decisions, erroneous implementation of strategic decisions or changes in the political environment. The risk of weaker earnings encompasses the risk arising from, for example, more expensive financing or more intense competition. Reputational risk pertains to the risk of loss of reputation as a result of the failure to manage the above risks as well as other events. → Read more in chapter 2</p>	Necessary risk	Low	SBAB's business risk is low and is not considered a dominant risk.	SBAB manages business risk in a consistent manner and the analysis of risk level is conducted on a regular basis and reported to the Board, the CEO and the Executive Management. Risks related to strategy and earnings are evaluated on an ongoing basis over the year within the first line's strategy work. Strategically important decisions are managed within the framework for material changes. The Board receives an annual evaluation of the material risks that addresses strategic business risk and the bank's overall earnings. Moreover, business risk is evaluated in SBAB's stress tests.
 <p>Liquidity risk The risk of being unable to meet its payment obligations without the cost of obtaining funds increasing significantly. Short-term liquidity risk pertains to the risk of being impacted in the short term by a lack of liquidity, while structural liquidity risk arises from differences between assets and liabilities in terms of maturities, which risks leading to a lack of liquidity in the longer term. → Read more in chapter 6</p>	Necessary risk	Low	SBAB has a low liquidity risk and diversified funding. Securities that are part of the liquidity reserve have high credit ratings and are eligible as collateral with either the Riksbank or the European Central Bank, to guarantee liquidity.	SBAB's liquidity strategy includes proactive and continuous liquidity planning, active debt management and an adequate liquidity reserve. SBAB manages liquidity risk in a consistent manner and the analysis of risk level is conducted on a regular basis and reported to the Board, the CEO and the Executive Management. The funding strategy takes into consideration the expected maturity on the asset side. On this basis, SBAB limits its structural liquidity risk by maintaining diversified funding with sufficiently long maturities. SBAB has several liquidity metrics, for which limits apply, most of which are monitored and reported on a daily basis.
 <p>Sustainability risks Sustainability risks pertain to the risk of loss or reduced future income due to sustainability-related events. These include events in three categories: i) climate; ii) social aspects; and iii) governance. → Read more in chapter 9</p>	Necessary risk	Low	SBAB defines sustainability risk as a necessary risk that should be held at a level that does not materially jeopardise SBAB's assets, resources or reputation.	The assessment of whether the Group's level of sustainability risk is within the defined risk appetite is primarily performed through the monitoring and analysis of key risk indicators, scenario analyses outcomes, monitoring of the bank's strategic work with sustainability.

The approved limits of risks to which the institution is exposed;

See Chapter 2 for the Board’s statement on risk management and a brief risk declaration.

Changes of the heads of internal control, risk management, compliance and internal audit.

During the year, a new head of internal audit and chief risk officer was appointed.

Channels to communicate, decline and enforce the risk culture within the institution;

To define the division of responsibilities between the business operations, risk control and compliance, as well as internal audit, SBAB applies the division of roles and responsibilities resulting from the three lines of defence principle:

- The first line of defence refers to the day-to-day management of risks performed by the business operations that incur and own the risks.

- The second line of defence refers to the risk control (comprising the units for market and liquidity risk, credit risk modelling, credit risk validation, credit risk framework, project and regulatory office and operational risk) and compliance functions. The risk control units are to ensure that risk awareness and acceptance are sufficient to be able to manage risks on a daily basis. They also have a supportive role in ensuring that the business operations have the procedures, systems and tools required to maintain the daily management of risks. Compliance is responsible of verifying that the business operations adhere to laws and regulations and support the business operations within its area of responsibility.
- The third line of defence refers to the internal audit, which reviews and regularly assesses whether the company’s organisation, governance processes, IT systems, models and procedures are appropriate and effective, and whether the company’s internal controls are appropriate and effective. The internal audit is also tasked with reviewing and regularly assessing the company’s risk management based on its adopted risk strategy and risk appetite.

THE THREE LINES OF DEFENCE

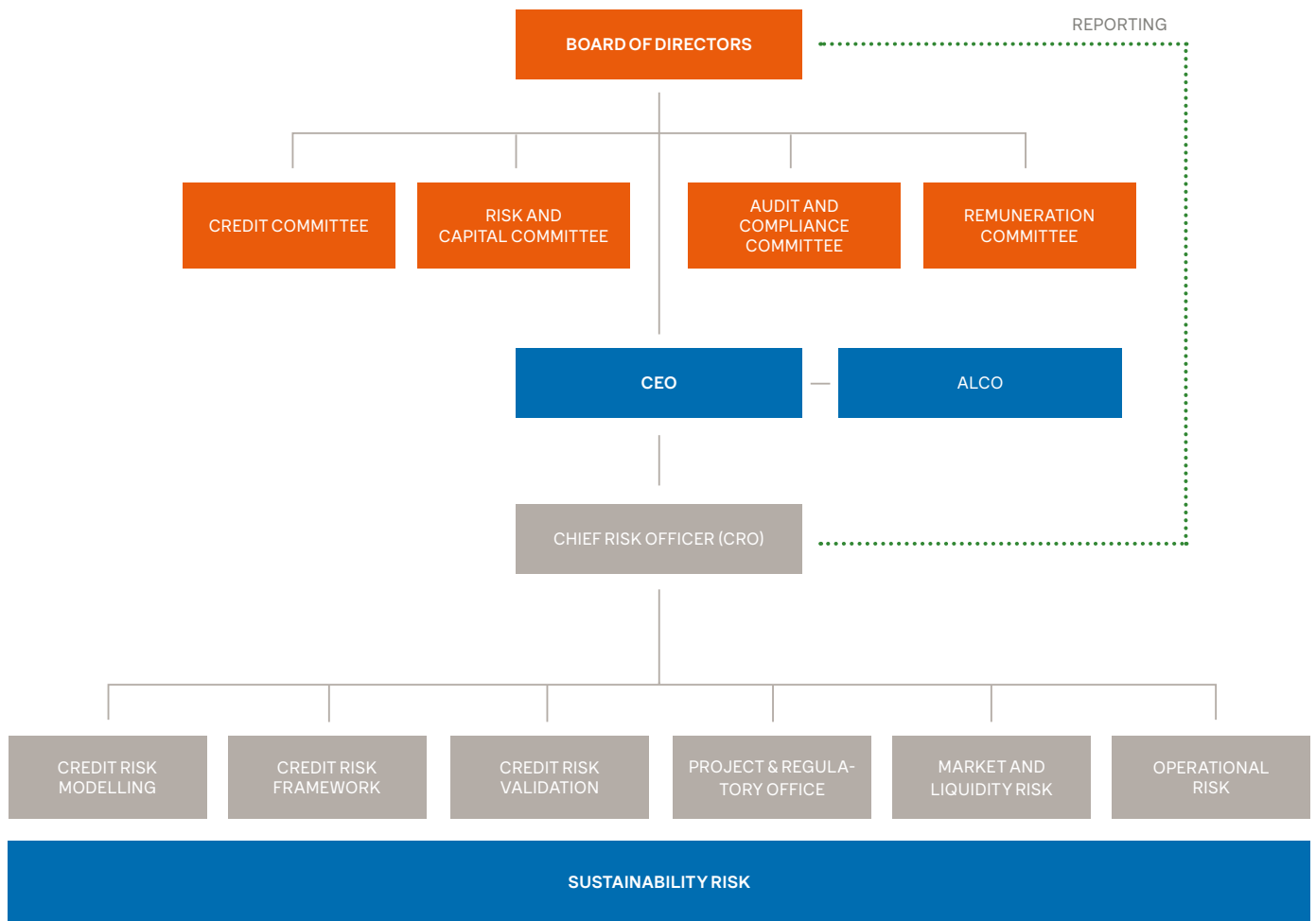


Disclosure on the scope and nature of risk disclosure and/or measurement systems (Point (c) of Article 435(1) CRR)
 SBAB uses both qualitative and quantitative risk measurement systems. For the estimation of credit risk sophisticated statistical models are used to determine the risk weighted exposure amounts complemented with qualitative analysis. For market risk different risk quantification and measurement systems are in use. Interest rate risk in the banking book is measured by fulfilling the requirements laid down by the EBA and the SFSA. A value at risk approach is used, both to estimate the total market risk and separately for the different sub-categories within market risk. The measurement of liquidity risk is strictly regulated and SBAB complies with the regulation both for LCR and NSFR. SBAB is treated as a single liquidity sub-group, together with SCBC, according to Article 8 (CRR) and a decision by Swedish FSA. Therefore, liquidity information is disclosed on a consolidated basis. Operational risk is primarily measured as the cost of incidents during a rolling 12-month time horizon. In addition,

incidents are recorded and processed according to pre-defined routines, which gives a solid understanding of the number of incidents and a structured approach for analysis and mitigation techniques. Sustainability risks are considered from a holistic perspective and continuous development is in process to design realistic quantification approaches.

Disclose information on the main features of risk disclosure and measurement systems (Point (c) of Article 435(1) CRR)
 The Risk and Capital committee regularly evaluates the effectiveness and suitability of the established risk measurement and reporting processes and takes mitigating actions in case deficiencies are found. The Board evaluates recurrently the suitability of established risk management policies. The risk reporting structure is presented in the figure Risk reporting.

RISK REPORTING



Strategies and processes to manage risks for each separate category of risk (Point (a) of Article 435(1) CRR)

When capital planning, SBAB utilizes a scenario-based approach, reflecting the most probable economic development according to internal forecasts, to estimate needed capital. Economic events not reflected in the scenario which may negatively affect the institution’s lending portfolio are also considered when capital planning. In addition, stress tests and scenario analyses are performed, evaluating the development of the lending portfolio and capital requirements during severe but not implausible financial stress.

SBAB uses statistical models for the risk dimensions PD and LGD to forecast credit risk. The PD and LGD models rely on explanatory variables specifically adapted to the exposure type and risk dimension. Exposures are assigned a rating grade for each risk dimension depending on the output of the PD and LGD models. When stress testing credit risk, the relationship between changes in credit risk and changes to relevant macroeconomic variables is utilized. For the PD dimension, a model predicting rating grade migrations depending on mac-

roeconomic variables is used when stress testing. For the LGD dimension, the loan-to-value ratio (LTV), one of the primary explanatory variables in SBAB’s LGD model, is adjusted using stressed market values when stress testing.

The starting point for stress tests is an assumed macroeconomic scenario, either estimated or based on a historical outcome. In an adverse scenario, characterized by unfavorable economic conditions, the stress test for credit risk will result in migrations towards worse rating grades, leading to higher economic capital, higher risk exposure amounts and larger expected losses. Stress tests are performed based on an observation of the lending portfolio at a particular date. The lending portfolio is subjected to stress over a period of three years, taking the planned volume development within different portfolio segments into account, after which the economic conditions are assumed to return to normal. A scenario from macroeconomic forecasts by SBAB’s Chief Economist, describing a severe economic decline, is used for stress testing credit risk in the ICLAAP.

Stressed scenario

In this scenario, a set of external shocks, in combination with internal vulnerabilities, lead to a rapid recession and problems in the Swedish banking system. Scenario consist of severe but not implausible financial stress. Historically, this kind of scenario has occurred approximately every twenty-five years.

- The previously high inflation has increased cost of production and eroded household real consumption.
- Low demand of goods causes companies to have profitability problems. Particularly hard hit are property companies, housing developers and construction companies. Financial turbulence and credit tightening lead to many companies ending up insolvent or going bankrupt and unemployment rising.
- The Swedish krona weakens, which contributes to keeping up inflation during the first half of 2025 despite weak domestic demand.
- Foreign confidence in the banks' financial strength is eroding because of imbalances in the housing and mortgage markets. Central government's finances deteriorate because of stabilisation measures and confidence in economic policy is eroded, leading to rising risk premiums and interest rates. The banking system is coming under pressure. The Riksbank tries but fails in stimulating the economy because of the initial relatively low interest rate level and the rising risk premiums.
- The fall in housing prices cannot be fully explained by the development of the household income and mortgage rates but is also pushed down by difficulties in taking out mortgages and gloomy future expectations of the housing market. The housing prices are expected to fall between 10-16 percent during 2025-2026 before increasing again in 2027.

SBAB's process of stress testing credit risk comprises:

- Determination of a macroeconomic scenario for the stress test
- Estimating impact on credit risk in the assumed macroeconomic scenario
- Assumptions regarding new sales and loan redemption
- Calculation of expected losses and capital requirements
- Calculation of profit and own funds

In addition to credit losses and capital requirements related to credit risk, the stress tests also simulate the effect of a deterioration in SBAB's credit rating and the effect of a decline in property prices on SBAB's scope for funding by means of covered bonds. These are expected to lead to increased funding costs, resulting in weaker net interest income and lower earnings, and consequently also to reduced own funds. Finally, realised losses related to operational risks are also brought out by applying an operational scenario independent of the macro scenarios, thus leading to further deterioration in earnings and decreased own funds.

Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants. (Points (a) and (d) of Article 435(1) CRR)

SBAB assesses the prevailing risk spectrum constantly and if significant changes occur or are likely to occur in the future, the banks risk management governance, measurement, hedging, controlling and reporting mechanisms are updated to match the requirements of the new risk spectrum. The second line of defense monitors the banks risk profile daily to make sure that the risk appetite is not exceeded.

Credit risk is a wanted risk and is primarily mitigated by high quality collateral and by credit granting criterias. Credit derivatives are not used for hedging. Credit risk is mainly monitored by conducting continuous assessments on the credit quality in the lending portfolios.

Market risk is actively mitigated by asset & liability management and by using derivatives to hedge both currency and interest rate risk. The monitoring of market risk is done using risk-specific metrics for IRRBB, CSRBB, FX risk, and basis risk, complemented by dynamic balance sheet management tools.

Operational risk is mitigated by educating the staff on relevant subjects and by continuously improving internal processes. The monitoring is conducted by measuring the number of incidents over a chosen measurement period. Operational risk is not hedged by using derivatives.

Business risk is mitigated by analyzing the market environment, global trends and regulatory development in order to form sound strategies for the bank. The monitoring is primarily done by forecasting future earnings and by following the current development of the cost-to-income ratio. The earnings volatility is partly hedged by controlling the exposure to market risks.

Liquidity risk is mitigated by proactive forecasting methods and asset & liability management. The effectiveness is measured by comparing forecasted values against realized values – if the deviation increases, the forecasting methods are improved. Additionally, thoroughly assessed limits on the liquidity portfolio are in place to mitigate the risk of quality issues in case of market turbulence.

SBAB has an integrated approach regarding sustainability. This means that the bank is regularly assessing risks and factors associated with its activities and from the outside world and aims to integrate the outcome of the analysis into its business planning. For instance, the bank has conducted a double materiality assessment to identify material risks and opportunities, both in how the bank impact the environment and society through their operations (impact materiality) but also how the outside world impacts the bank (financial materiality). The assessment has been approved by the senior management and the board. The outcome of the assessment, together with the bank's target on reduced financed emission to reach net zero, have impacted the bank's metrics, targets and strategic work concerning sustainability. Furthermore, to better understand potential climate related risks, SBAB applies different time horizons when identifying and analysing future climate risks (e.g., increased sea levels). No derivative instruments are used to hedge sustainability risks.

DISCLOSURE ON GOVERNANCE ARRANGEMENTS (EU OVB)

Well-functioning corporate governance, risk management and internal governance are essential for SBAB to reach set targets and maintain the confidence of its stakeholders. In addition to corporate governance in the traditional sense, which describes the system by which a company is governed and controlled, SBAB's vision, mission, business idea and values are important

elements in SBAB's governance model. In the same way as information, transparency, corporate culture, leadership and the long-term sustainable conduct of operations important elements in SBAB's governance model. This, together with corporate governance, means that SBAB can maintain a high level of confidence in its operations. Confidence forms the basis of all banking operations.

The number of directorships held by members of the management body. (Point (a) of Article 435(2) CRR)**Significant directorships****Board of Directors**

Name	Title	Significant directorships
Jan Sinclair	Chairman of the Board	AB Sveriges Säkerställda Obligationer (publ)(Board Member, Chairman of the Board), STS Alpresor AB (Board Member), Almi AB (Board Member), Bipon AB (Board Member), Jan M.L. Sinclair AB (Board Member), Tenant-owner association Victorhuset (Board Member, Chairman of the Board), German honorary consul, Industrial advisor (own business).
Lars Börjesson	Board Member	Top Armbel Holding AB (Board Member, Chairman of the Board), Taggsvampen AB (Board Member), Tenant-owner association Viktoriahuset (Board Member, Chairman of the Board).
Inga-Lill Carlberg	Board Member	Trill Impact Microfinance AB (Board Member, Chairman of the Board), Trill Impact AB (Board Member), Trill Impact Executive Holding AB (Board Member), Trill Impact Ventures Holding AB (Board Member), Trill Impact Ventures AB (Board Member), Trill Impact Ventures Pharma 1 AB (Board Member), Trill Impact GP S.å.r.l. (Board Member), Trill Impact Verwaltungs-GmbH (Board Member), Trill Impact Ventures GP S.å.r.l. (Board Member), TIPE II (GP) S.å.r.l. (Board Member), Cberg Invest AB (Board Member), Trill Impact AB (COO), Trill Impact Verwaltungs GmbH (CEO).
Jenny Lahrin	Board Member	AB Göta kanalbolag (Board Member), PostNord AB (Board Member), Swedish Government Offices (Subject expert), Tenant-owner association Badhotellet i Saltsjöbaden (Board Member, Chairman of the Board)
Jane Lundgren Ericsson	Board Member	AB Sveriges Säkerställda Obligationer (publ) (Board Member), Visma Finance Solutions AB (Board Member), Inyett AB (Board Member), Gruvaktiebolaget Viscaria AB (publ) (Board Member), Bokio AB (Board Member), Flex Services Sverige AB (Deputy Board Member), Flex Applications Stockholm AB (Deputy Board Member), Miskatonic Ventures AB (Deputy Board Member), Flex Applications Sverige AB (CEO), Flex Applications Stockholm AB (CEO), Flex Services Sverige AB (CEO), Bagarmossen Kärrtorp Bollklubb (Chairman of the Board).
Wenche Martinussen	Board Member	BI Norwegian Business School (Sales and Marketing Director)
Johan Sætre	Board Member	Clinsj AS (Chairman of the Board), Jayas AS (Chairman of the Board), Tinka Vekst AS (Board Member)
Synnöve Trygg	Board Member	AB Sveriges Säkerställda Obligationer (publ) (Board Member), Ziklo Bank AB (Board Member, Vice Chairman of the Board)
Fredrik Sauter	Board Member	American Express Europe S.A (Board Member), Thaning Consulting AB (Deputy Board Member), American Express (Head of Growing Market in Nordic, Belgium, Netherland, Luxemburg, Spain, Argentina as well as International Dollar Card and Global Insurance), Finanskoalitionen mot sexuell exploatering av barn (Founder, Board Member), Tenant-owner association Sidensvansen 2 (Board Member, Chairman of the Board)
Margareta Naumburg	Employee representative SACO	Compliance Officer at SBAB, Chairman of SACO's local club.
Karin Neville	Employee representative Financial Sector Union of Sweden	Credit controller Operational risk at SBAB, Member of Financial Sector Union of Sweden's local club.
David Larsson	Deputy, employee representative SACO	Account manager business Area Corporates and Associations in SBAB, Vice Chairman of SACO's local club.
Therese Sandberg	Deputy, employee representative Financial Sector Union of Sweden	Mortgage specialist SBAB, Chairman of Financial Sector Union of Sweden's local club

Executive management

Name	Title	Significant directorships
Mikael Inglander	CEO	Booli Search Technologies AB (Board Member), AB Sveriges Säkerställda Obligationer (publ) (Board Member), Swedish Bank Association (Board Member).
Sara Davidgård	Head of Business Area Private	-
Liv Forsström	Head of HR	-
Marko Ivanic	CTO	-
Peter Svensén	CFO	-
Malou Sjörin	Head of Sustainability, Marketing & Communication	Booli Search Technologies AB (Board Member)
Deniz Güler	CRO	-
Robin Silfverhielm	CXO	Booli Search Technologies AB (Chairman of the Board)
Carl Olsson	Head of Business Specialists.	-
Stefan Andersson	Head of Business Area Corporate and Associations	-

Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise (Point (b) of Article 435(2) CRR)

At SBAB's Annual General Meeting (AGM), nine members were elected to SBAB's Board. At the end of the year, SBAB's Board comprised of these nine members elected by the AGM and two members, and deputies for each of them, appointed by the trade unions, SACO and the Financial Sector Trade Union of Sweden. The CEO is not a member of the Board. None of the Board members or the CEO hold shares or financial instruments issued by SBAB, since SBAB is wholly owned by the Swedish state.

In state-owned companies, uniform and shared principles are applied to achieve a structured nomination process for the appointment of Board members. The objective is to ensure an adequate supply of competence for the Boards of Directors of these companies. The Board nomination process at the Government Offices of Sweden is coordinated by the Swedish Ministry of Finance. For each company, competence needs are analysed on the basis of the company's business, circumstances and future challenges, as well as the composition of the Board of Directors and the Board assessments that have been conducted. Recruitment requirements are then established and work commences. Members are selected from a broad recruitment base in order to draw on the expertise of both women and men, as well as individuals with different backgrounds and experience.

Information on the diversity policy with regard of the members of the management body (Point (c) of Article 435(2) CRR)

Equality and diversity are two of the most important issues of our time. The Government aims for gender balance both on individual boards and at portfolio level. The target for the portfolio of state-owned enterprises is a minimum of 40 per cent board presentation for both woman and men, with more detailed policies on representation depending on the actual number on board members on the board. SBAB has set a target that at least 45% of management positions should be held by the underrepresented gender. SBAB met the target during the last financial year by a good margin.

The Board has furthermore adopted a policy on diversity in the Board and an instruction for eligibility assessments for Board members, the CEO and senior executives. The diversity policy includes statements that the composition of the Board should be such that a balance is achieved with regard to background, areas of competence, experience and gender. The eligibility instruction states that the eligibility assessment of the Board, the CEO and the senior executives should take into account the individual's skills, experience, reputation and judgement.

Information whether or not the institution has set up a separate risk committee and the frequency of the meetings.
(Point (d) of Article 435(2) CRR)

The Board has established four committees, which are either preparatory or decision making committees or a mixture thereof. The Risk and Capital Committee prepares matters concerning SBAB's treasury operations, matters related to risk and capital and the use of new financial instruments. The Committee also prepares issues for resolution by the Board of Directors concerning objectives, strategies and control documents within the areas of risk and capital. The Committee approves changes in the forward-looking assumptions in the financial reporting used to estimate credit losses. The Committee consists of at least three members (currently five) appointed by the Board. The Risk and Capital Committee is the statutory Risk Committee of the SBAB. The Risk and Capital Committee held twelve meetings during the year.

Description on the information flow on risk to the management body.(Point (e) Article 435(2) CRR)

A monthly report on the overall risk situation and capital adequacy ratios is made available by risk control to the Board, the CEO and Executive Management. The Board and the CEO are also provided with a more in-depth description of risks on a quarterly basis. In addition, a daily report on current risk levels in relation to granted limits is presented to the CEO, CFO and CRO. SBAB's Board and Executive Management are thereby provided with a relevant overview of the Group's risk exposure on a continuous basis. The risk owners, i.e. the business operations, must, without delay, inform risk control of occurrences of significant events that could entail an increased risk. Clear ownership of risk and compliance applies in the first line of defense at SBAB. This is secured through an organization comprised of risk and compliance coordinators in the first line of defense, who support the respective business managers with a focus on risk management, process mapping, internal controls, incident management and regulatory compliance.

3.2 REMUNERATION

REMUNERATION POLICY (EU REMA)

Information relating to the bodies that oversee remuneration (Point a of Article 450(1) CRR)

Name, composition and mandate of the main body (management body and remuneration committee where established) overseeing the remuneration policy and the number of meetings held by that main body during the financial year;

The Board has appointed a Remuneration Committee, which is tasked with preparing remuneration issues for decision by the Board and for conducting an independent assessment of policy documents pertaining to remuneration issues and remuneration systems. The Board is to ensure that the appropriate control functions participate in the independent assessments. The Board of Directors decides on:

- Remuneration policy, risk analysis regarding remuneration systems and other policy documents for remuneration issues

- Remuneration and other employment benefits for Executive Management and the heads of the control functions (the CRO and the heads of Internal Audit and Compliance)
- Follow-up on the application of SBAB's control documents regarding remuneration issues
- The Remuneration committee held 5 meetings during 2024.

External consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework;

No external consultants have been hired for re-designing the remuneration framework during the financial year. However, external advice is sought from time to time for specific tasks i.e., for taxation, recruitment channels and legal advice.

A description of the scope of the institution's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries;

The overarching steering policy for remuneration is the State Ownership Policy and principles for state-owned enterprises 2020. No significant differences exist between the parent company and the subsidiary remuneration policies. Furthermore, SBAB does not have foreign branches. Employees working with matters related to SCBC are remunerated by SBAB and the employment contract is between the employee and SBAB. Hence, SCBC is not considered an employer.

A description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile; (identified staff).

SBAB has defined twelve different areas where the employees are identified as having a material impact on the institutions risk profile:

1. Executive managers
2. Employees responsible for control functions
3. Employees with a management responsibility within the control functions
4. Employees who lead and / or are responsible for risk management for a significant business unit
5. Employees with management responsibilities within a significant business unit
6. Employee leading a function responsible for legal matters, financial matters including taxation and budgeting, personnel, remuneration policy, information technology and financial analysis
7. Employees who are responsible for, or are members of ALCO (SBAB and SCBC's Asset & Liability Committee)
8. Employees who have the authority to expose SBAB to credit risk above a certain level, as well as employees who have management responsibility for such a group of employees
9. Employees with the authority to decide on or veto the introduction of new products
10. Members of the Board who are employed by SBAB

11. Employees with benefits that exceed the following definitions

- An employee who is entitled to a significant remuneration for the preceding financial year if a) his or her remuneration is equal to or higher than EUR 500 000 and equal to or higher than the average remuneration given to those referred to in paragraph 1 (executive managers), and (b) he or she works in an essential business unit and the service is such that it has a significant impact on the risk profile of the business unit concerned.

12. Credit Officers

- A limited group of administrators have the right to decide on credits where a more manual examination comes into question and where decisions on credits can theoretically be made in violation of the credit regulations.

Information relating to the design and structure of the remuneration system for identified staff. (Point b of Article 450(1) CRR) Disclosures shall include:

An overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders (e.g. the shareholders' meeting);

SBAB is required to have a remuneration system that promotes effective risk management and does not encourage undue risk-taking. Remuneration should inspire working towards SBAB's long-term interests. The General Meeting decides on the overall guidelines for remuneration and other employment terms for senior executives (members of SBAB's Executive Management).

The Board annually evaluates and follows up how SBAB has complied with the principles for the remuneration of senior executives that have been adopted by the Annual General Meeting and the remuneration structures and remuneration levels, including bonuses.

In addition to regulation by the Companies Act, the guidelines for the remuneration of senior executives follow the guidelines for remuneration and other terms of employment for senior executives in state-owned enterprises. These guidelines were not amended following the resolution of the AGM in 2020. The guidelines are published in full at www.sbab.se.

Information on the criteria used for performance measurement and ex ante and ex post risk adjustment;

At present, SBAB has no variable remuneration to senior management or members of staff whose actions could have an impact on the institution's risk profile. As regards pension conditions, notice periods and severance pay for senior executives, SBAB observes the principles stated in the State Ownership Policy and principles for state-owned enterprises 2020.

Whether the management body and the remuneration committee, where established, reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration;

The remuneration policy is reviewed annually to ensure that it promotes the bank's financial and risk management objectives in the most suitable way. During the past financial year, no significant changes were made.

Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee;

The remuneration for the Head of internal audit is decided by the Board of Directors. A proposal is drafted in advance by the remuneration committee.

Policies and criteria applied for the award of guaranteed variable remuneration and severance payments;

SBAB has no variable payment scheme. The policy for severance payment is steered by the State Ownership Policy and principles for state-owned enterprises 2020, where a maximum severance amount is stipulated. The limit is set at an amount equaling a 12 months' pay, however, in the case of employment during the 12-month period, the severance payment is ceased.

Description of the ways in which current and future risks are taken into account in the remuneration processes. (Point c of Article 450(1) CRR) Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.

SBAB has designed the compensation system so that it promotes effective risk management and does not encourage excessive risk-taking. Other important components to ensure that the risks of the compensation system are minimized, is an appropriate organization for risk management and compliance as well as independent follow-up and reporting of these.

SBAB has no programs for variable remuneration in the remuneration system. Regarding fixed remuneration, there are theoretically risks that the remuneration levels in the bank does not match the performance of the employees. Reduction of risks is achieved by making compensation decisions at the relevant organizational level, e.g., by applying the principle that decisions in remuneration matters shall be made in consultation with the manager's manager and within decided frameworks and with application of SBAB's salary principles. SBAB conducts annual salary surveys for employees and also makes ongoing analyses of market practice in remuneration issues to ensure that SBAB's remuneration is competitive yet moderate, reasonable, well-balanced and not wage leading.

The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) of Directive 2013/36/EU. (Point d of Article 450(1) CRR)

Not applicable.

Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. (Point e of Article 450(1) CRR) Disclosures shall include:

An overview of main performance criteria and metrics for institution, business lines and individuals.

Not applicable.

An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance.

Not applicable.

Information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments

Not applicable.

Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining performance metrics when the performance metrics are considered 'weak'. In accordance with point (n) of Article 94(1) CRD, to be paid or vested the variable remuneration has to be justified on the basis of the performance of the institution, the business unit and the individual concerned. Institutions shall explain the criteria/thresholds for determining that the performance is weak and that does not justify that the variable remuneration can be paid or vested.

Not applicable.

Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance. (Point f of Article 450(1) CRR) Disclosures shall include:

An overview of the institution's policy on deferral, payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff.

Not applicable.

Information of the institution's criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law).

Not applicable.

Where applicable, shareholding requirements that may be imposed on identified staff.

Not applicable.

The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit, as referred to in point (f) of Article 450(1) CRR.

(Point (f) of Article 450(1) CRR)

SBAB has no variable payment scheme. Non-cash benefits are non-material.

Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management, as referred to in point (j) of Article 450(1) CRR

(Point (j) of Article 450(1) CRR)
SBAB and SCBC has the required reporting structure in place to upon demand from the competent authority to provide the information on the total remuneration for each member of the management body. Additionally, SBAB publishes the remuneration for its executive managers and the Board of Directors in the annual report and in a separate remuneration document published on SBAB's webpage.

Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD, as referred to in point (k) of Article 450(1) CRR.

(Point k of Article 450(1))

Not applicable as SBAB does not have any elements of variable remuneration.

Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members, as referred to in Article 450(2) (CRR. Article 450(2))

The remuneration for senior executives who report directly to the CEO totaled SEK 25 million and for other employees SEK 614 million.

REMUNERATION AWARDED FOR THE FINANCIAL YEAR (EU REM1)

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
			a	b	c	d
1	Fixed remuneration	Number of identified staff	-	2	13	83
2		Total fixed remuneration	-	1.58	31.65	68.97
3		Of which: cash-based	-	1.54	31.38	66.57
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)				
7		Of which: other forms	-	0.03	0.27	2.41
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	-	-	-	-
10		Total variable remuneration	-	-	-	-
11		Of which: cash-based	-	-	-	-
12		Of which: deferred	-	-	-	-
EU-13a		Of which: shares or equivalent ownership interests	-	-	-	-
EU-14a		Of which: deferred	-	-	-	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b		Of which: deferred	-	-	-	-
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	Total remuneration		-	1.58	31.65	68.97

SPECIAL PAYMENTS TO STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON INSTITUTIONS' RISK PROFILE (IDENTIFIED STAFF) (EU REM2)

	MB Supervisory function	MB Management function	Other senior management	Other identified staff
	a	b	c	d
Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	1
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	1.27
Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	-	-	-
7	Severance payments awarded during the financial year - Total amount	-	-	-
8	Of which paid during the financial year	-	-	-
9	Of which deferred	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	-

INFORMATION ON REMUNERATION OF STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON INSTITUTIONS' RISK PROFILE (IDENTIFIED STAFF) (EU REM5)

Category level AVA	Management body remuneration			Business areas						Total	
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other		
	a	b	c	d	e	f	g	h	i		
1	Total number of identified staff	-	2	2	-	2	-	8	3	-	98
2	Of which: members of the MB	-	2	2	-	-	-	-	-	-	-
3	Of which: other senior management	-	-	-	-	2	-	8	3	-	-
4	Of which: other identified staff	-	-	-	-	29	-	53	1	-	-
5	Total remuneration of identified staff	-	1.58	1.58	-	31.10	-	91.67	4.30	-	-
6	Of which: variable remuneration	-	-	-	-	-	-	-	-	-	-
7	Of which: fixed remuneration	-	1.58	1.58	-	31.10	-	91.67	4.30	-	-

4 Capital adequacy

The size of SBAB's capital requirements depends on laws and regulations, the company's internal assessment based on approved strategies, the assessments of investors and rating agencies, and the evaluations made by the owner, the Board and Executive Management. SBAB continuously evaluates and adjust its capital targets when necessary.

Capital in accordance with Pillar 1, refers to the minimum amount of capital that the company is required to have in accordance with the CRR and CRD, the EU's technical standards and delegated acts, the Special Supervision of Credit Institutions and Investment Firms Act (2014:968), the Capital Buffers Act (2014:966), EU Regulation (2019/2033) on the prudential requirements of investment firms and the Swedish FSA's regulations regarding prudential requirements and capital buffers (FFFS 2014:12).

4.1. CAPITAL REQUIREMENTS AND BUFFERS

The rules in the CRR and CRD entail, among other things, requirements in the Pillar 1 for a minimum level of own funds and regulations regarding capital requirements. According to the requirements, the bank must have a CET1 capital ratio of at least 4.5%, a Tier 1 capital ratio of at least 6.0% and a total capital ratio at least equal to 8.0% of the total risk exposure amount for credit risk, market risk and operational risk.

In addition to a total capital ratio of 8.0%, the bank must maintain CET1 capital to meet the combined buffer requirements, which in Sweden is the sum of a capital conservation buffer of 2.5% of the risk exposure amount, a countercyclical buffer of up to 2.5% and buffers for systemic risk of up to 4.0%.

The SFSA has decided that, in addition to a capital conservation buffer of 2.5%, a countercyclical buffer will also apply for Swedish exposures. The countercyclical buffer for Swedish exposures amounts to 2.0%. The SFSA has also decided to recognise countercyclical buffer values of up to 2.5% set by

a competent authority in another EEA country. Furthermore, banks considered systemically important are subject to an additional capital requirement of 4.0% to be covered by CET1 capital. As per 31 December, 2024, SBAB is not considered to be systemically important by the SFSA.

The buffer values are presented in table Amount of institution-specific countercyclical capital buffer (EU CCyB2), with risk exposure amounts and capital requirements. More detailed information of the countercyclical buffer rates is disclosed in the table the geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (EU CCyB1).

When calculating capital requirements, each exposure is allocated to an exposure class, either using the standardised or the IRB approach. Table Overview of risk weighted exposure amount (EU OV1) shows the individual risk exposure amounts distributed by exposure class compared to previous quarter. The decrease in total REA during the fourth quarter 2024 primarily refer to positive risk class migrations in the lending portfolio within business area Corporates & Associations.

Risk-weight floor for Swedish mortgages

In 2018, the Swedish FSA decided to amend the method for applying the risk weight floor under Pillar 2 and replace it with a Pillar 1 requirement in accordance with Article 458 of the CRR. The amendment entered into force in 2018 and applied for two years. The Swedish FSA has extended the capital requirement, and it is currently in force until 30 December 2025.

KEY METRICS (EU KM1)

SEK million		CONSOLIDATED SITUATION				
		31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
		a	b	c	d	e
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	21,417	21,193	20,954	20,638	20,414
2	Tier 1 capital	27,517	27,293	28,654	28,338	26,214
3	Total capital	29,534	29,312	30,657	30,342	28,209
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	168,889	171,486	172,860	169,898	166,294
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	12.7	12.4	12.1	12.1	12.3
6	Tier 1 ratio (%)	16.3	15.9	16.6	16.7	15.8
7	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)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.9	1.9	1.9	1.9	1.9
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.1	1.1	1.1	1.1	1.1
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.4	1.4	1.4	1.4	1.4
EU 7d	Total SREP own funds requirements (%)	9.9	9.9	9.9	9.9	9.9
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer	-	-	-	-	-
11	Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
EU 11a	Overall capital requirements (%)	14.4	14.4	14.4	14.4	14.4
12	CET1 available after meeting the total SREP own funds requirements (%)	7.1	6.8	6.6	6.6	6.7
Leverage ratio						
13	Total exposure measure	656,664	661,432	653,330	661,207	640,914
14	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)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0

SEK million	CONSOLIDATED SITUATION				
	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
	a	b	c	d	e
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e Overall leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
Liquidity Coverage Ratio					
15 Total high-quality liquid assets (HQLA) (Weighted value - average)	104,433	104,421	101,830	100,021	97,063
EU 16a Cash outflows - Total weighted value	57,895	56,787	56,246	59,392	55,684
EU 16b Cash inflows - Total weighted value	16,700	16,551	16,957	19,495	17,018
16 Total net cash outflows (adjusted value)	41,195	40,236	39,289	39,897	38,666
17 Liquidity coverage ratio (%)	253.5	259.5	259.2	250.7	251.0
Net Stable Funding Ratio					
18 Total available stable funding	530,349	558,876	551,168	573,250	547,015
19 Total required stable funding	419,976	418,267	414,806	419,475	414,762
20 NSFR ratio (%)	126.3	133.6	132.9	136.7	131.9

The decrease in total REA during the fourth quarter 2024 primarily refer to positive risk class migrations in the lending portfolio within business area Corporates & Associations. The change in LCR relates to a change in deposit maturity structure and payments due within 30 days. The change in NSFR relates to payments falling due within 180 days.

OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (EU OV1)

SEK million	Risk weighted exposure amounts (RWEAs)		Total own funds requirements
	31 Dec 2024	30 Sep 2024	31 Dec 2024
	a	b	c
1 Credit risk (excluding CCR)	159,040	161,254	12,723
2 Of which the standardised approach	8,537	8,909	683
3 Of which the foundation IRB (FIRB) approach	56,774	59,593	4,542
5 Of which the advanced IRB (AIRB) approach	17,763	19,496	1,421
6 Counterparty credit risk - CCR	1,829	2,339	147
7 Of which the standardised approach	563	755	45
8 Of which internal model method (IMM)	-	-	-
EU 8a Of which exposures to a CCP	109	114	9
EU 8b Of which credit valuation adjustment - CVA	1,119	1,429	90
9 Of which other CCR	38	41	3
20 Position, foreign exchange and commodities risks (Market risk)	417	290	33
21 Of which the standardised approach	417	290	33
23 Operational risk	7,603	7,603	608
EU 23b Of which standardised approach	7,603	7,603	608
29 Total	168,889	171,486	13,511

The decrease in total REA during the fourth quarter 2024 primarily refer to positive risk class migrations in the lending portfolio within business area Corporates & Associations.

GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL BUFFER (EU CCYB1)

010	Breakdown by country	General credit exposures		Relevant credit exposures – Market risk			Own fund requirements							
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit risk exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)
		a	b	c	d	e	f	g	h	i	j	k	l	m
	Sweden	52,550	585,288	-	-	-	637,838	6,555	-	-	6,555	81,932	98.6	2.0
	Norway	5,498	-	-	-	-	5,498	44	-	-	44	550	0.7	2.5
	Denmark	4,323	-	-	-	-	4,323	35	-	-	35	432	0.5	2.5
	Finland	1,473	-	-	-	-	1,472	13	-	-	13	160	-	-
020	Total	63,843	585,288	-	-	-	649,131	6,646	-	-	6,646	83,074	-	

No changes in the countercyclical buffer rate for Swedish, Norwegian and Danish exposures since June 30, 2024, but a decrease in REA for Swedish exposures affected the own fund requirements.

AMOUNT OF INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER (EU CCYB2)

	a
1 Total risk exposure amount	168,889
2 Institution specific countercyclical capital buffer rate, %	2.00
3 Institution specific countercyclical capital buffer requirement	3,382

No major changes have been noted since previous reporting on June 30, 2024.

4.2 OWN FUNDS

SBAB's own funds consist of equity as well as additional Tier 1 capital and Tier 2 capital consisting of subordinated loans. SBAB's own funds amounted to SEK 29,534 million on 31 December 2024, (detailed information of the own funds composition can be found in table EU CC1). Over the year, CET1 capital was affected by the fact that net profit/loss for the period was added. The surplus has been verified by the company's auditors, in accordance with Article 26, item 2, of the CRR. According to Article 35 of the CRR, the institution shall, except in the case of the items referred to in Article 33, not make adjustments to remove from own funds unrealised gains or

losses on assets or liabilities recognised at fair value. According to this Article, SEK 2,931 million have been withdrawn from CET1 capital.

According to Article 33, item 1, of the CRR, the part of the fair-value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value, including projected cash flows is not to be included in own funds. The CET1 capital has been adjusted for cash-flow hedges amounting to SEK 3,009 million.

Changes in fair value that depend on the institution's own credit standing and that are related to derivatives had a negative impact of SEK 18 million on CET1 capital, in accordance with Article 33, item 1b.

With reference to Articles 34 and 105 of the CRR, SEK 115 million has been deducted from CET1 capital due to the requirements for prudent valuation, which is disclosed in table EU PV1. A deduction of SEK 178 million for intangible assets were made, according to the calculation for activated software assets adjustments in the CET1 capital. A deduction of SEK 343 million from the calculation of expected loss amounts were made in accordance with Article 36 of the CRR. An addition of 5 million was made for an IRB surplus, under Article 62, item d of the CRR for own funds in December 2024. A small deduction from CET1 capital has been made due to the NPL backstop, pursuant to Article 36, point 1, item m, of the CRR. No risk exposures have been deducted from own funds.

DISCLOSURE OF OWN FUNDS (EU CC1)

SEK million		31 Dec 2024
		a
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	1,958
2	Retained earnings	18,651
3	Accumulated other comprehensive income (and other reserves)	-2,930
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	1,383
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	19,062
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-115
8	Intangible assets (net of related tax liability) (negative amount)	-178
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	3,009
12	Negative amounts resulting from the calculation of expected loss amounts	-343
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-
27a	Other regulatory adjustments	-18
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	2,355
29	Common Equity Tier 1 (CET1) capital	21,417
Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	6,100
31	of which: classified as equity under applicable accounting standards	6,100
32	of which: classified as liabilities under applicable accounting standards	-
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) of CRR	-
36	Additional Tier 1 (AT1) capital before regulatory adjustments	6,100
Additional Tier 1 (AT1) capital: regulatory adjustments		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-
44	Additional Tier 1 (AT1) capital	6,100
45	Tier 1 capital (T1 = CET1 + AT1)	27,517
Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	2,012
50	Credit risk adjustments	5
51	Tier 2 (T2) capital before regulatory adjustments	2,017
Tier 2 (T2) capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 (T2) capital	-
58	Tier 2 (T2) capital	2,017
59	Total capital (TC = T1 + T2)	29,534
60	Total risk exposure amount	168,889
Capital ratios and requirements including buffers		
61	Common Equity Tier 1	12.7
62	Tier 1	16.3
63	Total capital	17.5
64	Institution CET1 overall capital requirement	10.1
65	of which: capital conservation buffer requirement	2.5
66	of which: countercyclical buffer requirement	2.0
67	of which: systemic risk buffer requirement	-
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.1
68	Common Equity Tier 1 available to meet buffer (as a percentage of risk exposure amount)	7.1
Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	116
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	447

Since June 30, 2024, both a decrease in total REA due to positive risk class migrations in the lending portfolio within business area Corporates & Associations and an increase in CET1 capital due to added net profit/loss for the period had a positive impact of the CET1 capital ratio. Total capital was reduced due to redemption of Additional Tier 1 instruments during the second half of 2024.

EU CCA - MAIN FEATURES OF REGULATORY OWN FUNDS INSTRUMENTS AND ELIGIBLE LIABILITIES INSTRUMENTS, 31 DECEMBER 2024

MAIN FEATURES - REGULATORY OWN FUNDS INSTRUMENTS

1	Issuer	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	SE0012193787	SE0013102050	SE0013102068	SE0017769870	SE0020356681	SE0020356699	XS2181907663	XS2181907580
2a	Public or private placement	N/A	Public	Public	Public	Public	Public	Public	Public	Public
3	Governing law(s) of the instrument	Swedish	Swedish	Swedish	Swedish	Swedish	Swedish	Swedish	English/Swedish	English/Swedish
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes	Yes
Regulatory treatment										
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Share capital as published in Regulation (EU) No 575/2013 article 28	"Tier 1 as published in Regulation (EU) No 575/2013 article 52"	"Tier 1 as published in Regulation (EU) No 575/2013 article 52"	"Tier 1 as published in Regulation (EU) No 575/2013 article 52"	"Tier 1 as published in Regulation (EU) No 575/2013 article 52"	"Tier 1 as published in Regulation (EU) No 575/2013 article 52"	"Tier 1 as published in Regulation (EU) No 575/2013 article 52"	"Tier 2 as published in Regulation (EU) No 575/2013 article 63"	"Tier 2 as published in Regulation (EU) No 575/2013 article 63"
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	SEK 1,958.3m	SEK 400m	SEK 800m	SEK 1,500m	SEK 1,500m	SEK 600m	SEK 1,300m	SEK 1,396.5m	SEK 598.5m
9	Nominal amount of instrument	SEK 1,958.3m	SEK 400m	SEK 800m	SEK 1,500m	SEK 1,500m	SEK 600m	SEK 1,300m	SEK 1,400m	SEK 600m
EU-9a	Issue price	N/A	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent
EU-9b	Redemption price	N/A	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount
10	Accounting classification	Shareholder's equity	Shareholder's equity	Shareholder's equity	Shareholder's equity	Shareholder's equity	Shareholder's equity	Shareholder's equity	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	21-dec-84	05-Sep-19	25-Feb-21	25-Feb-21	13-Apr-22	21-Feb-24	21-Feb-24	03-Jun-20	03-Jun-20
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated
13	Original maturity date	No maturity	No maturity	No maturity	No maturity	No maturity	No maturity	No maturity	03-juni-30	03-juni-30
14	Issuer call subject to prior supervisory approval	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates, and redemption amount	N/A	"05-March-25 100 per cent of Nominal amount In addition tax/regulatory event call (capital event call)"	"25-Feb-26 100 per cent of Nominal amount In addition tax/regulatory event call (capital event call)"	"25-Feb-26 100 per cent of Nominal amount In addition tax/regulatory event call (capital event call)"	"13-April-27 100 per cent of Nominal amount In addition tax/regulatory event call (capital event call)"	"21-Feb-29 100 per cent of Nominal amount In addition tax/regulatory event call (capital event call)"	"21-Feb-29 100 per cent of Nominal amount In addition tax/regulatory event call (capital event call)"	"03-June-25 100 per cent of Nominal amount In addition tax/regulatory event call (capital event call)"	"03-June-25 100 per cent of Nominal amount In addition tax/regulatory event call (capital event call)"
16	Subsequent call dates, if applicable	N/A	Any specified interest payment date after optional redemption date	Any day from and including 25 February 2026 to and including 25 May 2026 (Initial Call Period), and thereafter any specified interest payment date after Initial Call Period	Any day from and including 25 February 2026 to and including 25 May 2026 (Initial Call Period), and thereafter any specified interest payment date after Initial Call Period	Any day from and including 13 April 2027 to and including 13 July 2027 (Initial Call Period), and thereafter any specified interest payment date after Initial Call Period	Any day from and including 21 February 2029 to and including 21 May 2029 (Initial Call Period), and thereafter any specified interest payment date after Initial Call Period	Any day from and including 21 February 2029 to and including 21 May 2029 (Initial Call Period), and thereafter any specified interest payment date after Initial Call Period	Any specified interest payment date after optional redemption date	Any specified interest payment date after optional redemption date

Coupons / dividends										
17	Fixed or floating dividend/coupon	N/A	Fixed to floating	Fixed to floating	Floating	Floating	Fixed to floating	Floating	Floating	Fixed to floating
18	Coupon rate and any related index	N/A	Fixed 3.67 per cent per annum, until first call date, thereafter Floating Stibor 3-month+3.80 per cent per annum	Fixed 3.047 per cent per annum, until first call date, thereafter Floating Stibor 3-month+2.80 per cent per annum	Floating Stibor 3-month+2.80 per cent per annum	Floating Stibor 3-month+3.20 per cent per annum	Fixed 5.80 per cent per annum, until first call date, thereafter floating STIBOR 3-month+3.00 per cent per annum	Floating Stibor 3-month+3.00 per cent per annum	Floating Stibor 3-month+2.10 per cent per annum	Fixed 2.268 per cent per annum, until first call date, thereafter Floating Stibor 3-month+2.10 per cent per annum
19	Existence of a dividend stopper	N/A	No	No	No	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No
31	If write-down, write-down trigger (s)	N/A	"SBAB Consolidated Situation CET ratio <7 per cent Issuer CET ratio <5.125 per cent"	"SBAB Consolidated Situation CET ratio <7 per cent Issuer CET ratio <5.125 per cent"	"SBAB Consolidated Situation CET ratio <7 per cent Issuer CET ratio <5.125 per cent"	"SBAB Consolidated Situation CET ratio <7 per cent Issuer CET ratio <5.125 per cent"	"SBAB Consolidated Situation CET ratio <7 per cent Issuer CET ratio <5.125 per cent"	"SBAB Consolidated Situation CET ratio <7 per cent Issuer CET ratio <5.125 per cent"	N/A	N/A
32	If write-down, full or partial	N/A	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	Full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	Temporary	Temporary	Temporary	Temporary	Temporary	Temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	Fully discretionary, if a positive net profit of Issuer and/or Group	Fully discretionary, if a positive net profit of Issuer and/or Group	Fully discretionary, if a positive net profit of Issuer and/or Group	Fully discretionary, if a positive net profit of Issuer and/or Group	Fully discretionary, if a positive net profit of Issuer and/or Group	Fully discretionary, if a positive net profit of Issuer and/or Group	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	3	3	3	3	3	3	4	4
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Senior non-preferred debt	Senior non-preferred debt
36	Non-compliant transitioned features	No	No	No	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	Link	Link	Link	Link	Link	Link	Link	Link

(1) 'N/A' inserted if the question is not applicable

MAIN FEATURES – ELIGIBLE LIABILITIES INSTRUMENTS (SNP)

1	Issuer	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS2581998718	XS2581997827	XS2641720987	XS2388372356	XS2066654919	XS2399899348	XS2439731121	XS2527965177
2a	Public or private placement	Public	Public	Public	Public	Public	Public	Public	Public
3	Governing law(s) of the instrument	English/Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Regulatory treatment									
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	SEK 1,039.9m	SEK 251.6m	SEK 5,885.5m	SEK 2,410.75m	SEK 1,150.3m	SEK 862.57 m	SEK 346.47m	SEK 607.6m
9	Nominal amount of instrument	SEK 1,000m	SEK 250m	EUR 500m	SEK 2,400m (SEK 1,450m for tranche 1, SEK 950m for tranche 2)	EUR 100m	EUR 75m	EUR 30m	SEK 600m
EU-9a	Issue price	100 per cent	100 per cent	99.855 per cent	"101.25 per cent for tranche 1 (SEK 1,450m) 101.053 per cent plus accrued interest from 21-Sep-21 to 15-Dec-21 for tranche 2 (SEK 950m)"	100 per cent	100 per cent	100 per cent	100 per cent
EU-9b	Redemption price	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount
10	Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	03-feb-23	03-feb-23	26-Jun-23	21-Sep-21	21-Oct-19	21-Oct-19	02-Feb-22	02-Sep-22
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	03-feb-26	03-feb-26	26-juni-26	03-juni-30	21-Oct-26	21-Oct-26	02-feb-27	02-sep-27
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	No	No	No	No	No
15	Optional call date, contingent call dates, and redemption amount	"03-Feb-25 100 per cent of Nominal amount In addition tax/MREL event call"	"03-Feb-25 100 per cent of Nominal amount In addition tax/MREL event call"	"26-Jun-25 100 per cent of Nominal amount In addition tax/MREL event call"	100 per cent of Nominal amount in case of tax/MREL event	100 per cent of Nominal amount in case of tax/MREL event	100 per cent of Nominal amount in case of tax/MREL event	100 per cent of Nominal amount in case of tax/MREL event	100 per cent of Nominal amount in case of tax/MREL event
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Coupons / dividends									
17	Fixed or floating dividend/coupon	Fixed to floating	Floating	Fixed to floating	Floating	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Fixed 4.405 per cent per annum until first call date, thereafter Floating Stibor 3-month+1.20 per cent per annum	Floating Stibor 3-month+1.20 per cent per annum	Fixed 4.875 per cent per annum until first call date, thereafter Floating Stibor 3-month+1.15 per cent per annum	Floating Stibor 3-month+0.75 per cent per annum	Fixed 0.42 per cent per annum	Fixed 0.325 per cent per annum	Fixed 0.53 per cent per annum	Fixed 4.2 per cent per annum
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	Yes	No	No	No	No	No	No
31	If write-down, write-down trigger (s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	6	6	6	6	6	6	6	6
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)
36	Non-compliant transitioned features	No	No	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	Link	Link	Link	Link	Link	Link	Link	Link

(1) 'N/A' inserted if the question is not applicable

MAIN FEATURES - ELIGIBLE LIABILITIES INSTRUMENTS (SP)

1	Issuer	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)	SBAB Bank AB (publ)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS2535285915	XS2702862249	XS2702863726	XS2748968091	XS2749485749	XS2581993917	XS2581997231	XS2889897703
2a	Public or private placement	Public	Public	Public	Public	Public	Public	Public	Public
3	Governing law(s) of the instrument	English/Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Regulatory treatment

4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & (Sub-)Consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b	Senior non-preferred liabilities, Regulation (EU) No 575/2013 article 72b
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	SEK 231.97m	SEK 806.9m	SEK 706.97m	SEK 1,347.5m	SEK 1,209.3m	SEK 251.58m	SEK 1,559.2m	SEK 1,500m
9	Nominal amount of instrument	EUR 20m	SEK 800m	SEK 700m	SEK 1,300m	SEK 1,200m	SEK 250m	SEK 1,500m	SEK 1,502.3m
EU-9a	Issue price	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent
EU-9b	Redemption price	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount
10	Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	20-Sep-22	12-Oct-23	12-Oct-23	18-Jan-24	18-Jan-24	03-Feb-23	03-Feb-23	02-Sep-24
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	20-sep-27	12-Oct-27	12-Oct-27	18-jan-28	18-jan-28	03-feb-28	03-feb-28	02-sep-28
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates, and redemption amount	100 per cent of Nominal amount in case of tax/MREL event	"12-Oct-26 100 per cent of Nominal amount In addition tax/regulatory event call (tax/MREL call)"	"12-Oct-26 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"	"18-Jan-27 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"	"18-Jan-27 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"	"03-Feb-27 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"	"03-Feb-27 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"	"02-Sep-27 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"
16	Subsequent call dates, if applicable	N/A	Any subsequent interest payment date after first call date (12-oct-26)	Any subsequent interest payment date after first call date (12-oct-26)	N/A	N/A	N/A	N/A	N/A

Coupons / dividends									
17	Fixed or floating dividend/coupon	Fixed	Floating	Fixed to Floating	Fixed to Floating	Floating	Floating	Fixed to Floating	Floating
18	Coupon rate and any related index	Fixed 3.332 per cent per annum	Floating Stibor 3-month+1.28 per cent per annum	Fixed 5.033 per cent per annum until first call date, thereafter Floating Stibor 3-month+1.28 per cent per annum	Fixed 3.94 per cent per annum until first call date, thereafter Floating Stibor 3-month+1.15 per cent per annum	Floating Stibor 3-month+1.15 per cent per annum	Floating Stibor 3-month+1.55 per cent per annum	Fixed 4.425 per cent per annum until first call date, thereafter Floating Stibor 3-month+1.55 per cent per annum	Floating Stibor 3-month+0.70 per cent per annum
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No	No	No	No	No
31	If write-down, write-down trigger (s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	6	6	6	6	6	6	6	6
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)	Senior unsecured debt (Senior preferred)
36	Non-compliant transitioned features	No	No	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	Link	Link	Link	Link	Link	Link	Link	Link

(1) 'N/A' inserted if the question is not applicable

MAIN FEATURES - ELIGIBLE LIABILITIES INSTRUMENTS (SP)

1	Issuer	SBAB Bank AB (publ)	SBAB Bank AB (publ)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS2346986990	XS2441055998
2a	Public or private placement	Public	Public
3	Governing law(s) of the instrument	English/Swedish	English/Swedish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes

Regulatory treatment

4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & Consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior preferred	Senior preferred
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	SEK 5,739.6m	SEK 5,760m
9	Nominal amount of instrument	EUR 500m	EUR 500m
EU-9a	Issue price	99.661 per cent	99.715 per cent
EU-9b	Redemption price	100 per cent of Nominal amount	100 per cent of Nominal amount
10	Accounting classification	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	27-May-21	08-feb-22
12	Perpetual or dated	Dated	Dated
13	Original maturity date	27-aug-26	08-feb-27
14	Issuer call subject to prior supervisory approval	No	No
15	Optional call date, contingent call dates, and redemption amount	100 per cent of Nominal amount in case of tax/MREL event	100 per cent of Nominal amount in case of tax/MREL event
16	Subsequent call dates, if applicable	N/A	N/A

Coupons / dividends

17	Fixed or floating dividend/coupon	Fixed	Fixed
18	Coupon rate and any related index	Fixed 0.125 per cent per annum	Fixed 0.50 per cent per annum
19	Existence of a dividend stopper	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down features	No	No
31	If write-down, write-down trigger (s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	7	7
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Preferred deposits	Preferred deposits
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	Link	Link

(1) 'N/A' inserted if the question is not applicable

RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS (EU CC2)

	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	31 Dec 2024	31 Dec 2024
	a	b
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements		
1 Cash and balances at central banks	3,039	3,039
2 Treasury bills	-	-
3 Lending to credit institutions	8,173	8,142
4 Lending to the public (Note 5)	537,836	537,836
5 Value changes of interest-rate-risk hedged items in macro hedges	-357	-357
6 Bonds and other interest-bearing securities	97,375	97,375
7 Derivatives (Note 6)	11,296	11,296
8 Shares in associated companies & joint ventures	6	6
9 Shares in subsidiaries	-	101
10 Deferred tax assets	697	697
11 Intangible assets	453	378
12 Property, plant and equipment	221	217
13 Other assets	210	203
14 Prepaid expenses and accrued income	937	934
Total assets	659,886	659,867
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements		
15 Liabilities to credit institutions	7,249	7,249
16 Deposits from the public	255,873	255,873
17 Debt securities issued	351,926	351,926
18 Derivatives (Note 6)	10,848	10,848
19 Other liabilities	1,879	1,879
20 Accrued expenses and deferred income	4,012	4,017
21 Deferred tax liabilities	-	-
22 Provisions	2	2
23 Subordinated debt	1,999	1,999
Total liabilities	633,788	633,793
Shareholders' Equity		
24 Share capital	1,958	1,958
26 Reserves/Fair value reserve	-2,931	-2,931
27 Additional Tier 1 instruments	6,100	6,100
28 Retained earnings	18,689	18,652
29 Net profit for the period	2,282	2,296
Total equity	26,098	26,075
Liabilities and Equity		
TOTAL LIABILITIES AND EQUITY	659,886	659,867

Since June 30, 2024 no material changes in the reconciliation of regulatory own funds to balance sheet are identified.

PRUDENT VALUATION ADJUSTMENTS (PVA) (EU PV1)

	Category level AVA	Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification			
		Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book		
		a	b	c	d	e	EU e1	EU e2			f	g
1	Market price uncertainty	-	-	-	-	-	-	-	-	-	-	-
3	Close-out cost	-	-	-	-	-	-	-	-	-	-	-
4	Concentrated positions	-	-	-	-	-			-	-	-	-
5	Early termination	-	-	-	-	-			-	-	-	-
6	Model risk	-	-	-	-	-	-	-	-	-	-	-
7	Operational risk	-	-	-	-	-			-	-	-	-
10	Future administrative costs	-	-	-	-	-			-	-	-	-
12	Total Additional Valuation Adjustments (AVAs)								115	-	-	

Prudent validation has decreased from 121 to 115 SEK million since December 31, 2023. SBAB applies the Simplified Approach.

4.3 SCOPE OF APPLICATION

OTHER QUALITATIVE INFORMATION ON THE SCOPE OF APPLICATION (EU LIB)

Impediment to the prompt transfer of own funds or to the repayment of liabilities within the group (Article 436 (f) CRR)

There are no ongoing or foreseen material obstacles or other legal barriers to a rapid transfer of funds from own funds other than what is stipulated in the terms and conditions governing subordinated loans or what generally applies under the Companies Act (2005:551).

The starting capital required for the parent company in accordance with the Act on Banking and Financing Activities (2004:297) equaled SEK 45.9 million. The corresponding capital requirement for SCBC amounted to SEK 47.0 million.

Subsidiaries not included in the consolidation with own funds less than required (Article 436 (g) CRR)

Booli Technologies AB develops products and services focusing on the housing market. The company is not included in the consolidated situation. The consolidated situation encompasses SBAB Bank AB (publ) and its wholly owned subsidiary SCBC. Table EU LI3 outline the differences in the scopes of consolidation. Booli Technologies AB has no regulatory requirements on own funds and is not under the SFSA's supervision.

Use of derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR (Article 436(h) CRR)

Not applicable.

Aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation (Article 436(g) CRR)

Not applicable.

OUTLINE OF THE DIFFERENCES IN THE SCOPES OF CONSOLIDATION (EU LI3)

Entities included in the consolidated situation

Name of entity	Organsiation number	Share	Method of accounting consolidation	Method of prudential consolidation	Description
SBAB Bank AB (publ)	556253-7513	Parent company	-	-	Institution
AB Sveriges Säkerställda Obligationer (publ)	556645-9755	100%	Full consolidation	Full consolidation	Institution

Entities not included in the consolidated situation

Name of entity	Organsiation number	Share	Method of accounting consolidation	Method of prudential consolidation	Description
Booli Technologies AB	556733-0567	100%	Full consolidation	Not consolidated	IT company

Joint ventures not included in the consolidated situation

Name of entity	Organsiation number	Share	Method of accounting consolidation	Method of prudential consolidation	Description
Tibern AB	559384-3542	14%	Equity method	Not consolidated	IT company

EXPLANATIONS OF DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY EXPOSURE AMOUNTS (EU LIA) Disclose the differences between columns (a) and (b) in template EU LI1 (Article 436 (b) CRR)

The regulatory consolidation (consolidated situation) consists of the parent company and wholly owned subsidiary AB Sveriges Säkerställda obligationer (publ). The companies that are included in the consolidated accounts but are excluded from consolidated situation are shown in the table EU LI3.

Qualitative information on the main sources of differences between the accounting and regulatory scope of consolidation shown in template EU LI2 (Article 436 (d) CRR)

The main sources of differences between the regulatory exposure amounts and carrying values in the financial statements are the off balance sheet exposures reported under the credit risk framework, the differences due to the reporting of derivative exposures and the netting rules according to the counterparty credit risk framework.

DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATIONS AND THE MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES (EU LI1)¹⁾

Balance sheet, SEK million		Carrying values of items					Not subject to capital requirements or subject to deduction from capital base ³⁾
		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to the credit risk framework	Subject to CCR framework	Subject to the market risk framework ²⁾	
		a	b	c	d	e	f
Assets							
1	Cash and balances at central banks	3,039	3,039	3,039	-	-	-
2	Treasury bills	-	-	-	-	-	-
3	Lending to credit institutions	8,173	8,142	213	7,929	-	-
4	Lending to the public	537,836	537,836	537,836	-	-	-
5	Value changes of interest-rate-risk hedged items in macro hedges ⁴⁾	-357	-357	0	-	-	-
6	Bonds and other interest-bearing securities	97,375	97,375	97,375	-	-	-
7	Derivatives	11,296	11,296	-	11,296	-	-
	Shares in associated companies and joint ventures	6	6	6	-	-	-
8	Shares in subsidiaries	-	101	101	-	-	-
	Deferred tax assets	697	697	-	-	-	697 ⁵⁾
9	Intangible assets	453	378	378	-	-	-
10	Property, plant and equipment	221	217	217	-	-	-
11	Other assets	210	203	252	-	-	-
12	Prepaid expenses and accrued income	937	935	935	-	-	-
Total assets		659,886	659,867	640,302	19,225	-	697
Liabilities							
1	Liabilities to credit institutions	7,249	7,249	-	7,249	-	-
2	Deposits from the public	255,873	255,873	-	-	-	-
3	Debt securities issued	351,926	351,926	-	-	-	-
4	Derivatives	10,848	10,848	-	10,848	-	-
5	Other liabilities	1,879	1,877	-	-	-	-
6	Accrued expenses and deferred income	4,011	4,017	-	-	-	-
7	Deferred tax liabilities	-	-	-	-	-	-
8	Provisions	2	2	-	-	-	-
9	Subordinated debt	1,998	1,999	-	-	-	-
Total liabilities		633,788	633,793	-	18,097	-	-

¹⁾ The table does not include operational risk or CVA risk.

²⁾ Following the implementation of IFRS 9, SBAB no longer has any interest-rate risk and only has currency risk. The table does not specify carrying values for currency risk.

³⁾ The exposure class, "other items" includes both items deducted from own funds and those covered through new software regulation. Capital adequacy for these is calculated with a risk weight of 0% and with 100% according to regulation regarding software calculation.

⁴⁾ Value changes of interest rate risk hedged in macro hedges is negative as of year-end 2024. The negative amount effects carrying amount for scope of regulatory consolidation and credit risk but is not subject to calculation of exposure amounts.

⁵⁾ Deferred tax assets consist of temporary differences cashflow hedges and is not subject to deduction from own funds nor subject to own funds requirements.

Since December 31, 2023 the exposure towards treasury bills has decreased and bonds and other interest-bearing securities has increased. Derivatives has a minor change since previous year.

MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS (EU LI2)

SEK million	Total	Items subject to			
		Credit risk framework	Securisation framework	CCR framework	Market risk framework
	a	b	c	d	e
1 Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	659,527	640,302	–	19,225	–
2 Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	18,087	–	–	18,097	–
3 Total net amount under the scope of prudential consolidation	641,430	640,302	–	1,128	–
4 Off-balance-sheet amounts	50,595	50,595	–	–	
5 <i>Differences in valuations</i>	–	–	–	–	
6 <i>Differences due to different netting rules, other than those already included in row 2</i>	–	–	–	–	
7 <i>Differences due to consideration of provisions</i>	324	324	–	–	
8 <i>Differences due to the use of credit risk mitigation techniques (CRMs)</i>	–	–	–	–	
9 <i>Differences due to credit conversion factors</i>	–39,555	–39,555	–	–	
10 <i>Differences due to Securitisation with risk transfer</i>	–	–	–	–	
11 <i>Other differences</i>	7,140	–635	–	6,505	
12 Exposure amounts considered for regulatory purposes	659,942	652,310	–	7,632	–

Since year end 2023 the exposure amounts subject to Credit risk framework has increased from 638,498 to 652,310 mainly due to increased lending to the public.

4.4 LEVERAGE RATIO

DISCLOSURE OF LR QUALITATIVE INFORMATION (EU LRA)

The leverage ratio is a measure of solvency. Compared with the capital adequacy requirement, assets are not risk weighted but rather the same amount of capital is required, regardless of what risk is associated with the assets. According to the European Commission's delegated regulation ((EU) 2015/62), the leverage ratio is calculated as Tier 1 capital divided by the total exposure amount, where off-balance sheet exposures are assigned CCFs. The leverage ratio became a binding requirement during 2021 with the requirement of 3.0%. The consolidated situation also has a Pillar 2 Guidance of 0.5%. The tables EU LR1, EU LR2 and EU LR3 discloses detailed information of the leverage ratio.

Description of the processes used to manage the risk of excessive leverage (Article 451(1) CRR)

The leverage ratio is included in SBAB's forward looking capital planning to enable proactive management of the risk of the leverage ratio becoming too low. The target for the measure is set in SBAB's capital policy, and therefore its outcome and development is followed up and reported monthly to the CEO and Board. In a situation with excessive debt and an inadequate leverage ratio that needs to be addressed, the requisite measures can include a lower dividend, additional capital from the owner or alternatively an issue of additional Tier 1 capital. Moreover, balance sheet measures may need to be applied to reduce SBAB's exposure. Under normal conditions, the leverage ratio should be at least 0.2 percentage points above the capital requirements communicated by the SFSA.

Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers (Article 451(1) CRR)

The Leverage ratio amounted to 4.19% as per December 2024, which is slightly higher than a year earlier when it amounted to 4.09%. The year-on-year change in the leverage ratio was due to:

- Tier 1 capital increased due to accrued earnings, which had a positive impact on the leverage ratio by 0.20%
- The effect of the exposure measure attributable to SFTs increased slightly, which had a negative impact on leverage ratio by 0.01%.
- The effect of the exposure measure attributable to derivatives decreased slightly, which had a positive impact on leverage ratio by 0.01%.
- The effect of the exposure measure attributable to off-balance-sheet items increased slightly, which had a negative impact on leverage ratio by 0.01%.
- The effect of the exposure measure attributable to lending increased, which had a negative impact by 0.14%.
- The effect of exposure measure attributable to exposures treated as sovereign decreased, which had a positive impact on leverage ratio by 0.15%.
- The effect of exposure measure attributable to other assets increased, which had a negative impact on leverage ratio by 0.10%.

SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES (EU LR1)

SEK million		Applicable amount
		2024
		a
1	Total assets as per published financial statements	659,867
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	–
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	–
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	–
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	–
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	–
7	Adjustment for eligible cash pooling transactions	–
8	Adjustments for derivative financial instruments	–8,465
9	Adjustment for securities financing transactions (SFTs)	839
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	10,628
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	–115
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	–
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	–
12	Other adjustments	–6,089
13	Total exposure measure	656,664

Identified changes since the last quarter is primarily due to a decrease in covered bonds, off balance sheet and sovereign exposures.

LEVERAGE RATIO COMMON DISCLOSURE (EU LR2)

SEK million		CRR leverage ratio exposures	
		31 Dec 2024	30 Sep 2024
		a	b
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	649,951	654,145
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	56
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-8,933	-10,970
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	-178	-196
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	640,840	643,034
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	610	1,047
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	2,220	2,304
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	2,830	3,351
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	3,893	4,108
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-1,526	-1,560
16	Counterparty credit risk exposure for SFT assets	-	0
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	Total securities financing transaction exposures	2,367	2,549
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	50,625	58,809
20	(Adjustments for conversion to credit equivalent amounts)	-39,995	-46,307
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-2	-3
22	Off-balance sheet exposures	10,628	12,498
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans):		
	- Promotional loans granted by a public development credit institution		
	- Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State		
	- Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-

SEK million		CRR leverage ratio exposures	
		31 Dec 2024	30 Sep 2024
		a	b
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	Tier 1 capital	27,517	27,293
24	Total exposure measure	656,664	661,432
Leverage ratio			
25	Leverage ratio (%)	4.19	4.13
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans (%)	4.19	4.13
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	4.19	4.13
26	Regulatory minimum leverage ratio requirement (%)	3.00	3.00
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b	of which: to be made up of CET1 capital (percentage points)	-	-
27	Leverage ratio buffer requirement (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3.00	3.00
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	-	-
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	3,242	3,088
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	2,367	2,548
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	657,540	661,972
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	657,540	661,972
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) (%)	4.18%	4.12%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) (%)	4.18%	4.12%

Identified changes since the last quarter is primarily due to a decrease in covered bonds, off balance sheet and sovereign exposures.

SPLIT-UP OF ON BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES) (EU LR3)

SEK million		CRR leverage ratio exposures
		2024
		a
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	640,991
EU-2	Trading book exposures	–
EU-3	Banking book exposures, of which:	640,991
EU-4	<i>Covered bonds</i>	58,681
EU-5	<i>Exposures treated as sovereigns</i>	43,011
EU-6	<i>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</i>	–
EU-7	<i>Institutions</i>	0
EU-8	<i>Secured by mortgages of immovable properties</i>	535,217
EU-9	<i>Retail exposures</i>	2,435
EU-10	<i>Corporates</i>	–
EU-11	<i>Exposures in default</i>	496
EU-12	<i>Other exposures (eg equity, securitisations, and other non-credit obligation assets)</i>	1,151

Identified changes since the last quarter is primarily attributed to covered bonds, off balance sheet and sovereign exposures.

4.5 ICAAP

ICAAP INFORMATION (EU OVC)

The internal capital adequacy assessment aims to ensure that SBAB has adequate capital under normal circumstances and in the event of financial problems. The Board of Directors and Executive Management are responsible for the internal capital adequacy assessment. Within the framework of the internal capital and liquidity adequacy assessment processes (ICLAAP), SBAB applies an economic capital model for its internally assessed capital requirement. Liquidity risk does not directly lead to capital requirements, instead it entails needs in form of a liquidity reserve and active debt management. The ICLAAP is designed to ensure an equal balance between risk, capital and liquidity. Refer to Chapter 6 for more information on liquidity risk. The table internally assessed capital discloses the amount of economic capital.

INTERNALLY ASSESSED CAPITAL REQUIREMENT

	CONSOLIDATED SITUATION	
	31 Dec 2024	31 Dec 2023
	Internally assessed capital requirement	
	mnkr	mnkr
Credit risk	6,703	7,262
Market risk	1,590	2,070
Operational risk	608	534
Concentration risk	1,522	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

Approach to assessing the adequacy of the internal capital (Article 438(a) CRR)

As a part of SBAB's process for establishing internally assessed capital requirements, the risks generated in the operations are identified initially. Risk Control is responsible for the quantification of all risks. Various models are used depending on the risk to be measured. The economic capital model is used to calculate capital requirements for quantifiable risks. SBAB uses internal stress tests to assess the impact on the capital ratios and requirements during a normal economic downturn and during severe but not improbable financial stress.

The combined results are followed up and analysed, for both short and long-term effects, in terms of capital planning and forecasts. The compiled result of the internal capital adequacy assessment is reported to the Board and CEO. Finally, the Board establishes the process and the results of the company's internal capital adequacy assessment.

5 Credit risk

Credit risk is defined as the risk of loss due to the borrower's inability to make interest and loan repayments or otherwise fulfil the loan agreement.

5.1 CREDIT QUALITY

GENERAL QUALITATIVE INFORMATION ABOUT CREDIT RISK (EU CRA)

In the concise risk statement in accordance with point (f) of Article 435(1) CRR, how the business model translates into the components of the institution's credit risk profile (Point (f) of Article 435(1) CRR)

SBAB conducts customer-centric credit operations based on professionalism, simplicity and quality, which creates the conditions for profitability and long-term customer relations.

This means that the credit operations are denoted by high credit quality, efficient decision-making processes, and understanding of the customer's situation. This also entails customer-oriented procedures and balanced risk taking in the lending portfolio.

For a loan to be granted by SBAB, adequate collateral must be provided. When lending to private individuals, adequate collateral primarily refers to mortgage deeds on residential property or shares in tenant-owners' associations with a maximum loan amount of 85% of the market value (loan-to-value ratio or LTV). When lending to real estate companies and tenant-owners' associations, adequate collateral refers to mortgage deeds on immovable property with the maximum LTV governed by the borrower's repayment capacity, usually between 50–75%. In general, credit granting requires that collateral is obtained with first lien and that the borrower is creditworthy according to the internal rating grades for PD used within the IRB system. Creditworthy borrowers refer to the rating grades P1–P8 for private individuals, F1–F7 for real estate companies and B1–B8 for tenant-owners' associations. To a limited extent SBAB also provides unsecured loans where no collateral is obtained, such as consumer loans to private individuals and building credits to real estate companies.

Credit risk in the lending operations is also mitigated by credit limits determined for a customer or group of customers. Large exposures, meaning those amounting to 10% or more of eligible capital, are managed based on internal credit instructions and external regulations. All exposures exceeding 2% of own funds are identified and analysed for the purpose of deciding whether they fall within the framework of large exposures in relation to a group of connected customers or clients.

When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and (d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits (Points (a) and (d) of Article 435(1) CRR)

SBAB's Board and Executive Management are actively involved in the design of the institution's risk management system and the follow-up of credit risks. The Board of Directors or its committees approve all significant methods, internal models and processes related to credit risk.

When informing on the structure and organisation of the risk management function in accordance with point (b) of Article 435(1) CRR, the structure and organisation of the credit risk management and control function (Point (b) of Article 435(1) CRR)

Each business area deals with the operational management of credit risk during the lifecycle of the loan whereas the risk control unit in the second line of defense is responsible for monitoring, controlling and measuring credit risk on a regular basis.

When informing on the authority, status and other arrangements for the risk management function in accordance with point (b) of Article 435(1) CRR, the relationships between credit risk management, risk control, compliance and internal audit functions (Point (b) of Article 435(1) CRR)

The reporting structure is designed for the Board of the parent company and the Executive Management to receive reports on the development and current levels of credit risk. Procedures are in place for managing and acting on changes in credit risk levels, based on the information provided in the reports.

ADDITIONAL DISCLOSURE RELATED TO THE CREDIT QUALITY OF ASSETS (EU CRB)

The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes in accordance with Article 178 CRR (Points (a) and (b) of Article 442 CRR)

An obligor is defined to be in default if the obligor is more than 90 days past due (for outstanding amounts exceeding 1% of total debt and a threshold of SEK 1,000 or SEK 5,000 for retail exposures and corporate exposures respectively) or if the obligor is assessed as unlikely to pay its credit obligations.

Loans subject to specific impairment requirements refer to exposures where individual provisions have been posted, meaning that there is an increased credit risk for future payments and the collateral no longer covers the amount of the claim. The size of individual provisions is determined by comparing the payment obligations according to the loans' terms and conditions with the expected future payment capacity of the customer, in combination with a valuation of the collateral.

The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this *(Points (a) and (b) of Article 442 CRR)*

An exposure can be past due more than 90 days and still not in default according to the internal definition of default, compliant with article 178 CRR, if the materiality thresholds are not exceeded. However, for calculation of expected credit losses according to IFRS 9, a loan will be allocated to stage 3 automatically when 90 days past due is exceeded.

Description of methods used for determining general and specific credit risk adjustments *(Points (a) and (b) of Article 442 CRR)*

For calculation of expected credit losses according to IFRS 9, loans are assigned to one of three credit stages according to their credit risk relative to initial recognition. Credit impaired loans, which are either defaulted according to the internal default definition or 90 days past due, are allocated to stage 3. Loans with a significant increase in credit risk are allocated to stage 2. All other loans are allocated to stage 1.

Assignment of individual and model-based loss provisions is carried out pursuant to the current accounting standard IFRS 9. On 31 December 2024, the total provisions, with deductions for guarantees, amounted to 22% of the total exposure

for defaulted loans. All provisions have been assessed to constitute specific credit risk adjustments based on Article 1, item 5, of the EBA's Regulatory Technical Standards on specific and general risk regarding Article 110, item 4 of the CRR. EBA's Guidelines on disclosures of non-performing exposures includes a set of common templates applicable to all banks and additional templates applicable only to significant credit institutions with a gross non-performing loan (NPL) ratio of 5% or above. SBAB has a gross NPL ratio below 5%.

The institution's own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR when different from the definition of forbore exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014 *(Points (a) and (b) of Article 442 CRR)*

SBAB does not use an own definition for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR. SBAB complies fully with the definition of forbore exposures defined in Annex V to Commission Implementing Regulation (EU) 680/2014, later repealed by (EU) 2015/227, which again has been implicitly repealed by (EU) 2021/451.

PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS (EU CR1)

SEK million	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collaterals and financial guarantees received		
	Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
	of which stage 1	of which stage 2		of which stage 2	of which stage 3		of which stage 1	of which stage 2		of which stage 2	of which stage 3				
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
005 Cash balances at central banks and other demand deposits	3,252	3,252	-	-	-	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	545,199	509,045	36,155	859	2	857	-100	-34	-66	-193	0	-193	-	-	0
020 Central banks	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040 Credit institutions	7,929	7,929	-	-	-	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
060 Non-financial corporations	170,203	157,585	12,618	40	-	40	-29	-9	-20	-19	-	-19	-	-	-
070 Of which: SMEs	81,834	74,485	7,349	40	-	40	-16	-2	-14	-19	-	-19	-	-	-
080 Households	367,068	343,531	23,536	819	2	817	-71	-25	-46	-174	0	-174	-	-	0
090 Debt Securities	5,302	5,302	-	-	-	-	0	0	-	-	-	-	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	826	826	-	-	-	-	0	0	-	-	-	-	-	-	-
120 Credit institutions	4,476	4,476	-	-	-	-	0	0	-	-	-	-	-	-	-
130 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance sheet exposures	50,607	50,466	141	0	-	0	-2	-2	0	0	-	0	-	-	-
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200 Non-financial corporations	2,206	2,119	87	0	-	0	-1	-1	0	0	-	0	-	-	-
210 Households	48,401	48,347	54	-	-	-	-1	-1	0	-	-	-	-	-	-
220 Total	601,108	564,813	36,296	859	2	857	-102	-36	-66	-193	0	-193	0	-	0

No major changes have been noted since previous reporting on June 30, 2024.

MATURITY OF EXPOSURES (EU CR1-A)

SEK million	Net exposure values						Total
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity		
	a	b	c	d	e	f	
1 Loans and advances	-	404,547	130,046	14,353	72	549,018	
2 Debt securities	-	11,948	82,026	3,934	-	97,908	
3 Total	-	416,495	212,072	18,287	72	646,926	

No major changes have been noted since previous reporting on June 30, 2024.

CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES (EU CR2)

SEK million	Gross carrying amount
	a
010 Initial stock of non-performing loans and advances	735
020 Inflows to non-performing portfolios	430
030 Outflows from non-performing portfolios	-306
040 Outflows due to write-offs	-6
050 Outflow due to other situations	-300
060 Final stock of non-performing loans and advances	859

No major effects on the stock (net) during 2024.

CREDIT QUALITY OF FORBORNE EXPOSURES (EU CQ1)

SEK million	Gross carrying amount/ Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures	g	Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
		b	Of which defaulted	Of which impaired				
	a	b	c	d	e	f	g	h
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010 Loans and advances	11	87	87	87	0	-21	77	-
020 <i>Central banks</i>	-	-	-	-	-	-	-	-
030 <i>General governments</i>	-	-	-	-	-	-	-	-
040 <i>Credit institutions</i>	-	-	-	-	-	-	-	-
050 <i>Other financial corporations</i>	-	-	-	-	-	-	-	-
060 <i>Non-financial corporations</i>	-	1	1	1	-	0	0	-
070 <i>Households</i>	11	86	86	86	0	-21	77	-
080 Debt Securities	-	-	-	-	-	-	-	-
090 Loan commitments given	-	-	-	-	-	-	-	-
100 Total	11	87	87	87	0	-21	77	-

No major changes have been noted since previous reporting on June 30, 2024.

CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS (EU CQ3)

SEK million		Gross carrying amount/nominal amount											
		Performing exposures				Non-performing exposures							
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or past due ≤ 90 days		Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 years ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
a	b	c	d	e	f	g	h	i	j	k	l		
005	Cash balances at central banks and other demand deposits	3,252	3,252	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	545,199	544,861	339	859	428	191	116	103	22	-	-	857
020	Central banks	0	0	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	7,929	7,929	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
060	Non-financial corporations	170,203	170,203	-	40	40	-	-	-	-	-	-	40
070	Of which SMEs	81,834	81,834	-	40	40	-	-	-	-	-	-	40
080	Households	367,068	366,729	339	819	388	191	116	103	22	-	-	817
090	Debt Securities	5,302	5,302	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	826	826	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	4,476	4,476	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	50,607			0								0
160	Central banks	-											
170	General governments	-											
180	Credit institutions	-											
190	Other financial corporations	-											
200	Non-financial corporations	2,206			0								0
210	Households	48,401											
220	Total	601,108	550,162	339	859	428	191	116	103	22	-	-	857

No significant changes are identified since previous reporting on December 31, 2023.

QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY (EU CQ4)

SEK million		Gross carrying/nominal amount					Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		of which: non-performing			of which: subject to impairment	Accumulated impairment		
		a	b	c				
010	On balance sheet exposures	546,059		857		-294		-193
020	Sweden	546,059		857		-294		-193
080	Off balance sheet exposures	50,607		0				
090	Sweden	50,607		0				
150	Total	596,666		857		-294		-193

No major changes have been noted since previous reporting on June 30, 2024.

CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY (EU CQ5)

SEK million	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	a	Of which non-performing		Of which loans and advances subject to impairment		
		b	Of which defaulted			
010 Agriculture, forestry and fishing	4		-		0	-
020 Mining and quarrying	-		-		-	-
030 Manufacturing	-		-		-	-
040 Electricity, gas, steam and air conditioning supply	31		-		0	-
050 Water supply	-		-		-	-
060 Construction	1,255		-		0	-
070 Wholesale and retail trade	-		-		-	-
080 Transport and storage	1,694		-		-1	-
090 Accommodation and food service activities	-		-		-	-
100 Information and communication	-		-		-	-
110 Real estate activities	166,361		40		-47	-
120 Financial and insurance activities	524		-		0	-
130 Professional, scientific and technical activities	206		-		0	-
140 Administrative and support service activities	-		-		-	-
150 Public administration and defense, compulsory social security	-		-		-	-
160 Education	-		-		-	-
170 Human health services and social work activities	168		-		0	-
180 Arts, entertainment and recreation	-		-		-	-
190 Other services	0		-		0	-
200 Total	170,243		40		-48	-

No major changes have been noted since previous reporting on June 30, 2024.

5.2 CREDIT RISK MITIGATION TECHNIQUES

QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO CRM TECHNIQUES (EU CRC)

A description of the core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting (Article 453 (a) CRR)

Close-out netting agreements are used for derivative and repo transactions, which allows SBAB to net positive and negative market values on contracts within the same agreement in the event of default of the counterparty. ISDA master agreement is used for derivatives and the global master repurchase agreement (GMRA) is used for repurchase agreements.

The core features of policies and processes for eligible collateral evaluation and management (Article 453 (b) CRR)

SBAB primarily grants loans provided that collateral can be obtained with first lien and that the customer in general has an internal PD rating grade of P1-P8 for private individuals, F1-F7 for real estate companies and B1-B8 for tenant-owners' associations (defaulted rating grades are P11, F11 and B11). For details on how the internal ratings compare with external rat-

ings for corporate customers, refer to the table "The mapping between external and internal rating for corporates". When lending to private individuals, the market value of the collateral is generally determined by using an approved automated valuation model (AVM) and approved by a mortgage specialist. If the market value cannot be computed or is not approved by the mortgage specialist, it is determined by an internal property appraiser or an external property appraiser.

When lending to corporate customers such as tenant-owners' associations and real estate companies, the market value of the collateral is determined by internal property appraisers.

External valuations can form the basis of valuations made by internal property appraisers. For houses, holiday homes and tenant-owners' rights, the market values are updated at least twice a year. Market values on multi-family dwellings, e.g. owned by real estate companies or tenant-owners' associations, are updated at least every third year but verified on an annual basis. For other properties, the market values are updated at least annually. If there are major changes in macro-economic factors that affect the Swedish property market, the market value is verified more often.

THE MAPPING BETWEEN INTERNAL AND EXTERNAL RATING FOR CORPORATES

Rating grade	Standard & Poor's rating
B1	AAA to A-
B2	BBB+
B3	BBB
B4	BBB
B5	BBB-
B6	BB+
B7	BB
B8	BB-
B9	B+ to B-
B10	CCC to C

Rating grade	Standard & Poor's rating
F1	AAA to BBB+
F2	BBB
F3	BBB-
F4	BB+
F5	BB
F6	BB
F7	BB-
F8	B+ to B
F9	B-
F10	CCC to C

A description of the main types of collateral taken by the institution to mitigate credit risk (Article 453 (c) CRR)

Granting of new loans requires that adequate collateral is provided, usually in the form of mortgages deeds on immovable property or a share in a tenant-owners' association where the LTV does not exceed 75–85%. When calculating the prudent value of the securities included in the liquidity reserve, SBAB applies the haircuts issued in accordance with the Riksbank's Guidelines for collateral management in the regulatory framework for RIX and monetary policy instruments as well as the ECB list of eligible marketable assets.

In addition to collateral in immovable property or tenant-owners' rights, it is possible to grant loans against, inter alia, collateral in the form of a government guarantee, municipal guarantee, securities, bank guarantees and deposits in a Swedish bank. To a limited extent, equities corresponding up to 85% of the market value of the properties can be approved as collateral in conjunction with a property purchase through a company transaction. SBAB does not hold any collateral that has been repossessed.

For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures (Article 453 (d) CRR)

SBAB does not use credit derivatives to mitigate credit risk.

Information about market or credit risk concentrations within the credit mitigation taken (Article 453 (e) CRR)

SBAB's credit exposure is concentrated in Sweden. The liquidity reserve has exposures towards issuers in Sweden, several different countries in Europe and the US. SBAB's lending portfolio is mainly secured by properties for housing in the Stockholm area. SBAB's credit exposure to economically weak regions in Sweden is below 1%.

CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES (EU CR3)

Exposure classes, SEK million	Unsecured carrying amount ¹⁾	Secured carrying amount			
		a	b	Of which secured by collateral	Of which secured by financial guarantees
				c	d
					e
1 Loans and advances	17,536	531,482	531,235	247	–
2 Debt securities	97,908	–	–	–	–
3 Total	115,444	531,482	531,235	247	–
4 Of which non-performing exposures	29	637	637	–	–
EU-5 Of which defaulted	25	495	495	–	–

¹⁾ Unsecured exposures consist of exposures that are not pledged in real estate.

No major changes have been noted since previous reporting on June 30, 2024.

5.3 CREDIT RISK STANDARDISED APPROACH

QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO STANDARDISED MODEL (EU CRD)

Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) nominated by the institution, and the reasons for any changes over the disclosure period (Article 444 (a) CRR)

SBAB uses information from three major rating agencies – Standard & Poor's, Moody's and Fitch. No changes occurred during the disclosure period.

The exposure classes for which each ECAI or ECA is used (Article 444 (b) CRR)

Credit institutions, exposures to institutions and corporates with a short-term credit assessment and covered bonds.

A description of the process used to transfer the issuer and issue credit ratings onto comparable assets items not included in the trading book (Article 444 (c) CRR)

Not applicable.

The association of the external rating of each nominated ECAI or ECA (as referred to in row (a)) with the risk weights that correspond with the credit quality steps as set out in Chapter 2 of Title II of Part Three CRR (except where the institution complies with the standard association published by the EBA) (Article 444 (d) CRR)

SBAB complies with the standard association published by EBA.

STANDARDISED APPROACH - CREDIT RISK EXPOSURE AMOUNT AND CRM EFFECTS (EU CR4)

Exposure classes, SEK million	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWAs density	
	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWEA	RWEA density (%)
	a	b	c	d	e	f
1 Central governments or central banks	3,389	-	3,389	-	-	-
2 Regional government or local authorities	33,301	-	33,548	-	-	-
4 Multilateral development banks	1,598	-	1,598	-	-	-
5 International organisations	4,475	-	4,475	-	-	-
6 Institutions	0	-	0	-	0	20.0
7 Corporates	-	-	-	-	-	-
8 Retail	2,435	1,539	2,435	308	2,057	75.0
10 Exposures in default	7	-	7	-	7	101.6
12 Covered bonds	58,681	-	58,681	-	5,868	10.0
13 Institutions and corporates with a short-term credit assessment	215	-	215	-	43	20.0
15 Equity	107	-	107	-	107	100.0
16 Other items	830	30	830	6	455	54.5
17 Total	105,038	1,569	105,285	314	8,537	8.1

No major changes have been noted since previous reporting on June 30, 2024.

STANDARDISED APPROACH (EU CR5)

Exposure class, SEK million	Risk weight									Total	Of which, unrated
	0%	10%	20%	50%	75%	100%	150%	250%	Others		
	a	d	e	g	i	j	k	n	o		
1 Central governments or central banks	3,389	-	-	-	-	-	-	-	-	3,389	-
2 Regional government or local authorities	33,548	-	-	-	-	-	-	-	-	33,548	-
4 Multilateral development banks	1,598	-	-	-	-	-	-	-	-	1,598	-
5 International organisations	4,475	-	-	-	-	-	-	-	-	4,475	-
6 Institutions	-	-	0	-	-	-	-	-	-	0	-
7 Corporates	-	-	-	-	-	-	-	-	-	-	-
8 Retail	-	-	-	-	2,743	-	-	-	-	2,743	2,743
10 Exposures in default	-	-	-	-	-	7	0	-	-	7	7
12 Covered bonds	-	58,681	-	-	-	-	-	-	-	58,681	-
13 Institutions and corporates with a short-term credit assessment	-	-	215	-	-	-	-	-	-	215	-
15 Equity	-	-	-	-	-	107	-	-	-	107	-
16 Other items	382	-	-	-	-	454	-	-	-	836	834
17 Total	43,392	58,681	215	-	2,743	568	0	-	-	105,599	3,584

No major changes have been noted since previous reporting on June 30, 2024.

5.4 CREDIT RISK IRB APPROACH

QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO IRB APPROACH (EU CRE)

The competent authority's permission of the approach or approved transition (Article 452 (a) CRR)

The advanced IRB approach (AIRB), requiring own estimates of PD and LGD, has been used since 2007 for measuring credit risk for the retail exposure class consisting of loans to private individuals secured by mortgage deeds on residential property or shares in tenant-owners' associations. The foundation IRB approach (FIRB), only requiring own estimates of PD, has been used since 2007 for measuring credit risk for the corporate exposure class consisting of loans to real estate companies and tenant-owners' associations secured by mortgage deeds on immovable property. The corporate exposure class also includes real estate companies with building credits. In 2013, permission to include tenant-owners' associations with a turnover of less than EUR 50 million in the retail exposure class was received from the SFSA. In 2015, SBAB furthermore received permission to use the IRB approach for excess exposures not fully covered by mortgage deeds, property financing using collateral other than directly pledged mortgage deeds and building credits. Previously, the standardised approach was used for these exposures. In 2023, SBAB received permission to move tenant-owners' associations with a turnover of less than EUR 50 million from the retail exposure class to the corporate exposure class.

The control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on (Article 452 (c) CRR):

The relationship between the risk management function and the internal audit function:

The third line of defense, Internal audit, performs annual reviews of the IRB system and its underlying models. The primary focus of the internal audit is changed from year to year, to ensure both that the review is done based on the most recent risk assessment and that the IRB system is thoroughly reviewed covering possible changes. Additionally, Internal audit reviews all applications related to the IRB system submitted to the SFSA for approval. The second line of defense, the risk control unit led by the CRO, performs independent validation of the credit risk models and communicates possible deficiencies and action plans to address findings to senior management and the Board. Thus, the relationship between the risk control unit and the internal audit function follows the general principle of segregation of duties, where the third line of defense safeguards that the second line of defense has performed its duties following sound governance principles.

The rating system review:

The credit risk models used for calculation of own funds requirements within the IRB system are reviewed at least annually through the separate processes of validation and review of estimates.

Procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models:

SBAB has a separate validation team that works continuously with review and validation of the credit risk models, which are developed, changed or improved by the model development

team. The validation team does not under any circumstances participate in the development of the models. Thus, the full ownership of the models resides within the model development team.

The procedure to ensure the accountability of the functions in charge of developing and reviewing the models;

The separate teams responsible for model development and model validation are led by two different managers, ensuring accountability of the functions. Both teams are within the risk control unit.

The role of the functions involved in the development, approval and subsequent changes of the credit risk models (Article 452 (d) CRR)

All changes that may affect the IRB system must be classified according to degree of materiality and handled accordingly. Material changes must be internally endorsed by the CRO, the CEO and the Board, before an application for permission to implement the change is submitted to the SFSA for approval. Changes not considered material must be internally approved by the CRO and lead to a notification to the SFSA either two months before or after implementation. Non-material changes requiring a pre-notification to the SFSA are more material than those only requiring a post-notification.

All internal stakeholders are required to notify the risk control unit of upcoming changes that could affect the IRB system, e.g. changes in lending products and markets, credit granting processes, system support and data relevant for IRB models. The model development team is responsible for performing classification of materiality and implementation of changes to the IRB system.

The scope and main content of the reporting related to credit risk models (Article 452 (e) CRR)

The quarterly risk report, which is sent by the CRO to the CEO and the Board, provides relevant information about the IRB system. The report is structured to allow a third party to easily evaluate changes in credit risk exposure and the associated explanatory factors. The main content of the report includes, among other things, estimates of the risk parameters (PD and LGD) and realised outcomes per rating grade, initiated changes or extensions that affect the IRB system, including classification of materiality and implementation date, validation findings and accompanied actions plans.

A description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering (Article 452 (f) CRR):

Exposures are assigned an exposure class in conjunction with calculation of own funds requirements according to the IRB framework. The AIRB approach is used for the retail exposure class while the FIRB approach is used for the corporate exposure class. The table Loan portfolios and exposure classes for which the IRB approach is applied, shows the distinction between retail exposures and corporate exposures.

LOAN PORTFOLIOS AND EXPOSURE CLASSES FOR WHICH THE IRB APPROACH IS APPLIED

Portfolio	Property	Exposure class	Method	PD model	LGD model
Corporates	Private properties	Corporate exposures	Foundation IRB approach	"Private individuals"	Standardised values
Corporates	Tenant-owner associations	Corporate exposures	Foundation IRB approach	"ToA"	Standardised values
Corporates	Commercial properties	Corporate exposures	Foundation IRB approach	"Real Estate companies"	Standardised values
Retail	Houses and holiday homes	Retail exposures	Advanced IRB approach	"Private individuals"	"Private individuals"
Retail	Tenant-owners' rights	Retail exposures	Advanced IRB approach	"Private individuals"	"Private individuals"

The definitions, methods and data for estimation and validation of PD, which shall include information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods;

The table Realised outcome in the PD and LGD dimensions shows the average PD and LGD estimates as of 31 December 2023 and the realised outcomes for 2024. Default rates for 2024 are low and the PD estimates exceed realised outcomes for both retail and corporate exposures.

There are three different credit risk models in the PD dimension. The retail PD model is based on logistic regression with a target to predict a default outcome over a time horizon of one year. The real estate companies and tenant-owners' association PD models are hybrid models based on a combination of regression models of default outcomes and expert judgement.

The models are distinguished mainly by the type of customer and the setup of relevant risk factors. Both internal and external data sources are used to identify appropriate risk factors in the PD models. Internal data consists of customer information, loan information, default outcomes and internal payment behavior. Data obtained externally includes income data, financial statements, external payment behavior, market value of the property and macroeconomic factors. The scoring models for PD are based on empirical data from the end of the 1990s to the present day. All three PD models are calibrated to conservative through-the-cycle estimates by extrapolating default frequencies to the Swedish housing market crisis during the mid-1990s using macroeconomic data.

REALISED OUTCOME IN THE PD AND LGD DIMENSIONS

Exposure class	PD estimate, %	Realised outcome ¹⁾ , %	LGD estimate ²⁾ , %	Realised outcome ¹⁾ , %
Corporate exposures	0.36	0.00	36.0	0.0
Retail exposures	0.81	0.18	10.0	2.8

¹⁾ For PD the outcomes are based on defaults that have occurred during the year, whereas for LGD the outcomes are based on resolved defaults during the year.

²⁾ The estimates and outcomes subject to LGD are exposure-weighted.

Where applicable, the definitions, methods and data for estimation and validation of LGD, such as methods to calculate downturn LGD, how LGDs are estimated for low default portfolio and the time lapse between the default event and the closure of the exposure;

Credit losses during 2024 were very low with LGD estimates exceeding realised outcomes. The LGD estimate for retail exposures is restricted by the limitation rule according to Article 164 (4) CRR, which requires a lowest average LGD estimate of 10% for all retail exposures secured by residential property. The LGD model for retail exposures is based on a structural approach with separate statistical models to predict the cure rate and the loss rate given cure or liquidation. The component for loss given liquidation within the LGD model is largely based on LTV. A rise in the LTV implies an increase in the probability of a liquidation and thus the level of credit losses. The LGD model is primarily based on internal data consisting of default outcomes, credit losses in terms of write-offs and succeeding recoveries, and LTVs of the borrowers. As for the PD models, external loss data from the 1990s housing crisis on the Swedish mortgage market is also included to calibrate the LGD value towards downturn periods with the aim of ensuring conservative estimates.

Where applicable, the definitions, methods and data for estimation and validation of credit conversion factors, including assumptions employed in the derivation of those variables;

The CCF model previously applied to loan commitments in the retail exposure class was discontinued during 2023 after advice from the SFSA. Since 30 September 2023, CCF-estimates according to the standardised approach (Annex I CRR) are applied instead of own estimates for loan commitments.

IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE (EU CR6)

Exposure Class	PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount (%)	Expected loss amount	Value adjustments and provisions
										j	k		
	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB													
	0.00 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to <0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
Of which, Retail SME	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to <5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal (exposure class)		-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to <0.15	294,832	24,767	0.20	275,017	0.07	130,070	9.64	-	5,123	1.86	19	5
	0.00 to <0.10	294,832	24,767	0.20	275,017	0.07	130,070	9.64	-	5,123	1.86	19	5
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	53,008	9,652	0.20	45,286	0.27	25,253	10.55	-	2,512	5.55	13	6
	0.50 to <0.75	41,978	9,178	0.20	34,635	0.57	22,555	11.73	-	3,685	10.64	23	12
	0.75 to <2.50	12,961	2,316	0.20	11,108	2.37	7,079	10.98	-	2,803	25.24	29	11
	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
Of which, Retail non-SME	1.75 to <2.5	12,961	2,316	0.20	11,108	2.37	7,079	10.98	-	2,803	25.24	29	11
	2.50 to <10.00	6,643	928	0.20	5,900	5.22	4,052	9.67	-	2,035	34.50	30	11
	2.5 to <5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to <10	6,643	928	0.20	5,900	5.22	4,052	9.67	-	2,035	34.50	30	11
	10.00 to <100.00	2,367	15	0.20	2,354	38.99	1,237	10.89	-	1,530	64.98	100	37
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	5	5	0.20	1	20.85	1	19.06	-	1	114.53	0	-
	30.00 to <100.00	2,362	10	0.20	2,353	39.00	1,236	10.89	-	1,529	64.96	100	37
100.00 (Default)	616	-	-	616	100.00	386	14.64	-	75	12.16	149	149	
Subtotal (exposure class)		412,405	46,857	0.20	374,916	0.70	190,632	10.00	-	17,763	4.74	362	232

Exposure Class	PD scale	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount (%)	Expected loss amount	Value adjustments and provisions	
										j	k			
	a	b	c	d	e	f	g	h	i	j	k	l	m	
F-IRB														
	0.00 to <0.15	40,011	167	0.20	39,704	0.10	1,460	35.01	2.5	5,821	14.66	14	0	
	0.00 to <0.10	26,271	97	0.20	26,077	0.08	984	35.00	2.5	3,366	12.91	7	0	
	0.10 to <0.15	13,740	70	0.20	13,627	0.13	476	35.02	2.5	2,456	18.02	6	0	
	0.15 to <0.25	13,441	224	0.20	13,251	0.19	343	35.01	2.5	2,916	22.00	9	0	
	0.25 to <0.50	16,170	96	0.20	16,092	0.31	490	35.01	2.5	4,484	27.86	17	0	
	0.50 to <0.75	8,079	29	0.20	8,056	0.62	167	35.05	2.5	3,235	40.15	18	2	
	0.75 to <2.50	3,277	8	0.20	3,271	0.96	84	35.28	2.5	1,556	47.58	11	2	
Of which, Corporate SME	0.75 to <1.75	3,107	8	0.20	3,100	0.88	81	35.28	2.5	1,444	46.59	10	1	
	1.75 to <2.5	170	-	-	170	2.48	3	35.30	2.5	112	65.72	1	1	
	2.50 to <10.00	755	-	-	707	3.84	33	35.19	2.5	463	65.43	10	1	
	2.5 to <5	506	-	-	458	2.66	31	35.00	2.5	273	59.55	4	0	
	5 to <10	249	-	-	249	6.00	2	35.55	2.5	190	76.23	5	1	
	10.00 to <100.00	872	-	-	871	20.84	9	35.00	2.5	1,057	121.41	64	10	
	10 to <20	2	-	-	2	17.19	2	35.00	2.5	2	113.12	0	0	
	20 to <30	870	-	-	869	20.85	7	35.00	2.5	1,056	121.43	63	10	
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	40	-	-	40	100.00	1	35.00	2.5	-	-	-	14	19
Subtotal (exposure class)		82,645	524	0.20	81,992	0.54	2,587	35.02	2.5	19,532	23.82	156	35	
	0.00 to <0.15	27,872	103	0.75	27,846	0.13	112	35.07	2.5	7,810	28.05	12	0	
	0.00 to <0.10	3	-	-	3	0.06	3	35.00	2.5	1	18.13	0	0	
	0.10 to <0.15	27,869	103	0.75	27,844	0.13	109	35.07	2.5	7,810	28.05	12	0	
	0.15 to <0.25	16,295	92	0.75	16,272	0.18	85	35.18	2.5	5,570	34.23	10	0	
	0.25 to <0.50	31,684	1,075	0.73	31,408	0.29	232	35.73	2.5	14,063	44.78	33	3	
	0.50 to <0.75	12,312	309	0.75	12,235	0.58	93	36.89	2.5	7,871	64.34	26	5	
Of which, Corporate Other	0.75 to <2.50	1,769	96	0.75	1,744	0.98	14	37.18	2.5	1,398	80.18	6	2	
	0.75 to <1.75	1,768	96	0.75	1,744	0.98	12	37.18	2.5	1,398	80.18	6	2	
	1.75 to <2.5	2	-	-	0	2.37	2	35.00	2.5	0	99.29	0	0	
	2.50 to <10.00	190	0	0.75	190	6.00	3	35.00	2.5	250	131.62	4	3	
	2.5 to <5	-	-	-	-	-	-	-	-	-	-	-	-	
	5 to <10	190	0	0.75	190	6.00	3	35.00	2.5	250	131.62	4	3	
	10.00 to <100.00	114	-	-	114	17.22	4	45.00	2.5	278	244.07	9	1	
	10 to <20	113	-	-	113	17.19	1	45.00	2.5	275	243.98	9	1	
	20 to <30	1	-	-	1	20.85	3	44.85	2.5	3	253.71	0	0	
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)	0	0	0.75	0	100.00	1	45.00	2.5	-	-	-	0	0	
Subtotal (exposure class)		90,237	1,676	0.75	89,809	0.31	544	35.62	0.0	37,242	41.47	101	14	
Total (all exposures classes)		585,287	49,057	0.22	546,717	0.61	193,763	17.96	0.0	74,537	13.63	619	281	

No major changes have been noted since previous reporting on June 30, 2024.

SCOPE OF THE USE OF IRB AND SA APPROACHES (EU CR6-A)

SEK million	Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
	a	b	c	d	e
1 Central governments or central banks	-	3,389	100.00	-	-
1,1 <i>Of which Regional governments or local authorities</i>	-	33,548	100.00	-	-
1,2 <i>Of which Public sector entities</i>	-	-	100.00	-	-
2 Institutions	-	7,632	100.00	-	-
3 Corporates	172,882	171,801	-	100.00	-
3,1 <i>Of which Corporates - Specialised lending, excluding slotting approach</i>	-	-	-	-	-
3,2 <i>Of which Corporates - Specialised lending under slotting approach</i>	-	-	-	-	-
4 Retail	412,405	377,659	-	99.27	0.73
4,1 <i>of which Retail - Secured by real estate SMEs</i>	-	-	-	100.00	-
4,2 <i>of which Retail - Secured by real estate non-SMEs</i>	-	374,916	-	100.00	-
4,3 <i>of which Retail - Qualifying revolving</i>	-	-	-	-	-
4,4 <i>of which Retail - Other SMEs</i>	-	-	-	-	100.00
4,5 <i>of which Retail - Other non-SMEs</i>	-	2,742	-	-	100.00
5 Equity	-	107	100.00	-	-
6 Other non-credit obligation assets	-	-	-	-	-
7 Total	585,288	560,588	1.99	97.53	0.49

No major changes have been noted since December 31, 2023.

IRB APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES (EU CR7-A)

A-IRB		Credit risk Mitigation techniques										Credit risk Mitigation methods in the calculation of RWEAs			
		Funded credit Protection (FCP)										Unfunded credit Protection (UFCP)			
SEK million		Part of exposures covered by Other eligible collaterals (%)					Part of exposures covered by Other funded credit protection (%)					Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		Total exposures	Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)				
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,1	Of which Corporates – SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,2	Of which Corporates – Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3,3	Of which Corporates – Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Retail	374,916	-	99.98	99.98	-	-	-	-	-	-	0.00	-	17,763	17,763
4,1	Of which Retail – Immovable property SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,2	Of which Retail – Immovable property non-SMEs	374,916	-	99.98	99.98	-	-	-	-	-	-	0.00	-	17,763	17,763
4,3	Of which Retail – Qualifying revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,4	Of which Retail – Other SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,5	Of which Retail – Other non-SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Total	374,916	-	99.98	99.98	-	-	-	-	-	-	0.00	-	17,763	17,763

F-IRB		Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)										Unfunded credit Protection (UFCP)		RWEA with substitution effects (both reduction and substitution effects)
SEK million	Total exposures	Part of exposures covered by Other eligible collaterals (%)					Part of exposures covered by Other funded credit protection (%)					Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)						
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Corporates	171,901	-	96.63	96.63	-	-	-	-	-	0.14	-	56,833	56,773
3,1	Of which Corporates – SMEs	81,992	-	99.76	99.76	-	-	-	-	-	0.29	-	19,587	19,532
3,2	Of which Corporates – Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-
3,3	Of which Corporates – Other	89,809	-	93.78	93.78	-	-	-	-	-	0.01	-	37,246	37,252
4	Total	171,801	-	96.63	96.63	-	-	-	-	-	0.14	-	56,833	56,773

No major changes have been noted since previous reporting on June 30, 2024.

RWEA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER IRB (EU CR8)

SEK million	Risk weighted exposure amount	
	a	
1	Risk weighted exposure amount as at the end of the previous reporting period	79,089
2	Asset size (+/-)	-2,460
3	Asset quality (+/-)	-2,098
4	Model updates (+/-)	-
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	-
8	Other (+/-)	6
9	Risk weighted exposure amount as at the end of the reporting period	74,537

No major changes have been noted since previous reporting on September 30, 2024.

IRB APPROACH – BACK-TESTING OF PD PER EXPOSURE CLASS (FIXED PD SCALE) (EU CR9)

A-IRB		Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
Exposure class	PD range		Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Of which, Retail SME	0.00 to <0.15	-	-	-	-	-	-
	0.00 to <0.10	-	-	-	-	-	-
	0.10 to <0.15	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-
	1.75 to <2.5	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	2.5 to <5	-	-	-	-	-	-
	5 to <10	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	10 to <20	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	
Of which, Retail non-SME	0.00 to <0.15	121,599	2	0.0	0.1	0.1	0.0
	0.00 to <0.10	75,504	1	0.0	0.1	0.1	0.0
	0.10 to <0.15	46,095	1	0.0	-	0.1	0.0
	0.15 to <0.25	-	-	-	-	-	0.0
	0.25 to <0.50	28,231	6	0.0	0.3	0.3	0.0
	0.50 to <0.75	31,270	16	0.1	0.6	0.7	0.1
	0.75 to <2.50	-	-	-	2.4	-	0.2
	0.75 to <1.75	-	-	-	-	-	0.2
	1.75 to <2.5	-	-	-	2.4	-	-
	2.50 to <10.00	13,871	37	0.3	5.2	4.2	0.5
	2.5 to <5	9,697	19	0.2	-	3.1	0.5
	5 to <10	4,174	18	0.4	5.2	6.8	0.4
	10.00 to <100.00	1,403	28	2.0	39.0	41.8	3.2
	10 to <20	-	-	-	-	-	-
	20 to <30	-	-	-	20.9	-	3.5
	30.00 to <100.00	1,403	28	2.0	39.0	41.8	2.0
100.00 (Default)	275	8	2.9	100.0	100.0	6.2	

F-IRB		Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
Exposure class	PD range		Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Of which, Corporate SME	0.00 to <0.15	1,470	-	-	0.1	0.1	-
	0.00 to <0.10	1,006	-	-	0.1	0.1	-
	0.10 to <0.15	464	-	-	0.1	0.1	-
	0.15 to <0.25	367	-	-	0.2	0.2	-
	0.25 to <0.50	388	-	-	0.3	0.3	1.5
	0.50 to <0.75	105	-	-	0.6	0.5	-
	0.75 to <2.50	81	-	-	1.0	0.8	-
	0.75 to <1.75	81	-	-	0.9	0.8	-
	1.75 to <2.5	-	-	-	2.5	-	-
	2.50 to <10.00	34	-	-	3.8	2.7	-
	2.5 to <5	33	-	-	2.7	2.6	-
	5 to <10	1	-	-	6.0	5.8	-
	10.00 to <100.00	12	-	-	20.8	17.5	-
	10 to <20	10	-	-	17.2	17.0	-
	20 to <30	2	-	-	20.9	20.1	-
	30.00 to <100.00	-	-	-	-	-	-
100.00 (Default)	3	-	-	100.0	100.0	-	
Of which, Corporate Other	0.00 to <0.15	127	-	-	0.1	0.1	0.7
	0.00 to <0.10	9	-	-	0.1	0.1	0.7
	0.10 to <0.15	118	-	-	0.1	0.1	-
	0.15 to <0.25	215	-	-	0.2	0.2	-
	0.25 to <0.50	184	-	-	0.3	0.4	-
	0.50 to <0.75	57	1	1.8	0.6	0.6	1.8
	0.75 to <2.50	37	-	-	1.0	1.1	-
	0.75 to <1.75	31	-	-	1.0	0.9	-
	1.75 to <2.5	6	-	-	2.4	2.4	-
	2.50 to <10.00	10	-	-	6.0	3.5	-
	2.5 to <5	8	-	-	-	2.7	-
	5 to <10	2	-	-	6.0	6.8	-
	10.00 to <100.00	6	-	-	17.2	19.6	-
	10 to <20	1	-	-	17.2	17.0	-
	20 to <30	5	-	-	20.9	20.1	-
	30.00 to <100.00	-	-	-	-	-	-
100.00 (Default)	1	-	-	100.0	100.0	-	

Within the portfolio Corporate Other, one obligor has defaulted in year 2024. Within the portfolio Retail non-SME, 97 obligors have defaulted in year 2024.

5.5 COUNTERPARTY CREDIT RISK

QUALITATIVE DISCLOSURE RELATED TO CCR (EU CCRA)

Description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties (Article 439 (a) CRR)

SBAB applies the Standardised Approach for Counterparty Credit Risk (SA-CCR) for capital adequacy purposes.

In accordance with the credit instruction adopted by the Board, credit risk limits are established by SBAB's Credit Committee for all counterparties in the treasury operations. The utilised limit is calculated as the market value of financial derivatives, repos and investments. For derivative and repo contracts, the effect of collateral pledged or received under CSAs and GMRA is included in the total net exposure. Moreover, for derivatives, an add-on amount is also calculated for future risk-related changes according to SA-CCR. The credit risk limit may be established for a period of no longer than one year, following which a new assessment must be conducted. The decisions of the Credit Committee are reported to the Board at the following Board meeting.

Description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves (Article 439 (b) CRR)

To limit the potential counterparty credit risk associated with derivative transactions involving non-standardised derivatives that are not cleared through a central clearing counterparty (CCP) approved by the competent authority (in accordance with Regulation (EU) No 648/2012), a framework agreement must have been concluded with the counterparty. In most cases, the framework agreement, an ISDA Master Agreement or similar agreements with terms for final settlement, have been supplemented with a credit support annex (CSA).

Description of policies with respect to Wrong-Way risk as defined in Article 291 of the CRR (Article 439 (c) CRR)

The ISDA Master Agreement entails, inter alia, that netting is regulated in the event of bankruptcy. A CSA means that the parties have agreed in advance to transfer collateral if the exposure exceeds a specified threshold amount. The threshold amount and the minimum amount to be transferred to or from the counterparty can vary depending on the parties' ratings.

GMRA are used to limit the counterparty risk associated with repo transactions. GMRA also minimize wrong-way risk (WWR), which arises when the exposure to a counterparty increases together with the risk of the counterparty's default. These agreements control aspects such as the transfer of collateral to or from the counterparty.

CSAs are reconciled on a daily basis or on a weekly basis. When CSAs are in place, collateral is pledged to reduce net exposures. Wherever applicable, the posted and received collateral takes the form of cash with a transfer of title, which entitles the party that receives the collateral to use the collateral in its operations. This way of handling CSA minimizes WWR in derivatives.

Any other risk management objectives and relevant policies related to CCR (Article 431 (3) and (4) CRR)

All the relevant risk management objectives and policies related to CCR are described under Article 439 (a,b,c and d).

The amount of collateral the institution would have to provide if its credit rating was downgraded (Article 439 (d) CRR)

A decline in SBAB's rating would not result in the need for SBAB to provide extra collateral to any external counterparty.

ANALYSIS OF CCR EXPOSURE BY APPROACH (EU CCR1)

SEK million Exposure class	Replacement cost (RC)	Potential future expo- sure (PFE)	Alpha used for computing reg- ulatory expo- sure value	EEPE	Exposure value pre- CRM	Exposure value post- CRM	Exposure value	RWEA
	a	b	c	d	e	f	g	h
EU1 EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU2 EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1 SA-CCR (for derivatives)	461	969		1.4	2,002	2,002	2,002	564
2 IMM (for derivatives and SFTs)				-	-	-	-	-
2a Of which securities financing transactions netting sets				-	-	-	-	-
2b Of which derivatives and long settlement transactions netting sets				-	-	-	-	-
2c Of which from contractual cross-product netting sets				-	-	-	-	-
3 Financial collateral simple method (for SFTs)					-	-	-	-
4 Financial collateral comprehensive method (for SFTs)					189	189	189	38
5 VaR for SFTs					-	-	-	-
6 Total					2,191	2,191	2,191	601

TRANSACTIONS SUBJECT TO OWN FUNDS

REQUIREMENTS FOR CVA RISK (EU CCR2)

SEK million Exposure class	Exposure value	RWEA
1 Total transactions subject to the Advanced method	-	-
2 (i) VaR component (including the 3× multiplier)		-
3 (ii) stressed VaR component (including the 3× multiplier)		-
4 Transactions subject to the Standardised method	2,002	1,119
EU4 Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5 Total transactions subject to own funds requirements for CVA risk	2,002	1,119

STANDARDISED APPROACH – CCR EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS (EU CCR3)

SEK million Exposure class	Risk weight											Total exposure value
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
	a	b	c	d	e	f	g	h	i	j	k	l
1 Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2 Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3 Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	-	5,441	-	-	1,647	544	-	-	-	-	-	7,632
7 Corporates	-	-	-	-	-	-	-	-	-	-	-	-
8 Retail	-	-	-	-	-	-	-	-	-	-	-	-
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	-	-	-
11 Total exposure value	-	5,441	-	-	1,647	544	-	-	-	-	-	7,632

COMPOSITION OF COLLATERAL FOR CCR EXPOSURES (EU CCR5)

SEK million Collateral type	Collateral used in derivative transaction				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
	a	b	c	d	e	f	g	h
1 Cash – domestic currency	-	1,817	-	-	-	-	-	-
2 Cash – other currencies	-	5,456	-	7,928	-	-	-	-
3 Domestic sovereign debt	-	-	-	-	-	-	-	-
4 Other sovereign debt	-	-	-	-	-	-	-	-
5 Government agency debt	-	-	-	-	-	-	-	-
6 Corporate bonds	-	-	-	1,898	-	2,294	-	2,219
7 Equity securities	-	-	-	-	-	-	-	-
8 Other collateral	-	-	-	-	-	-	-	-
9 Total	-	7,273	-	9,826	-	2,294	-	2,219

Since end of June 2024, the amounts differs due to changes in market values.

EXPOSURES TO CCPS (EU CCR8)

	SEK million	Exposure value	RWEA
		a	b
1	Exposures to QCCPs (total)		109
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	2,002	40
3	(i) OTC derivatives	2,002	40
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	3,439	69
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Since end of June 2024, no significant changes are identified.

6 Liquidity risk & Funding

Liquidity risk is defined as the risk that SBAB is not able to meet its payment obligations without the related cost of obtaining liquidity increasing significantly. Liquidity risk is recognized by SBAB as a necessary risk and shall be maintained at such a level that SBAB can manage a period of acute liquidity crisis without relying on the capital market. SBAB and SCBC are managed collectively as a single liquidity group according to Regulation (EU) No. 575/2013 of the European Parliament and of the Council, which among others requires free movement of funds within the liquidity group.

6.1 LIQUIDITY RISK

LIQUIDITY RISK MANAGEMENT (EU LIQA)

Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding (Article 451a(4))

SBAB has maintained an active international capital market presence since 1989. Short-term, mid-term and long-term funding take place on a global basis. Moreover, the SBAB Group has access to the covered bond market, both in Sweden and internationally, through SCBC. In addition to issuing bonds, SBAB is funded by deposits.

Structure and organisation of the liquidity risk management function (authority, statute, other arrangements) (Article 451a(4))

The liquidity risk team reports to the manager of liquidity and market risk, whom in turn reports to the CRO. The organisational structure enables quick and adequate identification and reporting of any changes in the banks liquidity risk profile.

A description of the degree of centralisation of liquidity management and interaction between the group's units (Article 451a(4))

The group has a central liquidity management function through which the Group's entire liquidity in all currencies is forecasted and managed in a shared Group account structure. The overall aim of SBAB's liquidity strategy is to ensure SBAB's survival in terms of liquidity and that the company can effectively meet its payment obligations. Key features of the strategy are proactive and continuous liquidity planning, active debt management and the scope, content and management of SBAB's liquidity reserve.

Scope and nature of liquidity risk reporting and measurement systems (Article 451a(4))

The liquidity coverage ratio is defined by SBAB in accordance with the European Commission delegated regulation (EU) 2015/61. This is a metric of the degree to which the liquidity reserve covers a 30-day net cash outflow in a stressed scenario. Under the regulation, the metric must amount to not less than 100% aggregated over all currencies. Furthermore, the net stable funding ratio (NSFR) is calculated according to Regulation (EU) 2019/876 of the European Parliament and the Council.

In addition to regulatory liquidity risk metrics, SBAB has a number of internal metrics. These include the measurement and stress testing of the liquidity risk by predicting the cumulative liquidity needs for each coming day, referred to as the survival horizon. The calculations are based on a crisis scenario where all lending is assumed to be extended on maturity, meaning that no liquidity is added through loan redemption, and where no extra market financing is available. A conservative assumption is applied to predictions on the deposits from which withdrawals are made over time. The distribution of the withdrawals is built on historical data. Thereafter, the maximum need for liquidity can be identified on a daily level for any given future period, which indicates the amount of required liquidity reserve. The survival horizon is the number of days for which all outflows can be covered by the liquidity reserve without the need for additional funding. According to SBAB's Internal limit, the survival horizon must at least amount to 180 days at the consolidated currency level. In addition to the above-mentioned metrics, the short-term liquidity risk is also followed-up through other internal metrics, for which limits apply.

Liquidity risk reporting is divided into three categories based on disclosure frequency. The daily report includes quantitative information on limits and crucial liquidity data – this report is sent to the relevant internal stakeholders and the CRO. The monthly report includes the same information as the daily report, however, with additional qualitative information briefly describing the changes in the risk metrics. The monthly report is sent to the CRO, executive management and the Board members. The quarterly report contains a comprehensive analysis on the banks liquidity risk profile and is also sent to the CRO, executive management and the Board members.

Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants (Article 451a(4))

Historically there have been good possibilities to mitigate concentration, liquidity and refinancing risks through bond repurchasing and maturity extension on the Swedish covered bond market. Another key element of the SBAB Group's funding strategy is to achieve an even maturity profile over time. This is achieved by actively choosing maturities during the issuing process to avoid excessive concentrations of future maturities and by continuously repurchasing and exchanging outstanding debt (active debt management). Compared with the European covered bond market, the Swedish covered bond market has relatively large outstanding volumes for individual loans.

An outline of the bank's contingency funding plans (Article 451a(4))

SBAB has a contingency plan for the management of liquidity crises. The contingency plan contains a clear delegation of responsibility for the personnel concerned as well as instructions for the company to rectify potential liquidity deficits. The plan also contains definitions of various events that can cause and escalate the contingency plan and stipulates suitable actions to handle these crisis events. The contingency plan is regularly tested and updated based on, for example, the results of stress tests.

An explanation of how stress testing is used (Article 451a(4))

SBAB performs stress tests of liquidity risk regularly as one of the internal requirements to analyze and perform contingency management of liquidity risk. The stress test models have been designed in line with the Swedish FSA's regulations on liquidity management, which impose general requirements on stress tests (FFFS 2010:7). The models analyze SBAB's capacity to meet the need for cash and cash equivalents in various market scenarios and assess the effect of protracted stress on SBAB's ability to finance its operations. The scenarios are designed based on SBAB's specific risk profile and cover both company-specific and market-related scenarios that cause difficulties in financing.

The stress tests are under continuous development and the assumptions made in various scenarios are assessed regularly. The stress tests are conducted and reported quarterly, with results assessed against SBAB's established risk appetite.

A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy (Article 451a(4))

Liquidity risk is recognized by SBAB as a necessary risk and shall be maintained at such a level that SBAB can manage a period of acute liquidity crisis without relying on the capital market. SBAB assures that that liquidity risk management systems put in place are adequate with regard to the institution's risk profile and strategy. See Chapter 2 for the Board's statement on risk management and a brief risk declaration.

A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body (Article 451a(4))

The overall aim of SBAB's liquidity strategy is to ensure SBAB's survival in terms of liquidity and that the company can effectively meet its payment obligations. Key features of the strategy are proactive and continuous liquidity planning, active debt management and the scope, content and management of SBAB's liquidity reserve. SBAB limits its dependence on market financing by applying a limit on the ratio between deposits and lending to the public. On 31 December 2024, the ratio was 48% compared with the limit of 28%. SBAB also measures its structural liquidity risk through a metric for maturity matching that captures the relationship between the maturities of assets and liabilities from a liquidity perspective at various points in the future. This can be viewed as SBAB's internal version of the NSFR. See Chapter 2 for the Board's statement on risk management and a brief risk declaration.

QUANTITATIVE INFORMATION OF LCR (EU LIQ1)

EU 1a	Scope of consolidation: (solo/consolidated) Quarter ending on (DD Month YYYY)	Total unweighted value (average)				Total weighted value (average)			
		31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024
		a	b	c	d	e	f	g	h
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	HIGH-QUALITY LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61					104,433	104,421	101,830	100,021
	CASH - OUTFLOWS								
2	retail deposits and deposits from small business customers, of which:	214,472	203,957	193,955	183,751	12,601	12,384	12,483	12,605
3	Stable deposits	106,110	105,696	106,456	106,461	5,305	5,285	5,323	5,323
4	Less stable deposits	57,704	57,582	59,688	62,162	7,296	7,099	7,160	7,282
5	Unsecured wholesale funding	32,185	29,794	25,251	22,251	13,916	12,994	10,920	9,990
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	30,187	27,502	23,412	19,980	11,918	10,702	9,082	7,719
8	Unsecured debt	1,998	2,292	1,839	2,271	1,998	2,292	1,839	2,271
9	Secured wholesale funding					2,391	1,837	1,156	646
10	Additional requirements	22,485	22,682	24,030	27,046	22,485	22,682	24,030	27,046
11	Outflows related to derivative exposures and other collateral requirements	17,772	18,951	20,012	22,156	17,772	18,951	20,012	22,156
12	Outflows related to loss of funding on debt products	4,714	3,732	4,017	4,890	4,714	3,732	4,017	4,890
13	Credit and liquidity facilities	-	-	-	-	-	-	-	-
14	Other contractual funding obligations	276	255	224	316	33	30	3	100
15	Other contingent funding obligations	53,213	49,689	47,886	46,556	6,469	6,859	7,654	9,006
16	TOTAL CASH OUTFLOWS					57,895	56,787	56,246	59,392
	CASH - INFLOWS								
17	Secured lending (e.g. reverse repos)	2,745	3,918	3,344	2,725	2,290	1,878	1,234	732
18	Inflows from fully performing exposures	2,122	2,133	2,146	2,009	1,698	1,752	1,762	1,659
19	Other cash inflows	12,713	12,921	13,961	17,104	12,713	12,921	13,961	17,104
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	17,580	18,972	19,451	21,839	16,700	16,551	16,957	19,495
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	17,580	18,972	19,451	21,839	16,700	16,551	16,957	19,495
	TOTAL ADJUSTED VALUE								
21	LIQUIDITY BUFFER					104,433	104,421	101,830	100,021
22	TOTAL NET CASH OUTFLOWS					41,195	40,236	39,289	39,897
23	LIQUIDITY COVERAGE RATIO					254%	260%	259%	251%

The identified changes since the previous reporting period is an increase in none-operational deposits and unsecured wholesale funding, both contributing to increased net-outflow. Together with a larger liquidity buffer LCR has slightly increased compared to the previous period, which is within normal volatility.

QUALITATIVE INFORMATION ON LCR, WHICH COMPLEMENTS TEMPLATE EU LIQ1 (EU LIQB)*Article 451a(2) CRR***Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time**

The size of the liquidity reserve combined with the stable net outflows results in a stable, high level value of LCR. Maturing debt entering the 30-day outflow window puts pressure on the LCR.

Explanations on the changes in the LCR over time

Larger covered bond issues approaching maturity affects LCR. This effect is mitigated with active repurchases of the larger bonds.

Explanations on the actual concentration of funding sources

The funding portfolio has an effective distribution between secured and unsecured funding. As a consequence of the company's lending being conducted exclusively in SEK, the majority of the funding is allocated to SEK, mainly Swedish benchmark covered bonds and deposits.

High-level description of the composition of the institution's liquidity buffer.

The liquidity reserve mainly consists of Level 1 assets, such as high quality covered bonds, securities issued or guaranteed by the Swedish government/Riksbanken and securities issued by PSEs.

Derivative exposures and potential collateral calls

Derivative exposures on LCR are limited. The majority of the outflows related to derivative exposures and other collateral requirements pertains to derivative liabilities for which SBAB has posted collateral.

Currency mismatch in the LCR

Cash outflows and the liquidity reserve are concentrated to SEK. Outflows in other currencies are mainly swapped to SEK. The group has a high margin to the Pillar 2 requirements for individual currencies set by the Swedish FSA/Finansinspektionen.

Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile

None.

NET STABLE FUNDING RATIO (EU LIQ2)*In accordance with Article 451a(3) CRR*

	(in currency amount)	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
		a	b	c	d	e
Available stable funding (ASF) Items						
1	Capital items and instruments	24,807	2,395	-	-	24,807
2	<i>Own funds</i>	24,807	2,395	-	-	24,807
3	<i>Other capital instruments</i>		-	-	-	-
4	Retail deposits		215,731	4,099	1,095	206,509
5	<i>Stable deposits</i>		148,882	2,453	629	144,397
6	<i>Less stable deposits</i>		66,849	1,646	466	62,112
7	Wholesale funding:		97,380	16,801	273,526	299,030
8	<i>Operational deposits</i>		-	-	-	-
9	<i>Other wholesale funding</i>		97,380	16,801	273,526	299,030
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	351	5,894	-	2	2
12	<i>NSFR derivative liabilities</i>	351				
13	<i>All other liabilities and capital instruments not included in the above categories</i>		5,894	-	2	2
14	Total available stable funding (ASF)					530,349

(in currency amount)	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
	a	b	c	d	e	
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)				4,228	
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		1,935	2,306	249,636	215,796
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		2,410	2,685	278,892	190,989
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		-	-	-	-
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		1	-	-	0
20	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		213	250	9,236	6,984
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		155	180	5,492	3,737
22	<i>Performing residential mortgages, of which:</i>		2,045	2,435	269,475	183,760
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		1,760	2,095	237,667	156,411
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>		151	-	182	245
25	Interdependent assets		-	-	-	-
26	Other assets:	-	7,509	7	6,136	6,485
27	<i>Physical traded commodities</i>				-	-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		-	-	3,411	2,899
29	<i>NSFR derivative assets</i>		-			-
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		6,452			323
31	<i>All other assets not included in the above categories</i>		1,057	7	2,726	3,264
32	Off-balance sheet items		48,951	209	400	2,478
33	Total RSF					419,976
34	Net Stable Funding Ratio (%)					126.3

Identified changes since the previous reporting period is an increase in available stable funding (ASF) as a result of increased deposits and wholesale funding. Required stable funding (RSF) has also increased due to increased residential mortgages with risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk. Compared to the previous reporting period NSFR has decreased to 126.3 (131.9) percent.

6.2 ENCUMBERED AND UNENCUMBERED ASSETS

ACCOMPANYING NARRATIVE INFORMATION (EU AE4)

In accordance with Article 443, CRR

General narrative information on asset encumbrance

As a part of SBAB's operations, residential mortgages are transferred to the subsidiary SCBC. These residential mortgages can include credits pledged against mortgages in real estate intended for residential purposes, against tenant-owners' rights or credits that otherwise qualify for inclusion in the cover pool for covered bonds. Derivative contracts may be used to hedge interest rate risk and currency risks. Through derivatives, SBAB is able to convert assets with a fixed interest rate profile to floating rate payments linked to 3-month STIBOR. For liabilities, SBAB are using cross currency swaps and interest rate swaps to hedge interest rate risks and currency risks arising from funding in foreign currencies.

An explanation of any difference between the regulatory consolidation scope used for the purpose of the disclosures on asset encumbrance and the scope retained for the application of the liquidity requirements on a consolidated basis as defined in Chapter 2 of Title I of Part Two CRR, which is used to define (E)HQLA eligibility;

There is no difference between the regulatory consolidation scope used for the purpose of the disclosures on asset encumbrance and the scope retained for the application of the liquidity requirements on a consolidated basis as defined in Chapter 2 of Title I of Part Two CRR, which is used to define (E)HQLA eligibility.

An explanation of any difference between, on the one hand, pledged and transferred assets in accordance with the applicable accounting frameworks and as applied by the institution and, on the other hand, encumbered assets and an indication of any difference of treatment of transactions, such as when some transactions are deemed to lead to pledge or transfer of assets but not to encumbrance of assets, or vice versa;

There is a difference between the expressions. Encumbered assets is a narrower term that refers to the assets that are only used for the covered pool and covered bonds. Pledged / transferred assets also include a number of different situations where the Group sends assets / securities to borrow money or cover an exposure (e.g., sell-buy-back repurchase agreements, collateral management and securities transfers to the Bank of Sweden for credit utilization / borrowing). The outlining difference in the concepts is that encumbered assets are found in the Group's accounts, while transferred/pledged assets are held in the counterparty's custodian accounts outside of the banks' control. There are therefore situations where certain transactions are considered to lead to a pledge or transfer of assets, however, not to encumbrance.

The exposure value used for the purposes of disclosure and how median exposure values are derived;

The exposure value used for the purposes of disclosure is based on a point-in-time value derived from the balance sheet, thus no median values are calculated.

Narrative information relating to the impact of the institution's business model on its level of encumbrance and the importance of encumbrance on the institution's funding model

The cover pool assets consist mainly of loans to the public in the form of loans against mortgages of immovable property intended for residential use or against pledged tenant-owners' rights. The cover pool may also include substitute collateral, and it is consequently possible to include derivatives or securities in the cover pool.

The main sources and types of encumbrance, detailing, where applicable, encumbrance due to significant activities with derivatives, securities lending, repos, covered bonds issuance and securitization;

The main source of encumbrance stems from covered bond issuances conducted by SCBC.

The structure of encumbrance between entities within a group, and especially whether the encumbrance level of the consolidated group stems from particular entities and whether there is significant intragroup encumbrance;

No material intragroup encumbrance exists.

Information on over-collateralisation, especially regarding covered bonds and securitisations, and the incidence of over-collateralisation on the levels of encumbrance;

SCBC exceeds by a significant margin the over-collateralisation requirements set by the national Swedish legislation and the external credit rating agencies. Therefore, even in the event of impactful market disturbances, SCBC is well equipped to maintain sufficient collateralisation levels.

Additional information on encumbrance of assets, collateral and off-balance sheet items and the sources of encumbrance by any significant currencies other than the reporting currency as referred to in Article 415(2) CRR;

SBAB does not have materially encumbered assets in any other currency than SEK.

A general description of the proportion of items included in column 060 'Carrying amount of unencumbered assets' in template EU AE1 that the institution would not deem available for encumbrance in the normal course of its business (e.g. intangible assets, including goodwill, deferred tax assets, property, plant and other fixed assets, derivative assets, reverse repo and stock borrowing receivables);

The proportion of items, which are not deemed available for encumbrance in the normal course of business (e.g. intangible assets, including goodwill, deferred tax assets, property, plant and other fixed assets, derivative assets, reverse repo and stock borrowing receivables) included in column 060 'Carrying amount of unencumbered assets' in Template EU AE1 equals SEK 350,973 million and is comprised mainly by loans and advances not encumbered for covered bonds and debt instruments.

The amount of underlying assets and of cover pool assets of retained securitisations and retained covered bonds, and whether those underlying and cover pool assets are encumbered or unencumbered, along with the amount of associated retained securitisations and retained covered bonds;
Nor SBAB or SCBC has any retained securitisations or retained covered bonds.

Where relevant for explaining the impact of their business model on their level of encumbrance, details (including quantitative information if relevant) on each of the following:

- i) the types and amounts of encumbered and unencumbered assets included in row 120 of template EU AE1;*
- ii) the amounts and types of encumbered assets and off-balance sheet items included in row 010 of template EU AE3 that are not associated with any liabilities;*

It is not considered relevant for either SBAB or SCBC to disclose the impact on the business model the types and amounts of encumbered and unencumbered assets included in row 120 of template EU AE1 or the amounts and types of encumbered assets and off-balance sheet items included in row 010 of template EU AE3 that are not associated with any liabilities.

Where relevant in the context of their use of encumbrance in relation to their business model, additional information on the breakdown of the following rows in the templates EU AE1, EU AE2 and EU AE3:

- i. Row 120 of template EU AE1 - 'Other assets',*
- ii. Row 230 of template EU AE2 'Other collateral received',*
- iii. Row 010 of template EU AE3 - 'Carrying amount of selected financial liabilities' (especially if part of the encumbrance of assets is associated with liabilities and another part is not).*

It is not considered relevant in the context of the use of encumbrance in relation to SBAB's or SCBC's business model, to provide additional information on the breakdown of row 120 of template EU AE1, row 230 of template EU AE2 or row 010 of template EU AE3.

For more information regarding Funding, see Funding and Liquidity in SBAB's Annual Report.

ASSET ENCUMBERED DISCLOSURES (EU AE1)

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
	010	035	040	055	060	085	090	105
010 Assets of the reporting institution	308,894	-			350,973	97,375		
030 Equity instruments	-	-	-	-	-	-	-	-
040 Debt securities	-	-	-	-	97,375	97,375	97,363	97,363
050 of which: covered bonds	-	-	-	-	59,982	59,982	57,894	57,894
060 of which: securitisations	-	-	-	-	-	-	-	-
070 of which: issued by general governments	-	-	-	-	37,392	37,392	39,469	39,469
080 of which: issued by financial corporations	-	-	-	-	59,982	59,982	57,894	57,894
090 of which: issued by non-financial corporations	-	-	-	-	-	-	-	-
120 Other assets	308,894	-			253,598	-		

No significant changes since previous reporting period are identified.

COLLATERAL RECEIVED (EU AE2)

	Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
			Fair value of collateral received or own debt securities issued available for encumbrance	
	010	of which notionally eligible EHQLA and HQLA 035	040	of which EHQLA and HQLA 065
130 Collateral received by the reporting institution	-	-	-	-
140 Loans on demand	-	-	-	-
150 Equity instruments	-	-	-	-
160 Debt securities	-	-	-	-
170 of which: covered bonds	-	-	-	-
180 of which: securitisations	-	-	-	-
190 of which: issued by general governments	-	-	-	-
200 of which: issued by financial corporations	-	-	-	-
210 of which: issued by non-financial corporations	-	-	-	-
220 Loans and advances other than loans on demand	-	-	-	-
230 Other collateral received	-	-	-	-
240 Own debt securities issued other than own covered bonds or securitisations	-	-	-	-
245 Own covered bonds and asset-backed securities issued and not yet pledged	-	-	-	-
250 TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	-	-	-	-

No significant changes since previous reporting period are identified.

SOURCES OF EMCUMBRANCE (EU AE3)

	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
	010	030
010 Carrying amount of selected financial liabilities	308,894	308,894

No significant changes since previous reporting period are identified.

7 Market risk

Market risk is the risk of loss or reduced future income due to market fluctuations.

7.1 MARKET RISK

QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO MARKET RISK (EU MRA)

When disclosing information on the risk management objectives and policies to manage market risk, institutions shall include (Points (a) to (d) of Article 435(1) CRR):

An explanation of their management's strategic objectives in undertaking trading activities;

The governing principle of SBAB's exposure to market risk is that the level of risk taking should be low. SBAB does not have a trading book.

The processes implemented to identify, measure, monitor and control the institution's market risks;

Treasury owns the risk and manages the market risks in its daily work. Treasury monitors its operations, its consequences on market risk, and its compliance with limits in real time.

Risk Control identify, measure, monitor and control market risk and its compliance with current risk levels and limits on a daily basis. The Board of SBAB determines the overall risk appetite and setting the limits related to market risk. In addition, a number of supplementary risk-based metrics set by the CEO of SBAB are also subject to limitation.

The policies for hedging and mitigating risk;

Funding in international currencies are hedged through currency swaps or invested in matching currencies to mitigate currency risk. Basis risk is considered low as the degree of hedging imperfection is very low. Credit spread risk arises from the liquidity portfolio and is mitigated by having high quality requirements on the bonds that are purchased.

Strategies and processes for monitoring the continuing effectiveness of hedges;

All of the risk measurements are part of monitoring the effectiveness of hedges. The risk measuring stresses the market conditions, which reveals imbalanced hedging.

When disclosing information on the structure and organisation of the market risk management function, institutions shall include (Point (b) of Article 435 (1) CRR):

A description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above;

SBAB is characterised by low risk taking, with the Board determining the overall risk appetite and setting the limits related to market risk. In addition to the Board decided limits, a number of supplementary risk-based metrics set by the CEO of SBAB are also subject to limitation. Risk Control identifies, measures, controls, analyses, consolidates and reports market risk. Risk control shall also, when necessary, suggest updates of the risk management. Risk control checks market risk's compliance with current risk levels and limits on a daily basis. Treasury owns the risk and manages the market risk in its daily work.

A description of the relationships and the communication mechanisms between the different parties involved in market risk management;

Each year a baseline scenario is established in co-operation with internal stakeholders, which represents the most plausible development of the business activities. The asset & liability team models in close co-operation with the treasury team, according to the chosen inputs, the bank's balance sheet and forecasts the funding needs. Throughout the year, the actual development is mirrored against the forecasted development and corrections are made if necessary. Additionally, if the market sentiment and the macro-economic factors change significantly due to unforeseen circumstances, the baseline scenario is updated accordingly. The development of the bank's balance sheet and off-balance sheet commitments in combination with market rates and prices is what keeps the bank's market risk under a constant change – however, the fluctuation is modest under normal market conditions, as SBAB's market risk exposure is low. The market risk team follows daily the bank's risk profile and if unanticipated events occur that affect the risk profile, the pre-defined escalation process is followed, which ensures efficient information transferring to all relevant stakeholders. To ensure efficient and reliable planning and a thorough assessment of the future development of market risks, a proactive method of working has been established in terms of a quarterly internal risk forum, which strives to continuously challenge the established routines of forecasting, measuring, controlling and reporting of market risks.

When disclosing information on the scope and nature of market risk disclosure and measurement systems, institutions shall provide a description of the scope and nature of market risk disclosure and the measurement systems

(Point (c) of Article 435 (1) CRR);

In addition to the limits determined by the Board, the CEO has set a number of supplementary risk metrics for different kind of market risks to which SBAB is exposed.

Interest rate risk is controlled by measuring the effect on economic value of equity when it's exposed to different stress scenarios. The scenarios consist of parallel shifts and turnings scenarios of interest curves. Credit spread risk is controlled by calculating stressed VaR and parallel shifts of the credit spread curves. Currency risk is controlled by measuring the effect on present value when currency exchange rates change and in the liquidity portfolio by controlling the matching of the principal in each currency. Basis risk is controlled by stressing the future floating cash flows with a stress connected to their underlying reference rates.

The market risk reporting follows the same structure as the liquidity risk reporting disclosed in chapter 6.1. The market risk team validates the results each day in the daily report.

MARKET RISK UNDER THE STANDARDISED APPROACH (EU MR1)

		RWEAs
		a
Outright products		
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	417
4	Commodity risk	-
Options		
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	Total	417

SBAB uses the standardised approach to quantify capital requirements for market risk in Pillar 1. The regulatory capital requirements for market risk is shown in the table. Since June 30, 2024, the foreign exchange risk has increased from low levels.

7.2 IRRBB

INTEREST RATE RISK ON POSITIONS NOT HELD IN THE TRADING BOOK (EU IRRBBA)

A description of how the institution defines IRRBB for purposes of risk control and measurement (Point (e) of Article 448 (1) CRR)

Interest-rate risk is defined as the risk that interest rate variations lead to losses or lower future income as assets and liabilities have different fixed-interest periods and/or interest terms.

A description of the institution's overall IRRBB management and mitigation strategies (Point (f) of Article 448 (1) CRR)

Interest rate risk is mitigated by matching the tenors and reference rate on both the liability and asset side of the balance sheet. This is achieved by active debt management and by using derivatives. Pre-defined limits are in place to continuously monitor that interest rate risk is kept within the bank's risk appetite. The limits are defined by the Board of Directors and by the CEO and they are all monitored daily.

The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB (Point (e (i) and (v)) of Article 448 (1) and Article 448(2) CRR)

Interest rate risks for the economic value of equity arising from parallel move and twist of the curve is calculated daily based on the six different shock scenarios defined by the SFSA. It is also calculated according to EBA guidelines. The calculations for the capital requirement, information collection and semiannual risk meetings with the SFSA are performed according to the method described in FI Dnr 24-4186.

During 2024, SBAB and SCBC has reported quarterly interest rate risk in the banking book according to the method defined in FFFS 2007:4. That reporting requirement has at the end of 2024 been replaced.

A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable) (Point (e (iii)) of Article 448 (1) and Article 448(2) CRR)

Not applicable. SBAB complies with the requirements laid down in article 448(2) CRR.

A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable) (Point (e (ii)) of Article 448 (1) and Article 448(2) CRR)

Not applicable. SBAB complies with the requirements laid down in article 448(2) CRR.

A high-level description of how the Institution hedges its IRRBB, as well as the associated accounting treatment (if applicable) (Point (e (iv)) of Article 448 (1) and Article 448(2) CRR)

Not applicable. SBAB complies with the requirements laid down in article 448(2) CRR.

A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable) (Point (c) of Article 448 (1) and Article 448(2) CRR)

Not applicable. SBAB complies with the requirements laid down in article 448(2) CRR.

Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures (Point (d) of Article 448 (1) CRR)

SBAB calculates IRRBB according to the EBA guidelines and the specific instructions disclosed by the SFSA; FI dnr 24-4186.

Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional)

None.

Disclosure of the average and longest repricing maturity assigned to non-maturity deposits (Point (g) of Article 448 (1) CRR)

SBAB follows the modelling requirements for non-maturing deposits defined in EBA guidelines as well as FI dnr 24-4186. IRRBB calculations according to SFSA, FI dnr 24-4186, assume that all non-maturing deposits reprice overnight.

For the calculations according to EBA GL, the bank applies an average duration of 0.54 years for the customer segment retail non-transactional and 0.36 years for wholesale non-financial.

INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES (EU IRRBB1)

	Supervisory shock scenarios	Changes of the economic value of equity		Changes of the net interest income	
		31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
		a	b	c	d
1	Parallel up	490	632	-99	191
2	Parallel down	-1,805	-2,028	-82	-191
3	Steeper	36	-219		
4	Flattener	33	216		
5	Short rates up	241	447		
6	Short rates down	-1,007	-1,369		

Since June 30, 2024 the worst scenario has changed to "Parallel down".

8 Operational risk

Operational risk is defined as the risk of losses stemming from inadequate or failed internal processes and systems, human error or from external events. Operational risk includes legal risks but excludes reputational risk and is embedded in all banking products and activities.

8.1 OPERATIONAL RISK

QUALITATIVE INFORMATION ON OPERATIONAL RISK (EU ORA)

Disclosure of the risk management objectives and policies (Points (a), (b), (c) and (d) of Article 435(1) CRR)

Strategies and processes;

The basis of an operational risk management process is a continuous identification, analysis and assessment, management and monitoring of risks.

Structure and organization of risk management function for operational risk;

The second line of defense (Risk) has an overall responsibility for the methods and procedures used to manage operational risks. The management of operational risks is conducted based on SBAB's risk appetite and the business essential processes. This involves continuous work on developing employees' risk awareness and the bank's risk culture, improving processes, routines and providing tools for efficient and proactive management in daily work.

Risk measurements and control;

- Risk and Control Self-Assessment (RCSA)

The RCSA-process includes the identification and evaluation of operational risks in all essential processes. The self-assessment is carried out using a common method and is documented in the joint GRC-system. The results of the RCSA are reported annually to the Board, the CEO and the management body.

- Incident management

SBAB has routines for reporting and following up incidents. The Risk department supports the business with analysis of reported incidents to ensure that root causes are identified and that appropriate measures are taken. Incidents that have not caused any direct damage or financial loss are also reported to promote proactive risk management.

- Control of new products and significant changes

SBAB's process for managing new products and significant changes addresses the development of new products, markets and services, and significant changes to existing ones. The process also encompasses material changes to processes, systems and organization. The purpose of the process is to ensure that changes are consistent with the risk strategy and risk appetite.

- Business continuity management

SBAB works to prevent incidents that may affect the company's ability to conduct operations. A crisis organization responsible for crisis and disaster management as well as communication is established and tested regularly in collaboration with external crisis management experts.

Significant operational risks

SBAB has identified a set of risks that, if they occur, could have a greater impact on SBAB's operations than other risks. The development of these risks is monitored on an ongoing basis by the management body and the Board and is considered in the framework of SBAB's business planning. The significant operational risks are described below.

- Information security risk

The cyber threat to the Swedish financial sector is extensive and persistent. SBAB has a dedicated security team with specialists who aims to develop and maintain a high cyber security level for the bank. This is achieved through proactive work for a strong digital security perimeter and a high level of security within this perimeter. The team also works proactively to increase risk and safety awareness throughout SBAB. Furthermore, the bank has a special department for data privacy. They review the handling of personally identifiable information and set the requirements to ensure that the bank follows current regulations. In the implementation of the IT strategy the business works with small deliveries to minimize the risk of major disruptions.

- Technical debt

In recent years a substantial part of SBAB's core bank IT-systems have been replaced. Some IT-systems are still somewhat outdated and will be superseded. SBAB's IT strategy has clearly defined goals and priorities to ensure that the identified risks are managed appropriately. The development and outcome related to the projects duration and cost are closely monitored by the management body and the Board. The agile approach with shorter lead times as well as closer intervals between deployment to production increases flexibility and enables efficiency.

- Financial crime

The threat level from criminals is deemed to be such that the bank risks being exposed to money laundering attempts. Moreover, a risk exists that the bank will be exposed to internal fraud. SBAB has a separate unit, Anti-Financial Crime (AFC), which acts to strengthen SBAB's overall capacity to prevent financial crime. SBAB's efforts in this area encompass, inter alia, conducting risk assessments, obtaining a good level of KYC, monitoring activities and transactions, continuous training and ensuring adequate internal control is performed through examination in the first, second and third lines in terms of daily operations, procedures, and processes. SBAB has an

internal framework regulating operations to counteract bribes and other forms of corruption. The framework is designed to reflect the Code on Gifts, Rewards and other Benefits in Business published by the Swedish Anti-Corruption Institute. To that end, SBAB conducts ongoing courses in this area.

- **Competence**

SBAB aims to be an attractive workplace with dedicated and motivated employees who, on their own initiative, generate ideas, collaborate, and identify solutions. Like many other companies, SBAB faces the risk of not succeeding in attracting and retaining the right skills. SBAB uses a clearly defined and transparent HR strategy together with ambitious goals in this area to actively develop the value-driven work approach and to ensure inclusive leadership that can generate driven employees.

- **Regulatory risk**

New external regulations in areas including sustainability that impact SBAB will be implemented, and training will be conducted to secure a high level of competence and thus high regulatory compliance in all parts of SBAB.

Operational risk reporting:

An analysis of the overall risk level is regularly reported to the Board of Directors, the CEO and the management body.

Policies for hedging and mitigating operational risk.

As part of strengthening SBAB's risk culture Risk and Regulatory Coordinators (RRS) are established in the first line of defense. The role of the RRS is to act as support to the business managers, focusing on risk management, process mapping, internal controls, incident management and compliance. SBAB does not use any derivative instruments to hedge operational risk.

Disclosure of the approaches for the assessment of minimum own funds requirements (Article 446 CRR)

SBAB applies the standardised approach for capital adequacy for operational risk under Pillar 1. This approach calculates the capital requirement based on the beta factors 12% and 15%, respectively of the business area's average operating income over the past three years. SBAB does not identify any additional amount under Pillar 2 for operational risk.

Description of the AMA methodology approach used (if applicable) (Article 446 CRR)

Not applicable.

Disclose the use of insurance for risk mitigation in the Advanced Measurement Approach (if applicable) (Article 454 CRR)

Not applicable.

OPERATIONAL RISK OWN FUNDS REQUIREMENTS AND RISK-WEIGHTED EXPOSURE AMOUNTS (EU OR1)

Banking activities	Relevant indicator			Own funds requirements	Risk exposure amount
	Year-3	Year-2	Last year		
	a	b	c		
1 Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2 Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	4,086	4,642	5,325	608	7,603
3 Subject to TSA:	4,086	4,642	5,325		
4 Subject to ASA:	-	-	-		
5 Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

9 Sustainability risk

ESG disclosure in Pillar 3 follows the implementing technical standards (ITS) defined by the EBA. In line with the EBA report on prudential disclosures on ESG risks, this section has been included in this report in accordance with Article 449a of the CRR. The requirements issued by the regulator entered into force June 28, 2022, with first disclosures provided on a yearly basis. For December 31, 2024, a total of 9 quantitative templates are required. The section with qualitative information is split into three parts; Business strategy and processes, Governance and Risk management. Each part compiles questions and answers to the acronym Environmental, Social and Governance respectively.

9.1 QUALITATIVE INFORMATION ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK

BUSINESS STRATEGY AND PROCESSES

Institutions' business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning (Article 449a in conjunction with Article 435(1), points (a) and (e) CRR).

Adjustment of the institutions' business strategy to integrate social factors and risks taking into account the impact of social risk on the institutions' business environment, business model, strategy and financial planning (Article 449a in conjunction with Article 435(1), points (a) and (e) CRR)

In 2023, SBAB conducted a double materiality assessment aligned with CSRD requirements. The outcome of the assessment was approved by the board during 2024 and it resulted in nine identified sustainability areas that are considered material for SBAB where both environmental and social factors and risks are included. These sustainability areas are taken into consideration when SBAB adjusts its business strategy and model to achieve the organization's set sustainability goals. SBAB revisits its double materiality assessment at least once a year to make sure that the sustainability topics still have relevance for the institution's operations and strategic goals. Furthermore, SBAB integrates business strategy with environmental and social factors and risks in accordance with external regulations and guidelines, for instance, The state ownership policy, Annual Accounts Act, Agenda 2030, UN Principles for Responsible Banking (PRB), European Sustainability Reporting Standards, Global Compact, and EU Taxonomy. Apart from external regulations and guidelines, SBAB is actively working with integrating the identified material sustainability areas described in the sustainability policy into the operations and strategies with the purpose of aligning activities and governing documents with the bank's sustainable steering model. The sustainable steering model and the strategies (including the bank's risk policy and

risk strategy) set the foundation for the bank's annual business planning process. As part of maintaining SBAB's risk culture, the bank has risk and compliance coordinators (RCCs) in the first line. For further information on the three lines of defense, see page 14 in the report. The RCC's support the business managers with a focus on risk management, process mapping, internal controls, incident management and regulatory compliance, where sustainable finance is included. SBAB's role and responsibilities when it comes to achieving the sustainable development goals (SDG) is based on the company mission to contribute to better housing and household finances. To ensure that the full force of SBAB's business is utilized to contribute to better housing and household finances, four of the UN's 17 SDGs are prioritized. The goals are also integrated into the daily work and sustainable governance model. Description for what each prioritized goal means for SBAB is summarized in the annual report, page 168. SBAB strives to create an inclusive, fair and safe real estate market for customers, tenants and homebuyers, where social factors and risks are considered. To better understand and estimate the bank's impact on climate in terms of financed emissions, SBAB has joined the Partnership for Carbon Accounting Financials (PCAF), a partnership between financial institutions aimed at creating a standardized methodology for measuring GHG emissions tied to lending and investment portfolios. SBAB's financed emissions and climate target is also published externally for full transparency in the annual report for 2024 on sbab.se. Integration of environmental risks in the bank's operations are described in the risk strategy, risk policy and risk appetite. SBAB applies a risk-based approach and ensures that environmental and social risks and factors are not overlooked when assessing its business model, governing documents or strategies.

Objectives, targets and limits to assess and address environmental and social risks in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes (Article 449a in conjunction with Article 435(1) points (a), (c) to (f)).

In 2023, SBAB conducted a double materiality assessment in line with CSRD requirements, and the outcome of the assessment was approved by the board in 2024. The assessment resulted in nine identified sustainability areas that are considered material for SBAB where both environmental and social factors and risks are included. Identified areas related to environmental factors and risks include, but is not limited to, reduction of negative climate impact, both from SBAB's own operations and in the portfolio (financed emissions) as well as contributing to a more energy efficient society. Regarding social factors and risks, SBAB identified decent working conditions in the value chain as a material sustainability area. This area includes the initiative "Hållbar Byggbransch" (Eng: Sustainable Construction Industry) which

addresses decent working conditions within the real estate and construction sector. The initiative "Hållbar Byggbransch" was initiated by SBAB in 2018 and was launched on the 27th of November 2023. The initiative aims to protect workers' rights and prevent crime through set conditions in the lending arrangement to construction companies. SBAB run the initiative together with several other commercial banks in Sweden. In the context of the Principles for Responsible Banking (PRB), SBAB's ongoing work with the mentioned sustainability areas above can be summarized as climate change mitigation and decent employment. Following the double materiality assessment, SBAB will continue to develop targets in line with the PRB's recommendations for this area. One of the key target developments is the climate target connected to SBAB's financed emissions, see more details in SBAB's annual report, page 32. Furthermore, SBAB updated its green bond framework during 2024 with the purpose of making it more aligned with the EU taxonomy. To understand how SBAB's Green bond framework is designed and how the framework contributes to the green transition, see SBAB's Green Bond Framework 2025 on sbab.se.

To better monitor SBAB's exposure to physical climate risk, the bank acquired more granular data regarding risk of flooding during 2024. The data provides a flood risk classification (both acute and chronic) on property level. The updated data enabled SBAB to revise an existing Key Risk Indicator (KRI) measuring risk of flooding in certain geographic areas but not to the detailed extent that the new data is offering. The updated KRI covers collaterals assessed to have an elevated risk of being flooded and it monitors the share of capital tied to these collaterals. The KRI has a set limit and during 2024 the bank was well within the set limits. Furthermore, the bank also added three additional KRIs: (1) monitors capital tied to collaterals with higher risk of being flooded broken down to specific geographic areas (concentration risk), (2) the share of valid Energy Performance Certificate (EPC) in the portfolio which facilitate the bank's calculation of financed emissions (transition risk) and (3) share of lending products with conditions supporting a green transition.

Climate risk is mainly managed through data analysis and monitoring, broadened customer dialogue, internal training, product development, accessing relevant sustainability data, system development and broadened customer dialogue. In the credit granting process for property companies and tenant-owners' associations, certain sustainability criteria are considered as a part of the overall assessment. SBAB has completed an analysis of how the future physical climate risks could impact the mortgage portfolio. The analysis indicates that rises in sea levels and the risk of flooding have limited impact on SBAB's portfolio and risk appetite, but the risk continuously monitored through above mentioned KRI. To better respond to new market conditions and changes in the world around us, SBAB annually conducts a climate risk workshop to identify potential new material risks, ensure relevance of current identified risks and time horizons of these risks. In addition to risks, SBAB continuously reports on targets and business goals. For instance, going into 2025, SBAB's financed emission reduction target is updated to a 50% financed emission reduction by 2030 compared to emission levels of 2022 (with the previous target being a 30% reduction by 2030).

The bank's financed emission target is based on the second version of the Carbon Risk Real Estate Monitor (CRREM) pathway which, if accomplished, results in a net-zero emission real estate sector by 2050. The target states that SBAB aims

to reduce its emissions related to its lending portfolio which includes households, tenant owner associations and commercial clients with 50% by 2030 and be net-zero by 2050 at the latest. The targets are in line with PCAF standardized methodology for measuring GHG emissions tied to lending and investment portfolios. SBAB's financed emissions and climate target is published externally for full transparency in the annual report, page 91-92.

Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities (Article 449a in conjunction with Article 9 of Regulation (EU 2020/852))

SBAB's current investment activities and targets towards environmental objectives and EU Taxonomy-aligned activities are focused on financing customers' acquisition and ownership of buildings, construction of new buildings, renovation of existing buildings and installation, maintenance and repair of energy efficiency equipment/renewable energy technologies. SBAB's aim is to finance its green lending through green funding. SBAB has a Green Bond Framework with short term volume targets. SBAB's work on climate change mitigation is reported in SBAB's annual report page 93-94.

Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks and social harmful activities (Article 449a in conjunction with Article 435(1) point (d) CRR)

Climate risk is mainly managed through broadened customer dialogue, internal training, product development, system development and broadened customer dialogue. There is also an ongoing and continuous process to collect, analyse and increase the quality of climate-related data. Since 2023, SBAB has been conducting an enterprise-wide project to build up infrastructure to collect climate-related data linked to SBAB's lending.

Since 2018 we have automatically provided Green Mortgages to customers who live in single-family homes or apartments that have a valid energy performance certificate with energy class A, B or C, that is, in line with or above the energy requirements for new builds in Sweden. The better the energy class, the greater the reduction to the mortgage rate. The bank views its Green Mortgage products as an incentive for single-family homes or apartments with an energy class below C to invest in more energy-efficient homes. To further facilitate a more energy-efficient transition, SBAB launched "Kilowattlån", which is a product available for household customers wanting to invest in more energy-efficient alternatives for their homes. "Kilowattlån", which is a loan without collateral, have a lower interest rate compared with the bank's conventional loans without collateral.

SBAB has regular and close dialogue with the counterparties within corporate client's and tenant-owners' associations on their overall strategies on environmental and social risks. In the credit granting process for property companies and tenant-owners' associations, certain sustainability criteria are considered as a part of the overall assessment. SBAB consults customers when developing sustainable loan products, e.g. SBAB offer green investment loans to tenant-owners' associations and property companies.

Green investments are loans specified with an advantageous interest rate for customers who implement energy efficiency measures at their properties. In addition to green lending, SBAB

develops partnerships and services to help customers reduce energy consumption and live more sustainably. During 2023 SBAB disbursed the bank's first sustainability-linked loan to a corporate customer. This is a loan that will be used to accomplish a transition within sustainability, for example improving the energy performance of a property. Any such transition needs to be comprehensive in scope and require extra investment on account of the challenge it presents. This means that the bank's goal is to enable a transition that would not otherwise have happened. To do this, the bank has set several targets that are followed up annually. The customer receives somewhat lower interest in exchange for a promise to deliver improvements. Conversely, if the agreed-upon progress is not made, the customer needs to pay somewhat higher interest. One activity out of many on the journey to reach the bank's long-term goal.

GOVERNANCE

Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels (Article 449a in conjunction with Article 435(1), point (b), and Article 435(2), points (a), (b), (c) CRR)

The management body is responsible for the overall governance structure of the organization, including management of environmental risks. These risks are described in different governing documents, e.g. the Risk policy, Risk appetite and the Climate risk instruction, which are all assessed and approved by higher management. The management body is regularly informed through internal reporting and quarterly meetings on the progress of different objectives and outcomes of commitments stated in strategies and policies. Based on the reported outcomes of objectives and strategies, the management body is an active part in deciding the direction for SBAB's work with sustainability, including environmental risks. SBAB's aim is to manage sustainability risks with a risk-based approach integrated into the daily operations. If a high risk is identified, the aim is to conduct an in-depth sustainability review and, where necessary, set requirements to counteract the adverse impact. SBAB also conducts an ongoing and interactive dialogue on sustainability risks across all operations. SBAB's proactive sustainability approach further contributes to sustainable risk management through, inter alia, gap analyses and defined objectives as well as their follow-up and reporting. Furthermore, the management body is also involved in the annual review process of the bank's double materiality assessment where environmental risks are identified. The assessment considers a short-, medium- and long-term perspective. The review of the assessment is ultimately approved by the board.

Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to activities towards the community and society, employee relationships and labour standards, customer protection and product responsibility and human rights (Article 449a in conjunction with Article 435(1), point (b) and Article 435(2), points (a), (b), (c) CRR)

SBAB has determined a long-term, focused and extended HR strategy and has clear company-wide goals to support equality and diversity and to ensure positive employee experience

and high employee commitment. The bank has an equality and diversity policy and an equality plan that emphasizes the value of promoting diversity with employees of different backgrounds and a culture to support inclusion. All employees have the same rights, obligations and opportunities in every aspect related to the workplace and SBAB wants to be an equal and inclusive workplace with a high level of integrity that encourages difference. The HR strategy highlights values such as respect, equality and inclusion which SBAB considers as key when attempting to create an environment where employees can succeed as well as feeling appreciated. SBAB's policy on equality emphasizes the value of employees with different backgrounds and experiences.

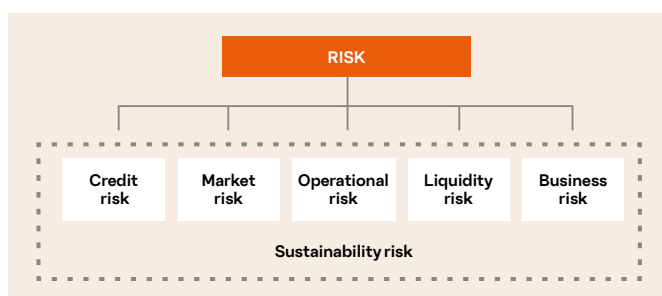
One of the overall targets concern equal pay, benefits and distribution between men and women in management positions. Furthermore, SBAB's Code of Conduct provides guidance on how employees should act and conduct themselves in various situations based on SBAB's values and the inherent responsibilities of being an employee and aims to manage risks linked to personnel, social conditions, and human rights in lending through in-depth customer dialogues and industry collaboration. In addition, the bank has a Supplier Code that addresses SBAB's human and labour rights standards, and it clearly defines the standards that the suppliers must meet, in addition to compliance with international guidelines and principles. Accessibility, especially digital accessibility due to SBAB being a digital financial institution, is a key area for product and service development. SBAB regularly conducts accessibility tests of customer's digital and telephone experience. SBAB has, since 2018, together with other commercial banks been involved in developing the initiative "Hållbar Byggbransch" (Eng: Sustainable Construction Industry) to combat financial crime and promote human rights in the Swedish construction industry, by setting requirements on the commercial clients. In November 2023 the initiative was launched and the banks participating in the initiative are now introducing special conditions for granting credits when financing construction activities. The special conditions apply from the 27th of November 2023 to new credits. SBAB also has partnerships to enhance the social responsibility within society, i.e., to help to improve housing quality and household finances, for example cooperation and sponsorships of NGOs such as Situation Stockholm, Stadsmissionen and Faktum. Many of SBAB's partnerships with NGOs have a focus on tackling structural and acute homelessness. Furthermore, SBAB developed Respekttrappan (Respect Ladder). Respekttrappan is a tool for systematic guidance to enhance and promote respect and inclusion for all, in the workplace and in society. The tool has been implemented within the entire organization. Respekttrappan has thereafter been introduced to more than 200 companies and organizations as a tool for their continuous work on respect, inclusion, and equality.

Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions (Article 449a in conjunction with Article 435(2), point (d) CRR) SBAB has a risk framework described in the Risk policy which states that the risk management system should be well integrated in the organizational structure and hierarchy of decision-making. SBAB conducts a climate risk identification workshop annually where environmental risks are considered according to the IPCC's RCP 4.5 and 8.5 and the workshop applies a short-, medium- and long-term perspective. The climate risk workshop is defined in a gov-

erning document within the Risk department and engages representatives from several different parts of the organization. Furthermore, SBAB conducted its first ESG scenario analysis on environmental risks during 2024. The analysis was based on a severe flooding scenario, using input from an ESG stress test conducted by the European Central Bank (ECB), and the flood data used by SBAB in the scenario is aligned with IPCC's RCP 8.5. Additionally, SBAB conducts stress tests related to transition risk where customers financial resilience to volatile energy prices are tested. The purpose of the stress test and the ESG scenario analysis is to better understand possible consequences for SBAB caused when climate-related risks materialize. The outcome of the stress test and scenario analysis are shared with the management. The ESG scenario and stress testing must be in line with industry practice and be based on reliable data and scientific research. The business implemented an annual review of possible risk-limiting measures and procedures in essential processes. Both business lines, i.e. the private market area (retail banking) and the business market area for commercial and tenant-owner associations, are obligated to conduct risk mitigating actions by following the set frameworks in governing documents for the credit process, i.e., from credit policy with underlying documents. When significant climate risks are identified and assessed, the Risk department must also evaluate how the risk is to be monitored and reported.

Integration of measures to manage environmental and social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels (Article 449a in conjunction with Article 435(2), points (a), (b), (c) CRR)

Sustainability risk reporting is integrated throughout SBAB with clear responsibilities within committee and management assignment. Sustainability risks are integrated in the Board committees' assignment description. The Audit and Compliance Committee's principal task is to examine SBAB's governance, internal controls and financial information. The Credit Committee's principal task is to decide on loans and credit limits. The Risk and Capital Committee's principal task is to prepare issues within the risk and capital area. Every committee receives a quarterly report with relevant integrated ESG-risks. During the fall of 2024, the bank established a forum called "Hållbarhetsforum" (Eng: Sustainability forum), which consists of all senior managers. The forum gathers at least once a quarter, and the purpose of the forum is to ensure that sustainability is integrated into strategic business decisions. Furthermore, the group prepares questions that are further processed or decided by company management, appropriate board committees and/or the board.



In 2023, SBAB conducted a double materiality assessment aligned with CSRD requirements. The assessment resulted in nine identified overarching sustainability areas that are considered material for SBAB. Furthermore, when assessing double materiality, the assessment investigates how SBAB impacts the society in which we operate (impact materiality) as well as how the society impacts SBAB (financial materiality). By doing so, SBAB has identified sub-topics to the overarching sustainability areas (25 in total) included in the double materiality assessment which will be reviewed annually. The review consists of workshops, where representatives from the first and second line of defense are involved in capturing potential risks across the bank's operations, see page 53 for further information on the three lines of defense). The workshops aim to calibrate the status of risks, objectives and targets (when assessed necessary). The outcome of the workshop steers the bank's strategic work with sustainability risks and possibilities, and facilitates the integration of sustainability in SBAB's operations, overall business plan and governance structure. "Hållbarhetsforum" is an active part in the review of the assessment, and the assessment is ultimately approved by the board.

Institution's integration in their governance arrangements of the governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics (Article 449a in conjunction with Article 435(2) CRR)

The majority of SBAB's corporate counterparties consist of construction and real estate companies. A significant number of counterparties are listed on the stock exchange, i.e., they have a high degree of transparency in their operations and routines are established to handle conflicts of interest as well as sensitive internal communication on critical challenges. SBAB's counterparties are reviewed based on the money laundering and financing of terrorism regulations where customer knowledge is obtained, and the real principal(s) are carefully mapped to ensure who is SBAB's counterparty. Likewise, the customers are evaluated based on sustainability risks, including the ethical perspective. There is an ongoing improvement within SBAB's business lines regarding how the bank integrates and collects information on counterparties' governance set-up and performance in relation to environmental and social topics.

Institution's accounting of the counterparty's highest governance body's role in non-financial reporting (Article 449a CRR).

SBAB accounts and documents its counterparties highest governance body as part of the credit granting process for the counterparties.

Institution's integration in governance arrangements of the governance performance of their counterparties including ethical considerations, strategy and risk management, inclusiveness, transparency, management of conflict of interest and internal communication on critical concerns (Article 449a in conjunction with Article 435(2) CRR)

The majority of the corporate counterparties consist of construction and real estate companies. A significant number of the counterparties are listed on the stock exchange i.e., they have a high degree of transparency in their operations and processes and routines are in place to handle conflicts of interest as well as sensitive internal communication regarding critical challenges.

SBAB's counterparties are reviewed based on the regulations for money laundering and financing of terrorism, where customer knowledge is obtained, and the real principal(s) are carefully mapped to ensure who is SBAB's counterparty. Likewise, the customer is evaluated based on sustainability risks, including the ethical perspective. There is an ongoing process of improving SBAB's follow-up of its client's corporate governance performance and structure.

Lines of reporting and frequency of reporting relating to environmental and social risk (Article 449a in conjunction with Article 435(2), points (e) CRR)

The first, second and third lines of defense report quarterly to the management body and the board committees. Additionally, the Risk department reports on KRIs related to environmental risks quarterly. For further information on three lines of defense see page 14 in this report.

Alignment of the remuneration policy with institution's environmental and social risk-related objectives (Article 449a in conjunction with Article 435(2), points (e) CRR)

SBAB is committed to the State Ownership Policy and principles for state-owned enterprises 2020, which also encompasses the Guidelines for external reporting in state-owned enterprises and Guidelines for remuneration and other terms of employment for senior executives in state-owned enterprises. SBAB's remuneration policy encompasses all SBAB employees, regardless of position. In accordance with the relevant policy, SBAB's remuneration is to be competitive, capped and appropriate, moderate, reasonable, well considered and not salary leading. It should also contribute to high ethical standards and a good corporate culture. The same applies to the benefits SBAB offer which are available to all employees, regardless of position. Since 2012, there have been neither incentive programs nor variable remuneration within the SBAB Group. The total level of remuneration is determined based on responsibility, complexity, and results within the respective employee's area, and on how well the employee lives SBAB's values. The adaptation of the remuneration policy is in line with the institute's social risk-related goals.

RISK MANAGEMENT

Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework (Article 449 in conjunction with Article 435(1), points (f) CRR)

Climate risk is divided into physical risks and transition risks. Physical risks encompass the direct effects of climate change that give rise to financial costs and risks, for example the physical impact on properties resulting from climate change. Transition risks encompass financial risks related to the transition to a less fossil-based economy. The physical climate risk linked to SBAB's operations primarily pertains to the risk of increased damage and value declines in assets and collateral due to climate change. SBAB's operations are exposed to transition risks in cases where SBAB does not succeed in adapting operations to the higher environmental and climate requirements set by tomorrow's sustainable economy. This also applies to demand for SBAB's products and services. SBAB is exposed to climate risks in conjunction with the loan at origination process. Future climate changes could affect customers' capacity to pay and the value of assets and collateral. Physical climate risks encompass, for instance, higher sea levels, extreme weather as well as collapses and landslides. SBAB has identified two main climate related risks that are essential

to the institution in the credit assessment: risk of flooding (physical risk) and risk of increased energy prices (transition risk). To integrate the short-, medium- and long-term effects of environmental risks into the risk tolerance framework, climate-related time horizons have been defined in the climate risk instruction. Short term: <1-year, medium term: from 1-10 years and long term: >10 years. The different time horizons are being considered for different purposes, e.g. when conducting the annual climate risk workshop or when reviewing the double materiality assessment. Additionally, SBAB has conducted analysis on how increased sea levels would impact its current assets and collaterals according to the RCP 4.5 and 8.5 scenario.

Definitions, methodologies, and international standards on which the environmental and social risk management framework is based. (Article 449a in conjunction with Article 435(1), points (a) CRR)

The definition used for environmental and social risk management primarily refers to the CSRD framework and to the EBA report on management and supervision of ESG risks for credit institutions and investment firms. During 2024, SBAB conducted an extensive analysis on the upcoming guidelines from EBA on the management of ESG risks, which will be, when entered into force, integrated in the structure of SBAB's ESG risk management framework. The definition used for social risks also refers to the framework The United Nations Sustainable Development Goals (SDGs) and the International Sustainability Standards Boards (ISSB), the EU Corporate Sustainability Reporting Directive (CSRD) UN 2030 agenda for sustainable development and the SDGs and Principles for Responsible Banking (PRB). SBAB follows the State Ownership Policy and principles for state-owned enterprises 2020, which also encompasses the Guidelines for external reporting in state-owned enterprises and Guidelines for remuneration and other terms of employment for senior executives in state-owned enterprises. The state's ownership policy states that SBAB, as a state-owned company, must act exemplary in sustainable business, and work strategically to integrate issues into the business strategy and set strategic sustainability goals.

Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental and social risks, covering relevant transmission channels (Article 449a in conjunction with Article 435(1), points (a) CRR)

In the process of identifying climate risks, which is an enterprise-wide exercise in terms of an annual climate risk workshop, a matrix is created illustrating what sustainability topics the bank needs to prioritize according to the findings of the climate risk workshop applying a short, medium- and long-term horizon (where the RCP 4.5 and 8.5 is considered). The last workshop indicated that two climate related risks for SBAB's are the risk of collaterals being flooded (physical risk) and volatile energy prices (transition risk) causing financial difficulties for the bank's customers. Floods have both a chronic and acute risk aspect. The chronic aspect relates to rising sea levels and the acute aspect concern floods from waterways (e.g. bodies of water, lakes, rivers) caused by extreme weather events. SBAB monitors risks related to both physical climate risks and transition risks through Key Risk Indicators (KRI). These KRIs are reported quarterly to the management. Furthermore, SBAB is exposed to risks linked to social conditions and human rights in conjunction with lending

to property companies, for example on lending for new production projects with several levels of subcontractors. The controls performed by the main contractor in areas such as working conditions are made more complex when production is outsourced. SBAB is also exposed to these risks in combination with the procurement of services and goods. Social risks also encompass the risk of SBAB's services and products not being available to all members of society. Accessibility pertains to equality and non-discrimination and is a crucial prerequisite for people with disabilities to be able to exercise their human rights and fundamental freedoms.

Activities, commitments, and exposures contributing to mitigate environmental and social risks (Article 449a in conjunction with Article 435(1), points (a) and (d) CRR).

In 2023, SBAB conducted a double materiality assessment aligned with CSRD requirements. The assessment resulted in nine identified overarching sustainability areas that are considered material for SBAB. The assessment identified sustainability risks and possibilities of varying scope. The activities, commitments, and exposures SBAB have in place to mitigate environmental risks is to offer green investment loans within the corporate and tenant-owner associations segment and Green loans within the Private segment. Additional mitigating activities also cover in-dept customer dialogues regarding updated "Left to live on calculus" (i.e KALP) based on previous increased and volatile energy prices. SBAB's risk mitigation activities within social risks i.e., personnel, social conditions and human rights refer to several actions for example long-term focused and extended HR strategy and SBAB aims to manage social risks linked to these conditions in lending through in-dept customer dialogues and industry collaborations (e.g. the initiative "Hållbar Byggbransch" described on page 80 and 81 in this report).

Implementation of tools for identification, measurement and management of environmental and social risks respectively (Article 449a in conjunction with Article 435(1), points (a) and (f) CRR)

SBAB has implemented Key Risk Indicators (KRI) covering both physical and transition aspects of environmental risks. The KRIs covers the portfolio's exposure to flooding (chronic and acute risk), regions with a higher concentration risk of flooding in relation to the bank's collaterals exposed in that region (chronic and acute risk), ratio of Green loan products compared to the total lending portfolio, and ratio of valid Energy Performance Certificates in the portfolio. The KRIs are reported on a quarterly basis. To better monitor the bank's progress towards reducing its negative climate footprint, SBAB joined the Partnership for Carbon Accounting Financials (PCAF), a partnership between financial institutions aimed at creating a standardized methodology for measuring Greenhouse gas emissions (GHG emissions) tied to lending and investment portfolios. Additionally, to achieve full transparency when it comes to financed emissions and climate targets, SBAB publishes its progress in the annual report available on sbab.se. Tools implemented for identification, measurement and management of social risks are key performance indicators such as personnel turnover, sick leave, and wellness. SBAB also reports on equality for e.g., share of females in management positions or Board of Directors.

Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile (Article 449a in conjunction with Article 435(1), points (a) and (f) CRR)

The results of the climate related key indicators (KRI) are reported quarterly to the Board and the CEO. The Risk department shall facilitate identification of risks, evaluate, and monitor that the outcome from the KRIs within decided limits. The outcome from the KRIs indicates a limited impact on the bank's collaterals and the risk level has currently no impact on the capital and liquidity profile. Within the ICAAP process for 2024, SBAB performed a stress test where energy prices were increased with the purpose of investigating how increased household costs would impact the bank's capital situation. Furthermore, the bank created a flooding scenario where collaterals with heightened risk of flooding were damaged. The purpose of the scenario was to assess the bank's financial resilience under such an adverse scenario. The results of the tests showed that both the stress test and the flooding scenario have limited impact on the bank's overall capital and liquidity risk profile.

Data availability, quality and accuracy, and efforts to improve these aspects (Article 449a CRR).

SBAB uses data from The Swedish Geotechnical Institute (SGI) and the Swedish Civil Contingencies Agency (MSB). They have developed a list of areas that are particularly vulnerable to flooding, collapse and landslides. Regarding risk of flooding, SBAB also uses data from an external data provider and the data set provides risk of flooding on property level. The data itself is based on IPCC's RCP 8.5 scenario and provides information on whether a property is exposed to risk of flooding from nearby bodies of water, lakes or rivers (acute climate risk) or risk of flooding caused by rising sea levels (chronic climate risk). The data does not only consider distance from water, but also the height above it. During 2024, the bank acquired data on synthetic Energy Performance Certificates (EPC) from a third-party vendor. The vendor has developed a method to establish an estimated EPC for buildings lacking a valid certificate. The data set provides the possibility for SBAB to get a greater understanding of its impact in terms of financed emissions as the bank uses proxies when data is missing. The synthetic EPCs are proxies, but the underlying method provides an estimated output on what the EPC would be given, the information available on the property in question. EPCs are an important cornerstone for the bank when calculating financed emissions. The methodology SBAB uses to measure the portfolio's emissions is based on the PCAF global standard for the financial industry's accounting and reporting of GHG emissions related to loans and investments. PCAF supported the process with feedback on SBAB's application of the methodology. The data was compiled from the Swedish National Board of Housing, Building and Planning and the Swedish Energy Agency, see more information in SBAB's annual report on sbab.se. To meet new and upcoming requirements regarding ESG-related data, SBAB has identified a need for a common climate data source. The access to data is currently limited. To obtain this data and make it available SBAB has initiated a climate data project. Since 2023, SBAB has been conducting an enterprise-wide project to build up infrastructure to collect climate-related data linked to SBAB lending. The project's goal is to harmonize climate data and integrate new data sources for energy efficiency and climate risks linked to SBAB's lending.

Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits (Article 449a in conjunction with Article 435(1), points (f) CRR)

One of SBAB's Key Risk Indicators (KRI), which monitor the risk of flooding in the entire portfolio and is considered as a driver of prudential risk. The risk is defined as a value and if the KRI-limit is breached the Risk department shall assess the elevated risk and issue a recommendation if needed.

Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits (Article 449a in conjunction with Article 435(1), point (f) CRR)

In the pursuit of being an appreciated employer, SBAB have a KRI measuring personnel turnover with a desired limit to balance the maintenance of existing competence as well

as attracting expertise externally. An increase in personnel turnover can indicate staff being discontented. The KRI is frequently monitored by operational risk.

Description of the link (transmission channels) between environmental and social risks with credit risk, liquidity and funding risk, market risk, operational risk and reputation risk in the risk management framework (Article 449a CRR)

Significant impacts of risk drivers for SBAB are energy costs (transition risk) and the impact of floods (physical climate risk) on real estate value and household wealth which may result in e.g. higher credit risk in the forthcoming years.



Institutions' integration in risk management and arrangements the governance performance of their counterparties considering ethical considerations, strategy and risk management, inclusiveness, transparency, management of conflict of interest, internal communication on critical concerns (Article 449a in conjunction with article 435 (1) CRR)

Besides providing household mortgages to private customers, the majority of SBAB's counterparties consist of construction and real estate companies. A significant number of SBAB's counterparties are listed on the stock exchange, i.e. they have a high degree of transparency in their operations and processes and routines are in place to handle conflicts of interest as well as sensitive internal communication around on critical

challenges. SBAB's counterparties are reviewed based on the regulations for money laundering and financing of terrorism, where customer knowledge is obtained, and the real principal(s) are carefully mapped to ensure who is SBAB's counterparty. Additionally, the customer is evaluated based on sustainability risks, including the ethical perspective. There is an ongoing improvement within the bank's business lines regarding how the bank integrates and collects information on counterparties' governance set-up and performance in relation to ethical considerations and social risks and factors.

BANKING BOOK- CLIMATE CHANGE TRANSITION RISK: CREDIT QUALITY OF EXPOSURES BY SECTOR, EMISSIONS AND RESIDUAL MATURITY

Sector/subsector	Gross carrying amount (SEK million)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (SEK million)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent) ²⁾		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting				Average weighted maturity	
	a	b <i>Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation¹⁾</i>	c <i>Of which environmentally sustainable (CCM)</i>	d <i>Of which stage 2 exposures</i>	e <i>Of which non-performing exposures</i>	f	g <i>Of which Stage 2 exposures</i>	h <i>Of which non-performing exposures</i>	i	j <i>Of which Scope 3 financed emissions</i>	k					
											l ≤ 5 years	m > 5 year ≤ 10 years	n > 10 year ≤ 20 years	o > 20 years		
Exposures towards sectors that highly contribute to climate change*	169,346	-	94	12,545	40	-48	-20	-19	163,896	103,663	91,1	155,922	12,562	7	855	2.4
1 A - Agriculture, forestry and fishing	4	-	-	-	-	-2	-	-	2	0	16,3	3	0	-	-	0.9
3 B - Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 B.05 - Mining of coal and lignite	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 B.06 - Extraction of crude petroleum and natural gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 B.07 - Mining of metal ores	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 B.08 - Other mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 B.09 - Mining support service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 C - Manufacturing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 C.10 - Manufacture of food products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 C.11 - Manufacture of beverages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 C.12 - Manufacture of tobacco products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 C.13 - Manufacture of textiles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 C.14 - Manufacture of wearing apparel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 C.15 - Manufacture of leather and related products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 C.17 - Manufacture of pulp, paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 C.18 - Printing and service activities related to printing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 C.19 - Manufacture of coke oven products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 C.20 - Production of chemicals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21 C.21 - Manufacture of pharmaceutical preparations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 C.22 - Manufacture of rubber products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 C.23 - Manufacture of other non-metallic mineral products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 C.24 - Manufacture of basic metals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 C.26 - Manufacture of computer, electronic and optical products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 C.27 - Manufacture of electrical equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 C.28 - Manufacture of machinery and equipment n.e.c.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 C.30 - Manufacture of other transport equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 C.31 - Manufacture of furniture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 C.32 - Other manufacturing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 C.33 - Repair and installation of machinery and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34 D - Electricity, gas, steam and air conditioning supply	31	-	-	-	-	0	-	-	6	-	100,0	23	8	-	-	1.9
35 D35.1 - Electric power generation, transmission and distribution	31	-	-	-	-	0	-	-	6	-	100,0	23	8	-	-	1.9
36 D35.11 - Production of electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

BANKING BOOK- CLIMATE CHANGE TRANSITION RISK: CREDIT QUALITY OF EXPOSURES BY SECTOR, EMISSIONS AND RESIDUAL MATURITY, CONT.

Sector/subsector	Gross carrying amount (SEK million)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (SEK million)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent) ²⁾		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting				Average weighted maturity	
	a	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation ¹⁾		Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions	k	l	m	n	o		
		b	c													d
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
38 D35.3 - Steam and air conditioning supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
39 E - Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
40 F - Construction	1,255	-	-	329	-	0	0	-	80	0	35,8	1,255	-	-	-	1.9
41 F.41 - Construction of buildings	1,227	-	-	329	-	0	0	-	37	0	34,4	1,227	-	-	-	1.9
42 F.42 - Civil engineering	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43 F.43 - Specialised construction activities	28	-	-	-	-	0	-	-	43	0	100,0	28	-	-	-	0.4
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-
45 H - Transportation and storage	1,694	-	-	-	-	-1	0	-	21,558	18,752	29,8	1,694	-	-	-	1.5
46 H.49 - Land transport and transport via pipelines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47 H.50 - Water transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48 H.51 - Air transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49 H.52 - Warehousing and support activities for transportation	1,694	-	-	-	-	-1	0	-	21,558	18,752	29,8	1,694	-	-	-	1.5
50 H.53 - Postal and courier activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51 I - Accommodation and food service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52 L - Real estate activities	166,363	-	94	12,217	40	-47	-20	-19	142,250	84,911	92,1	152,946	12,554	7	6	2.4
53 Exposures towards sectors other than those that highly contribute to climate change*	896	-	-	73	-	0	-	-				897	-	1	-	2.0
54 K - Financial and insurance activities	524	-	-	-	-	0	0	-				524	-	-	-	2.7
55 Exposures to other sectors (NACE codes J, M - U)	372	-	-	73	-	0	0	-				373	-	1	-	1.0
56 Total	170,242	-	116	12,618	40	-48	-20	-36	164,065	103,663	91,1	156,820	12,562	8	6	2.4

1) In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks - Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006. SBAB does not have exposures that are excluded from the Paris Agreement.

The template includes assets in the banking book representing loans and advances to non financial counterparties. Construction loans are included in the NACE distribution and consequently in the total. Loans to credit institutions and households are excluded. The gross carrying amount is aligned with the valued reported in Finrep. Maturity is defined as residual contractual maturity and is calculated with remaining days to final payment date. Exposures within the first two buckets are represented by floating rate notes (FRN-loans) and property loans. FRN-loans has a maturity period that is equal to the condition period, with possible maturity up to 10 years, most common maturity of 3 years. Property loans is a form of "until further notice" and although the maturity period is reported equal to the condition period. Bucket 10 years or longer is represented by property loans.

Since June 30, 2024, there is a decreased volume in GHG financed emissions due to lower lending to constructions credits.

BANKING BOOK - CLIMATE CHANGE TRANSITION RISK: LOANS COLLATERALISED BY IMMOVABLE PROPERTY - ENERGY EFFICIENCY OF THE COLLATERAL

Counterparty sector	Total gross carrying amount amount (in SEK million)															
	Level of energy efficiency (EP score in kWh/m ² of collateral)						Level of energy efficiency (EPC label of collateral)						Without EPC label of collateral			
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G	Of which level of energy efficiency (EP score in kWh/m ² of collateral) estimated	
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
1 Total EU area	529,439	292,380	222,768	12,640	1,374	159	116,432	3,062	47,794	78,441	87,379	118,224	63,485	16,982	114,057	114,057
2 Of which Loans collateralised by commercial immovable property	12,332	11,101	1,069	109	54	0	-	307	7,486	2,920	1,060	214	75	162	108	108
3 Of which Loans collateralised by residential immovable property	517,101	281,280	221,699	12,531	1,321	159	116,432	2,755	40,309	75,521	86,318	118,010	63,411	16,832	113,949	113,949
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	114,057	99,942	14,115	-	-	-	-	-	-	-	-	-	-	-	114,057	114,057
6 Total non-EU area	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which Loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The template includes loans collateralised by commercial and residential immovable property. Construction loans are excluded. The gross carrying amount is aligned with the valued reported in Finrep. Energy Performance Certificates are applied where available. Where unavailable, emissions factors from the Swedish Energy Agency database estimates are used. The availability of EPC labels for the real estate portfolio are limited due to the fact that energy declarations are not compulsory and is generally required only when selling property. Since June 30, 2024, there is a migration of collaterals to the better EPC labels and therefore to the lower levels of energy efficiency prestanda. Since June SBAB has changed source when estimating level of energy efficiency for collaterals without EPC label from PCAF to Swedish Energy Agency database. The outcome of the change of source has resulted in a positive migration to bucket > 100; <= 200 and 0; <= 100 in column b and C respectively.

BANKING BOOK - CLIMATE CHANGE TRANSITION RISK: ALIGNMENT METRICS

Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (Mn EUR)	Alignment metric**	Year of reference	Distance to IEANZE2050 in % *	Target (year of reference + 3 years)
a	b	c	d	e	f	g
1 Power	-	-	-	-	-	-
2 Fossil fuel combustion	-	-	-	-	-	-
3 Automotive	-	-	-	-	-	-
4 Aviation	-	-	-	-	-	-
5 Maritime transport	-	-	-	-	-	-
6 Cement, clinker and lime production	-	-	-	-	-	-
7 Iron and steel, coke, and metal ore production	-	-	-	-	-	-
8 Chemicals	-	-	-	-	-	-
9a Commercial Real Estate	L68	12,328	5,10 kgCO ₂ e per m ²	2024	-15.47	8.33
9b Residential Real Estate	L68	151,674	3,35kgCO ₂ e per m ²	2024	90.05	2.29

* PiT distance to 2030 NZE2050 scenario in % (for each metric)

The Portfolio gross carrying amounts excludes constructions credits. The targets are set using methodologies based for the real estate sector in Sweden aligned with the 1,5 degree pathway according to Carbon Risk Real Estate Monitor initiative (CRREM). SBAB uses CRREM pathway version 2. Since June 30, 2024, there has been an update regarding use of scenarios for calculation of SBAB's alignment to Paris-agreement from CRREM pathway version 1 to CRREM pathway version 2. The change has affected the outcome of both Commercial Real Estate and Residential Real Estate.

BANKING BOOK - CLIMATE CHANGE TRANSITION RISK: EXPOSURES TO TOP 20 CARBON-INTENSIVE FIRMS

Counterparty	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
	a	b	c	d	e
1	N/A	N/A	N/A	N/A	N/A

* For counterparties among the top 20 carbon emitting companies in the world

Not applicable. As of 31 December, 2024, SBAB had no exposures to the top 20 most carbon-intensive companies in the world, listed in the EU and the Swedish Environmental Protection Agency.

BANKING BOOK - CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

		Gross carrying amount (SEK million)											Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		of which exposures sensitive to impact from climate change physical events																
Variable: Geographical area subject to climate change physical risk - acute and chronic events	a	Breakdown by maturity bucket					Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	of which Stage 2 exposures					
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years													
		b	c	d	e	f							g	h	i	j	k	l
1 A - Agriculture, forestry and fishing		4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 B - Mining and quarrying		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 C - Manufacturing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 D - Electricity, gas, steam and air conditioning supply		31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 E - Water supply; sewerage, waste management and remediation activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 F - Construction		1,255	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 H - Transportation and storage		1,694	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 L - Real estate activities		166,361	2,461	354	-	-	2.44	1,590	1,643	284	154	-	0	0	-	-	-	-
10 Loans collateralised by residential immovable property		517,107	2,150	120	243	5,772	24.57	3,917	5,481	737	554	22	-9	-1	-7	-	-	-
11 Loans collateralised by commercial immovable property		12,384	347	253	-	-	4.64	472	128	-	-	-	0	-	-	-	-	-
12 Repossessed collaterals		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Other relevant sectors (breakdown below where relevant)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The gross carrying amount (GCA) column includes exposures to non-financial counterparties and exposures to households regardless of exposures sensitive to impact from physical events. The GCA is aligned with the valued reported in Finrep. The exposures are sorted by NACE sector and by the loans collateralised by residential and commercial immovable property respectively. Construction credit loans are included in the NACE sector rows and excluded from the rows disclosing loans collateralised by residential and commercial immovable property. The subsequent columns includes only exposures sensitive to physical events. SBAB has in the regularly climate risk process identified floods accompanied by sea level rise (chronical) and floods in lakes and waterways (acute) as the main and most comparable physical risks. SBAB has since June-2024 compiled and calculated the climate risk with external data from UC.

No major changes have been noted since previous reporting on June 30, 2024.

SUMMARY OF GAR KPIS

	KPI			% coverage (over total assets)*
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	
GAR stock	6.4	0.0	6.4	99.0
GAR flow	7.0	0.0	7.0	27.3

* % of assets covered by the KPI over banks' total assets

Since June 30, 2024, the green asset ratio (GAR) for stock and flow and for % coverage (over total assets) has been revised and therefore aligned with the regulatory requirements according to the EU Taxonomy (Regulation (EU) 2021/2178).

MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

Million EUR		Disclosure reference date T															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					
		Total gross carrying amount		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling			
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	480,087	395,141	41,639	-	154	48	1,082	2	-	-	0	398,948	41,641	-	154	51
2	Financial corporations	67,761	17,086	1,027	-	154	48	1,082	2	-	-	0	20,893	1,030	-	154	51
3	Credit institutions	67,761	17,086	1,027	-	154	48	1,082	2	-	-	0	20,893	1,030	-	154	51
4	Loans and advances	7,929	880	136	-	36	18	0	1	-	-	0	2,559	137	-	36	19
5	Debt securities, including UoP	59,832	16,206	891	-	118	29	1,082	1	-	-	0	18,334	893	-	118	33
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial corporations (subject to NFRD disclosure obligations)	11,352	11,351	94	-	-	-	-	-	-	-	-	11,352	94	-	-	-
21	Loans and advances	11,352	11,351	94	-	-	-	-	-	-	-	-	11,352	94	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	367,887	366,702	40,517	-	-	-	-	-	-	-	-	366,703	40,517	-	-	-
25	of which loans collateralised by residential immovable property	366,137	366,702	40,517	-	-	-	-	-	-	-	-	366,137	40,517	-	-	-
26	of which building renovation loans	278	278	-	-	-	-	-	-	-	-	-	278	-	-	-	-
27	of which motor vehicle loans	289	289	-	-	-	-	-	-	-	-	-	289	-	-	-	-
28	Local governments financing	33,087	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local governments financing	33,087	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	TOTAL GAR ASSETS	480,087	395,141	41,639	-	154	48	1,082	2	-	-	0	398,948	41,641	-	154	51

Million EUR	Disclosure reference date T															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
	Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					
	Total gross carry- ing amount		Of which spe- cialised lending	Of which tran- sitional	Of which enabling			Of which spe- cialised lending	Of which adap- tation	Of which enabling		Of which spe- cialised lending	Of which transitional/ adaptation	Of which enabling		
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)																
33	EU Non-financial corporations (not subject to NFRD disclosure obligations)	158,998														
34	Loans and advances	158,892														
35	Debt securities	-														
36	Equity instruments	107														
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	-														
38	Loans and advances	-														
39	Debt securities	-														
40	Equity instruments	-														
41	Derivatives	10,938														
42	On demand interbank loans	213														
43	Cash and cash-related assets	-														
44	Other assets (e.g. Goodwill, commodities etc.)	2,430														
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	652,666														
OTHER ASSETS EXCLUDED FROM BOTH THE NUMERATOR AND DENOMINATOR FOR GAR CALCULATION																
46	Sovereigns	4,455														
47	Central banks exposure	3,039														
48	Trading book	-														
49	TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	7,495														
50	TOTAL ASSETS	660,162														

Since June 30, 2024, there is increased volumes mainly in the household portfolio for loans collateralised by residential immovable property. Also increased volumes has been noted in the households portfolio related to the taxonomy alignment sectors.

GAR (%)

% (compared to total covered assets in the denominator)	Disclosure reference date T: KPIs on stock																
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)						
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors						
	Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable						
	a	b	Of which specialised lending	Of which transitional	Of which enabling	f	g	Of which specialised lending	Of which adaptation	Of which enabling	k	l	Of which specialised lending	Of which transitional/adaptation	Of which enabling	Proportion of total assets covered	
1	GAR¹⁾	60.5	6.4	-	0.0	0.0	0.2	0.0	-	-	0.0	61.1	6.4	-	0.0	0.0	98.9
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	82.3	8.7	-	0.0	0.0	0.2	0.0	-	-	0.0	83.1	8.7	-	0.0	0.0	60.4
3	Financial corporations	25.2	1.5	-	0.2	0.0	1.6	-	-	-	-	30.8	1.5	-	0.2	0.0	3.1
4	Credit institutions	25.2	1.5	-	0.2	0.0	1.6	-	-	-	-	30.8	1.5	-	0.2	0.0	3.1
5	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Non-financial corporations subject to NFRD disclosure obligations	100.0	0.8	-	-	-	-	-	-	-	-	100.0	0.8	-	-	-	1.7
10	Households	99.7	11.0	-	-	-	-	-	-	-	-	99.7	11.0	-	-	-	55.6
11	of which loans collateralised by residential immovable property	100.0	11.1	-	-	-	-	-	-	-	-	100.0	11.1	-	-	-	55.5
12	of which building renovation loans	100.0	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	0
13	of which motor vehicle loans	100.0	-	-	-	-	-	-	-	-	-	100.0	-	-	-	-	0
14	Local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

% (compared to total covered assets in the denominator)	Disclosure reference date T: KPIs on flows																
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)						
	Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors						
	Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable						
	q	r	Of which specialised lending	Of which transitional	Of which enabling	v	w	Of which specialised lending	Of which adaptation	Of which enabling	z	aa	ab	Of which specialised lending	Of which transitional/adaptation	Of which enabling	Proportion of total new assets covered
1	GAR¹⁾	50.3	7.0	-	0.1	0.0	0.0	0.0	-	-	0.0	54.1	7.0	-	0.1	0.1	23.3
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	56.0	7.8	-	0.2	0.1	0.0	0.0	-	-	0.0	60.2	7.8	-	0.2	0.1	14.8
3	Financial corporations	28.0	1.7	-	0.3	0.1	0.0	0.0	-	-	0.0	36.1	1.7	-	0.3	0.1	4.6
4	Credit institutions	28.0	1.7	-	0.3	0.1	0.0	0.0	-	-	0.0	36.1	1.7	-	0.3	0.1	4.6
5	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Non-financial corporations subject to NFRD disclosure obligations	100.0	53.0	-	-	-	-	-	-	-	-	100.0	53.0	-	-	-	0.0
10	Households	99.7	16.5	-	-	-	-	-	-	-	-	99.7	16.5	-	-	-	10.1
11	of which loans collateralised by residential immovable property	100.0	16.6	-	-	-	-	-	-	-	-	100.0	16.6	-	-	-	10.1
12	of which building renovation loans	100.0	-	-	-	-	-	-	-	-	-	100.0	0.0	-	-	-	0.0
13	of which motor vehicle loans	100.0	-	-	-	-	-	-	-	-	-	100.0	0.0	-	-	-	0.0
14	Local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

¹⁾ Since June 30, 2024 the calculation of GAR ratio stock and flow, row 1 has been revised and based on the information in template 7, row 45 (used as denominator) and therefore aligned with the regulatory requirements according to the EU Taxonomy (Regulation (EU) 2021/2178). In addition also calculation of % coverage (over total assets) row 1 in column p and af has been revised and aligned with the regulatory requirements according to the EU Taxonomy (Regulation (EU) 2021/2178)

MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF BTAR

Million EUR		Disclosure reference date T: KPIs on stock															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					
		Total gross carrying amount		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling			
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p		
1	Total GAR Assets	480,087	395,141	41,639	-	154	48	1,082	2	-	-	0	398,948	41,641	-	154	51
Assets excluded from the numerator for GAR calculation (covered in the denominator) but included in the numerator and denominator of the BTAR																	
2	EU Non-financial corporations (not subject to NFRD disclosure obligations)	158,998	158,891	26,863	-	-	-	-	-	-	-	-	158,891	26,863	-	-	-
3	Loans and advances	158,891	158,891	26,863	-	-	-	-	-	-	-	-	158,891	26,863	-	-	-
4	of which loans collateralised by commercial immovable property	12,384	12,384	2,522	-	-	-	-	-	-	-	-	12,384	2,522	-	-	-
5	of which building renovation loans	2	2	2	-	-	-	-	-	-	-	-	2	2	-	-	-
6	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Equity instruments	107	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	TOTAL BTAR ASSETS	639,085	554,032	68,501	-	154	48	1,082	2	-	-	0	557,839	68,504	-	154	51
Assets excluded from the numerator of BTAR (covered in the denominator)																	
13	Derivatives	10,938	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	On demand interbank loans	213	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Cash and cash-related assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other assets (e.g. Goodwill, commodities etc.)	2,430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	TOTAL ASSETS IN THE DENOMINATOR	652,666	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets excluded from both the numerator and denominator for BTAR calculation																	
18	TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	7,495	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	TOTAL ASSETS	660,161	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

BTAR (%)

% (compared to total covered assets in the denominator)	Disclosure reference date T: KPIs on stock															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					
	Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable					
		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling	Proportion of total assets covered			
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
1 BTAR	84.9	10.5	-	-	-	-	-	-	0.0	0.0	84.9	10.5	-	-	-	98.9
2 GAR	60.5	6.4	-	0.0	0.0	0.2	0.0	-	0.0	0.0	61.1	6.4	-	0.0	0.0	98.9
3 EU Non-financial corporations not subject to NFRD disclosure obligations	100.0	16.9	-	-	-	-	-	-	-	-	100.0	16.9	-	-	-	24.1
4 of which loans collateralised by commercial immovable property	100.0	20.4	-	-	-	-	-	-	-	-	100.0	20.4	-	-	-	1.9
5 of which building renovation loans	100.0	100.0	-	-	-	-	-	-	-	-	100.0	100.0	-	-	-	0.0
5 Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

% (compared to total covered assets in the denominator)	Disclosure reference date T: KPIs on flows															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					
	Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable					
		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling	Proportion of total new assets covered			
	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
1 BTAR	60.0	10.8	-	-	-	-	-	-	-	-	63.8	10.8	-	-	-	27.3
2 GAR	50.3	7.0	-	0.1	0.0	0.0	0.0	-	-	0.0	54.1	7.0	-	0.1	0.1	27.3
3 EU Non-financial corporations not subject to NFRD disclosure obligations	100.0	39.6	-	-	-	-	-	-	-	-	100.0	39.6	-	-	-	2.6
4 of which loans collateralised by commercial immovable property	100.0	91.4	-	-	-	-	-	-	-	-	100.0	91.4	-	-	-	0.5
5 of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Non-EU country counterparties not subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SUMMARY TABLE - BTAR %

	KPI			% coverage (over total assets)
	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	TOTAL (CCM + CCA)	
BTAR stock	10.5	0.0	10.5	98.9
BTAR flow	10.8	0.0	10.8	27.4

The calculation of BTAR ratio for stock and flow and for column % coverage (over total assets) is aligned with corresponding ratio of GAR according to the EU Taxonomy (Regulation (EU) 2021/2178).

OTHER CLIMATE CHANGE MITIGATING ACTIONS THAT ARE NOT COVERED IN THE EU TAXONOMY

Type of financial instrument	Type of counterparty	Gross carrying amount (million SEK)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	6,880	Yes	No	SBAB sustainable green bonds in liquidity portfolio amounts to 11,5 SEK billion. The main part refer to bonds from financial corporations (6,8 SEK billion).
	Non-financial corporations	-	Yes	No	
	Of which Loans collateralised by commercial immovable property	-	-	-	
	Other counterparties	4,663	-	-	
Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	-	-	-	SBAB Green Loans with reduction for the amount that is covered in the EU Taxonomy and classified as environmentally sustainable. SBAB Green Loans includes the loans associated with EPC labels A,B and C.
	Non-financial corporations	2,259	Yes	No	
	Of which Loans collateralised by commercial immovable property	-	-	-	
	Households	32,433	Yes	No	
	Of which Loans collateralised by residential immovable property	32,433	Yes	No	
	Of which building renovation loans	-	-	-	
Other counterparties	-	-	-		
Total		46,234			

Since June 2024 changes is primarily explained by increased volumes of EU green loans and by reinterpretation of regulation.

SBAB!

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