

INVESTOR PRESENTATION

SBAB Bank AB (publ)

Q1 2018

SBAB!

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Appendix (SCBC, Swedish economy & mortgage market)

Executive summary

- 100% owned by the Kingdom of Sweden
- Swedish mortgage portfolio, predominantly residential mortgages
- Focus on core business, mortgages in the retail segment
- Business targets:
 - Profitability: RoE \geq 10%
 - Capitalisation: CET1 Capital Ratio 1.5% above requirement from the Swedish FSA
 - Dividend: \geq 40% of profits after tax
- Total funding needs for full 2018 expected to be around SEK 60-70 billion



	2018 Q1	2017 Q1	FY2017
Total lending, SEK bn	344.0	305.1	335.1
Total deposits, SEK bn	115.3	100.0	111.9
Net Interest Income, SEK mn	831	779	3,149
Loan losses, SEK mn	+10	+6	+24
RoE, %	13.0	12.6	12.5
C/I ratio, %	30.0	29.9	30.3
CET1 Capital Ratio, %	31.1	29.9	32.2

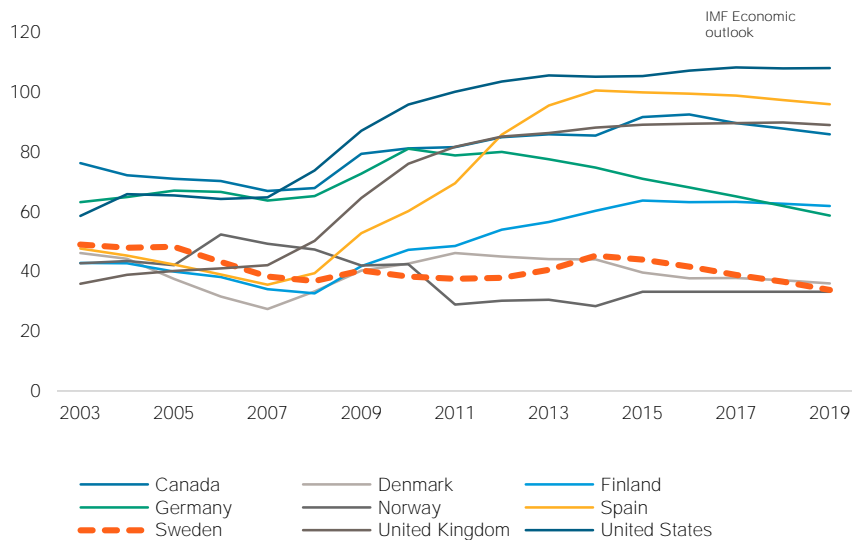
Rating	Moody's	S&P's
SBAB		
- Short term funding	P-1	A-1
- Long term funding	A1	A
SCBC		
- Long term funding	Aaa	

The Swedish economy

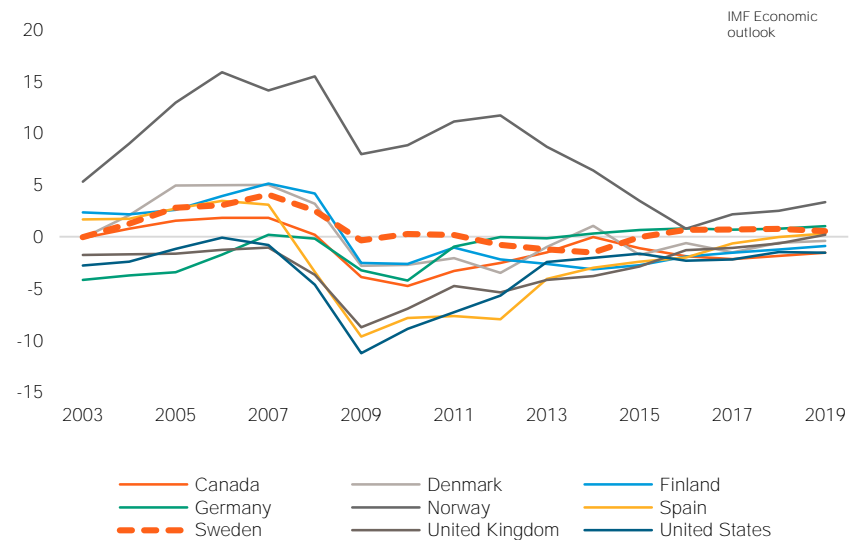
- AAA / Aaa / AAA (stable)

- Public finances are very strong in an international comparison
- Government debt is low and declining
 - Public debt-to-GDP of 38,8% in 2017, 36,5% in 2018 and 33,8% 2019 (IMF, January 2018)
- Budget currently close to balance
 - Average budget balance has been +0.25% of GDP over the past 15 years

General government gross debt (% of GDP)



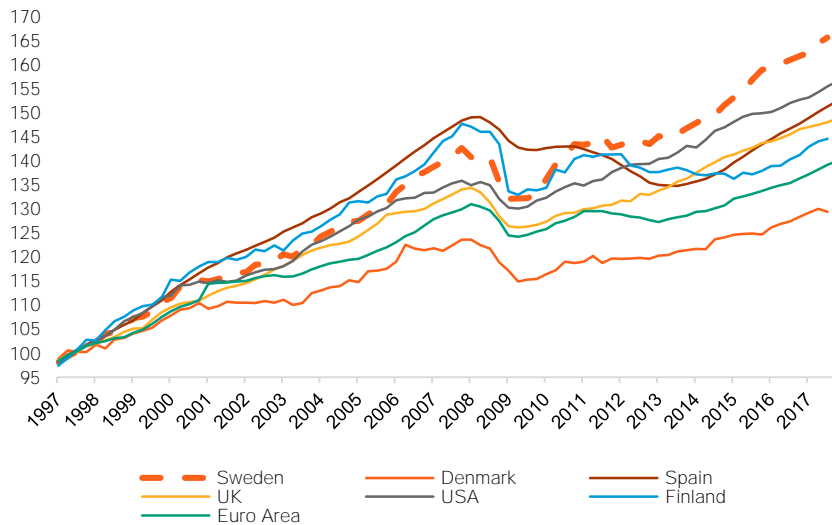
General government net lending/borrowing (% of GDP)



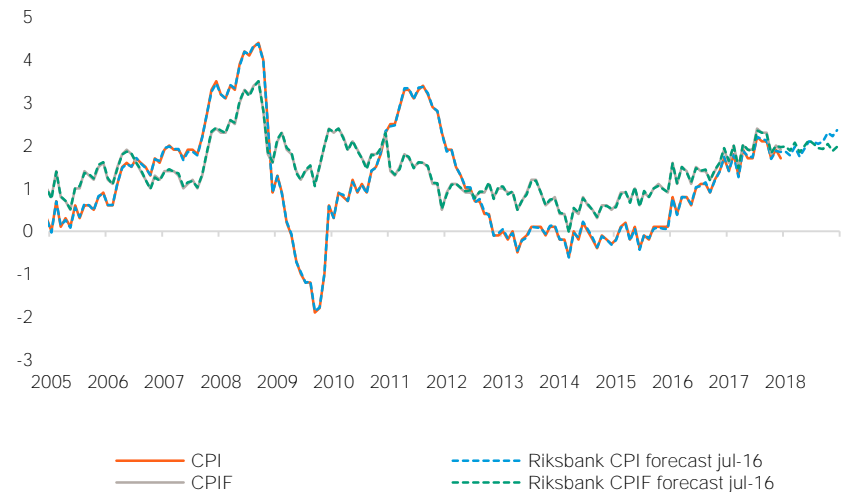
Growth and inflation

- The economy has been characterized by strong domestic demand, stable public finances, strong population growth, increasing employment, low inflation, low interest rates and rising house prices over the past years. Export demand has been picking up over the latest quarters.
- Average annual GDP-growth has been 2.3% over the last 15 years vs 1.1% in the Euro area
 - GDP growth is expected to slow down from 3.2% in 2016 to 3.1% in 2017 and 2.4% in 2018 (IMF, January 2018)
- Average inflation has been 1.1% over the last 15 years, well below the target of 2%
 - Core HICP inflation of about 1.5 percent is expected in 2018 (IMF, September 2017)

GDP (1997=100)



Inflation (y/y)



Mortgage lending in Sweden

- A low risk business

Affordability Assessment

Mortgage lending in Sweden is based on household affordability in the long term, i.e. funds left to live on after interest payments (including stressed interest rate), housing expenses and other general living expenses

Credit Information Agency

National computerized data base with information regarding civil status, income and changes in income, assets, debt, payment complaints and recent inquiries at the agency. Used in every credit process regarding loans

Mortgage Deed System

A Mortgage Deed for every house is registered and controlled by the Swedish mapping, cadastral and land registration authority (Lantmäteriet)

Enforcement Authority

Lender can initiate an enforcement order with this office to enforce his claim, this process normally takes up to 90 days

Mortgage lending in Sweden

- A low risk business

“Originate and hold” model

No “originate to distribute” model, no subprime lending

Restricted Buy-to-Let Market

Restricted buy-to-let market due to regulated rental market and tenant owner subletting restrictions

Personal Liability

A borrower is personally liable even after a default and foreclosure procedure, i.e. full and personal recourse

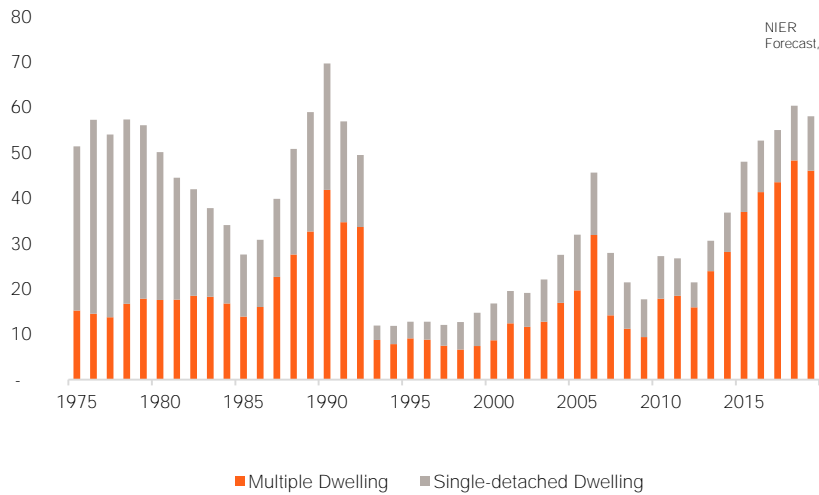
Social Security

Well developed welfare system raising households' ability to service debt even during times of unemployment

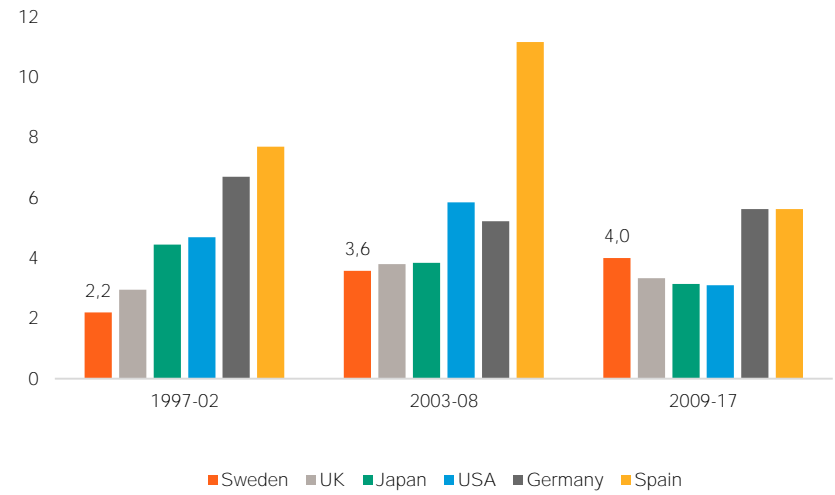
Housing construction

- Low level of housing construction for a long time, fast increase the last years
 - After the real estate crisis in the early 1990s, construction were low in comparison to both history and to other countries
 - Over the last 3-4 years housing construction has almost doubled
- Strong housing demand, easy acces to financing and low interest rates are stimulating construction
 - Growing signs of overheating in the construction industry due to the acceleration in production
 - 50-60 000 new dwellings per year are needed just to keep the stock of dwellings growing at the same pace as the population in the coming ten years

Housing construction (number of dwellings, 1000s)



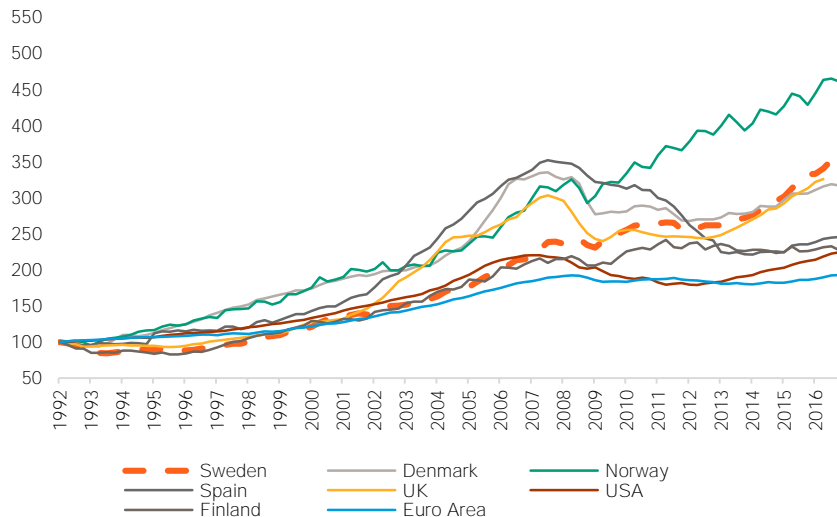
Residential investment (% of GDP)



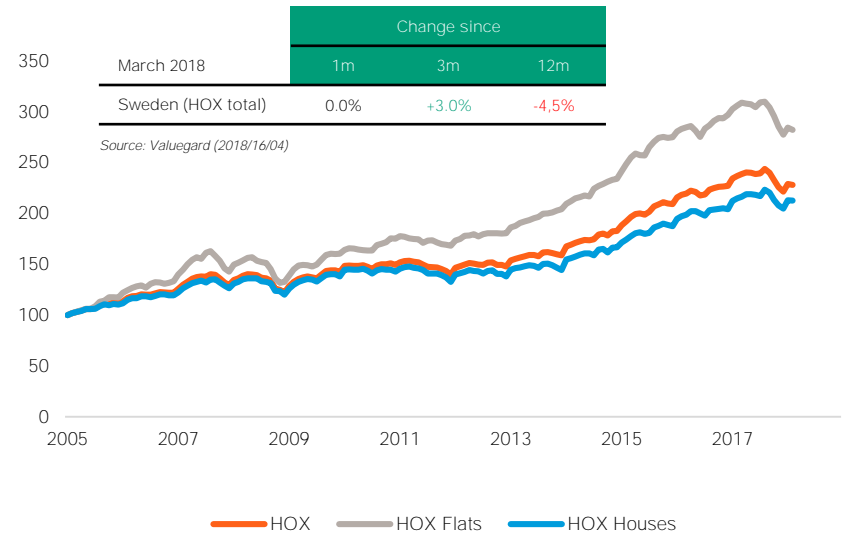
House price performance

- House prices have increased by an average of 6.5% over the last 15 years. Declined in 2017
 - Increases have been higher in cities and growth regions than in the countryside. Prices on flats have risen more than prices on houses
 - On average prices on flats and houses increased by 9% during 2016, and decreased by 2.5% in 2017
- **The Swedish housing market contrasts with the “bubble markets” in a number of ways**
 - Strict regulations on buy-to-let
 - No subprime mortgage market
 - Limited speculative building activity

House Prices (index 1992=100)



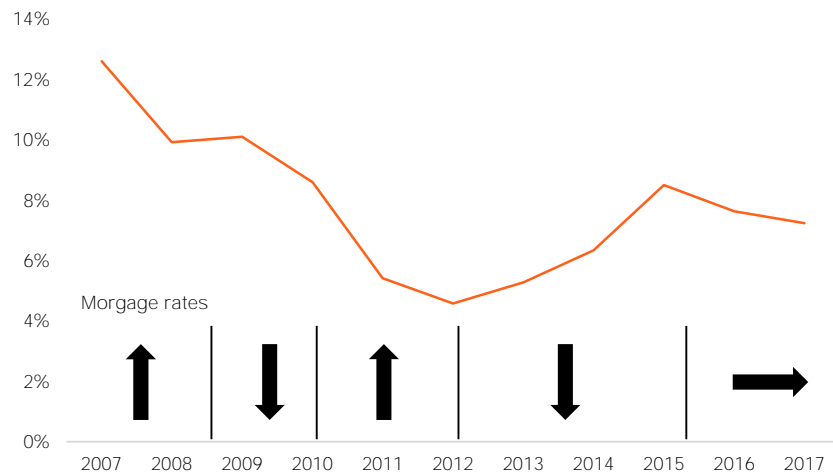
Prices on flats and houses (Index 2005=100)



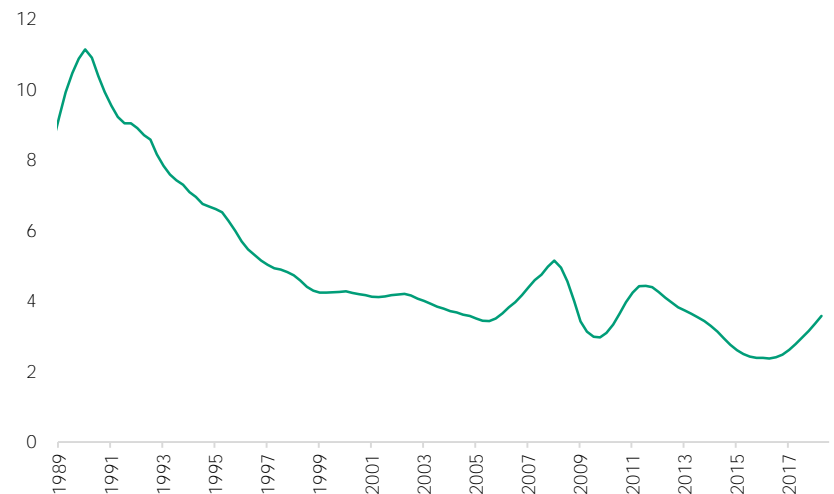
Strong lending growth

- Household lending is increasing by an annual rate of approx. 7 percent
 - Lending still increases faster than household income
 - Measures taken has probably not had any major effects on growth rate, but on the composition
- No increase in debt service costs
 - There are strong links between interest rates, house prices and lending
 - The interest ratio is at historically lows

Household lending growth (y/y)



Interest expenditure as % of disposable income



Low costs of owning a dwelling

- Mortgage rates have been on a downward trend for almost 25 years
 - Mortgage rates and house prices have been highly correlated
 - Interest costs are deductible to 30% (20% on amounts above 100,000 SEK)
- No increase in debt service costs
 - Interest rate cost of acquiring an average house have historically been 23% of average disposable per capita income over the **past 20 years. Now it's around 12%**
- Relaxation of taxes connected to housing
 - Inheritance & gift tax abolished in 2005, wealth tax abolished in 2007
 - Residential real estate tax lowered 2008
 - Capital gains taxation applies to dwellings (flat rate 22%)

Mortgage lending rates (average of 5 Swe banks, %)



Interest rate cost for acquiring an average house

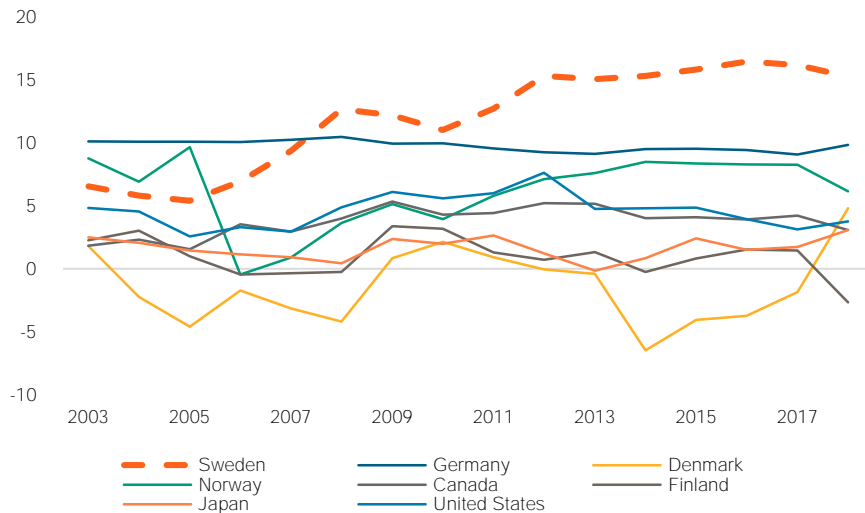


After tax yearly interest rate cost of acquiring an average house with 15 percent downpayment (% of average disposable income)

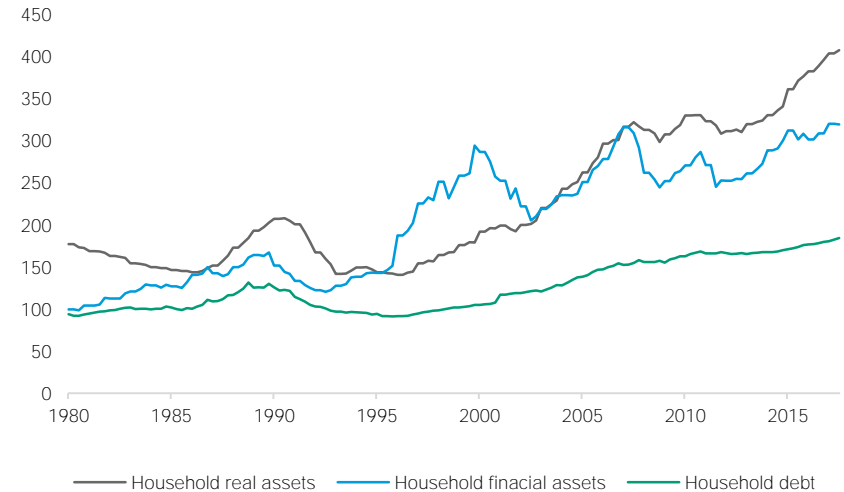
High savings ratio, high net wealth

- High savings ratio
 - Swedish households have a savings ratio above 15%, which is very high in comparison to other countries
 - Household deposits has risen from 40% of yearly disposable income in the beginning of the 2000s to almost 80%
- High net wealth
 - Both financial assets and housing assets have been rising faster than debt. Average net wealth stands at almost 5 times yearly disposable income

Household savings (net savings as % of household income)



Household debt and assets (% of disposable income)

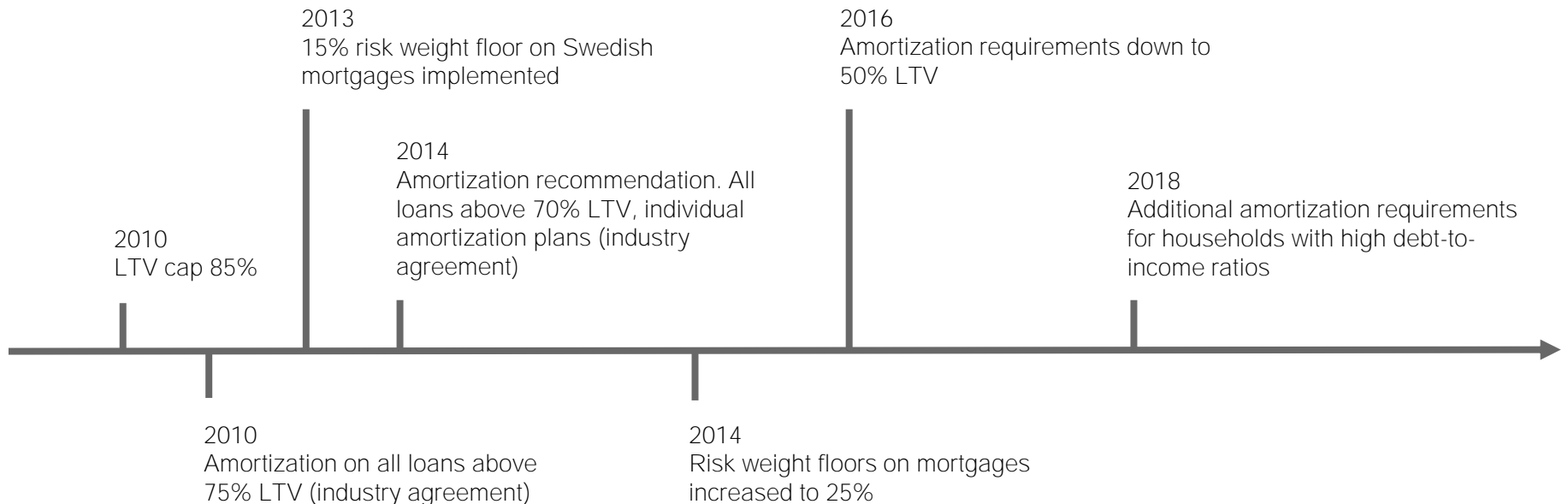


The Swedish mortgage market

- Measures introduced to slow down the market

Ongoing discussions

- Reduction of tax relief on interest expenditure
- Minimum levels in discretionary income calculations
- Reducing the use of variable interest rate



OUR BUSINESS.

Introducing SBAB

- 100% owned by the Kingdom of Sweden (founded in 1985)
- Two product offerings:
 - **Lending:** Mortgages & housing financing offered to retail (75%), tenant-**owners' associations (15%)** and property companies (10%). **Total lending SEK 344bn**
 - **Savings:** Savings accounts offered to retail (68%), corporate clients and tenant-**owners' associations (38%)**. **Total deposits SEK 115bn**

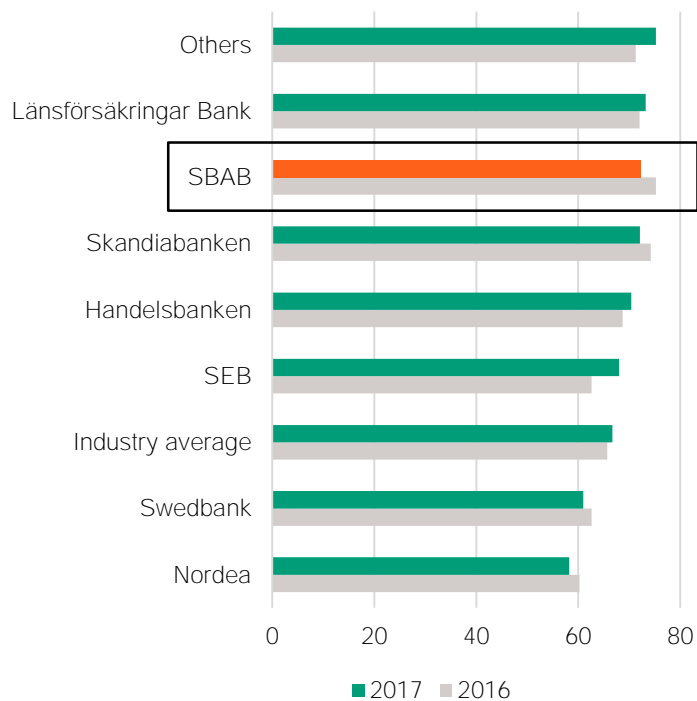


No 3 in 2017, No 1 in 2016

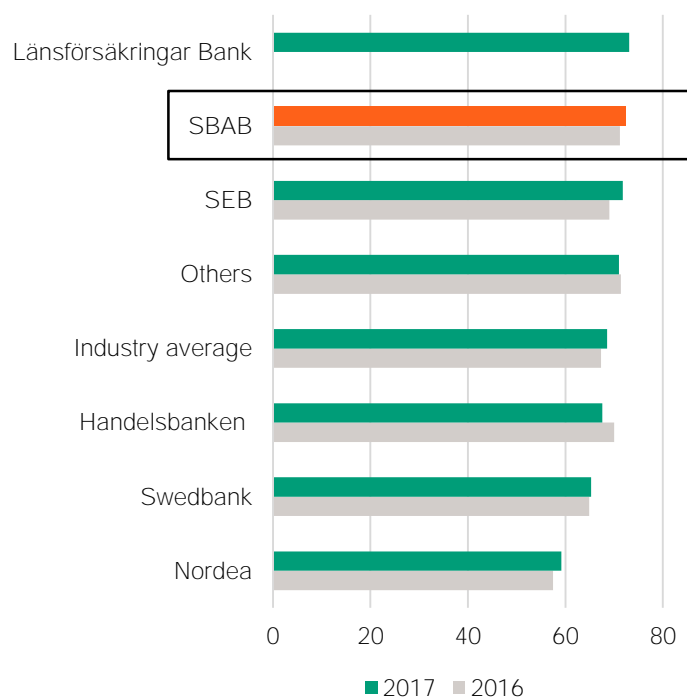
”Sweden’s most satisfied residential mortgage customers”



Retail (SBAB no 3 in 2017)
Customer satisfaction 2016 & 2017



Corporate (SBAB no 2 in 2017)
Customer satisfaction 2016 & 2017

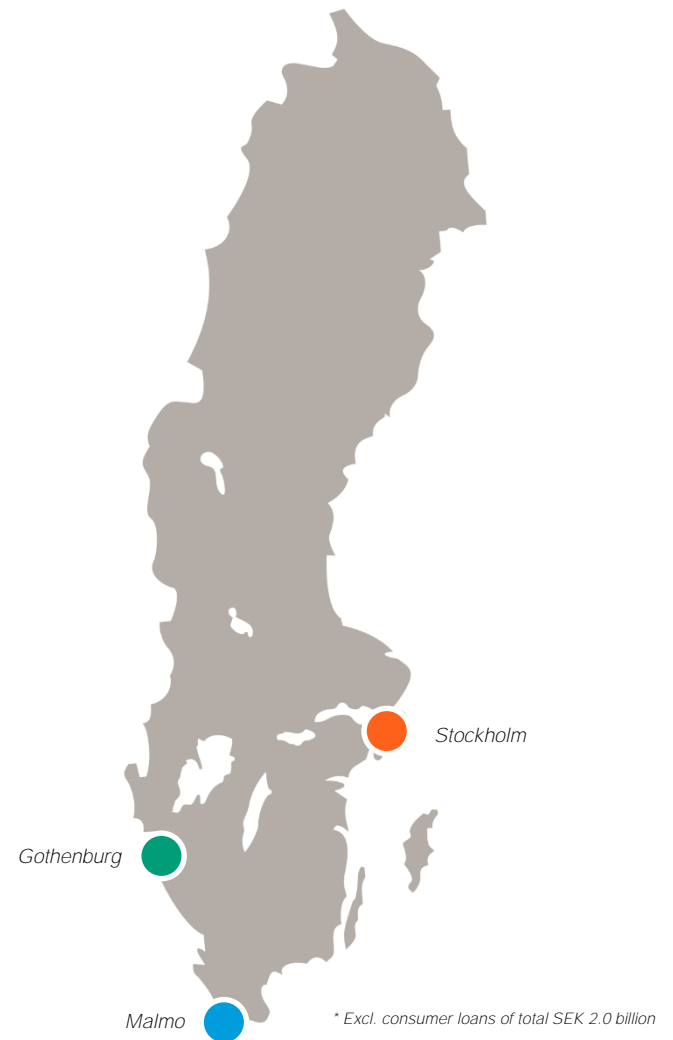
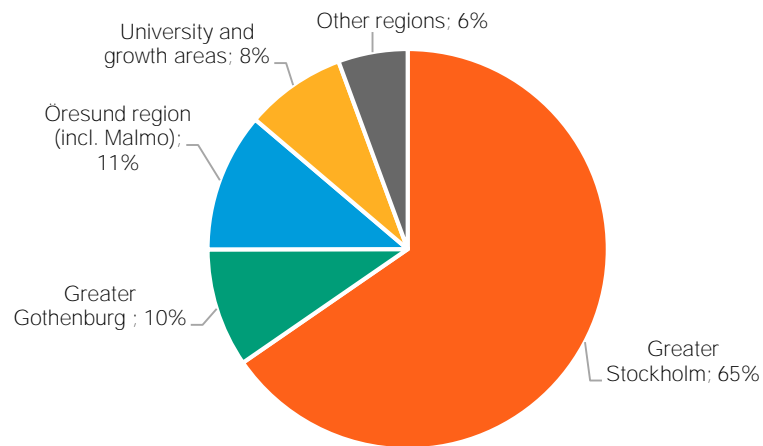


Retail lending

- Total retail lending SEK 256.3 million

- Cost efficient origination through internet (since 1998), call-centre and digital partnerships
- Lending is only offered in Sweden in Swedish Kronor
- **SBAB's** retail lending is concentrated to the economic hubs (greater Stockholm, Gothenburg and Malmo)

Geographic distribution of loan portfolio (year-end 2017)



Our value proposition



ACCESSIBILITY

Mortgages online and over the phone, seven days a week, covering all circumstances.

TRANSPARENCY

Fair prices and appropriate terms and conditions from the start.

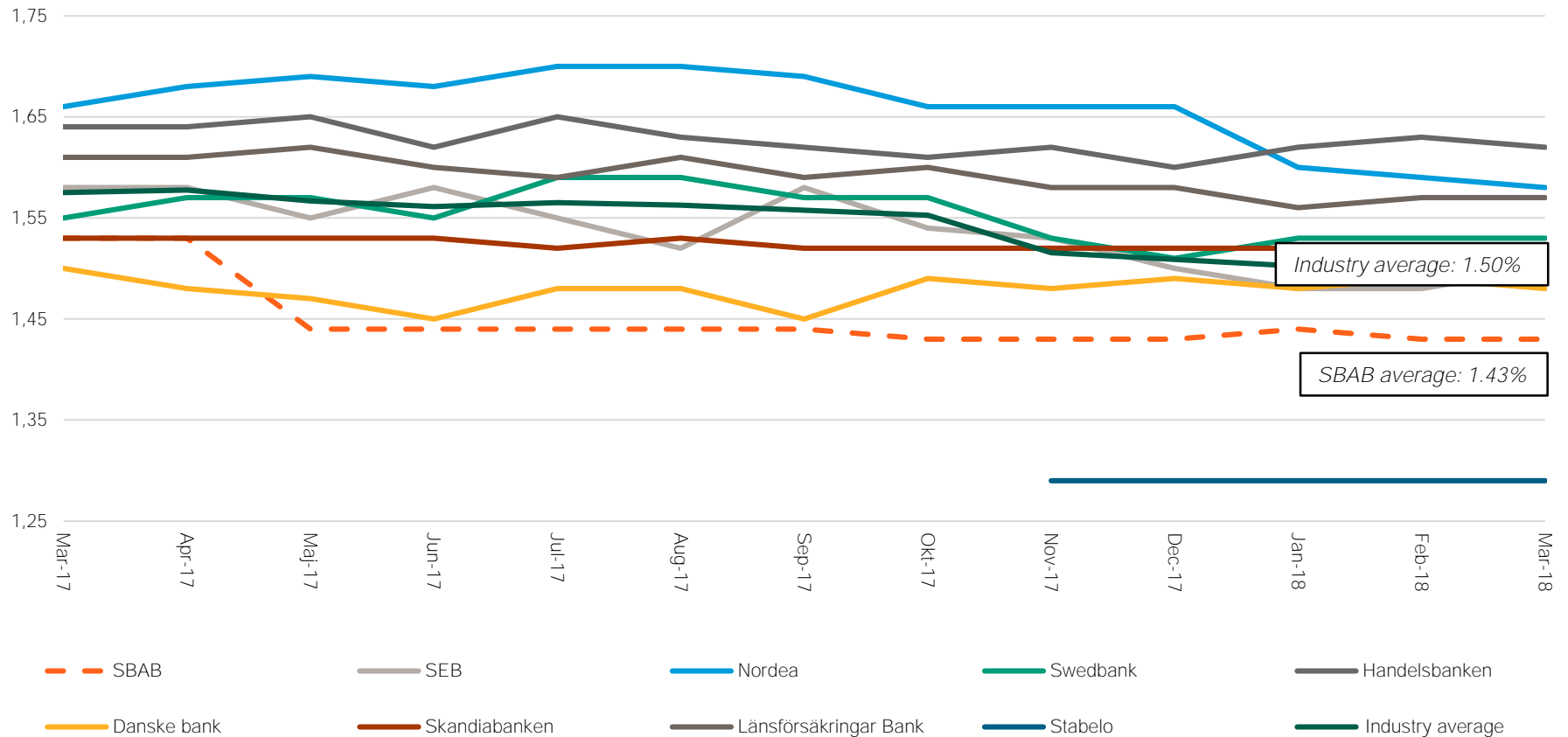


CONSIDERATION

Housing specialists who care.

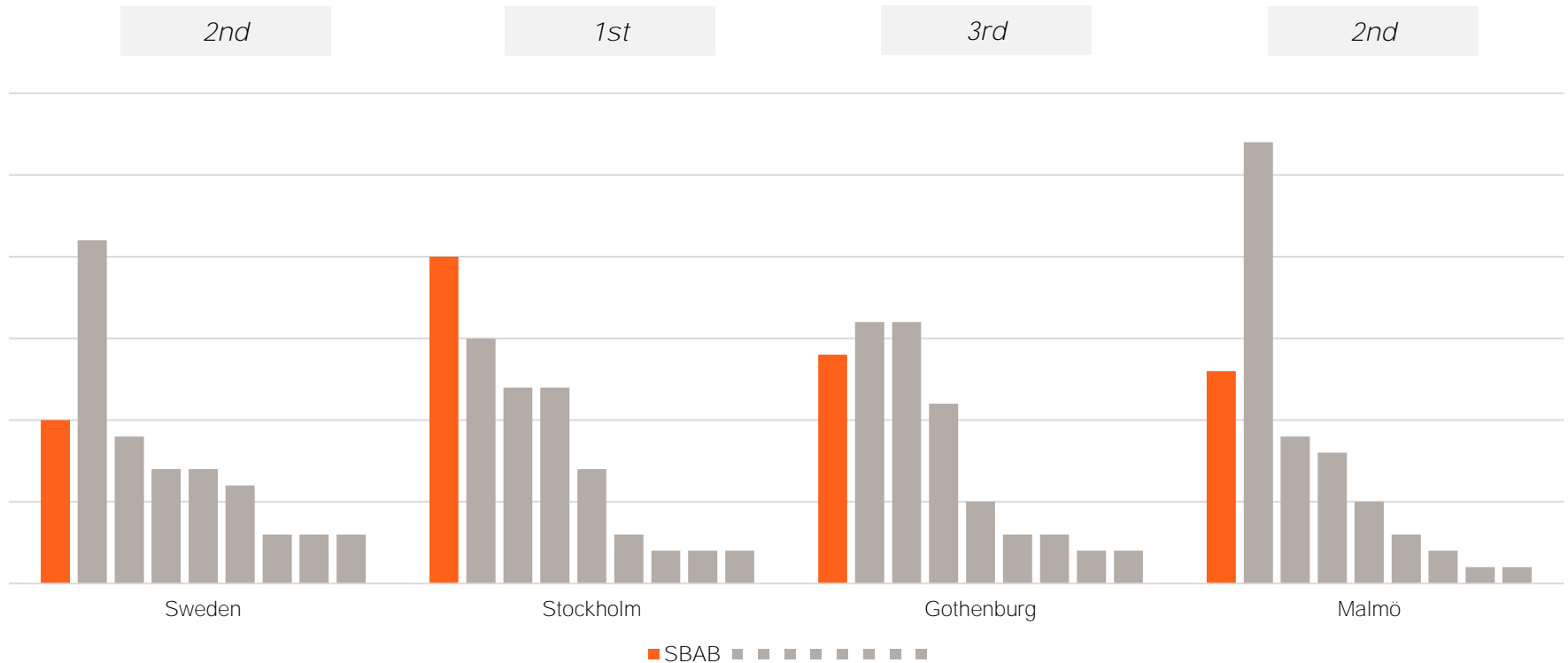
Average mortgage rates (mar 18)

3-month variable rate, actual monthly averages (residential mortgages)



Strong position & awareness

”Which companies offering mortgages do you know of?” (first mentioned)



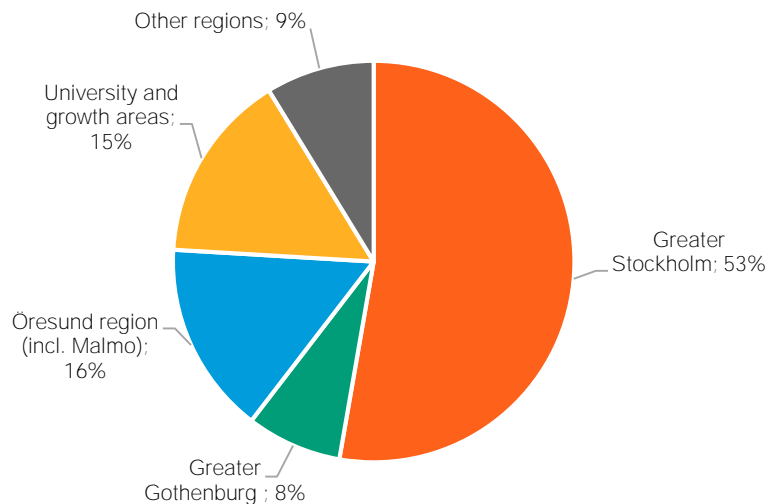
SBAB is the 5th largest mortgage provider in Sweden, but the 2nd most recognised in Sweden and 1st - 3rd most recognised in the largest cities, supporting further growth

Corporate lending

- Total corporate lending SEK 85.6 million

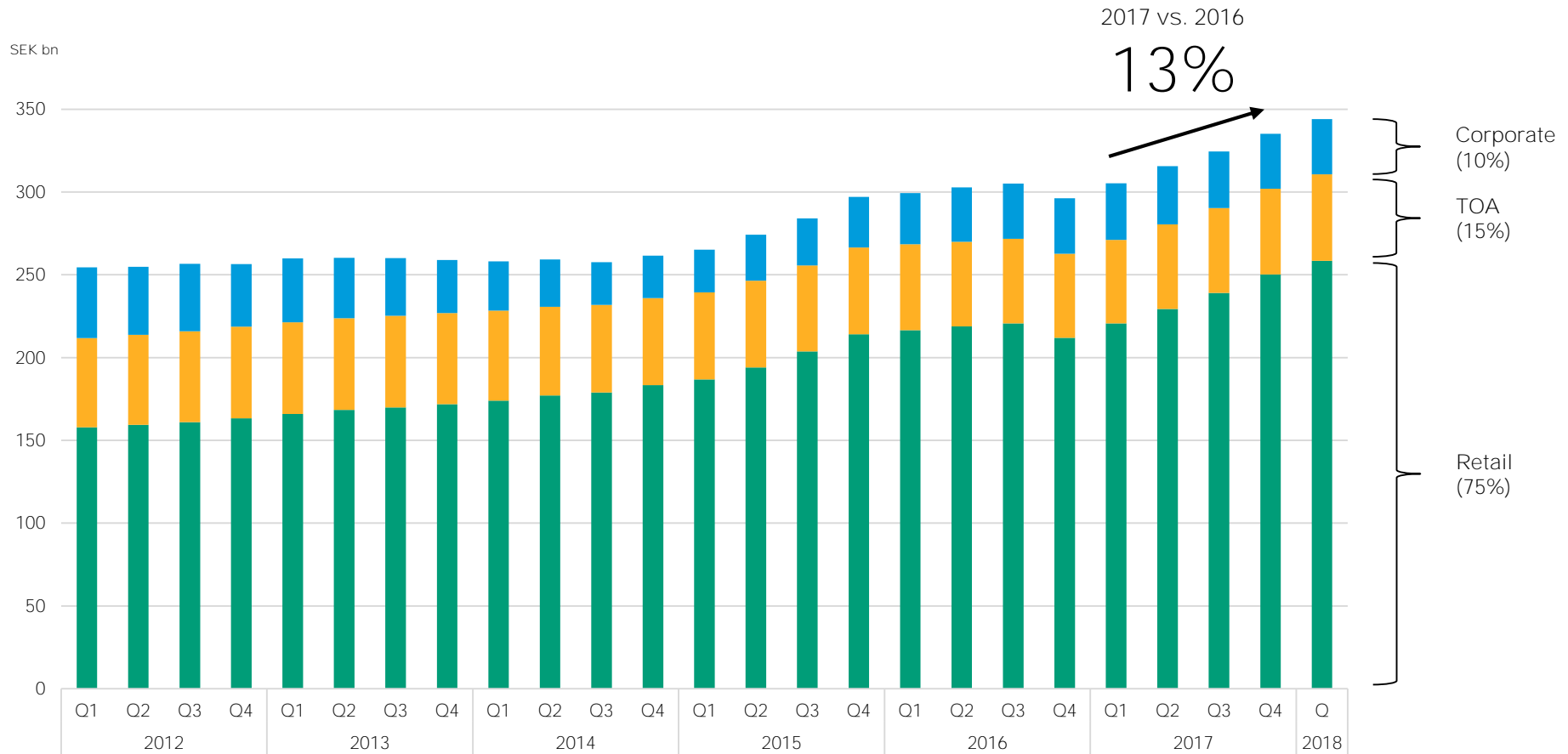
- Housing financing to property companies and tenant-owners' associations
- Focus on customers located in middle and south parts of Sweden, with property holdings mainly concentrated in major cities and in growth regions

Geographic distribution of loan portfolio (year-end 2017)



BUSINESS & FINANCIAL
DEVELOPMENT.

Lending growth

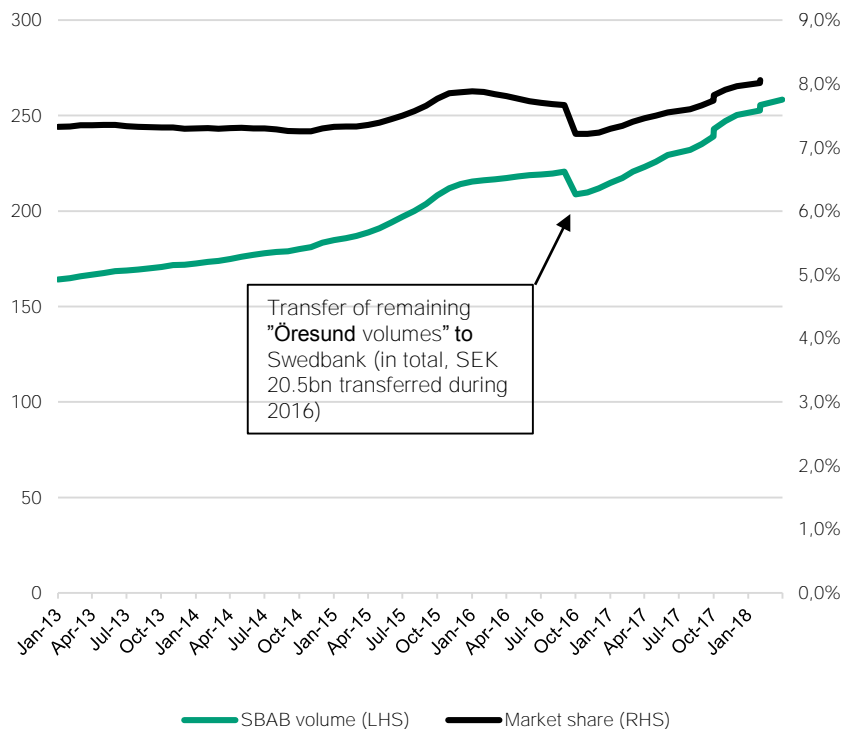


Approximately SEK 20.5bn of assets transferred from SBAB during 2016 due to option exercised by former partner Sparbanken Öresund (acquired by Swedbank)

Retail

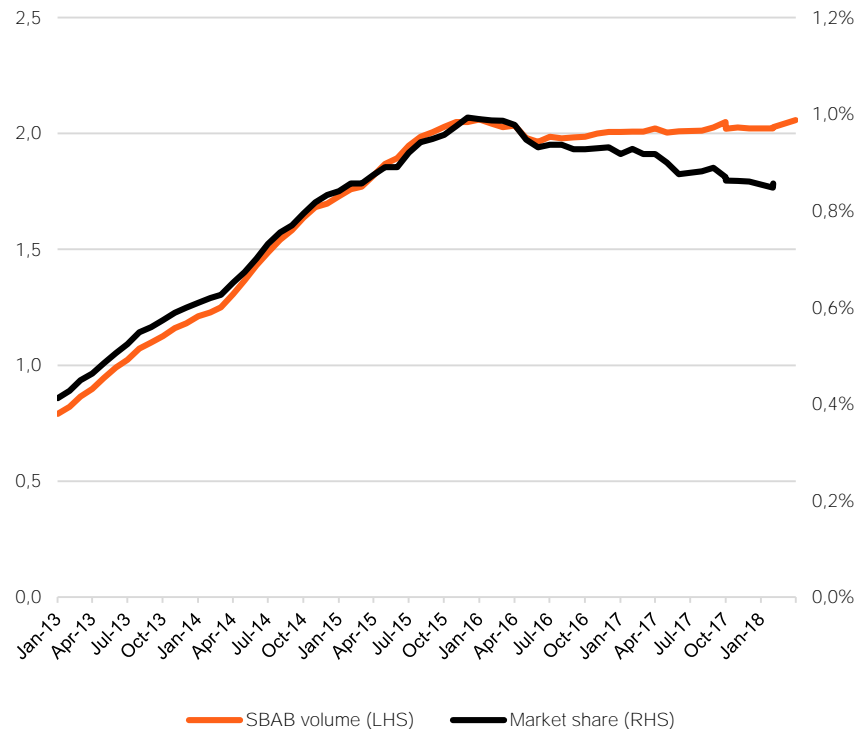
SEK 256.3_{bn}

Residential mortgages (lending & market share)



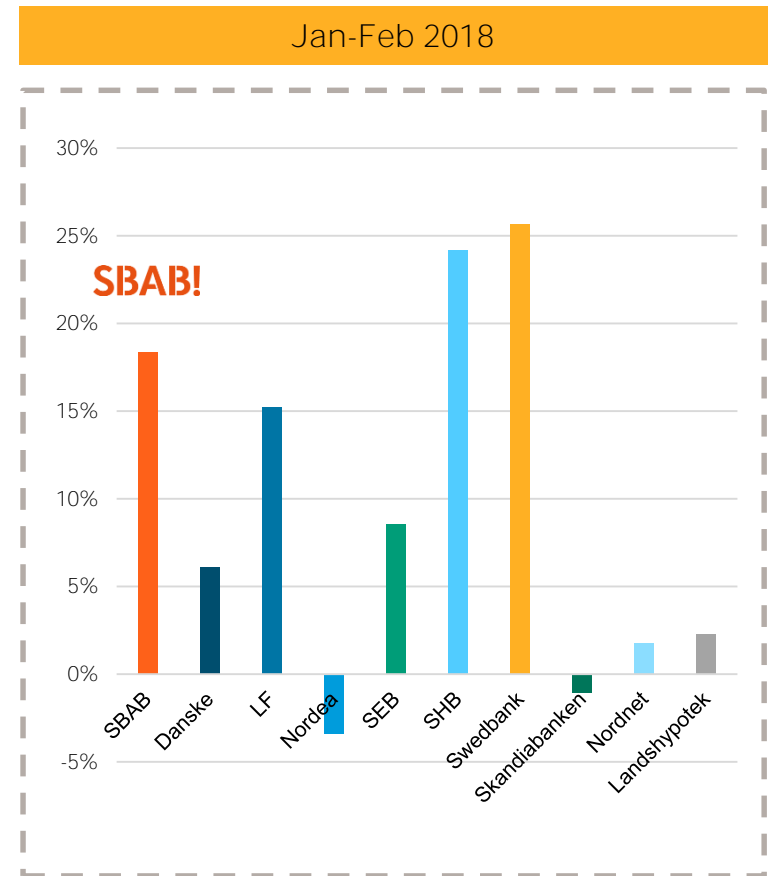
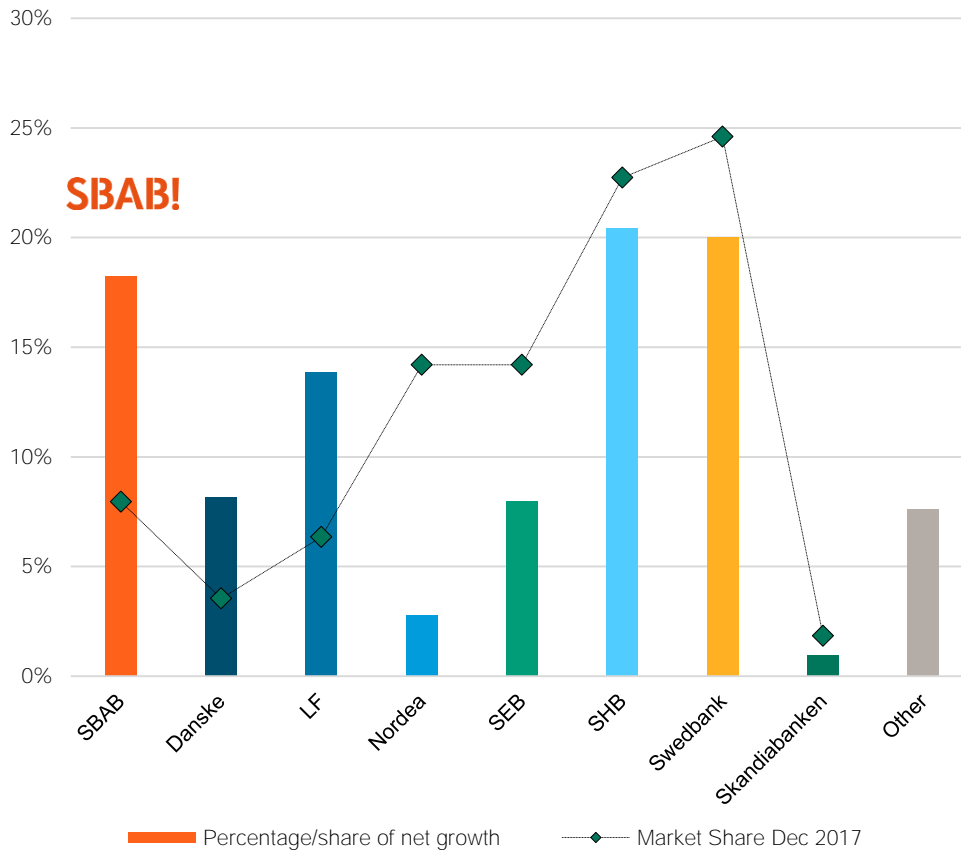
SEK 2.0_{bn}

Consumer loans (lending & market share)



Residential mortgages

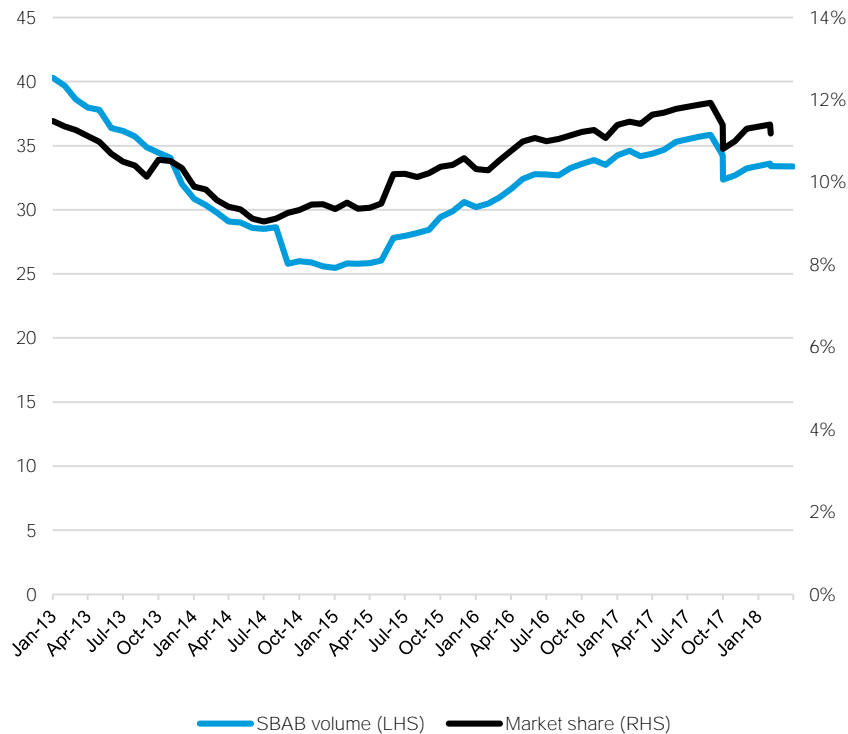
Percentage/share of net growth in the Swedish residential mortgage market for the period Jan-Dec 2017



Corporates & TOA

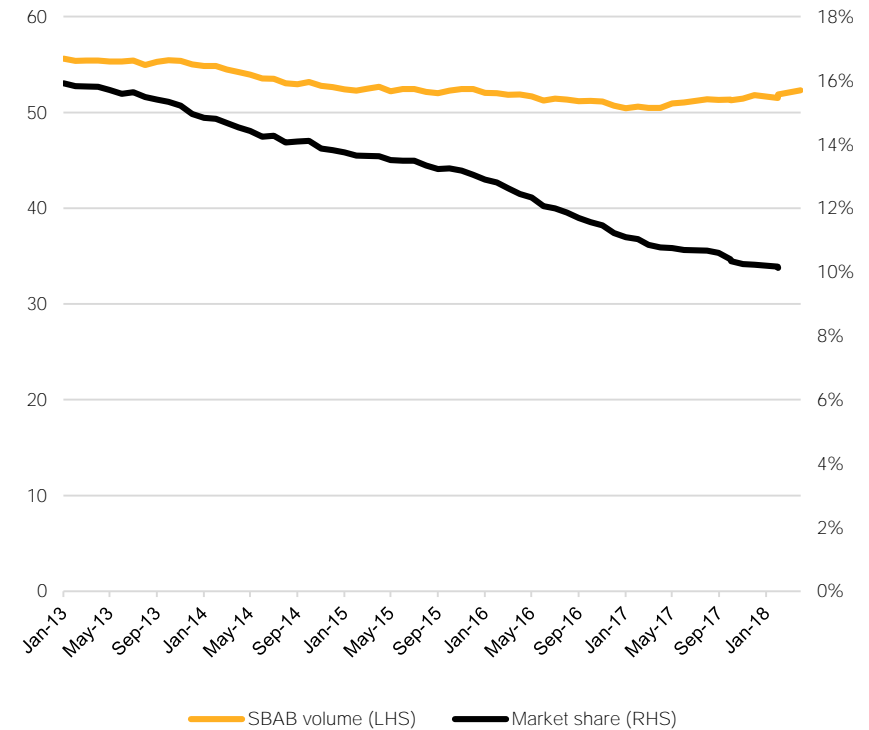
SEK 33.4 bn

Corporates (lending & market share)



SEK 52.2 bn

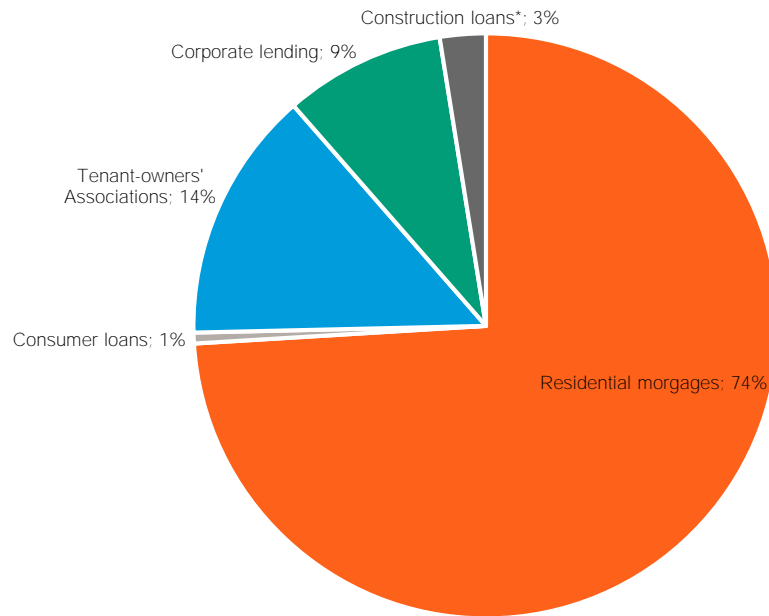
Tenant-Owners' Associations (lending & market share)



Loan split exposure (2017)

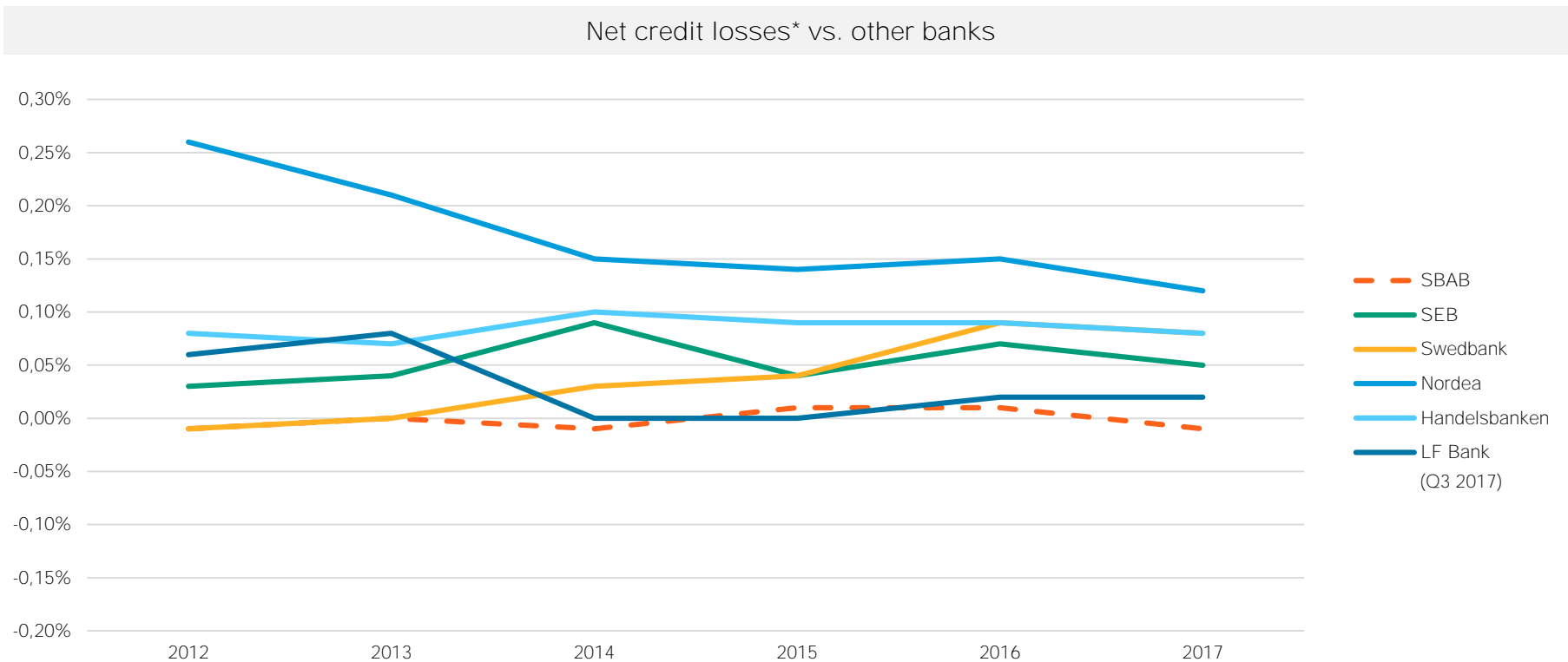
- Superior asset quality (>98% secured)

SBAB's loan split exposure (year-end 2017)



* Disbursed construction loans.

Credit losses vs. peers (2017)

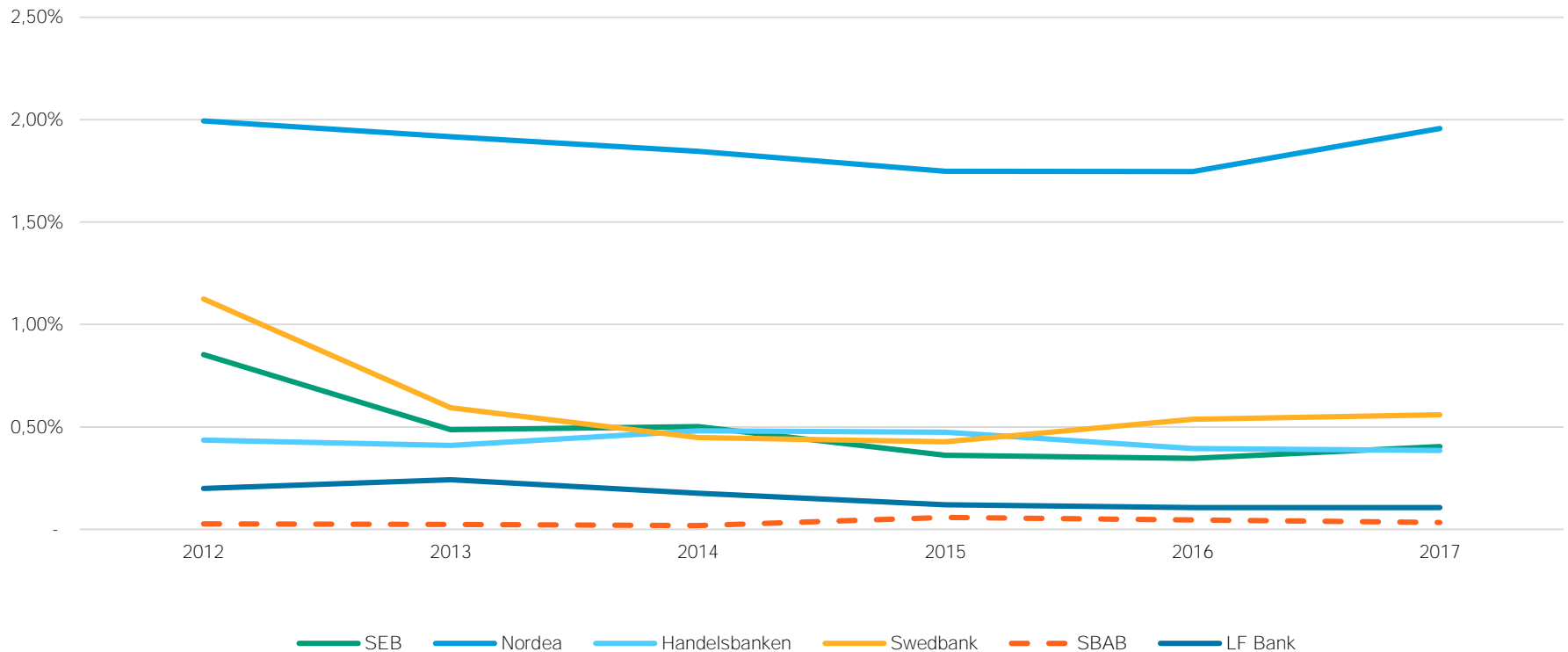


Thorough credit evaluations and low risk assets consistently achieves low credit losses

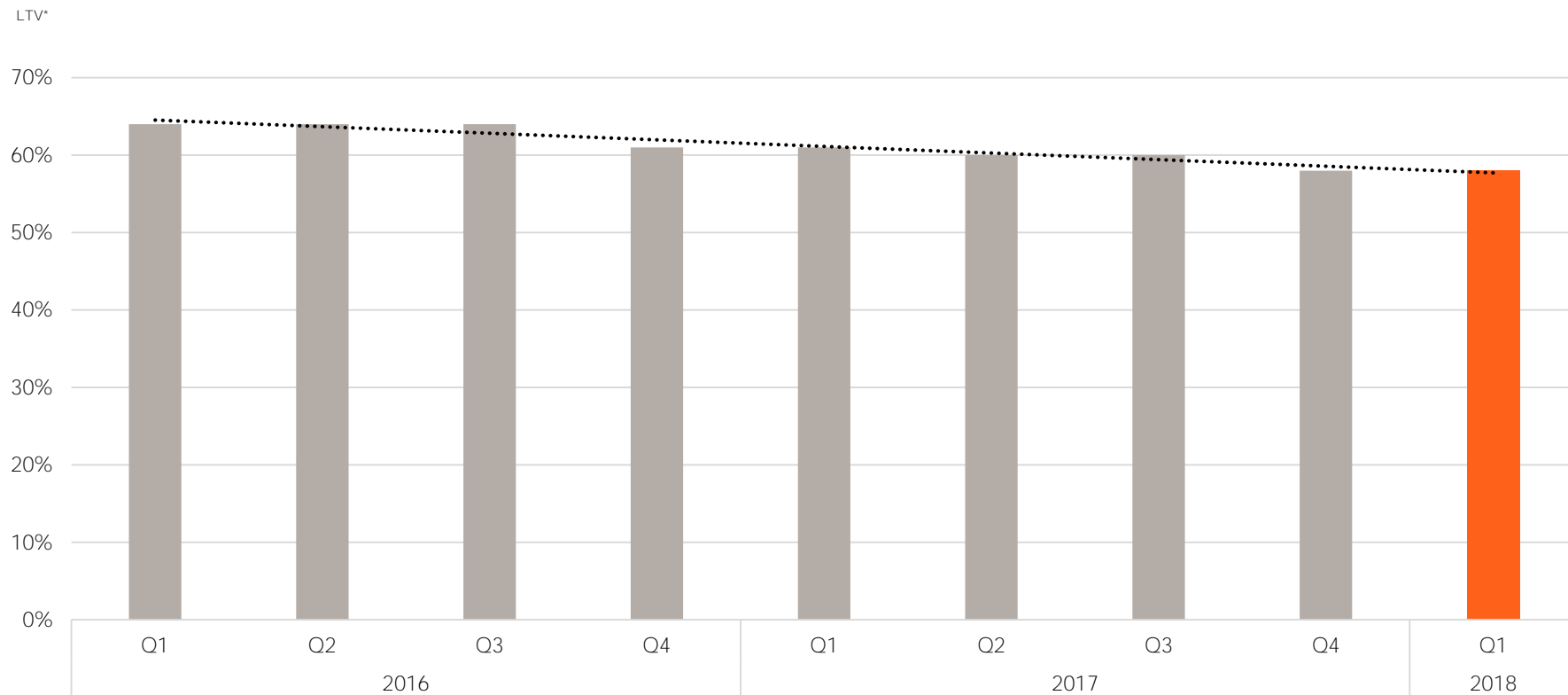
* As reported by each bank, definition of credit losses/impairments may vary between banks

Impaired loan development (2017)

Impaired loans / Net loans FY2017 vs. other banks



LTV development (Retail)

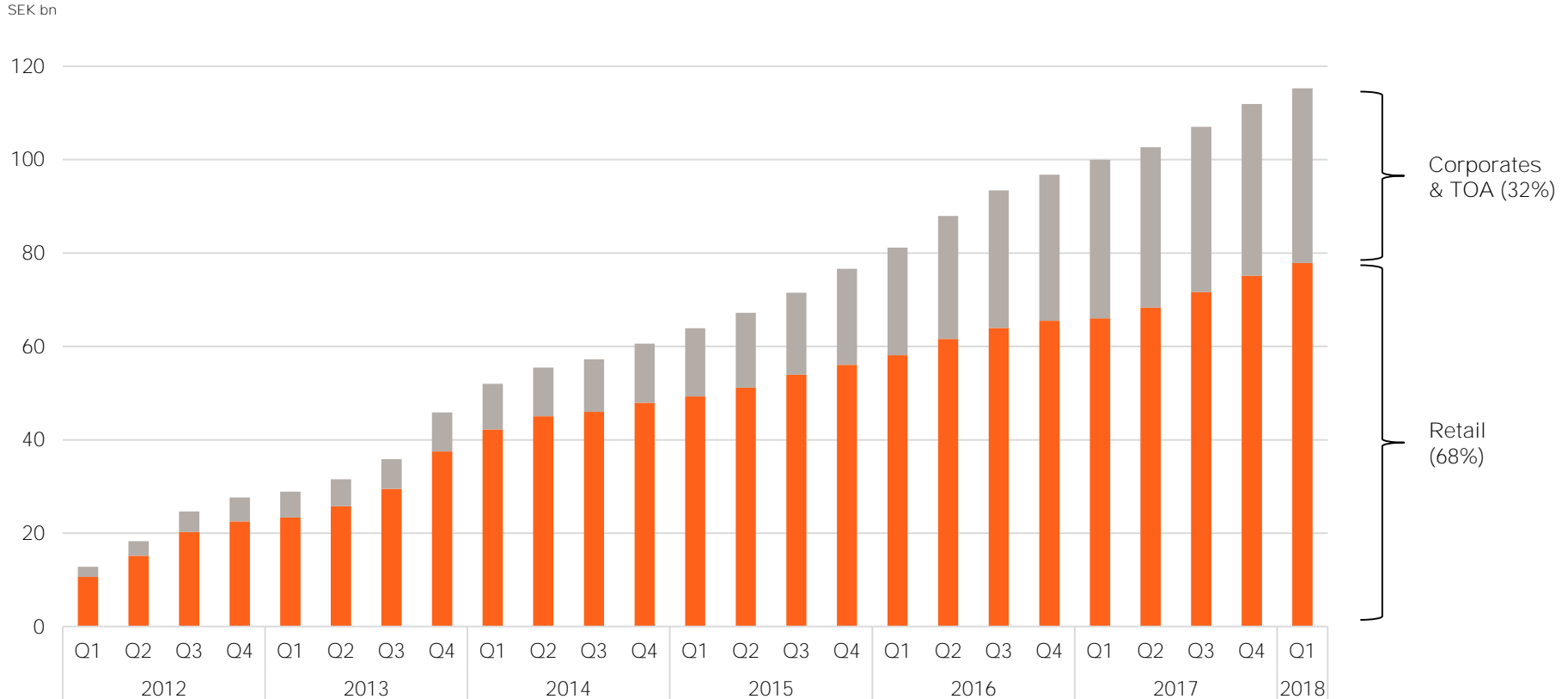


SBAB has gradually imposed stricter underwriting standards during recent years which has improved credit metrics in new lending

*The loan-to-value ratio is defined as the size of a loan in relation to the market value of pledged collateral. Where applicable, the calculation takes into consideration contributory factors such as guarantees and the collateral's lien priority.

Deposit growth

- Deposit-to-loan ratio of 33.5% at 31 March 2018



Deposits has grown significantly over past years leading to reduced reliance on capital markets funding and adding to earnings stability

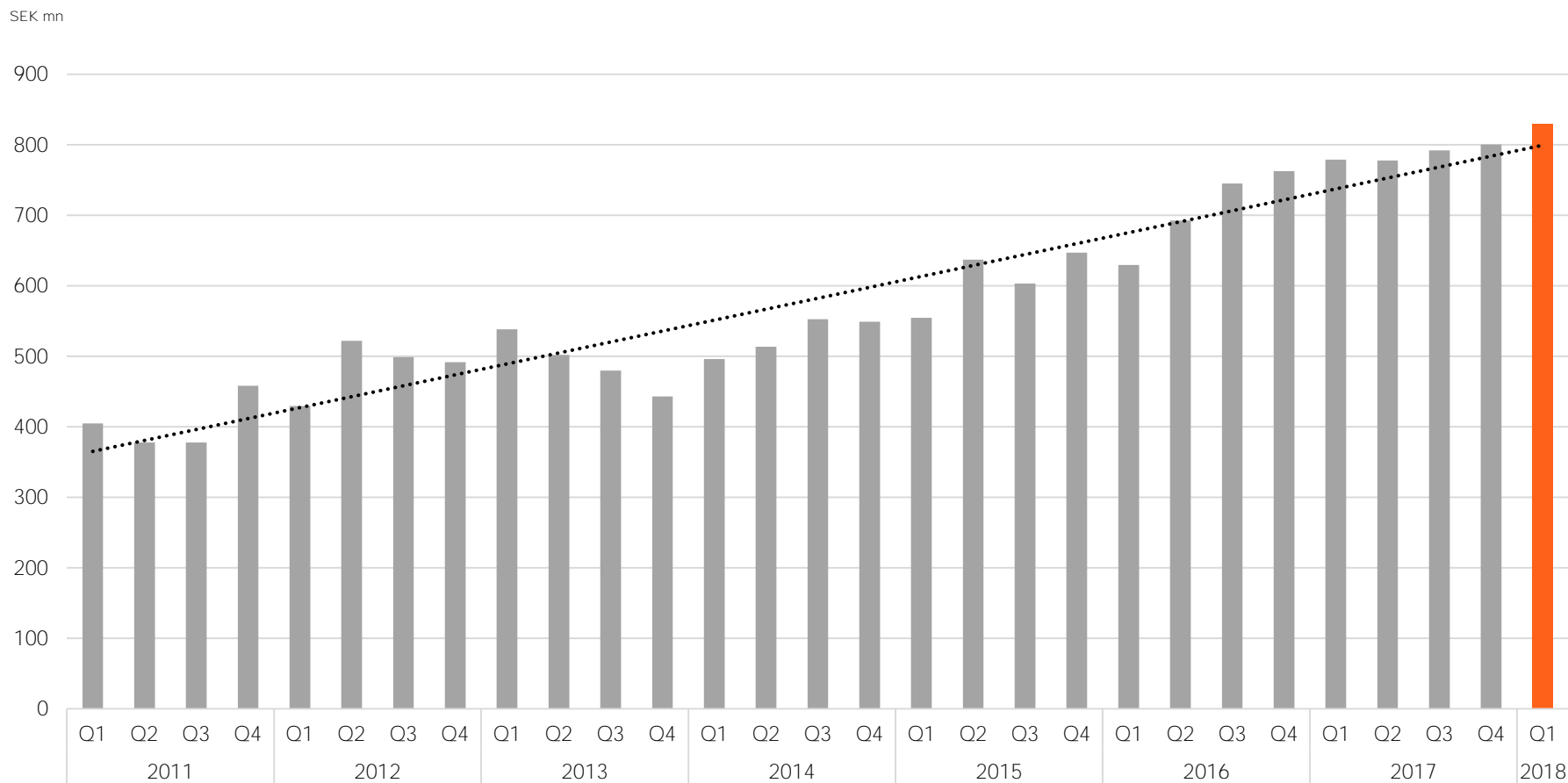
Continued strong development

(SEK mn)	2017	2016	▲	Q1 2018	Q1 2017	▲
NII	3,149	2,829	↑	831	779	↑
Costs	-959	-889	↑	-242	232	↑
Loan losses	24	-18	↓	10	6	↓
Operating profit	2,228	2,011	↑	576	549	↑
Deposits (SEK bn)	111.9	96.8	↑	115.3	100.0	↑
Lending (SEK bn)	335.1	296.0	↑	344.0	305.1	↑
Deposit/lending, %	33.4%	32.7%	↑	33.5%	32.8%	↑
C/I ratio, %	30.3%	30.5%	↓	30.0%*	29.9%	↑
RoE, %	12.5%	12.3%	↑	13.0%	12.6%	↑
CET1 capital ratio, %	32.2%	32.2%	→	31.1%	29.9%	↑

*Return on equity "Q1 2018" adjusted for dividend 2017 of SEK 684 million

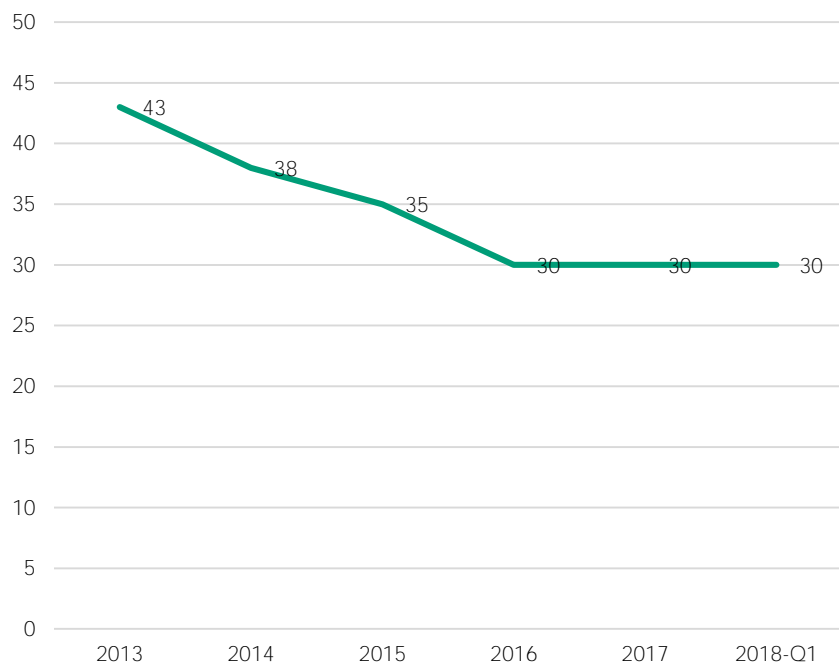
Net interest income QoQ

– Continued stability and growth

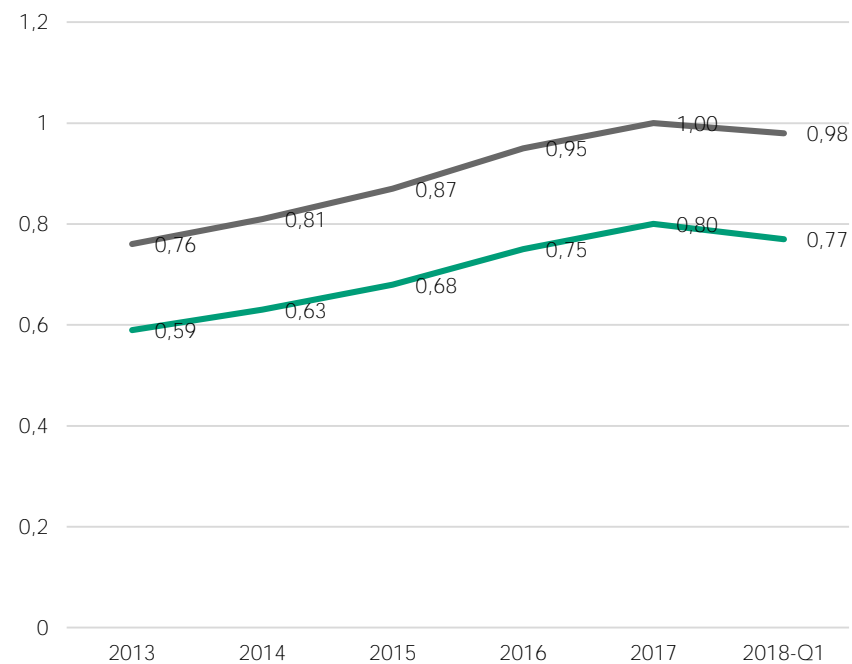


Competitive C/I ratio

C/I ratio, %



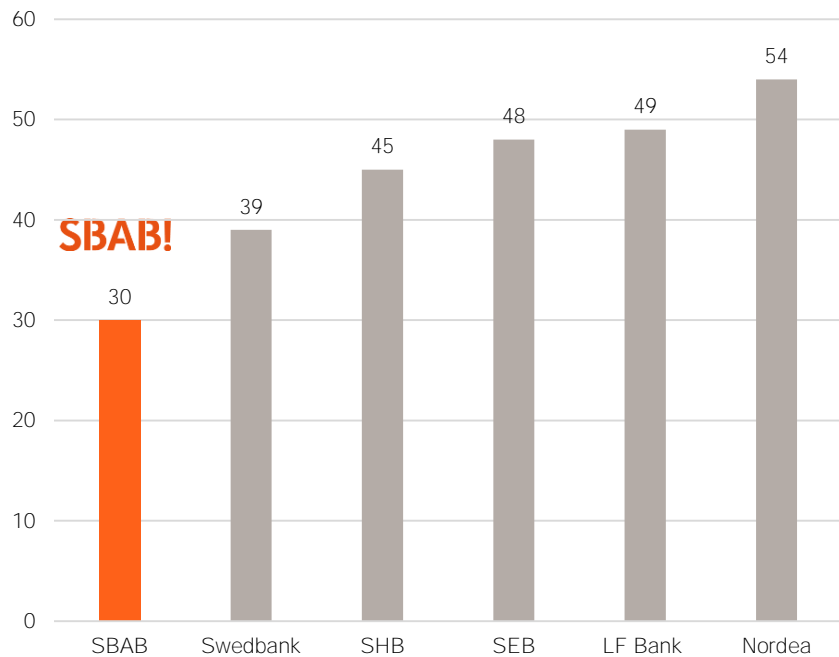
Net Interest Margin (NIM), %



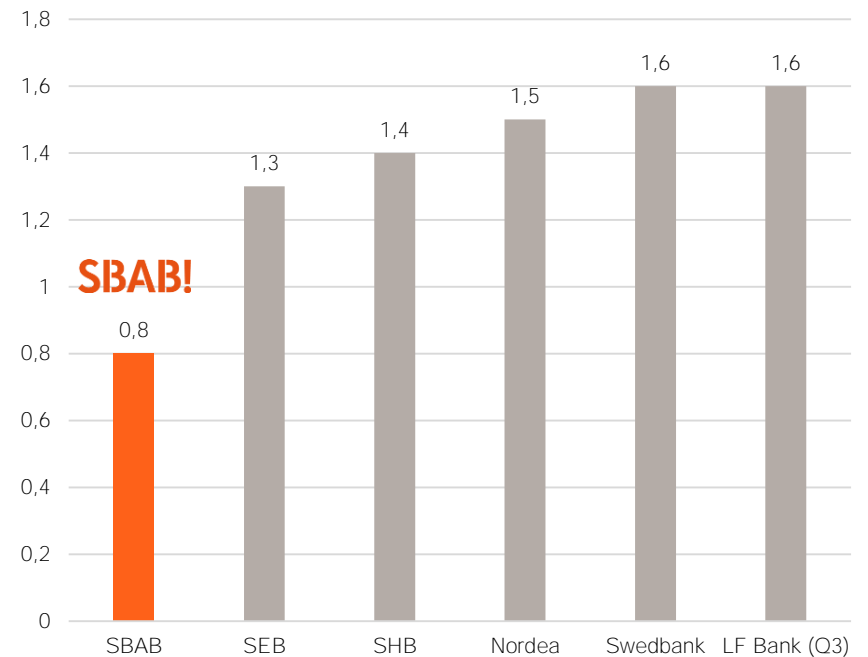
— Net Interest Margin (total assets), %
— Net Interest Margin (total lending), %

C/I ratio and NIM FY17 vs. peers

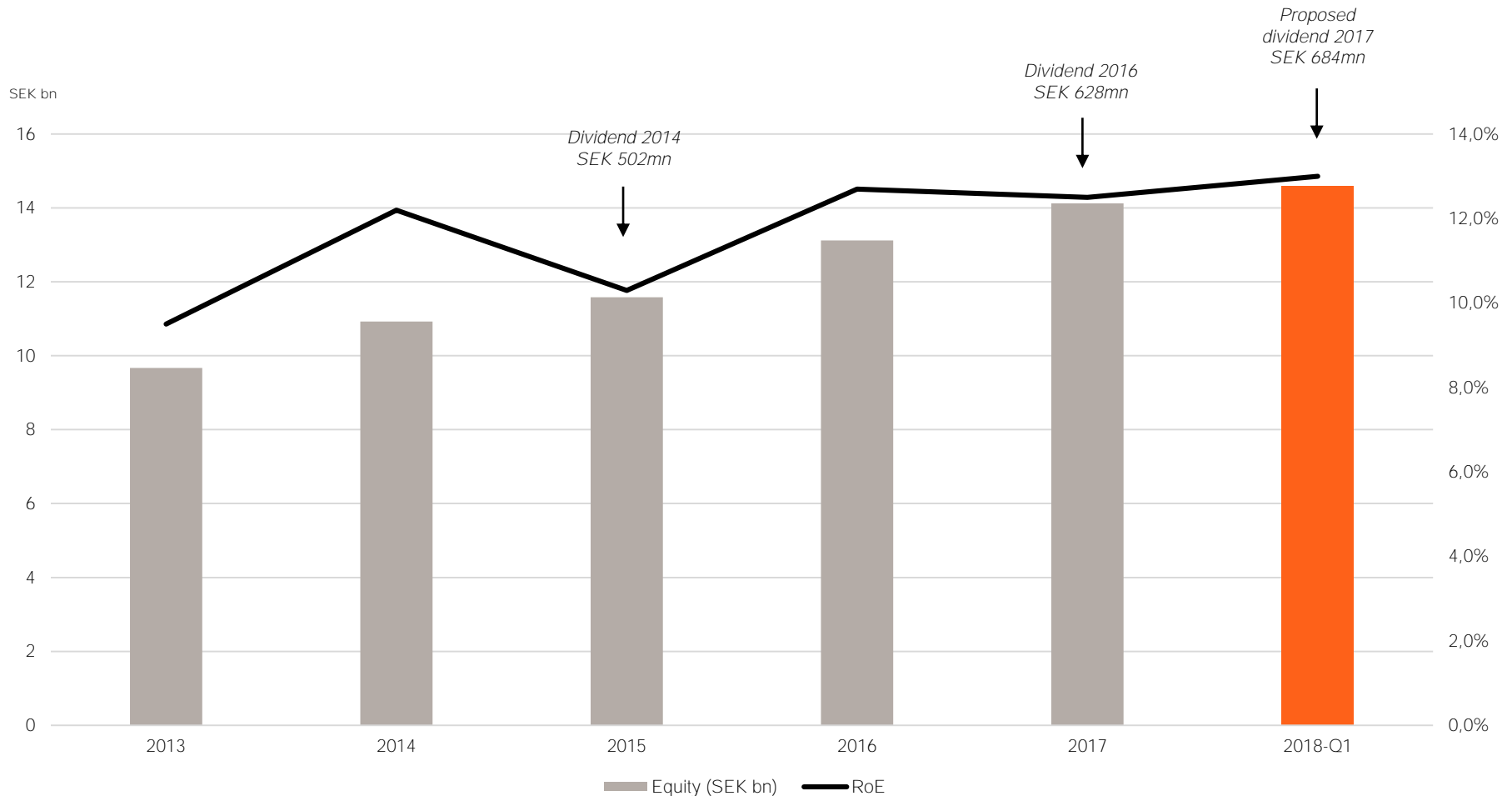
C/I ratio, %



Net Interest Margin (NIM), %

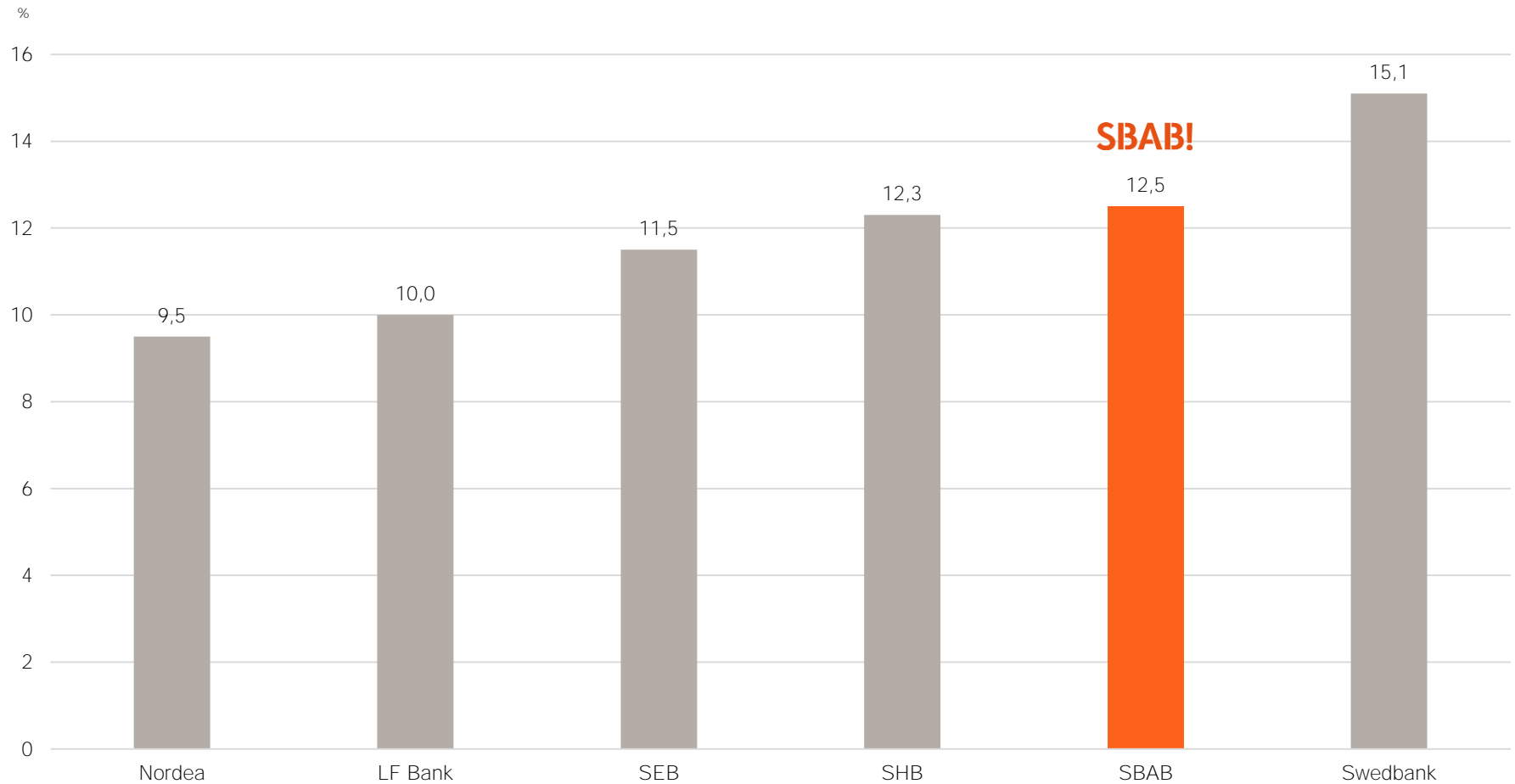


Equity and RoE



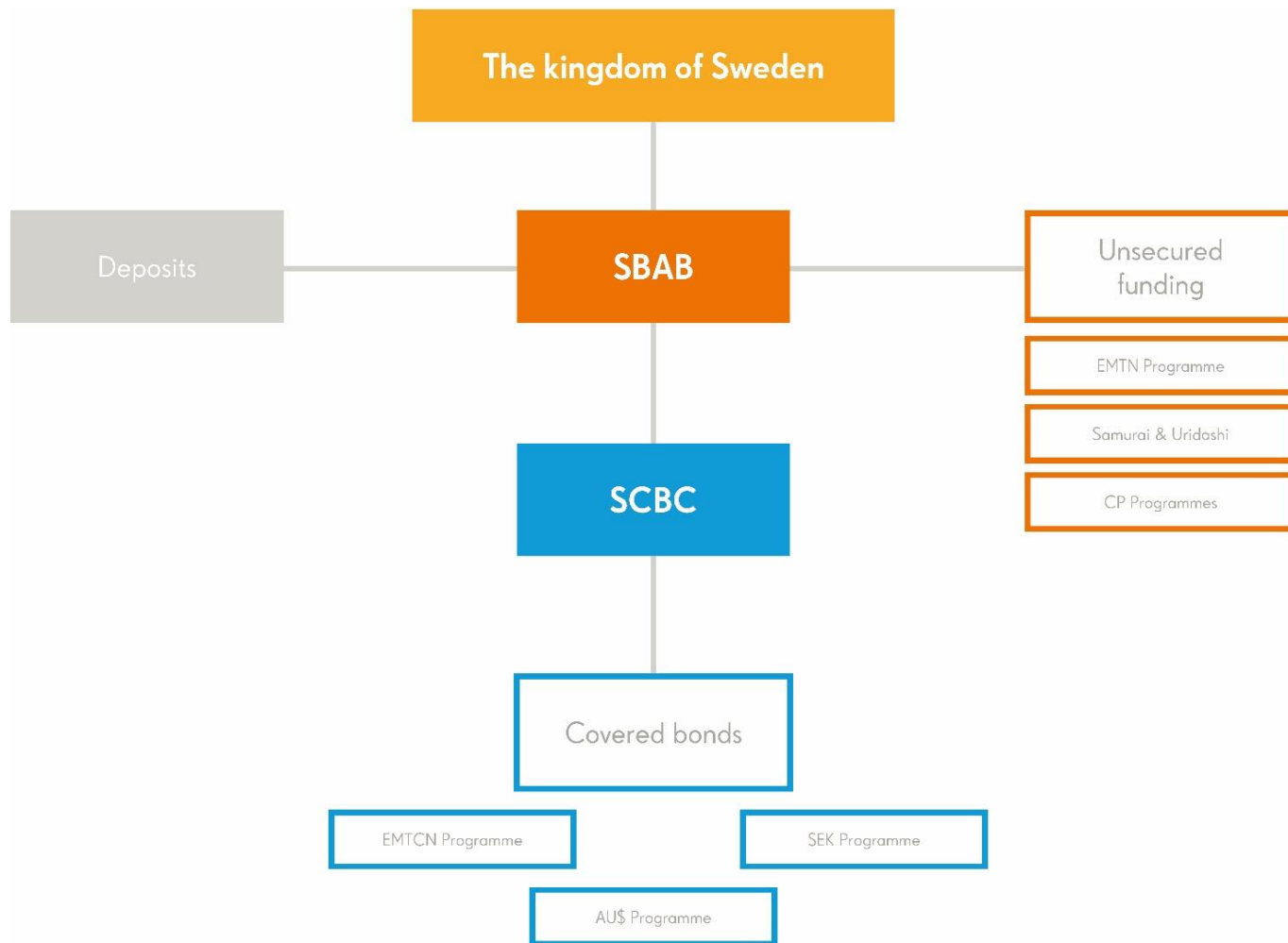
- Equity adjusted for additional Tier 1 securities and value changes in financial assets recognised in equity.
- Return on equity calculated as earnings after tax in relation to average equity, after adjustment for additional Tier 1 securities and value changes in financial assets recognised in equity.
- Return on equity 2018-Q1 adjusted for proposed dividend of SEK 684 million.

RoE FY17 vs. peers



FUNDING, LIQUIDITY & CAPITAL.

Funding structure



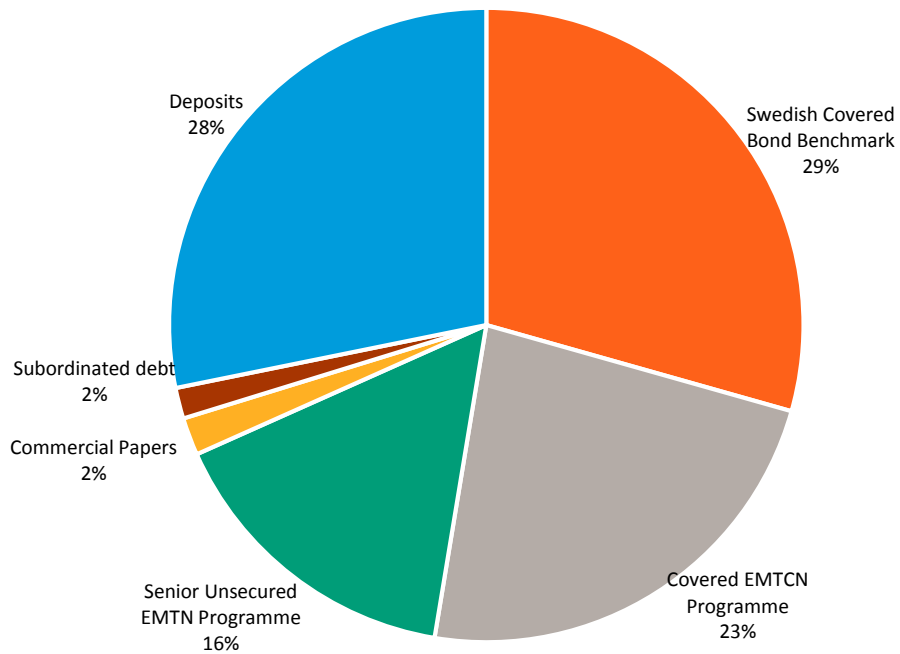
Overall funding strategy

- Continuous and committed investor work in core markets and towards core investors to further increase name recognition and transparency
 - Reduce wholesale funding reliance through growing deposit volumes. Maintain a low reliance on foreign currency funding
 - Maintain access to core funding markets - SEK- and EUR-market
 - Regular benchmark issuance in Covered Bond format as well as in Senior Unsecured format
 - Private placements in niche currencies
 - Efficient use of Covered Bond Funding ~ 50% of total funding. Utilising the depth and stability of the Swedish Covered Bond Market
 - Limited use of short dated funding through CP-programs
 - Intermediate (5y+) bond tenors to support funding duration
-

Funding sources

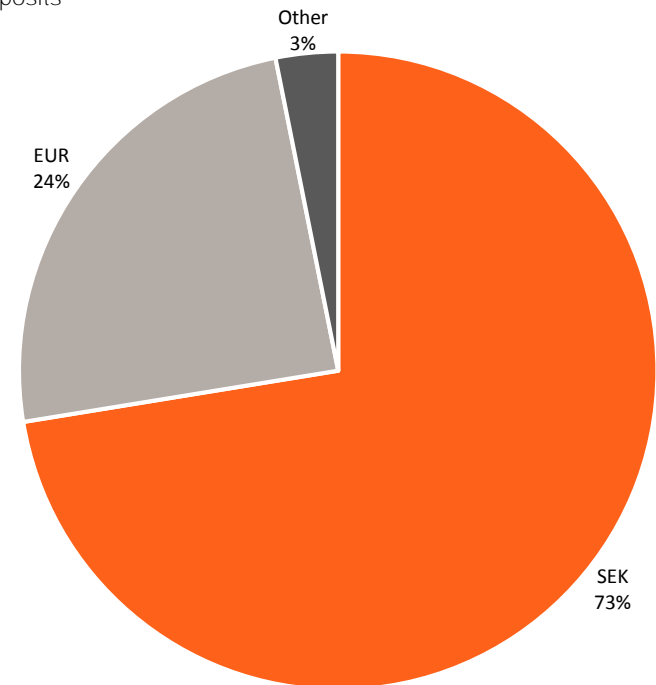
- Total funding portfolio SEK 409bn, as of 31th March 2018

Funding sources

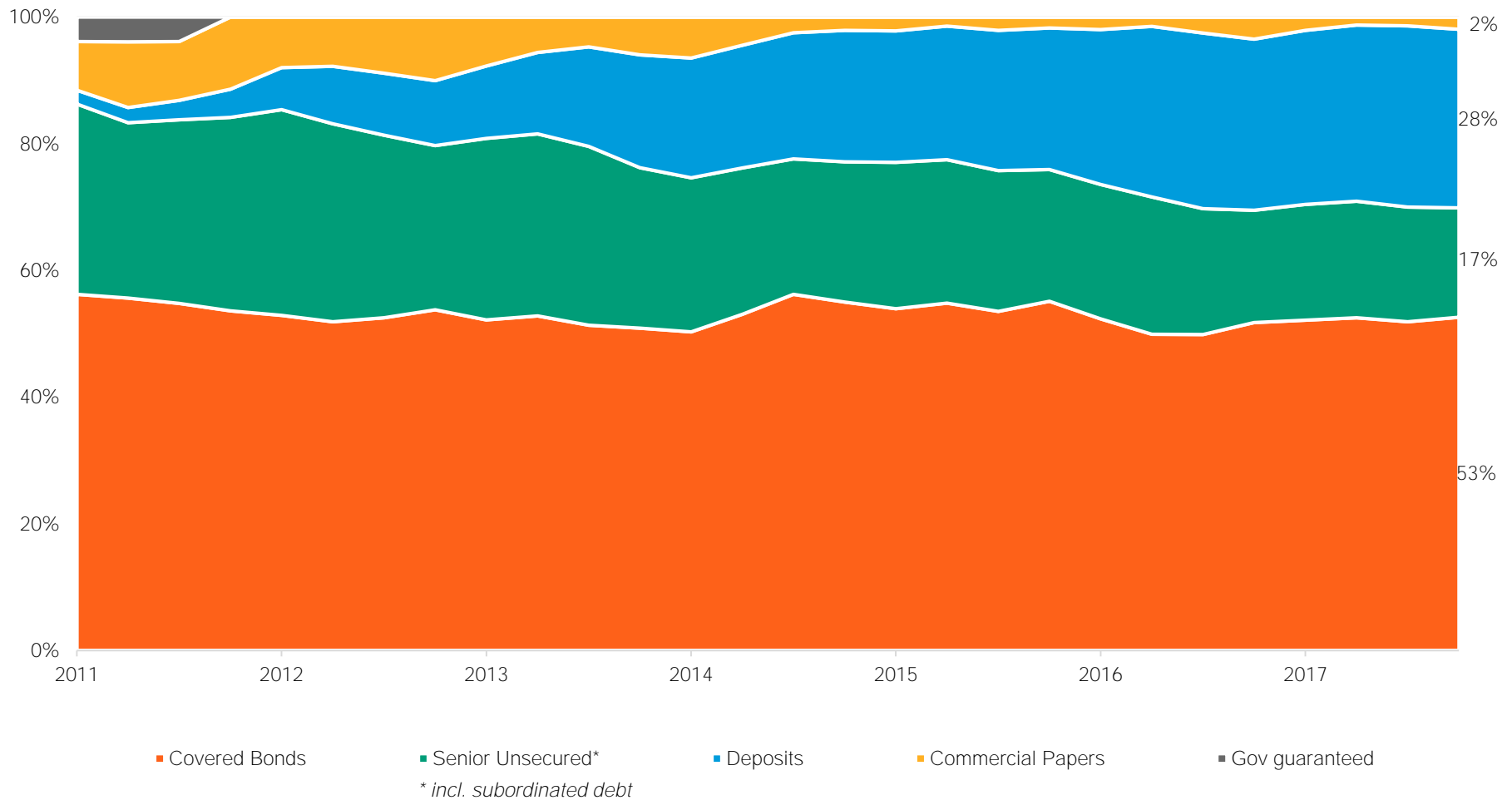


Currency profile*

* incl. deposits



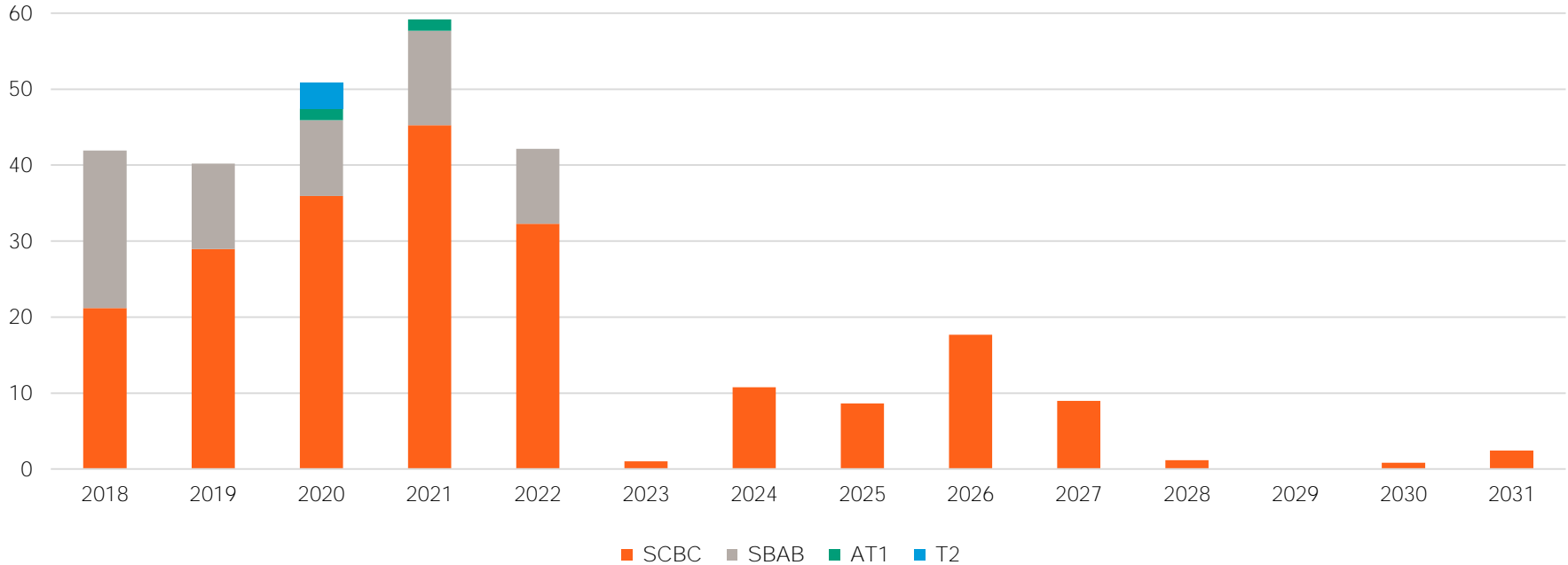
Development of funding sources



Maturity profile

- Smooth funding profile reduces refinancing risk
- Extended maturity profile with successful benchmark issues in 2026 and 2027 segments
- Liquidity risk is being mitigated through buy-backs of maturing bonds

Maturity profile (SEK bn)

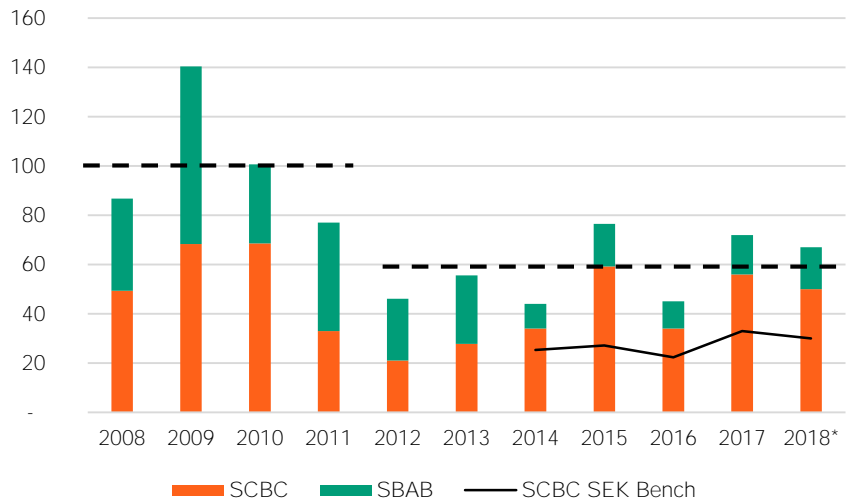


SBAB Group funding

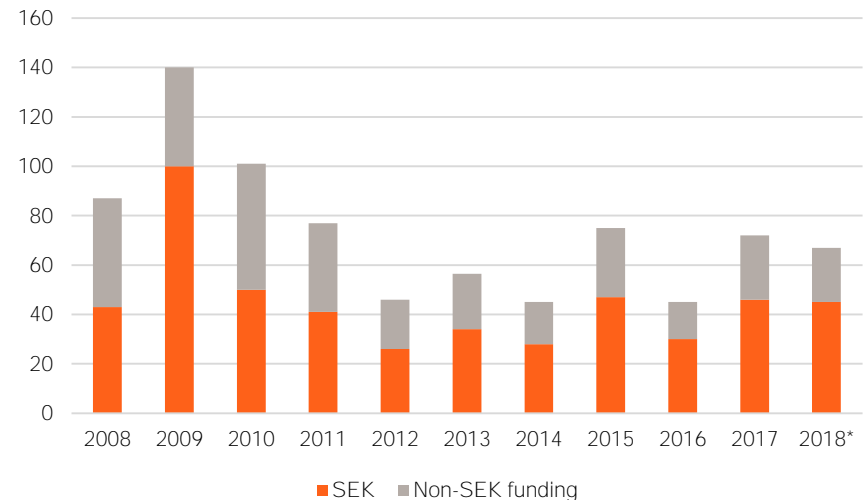
- Moderate funding needs ahead

- SBAB Group operates in a number of funding markets. A broad and efficiently diversified investor base is an **important part of the Group's funding strategy**
- Long term funding volume for 2017 around SEK 70bn and for 2018 to SEK 60-70bn, of which a majority in SEK
- Intermediate tenors to support duration

Annual issuance, SEK (bn)



Currency split, SEK (bn)

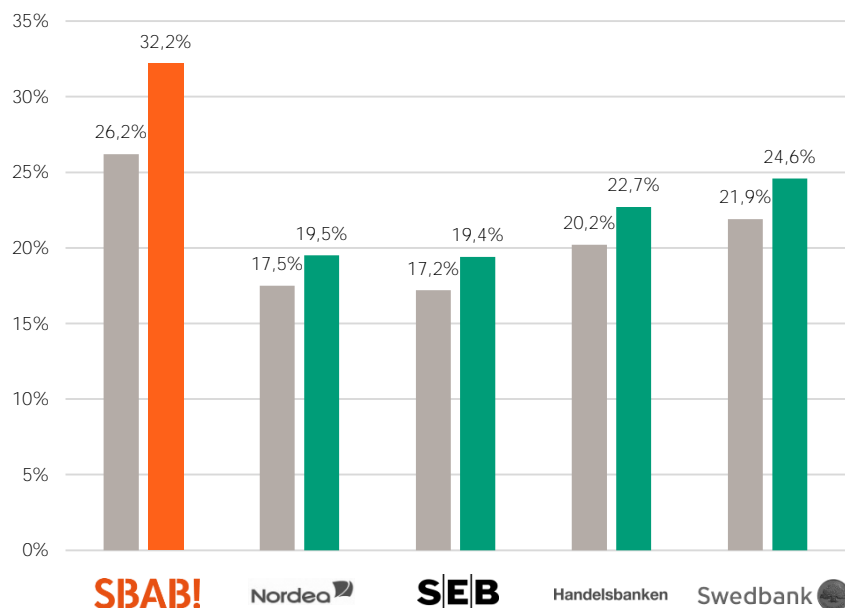


* Expected Issuance

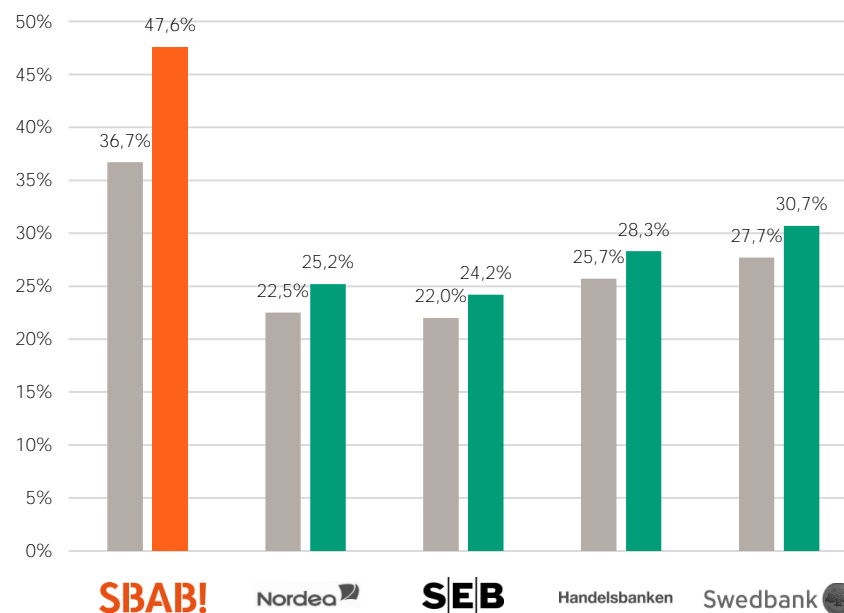
Strong capital buffers

- SBAB well above requirements

CET1 capital ratio



Total capital ratio



 Available Q4 2017  Requirement Q4 2017

Capital requirements (1/2)

– Proposed change from the Swedish FSA

- On 28-Mar-2018, Finansinspektionen (“FI”) **proposed to change the method it uses to apply the 25% risk weight floor for Swedish mortgages currently captured through Pillar 2 by replacing it with a capital requirement within the framework of Article 458 of CRR**
 - This moves the Swedish mortgage floor requirement currently captured in Pillar 2 to Pillar 1 through an increase in RWAs
- Banks with the largest exposure to the Swedish residential mortgage market are the most impacted by the change
- **This increase in banks’ RWAs, will be concomitant with a decrease of Swedish banks capital requirements (in percentage term) leaving their overall capital requirements (in SEKbn) unchanged**
- This means that while Swedish banks’ capital ratios will reduce, the buffers they demonstrate to their overall capital requirements in SEKbn will remain unchanged
- If implemented, SBAB will revise capitalisation targets in accordance with the proposed change

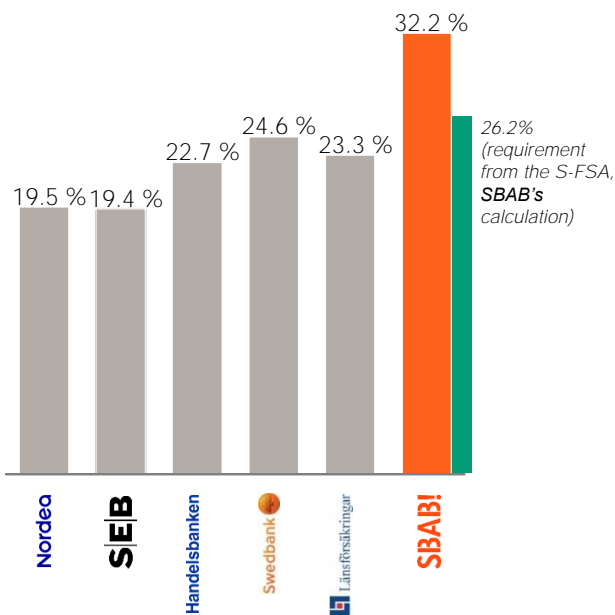
Capital requirements (2/2)

- Proposed change from the Swedish FSA

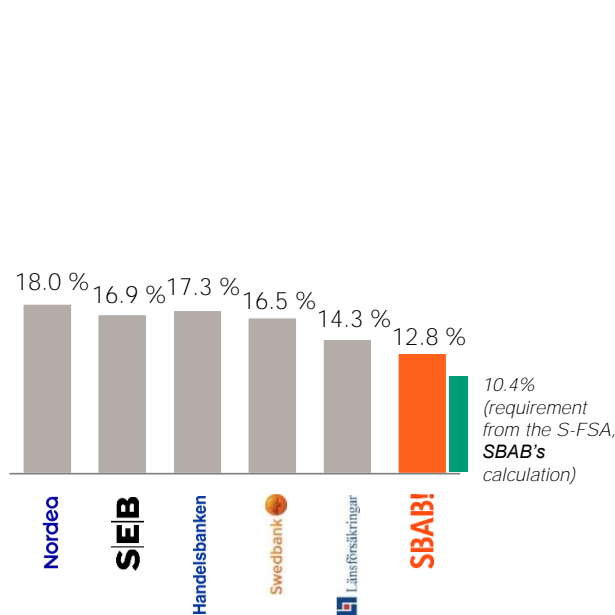
Impact on CET1 ratios

- Banks with the largest exposure to the Swedish mortgage market are the most impacted (although CET1 position in SEKbn stays unchanged)

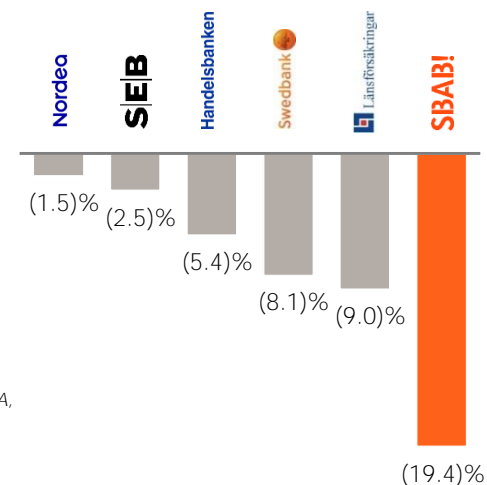
CET1 position 31 Dec 2017



Pro forma CET1 position following the increase in RWAs



Implied reduction in the CET1 ratio



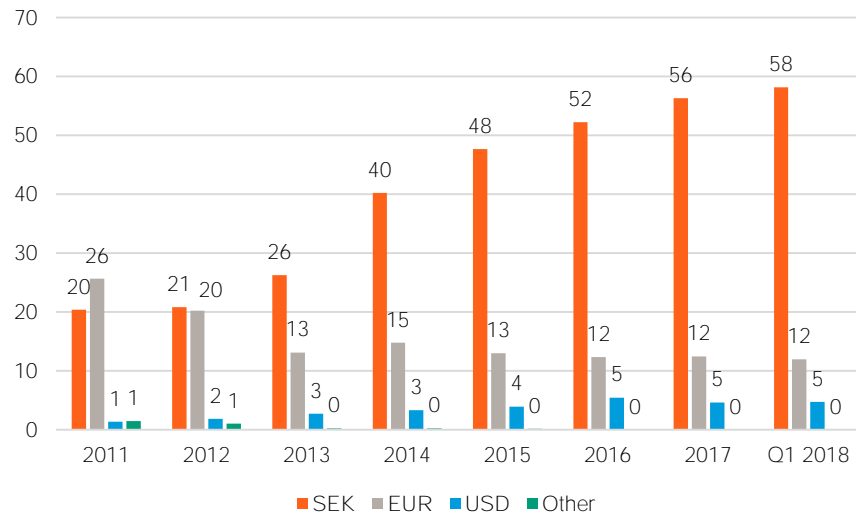
Liquidity portfolio

– SEK 74.9bn as of 31th March 2018

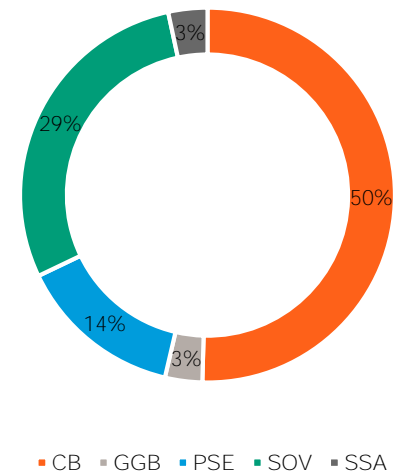
- LCR compliant since 1st January 2013
 - at the end of Q1 2018, LCR* stood at 283% for all currencies combined
- New investment only AAA
- Maximum 10y maturity
- We have increased our portfolio to extend survival horizon
- NSFR at 117%

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

Currency distribution



Securities type



Funding programme

- Total long term funding for 2018 expected to approximately SEK 60-70bn
- Overall funding strategy is to maintain presence and regularity in core funding markets (predominantly EUR and SEK)
 - New SEK covered bond benchmark/benchmarks per year
 - One EUR covered transaction in international funding markets per year
 - One EUR public senior in international funding markets per year
 - Private placements in SEK and international funding markets
- **SBAB's focus is to use intermediate (5y+) tenors to support duration**
- Regular future issuance: Dedicated to SEK and expected to return to EUR senior and covered bond market once a year going forward

Regular presence in EUR market

SBAB!

Senior Unsecured
€750mn

2.375%
7y due **Sep '20**

Aug 2013

SBAB!

Senior Unsecured
€750 mn

FRN
3y due **Jun '18**

May 2015

SBAB!

Senior Unsecured
€500mn

0.5%
5y due **May '21**

April 2016

SBAB!

Senior Unsecured
€500mn

0.25%
5y due **Sept '22**

August 2017

SCBC

— Covered Bonds of SBAB —

Covered Bond
€1bn

0.25%
5y due **Jan '21**

Jan 2016

SCBC

— Covered Bonds of SBAB —

Covered Bond
€1bn

0.375%
7y due **Feb '24**

Jan 2017

SCBC

— Covered Bonds of SBAB —

Covered Bond
€750 mn

0.875%
10y due **Mar '27**

March 2017

SCBC

— Covered Bonds of SBAB —

Covered Bond
€750 mn

0.5%
7y due **Jan '27**

Jan 2018

Key highlights SBAB

- 100% owned by the Kingdom of Sweden
 - Extremely low risk business - purely Swedish mortgage portfolio, predominantly residential mortgages; extremely low loan losses
 - Sustainable profitability
 - Competitive cost income ratio
 - Strong liquidity position
 - Solid capitalization
 - Deposit growth
 - Stable funding mix with good access to both domestic and international capital markets
 - International funding diversification strategically important
 - Regular future issuance
-

SBAB!

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Information on the Internet:

www.sbab.com
www.scbc.se
www.ascb.se - Association of Swedish Covered Bond issuers

Bloomberg codes:

SBAB Corp - joint code both for SBAB and SCBC

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APPENDIX I.

SCBC

The SCBC product

- The limited activities of SCBC provide additional benefits to investors

Robust structure

- Strength of a regulated entity combined with a restricted activity vehicle reduces number of other potential creditors
- As a result, in addition to the eligible assets, investors also benefit from over-collateralisation provided by:
 - Non-eligible assets
 - Regulatory capital held by SCBC

Subordination of SBAB interests

- **Fees for services provided by SBAB are subordinated to SCBC's senior creditors**
- Where a mortgage certificate serves as collateral for 2 different mortgage loans, SBAB has subordinated its interest to SCBC

Loans in arrears

- Loans 30 days in arrears are normally removed from the cover pool in SCBC

Other features

- Dynamic OC in compliance with Aaa requirements
- UCITS Compliant
- Swedish covered bonds are eligible for repo at Riksbank
- ECBC Harmonised Transparency Template, HTT
- National Template, NTT

SCBC Cover Pool

- Key characteristics as of 31st December 2017

Collateral	100% Swedish residential mortgages *
Over Collateralization	39.3 %
Weighted average LTV	55%
Weighted average seasoning	4.5 years
Loans in arrears	Arrears below 0.01% (loans in arrears > 30 days are excluded from the Cover Pool)
Number of loans	382 946
Average loan size	SEK 736 651
Geographical location	Spread throughout Sweden; concentrated in economic hubs
Pool type	Dynamic
Originator	SBAB Bank Group
Interest rate type	61% floating, 39% fixed / 51% amortising, 49% interest only

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

National Template

Details published monthly on: www.sbab.com (both in PDF and Excel-format)

SCBC
SBAB BANK

Issuer: SCBC
Owner: SBAB
Controlling authority: SFA

Compliance with CEBS: 129.7 Yes

Long Rating: S&P Moody's Fitch
Covered asset: AAA
Issuer: A
Owner: A2

Cover pool:

Included assets:
Loans: 240 MSE
Systemic assets: 0
Other: -
Total: 240 MSE

Cover pool items:
No. of clients: 332 747
Number of clients: 140 712
Number of companies: 120 842
Average loan size: 711 723

loan volume, Average loan

Type of interest	MSE	%	abs. SEK
Single-family housing	75 634	31.5%	522 323
Multi-family housing	35 411	14.8%	461 750
Business	77 026	32.1%	2 478 752
Public	303	0.1%	7 433 999
Commercial	240 MSE	100%	-
Sum	240 MSE	100%	-

Regional distribution

Region	MSE	%
Greater Stockholm	127 128	53%
Greater Gothenburg	81 203	34%
Greater Malmö	36 239	15%
Other Sweden	29 199	12%
West Sweden	20 000	8%
North Sweden	5 506	2%
East Sweden	22 700	9%
Outside Sweden	-	-
Sum	240 MSE	100%

loan volume, Interest rate type

Interest rate type	MSE	%
Floating	128 620	54%
Fixed	105 323	44%
Sum	240 MSE	100%

loan volume, Maturity

Maturity	MSE	%
0-12 M	12 524	5%
13-24 M	25 364	11%
25-36 M	36 640	15%
37-48 M	60 712	25%
49-60 M	31 272	13%
>60 M	27 588	11%
Sum	240 MSE	100%

loan volume, LTV level

LTV level	MSE	%
0-20%	30 306	13%
21-30%	41 346	17%
31-40%	39 718	17%
41-50%	24 814	10%
51-60%	20 577	9%
61-70%	12 061	5%
71-80%	1 195	0%
81-90%	0	0%
91-100%	0	0%
Sum	240 MSE	100%

loan volume, Maturity

Maturity	2017	2018	2019	2020	2021	2022	2023	2024	2025	Sum
Loan volume, MSE	145 760	17 430	42 153	15 179	7 344	4 413	441	7 221	1 103	240 153
Interest rate	1.45%	1.05%	1.47%	1.36%	1.94%	2.19%	2.44%	2.54%	2.46%	1.85%

loan volume, Maturity

Maturity	0-12 M	13-24 M	25-36 M	37-48 M	49-60 M	>60 M	Sum
Loan volume, MSE	27 258	49 424	38 124	31 272	62 854	240 153	240 153
Interest rate	0%	2%	6%	12%	2%	2%	100%

CEDR quality

Fact date	1-30 d	31-60 d	61-90 d	>90 d	Sum
Loan volume, MSE	0	0	0	0	0
Share of loan volume, %	0.00%	-	-	-	0%

Impaired loans, %
0%

Key ratios
SC, covered: 150%
LTV, as defined by ASB: 54.1%

Start Row:

Amount, MSE	Opening date	Coupon	Interest rate type	Maturity	Scheduled maturity	Legal maturity
9 545	17/02/2018	4.00%	Fixed	Hard asset	10/03/2018	10/03/2018
13 915	17/12/2018	4.00%	Fixed	Hard asset	10/12/2018	14/12/2018
21 383	14/09/2018	4.00%	Fixed	Hard asset	10/09/2019	14/09/2019
21 432	24/11/2018	3.00%	Fixed	Hard asset	17/06/2019	17/06/2019
20 670	01/09/2015	1.00%	Fixed	Hard asset	17/03/2017	17/03/2017
13 162	20/06/2016	1.75%	Fixed	Hard asset	15/06/2017	15/06/2017
9 823	11/02/2017	2.00%	Fixed	Hard asset	17/06/2016	17/06/2016

Amount, MSE

Amount, MSE	Currency	Issue date	Coupon	Interest rate type	Maturity	Scheduled maturity	Legal maturity
9 545	EUR	14/02/2017	0.20%	Fixed	Soft asset	06/02/2018	06/02/2018
9 545	EUR	03/02/2016	0.20%	Fixed	Soft asset	20/01/2017	20/01/2017
9 545	EUR	07/06/2018	0.40%	Fixed	Soft asset	07/06/2019	07/06/2019
7 138	EUR	29/02/2017	0.30%	Fixed	Soft asset	29/02/2017	29/02/2018
7 138	EUR	15/06/2018	0.40%	Fixed	Soft asset	15/06/2019	15/06/2019
6 790	SEK	19/09/2012	0.40%	Floating	Hard asset	16/09/2019	16/09/2019
2 300	SEK	02/07/2014	0.20%	Floating	Hard asset	02/07/2019	02/07/2019
4 772	EUR	17/06/2015	0.70%	Fixed	Soft asset	17/06/2017	17/06/2017

Amount, MSE

Amount, MSE	Interest rate type	Maturity	Scheduled maturity	Legal maturity
109 960	Fixed	Hard asset	20/01/2017	20/01/2017
40 615	Fixed	Soft asset	07/06/2019	07/06/2019
22 273	Floating	Hard asset	16/09/2019	16/09/2019
20 148	Fixed	Soft asset	17/06/2017	17/06/2017
0	-	-	-	-

Starts in SEK

Starts in SEK	2017	2018	2019	2020	2021	2022-2024	2025-2031	2032-	Sum
Fixed	0	23 982	27 463	24 028	41 411	42 963	52 379	0	149 188
Floating	0	0%	15%	19%	22%	22%	2%	0%	100%

Amount, MSE

Amount, MSE	Interest rate type	Maturity	Scheduled maturity	Legal maturity
165 900	Fixed	Hard asset	20/01/2017	20/01/2017
23 285	Floating	Hard asset	16/09/2019	16/09/2019
162 188	Fixed	Hard asset	20/01/2017	20/01/2017

Sum

Sum	2017	2018	2019	2020	2021	2022-2024	2025-2031	2032-	Sum
Fixed	0	23 982	27 463	24 028	41 411	42 963	52 379	0	149 188
Floating	0	0	0	0	0	0	0	0	0
Sum	0	23 982	27 463	24 028	41 411	42 963	52 379	0	149 188

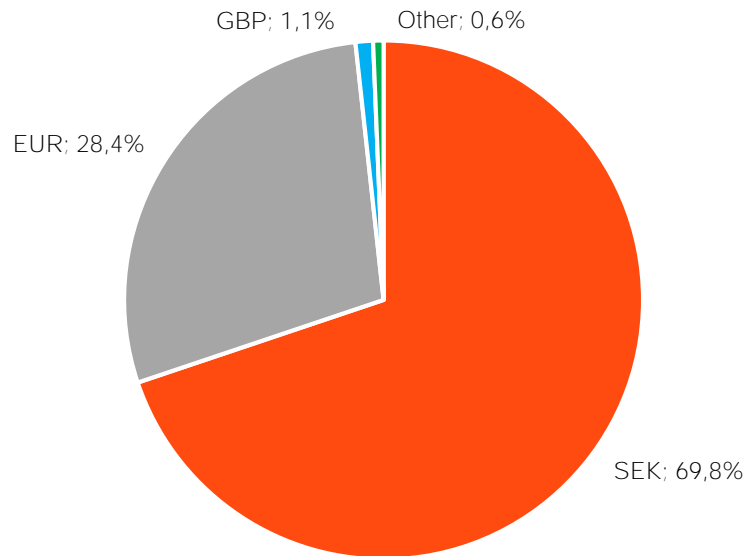
Key ratios
SC, covered: 150%
LTV, as defined by ASB: 54.1%

Notes:
Notwithstanding of the time of the issue and matures the foreign currency liability in terms of coupon payments and exchange. All foreign currency liabilities are transferred into Swedish krona (SEK) loaned assets in the cover pool.
All currency risk is origin-denominated.
Not from the liability due to be repaid with the assets in the cover pool. Fixed rate liabilities are matched with floating rate assets.
All from the liability due to be repaid with the assets in the cover pool. Fixed rate liabilities are matched with floating rate assets.
All from the liability due to be repaid with the assets in the cover pool. Fixed rate liabilities are matched with floating rate assets.

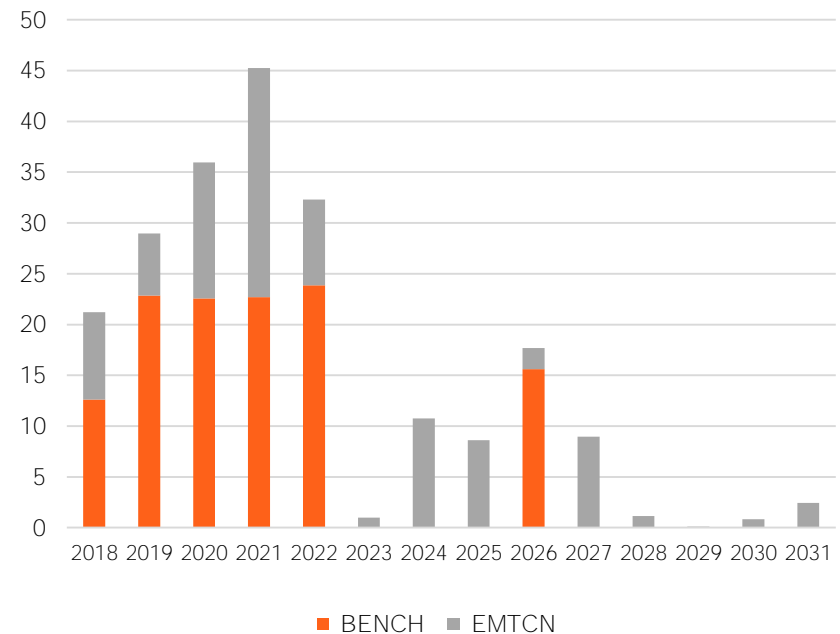
SCBC funding

- Total covered bonds outstanding: SEK 215bn as of 31th March 2018

Currency profile



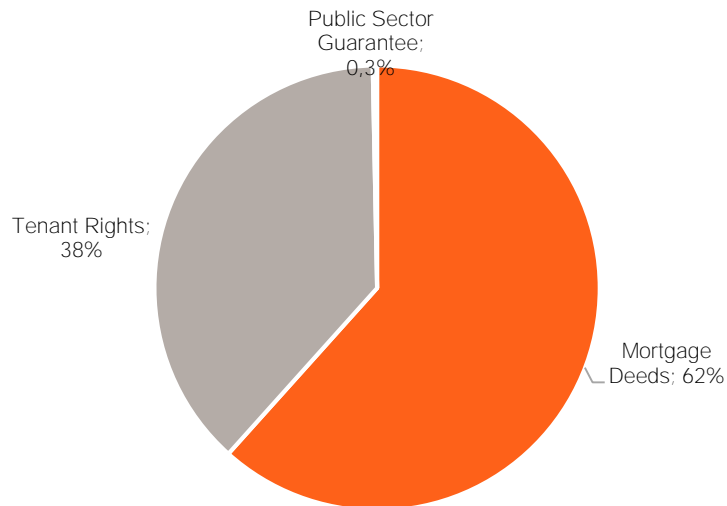
Maturity profile



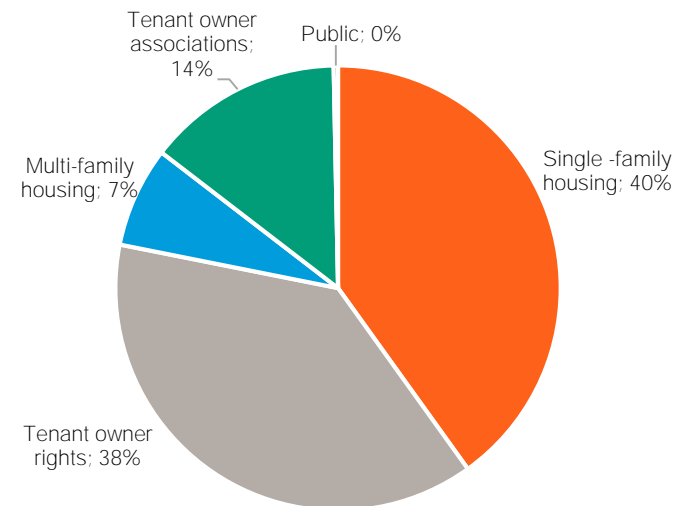
SCBC Cover Pool

- Distribution by Collateral and Owner as of 31 March 2018

Breakdown by collateral



Breakdown by owner



OC

- OC changes with houseprice valuations

- Lending is originated from SBAB and assets are transferred to the cover pool via true sale - typically once a year or when needed according to funding plan
- Large buffer to a significant fall in house prices - simulation of decline in house prices and the corresponding effect on eligible assets, LTV and OC is shown in the table below as of 31st March 2018

Houseprice change	Eligible assets in cover pool (SEK bn)	WA LTV (%)	OC* (%)
0%	280.8	53.9	32.8
-5%	278.6	55.9	31.8
-10%	275.4	57.9	30.3
-15%	271.0	59.7	28.2
-20%	265.2	61.4	25.4
-25%	257.9	62.9	22.0
-30%	248.9	64.3	17.8

* OC calculated in accordance with requirements from the Swedish FSA

The Swedish covered bond market

- One of the best functioning bond markets in the world

- The bond market has been open and well functioning throughout the crisis, providing reliability and liquidity.
- Key distinction of the market is the tap issuance format via contracted market makers. Tap issuances can be made on a daily basis in small to medium sizes.
- Market is supported by market makers with separate market making agreements and repo functionality providing issuers with enhanced liability management options.
- Typically issuers start reducing their outstanding debt about 6-9 months before maturity via successive buy-backs and switches

APPENDIX II.

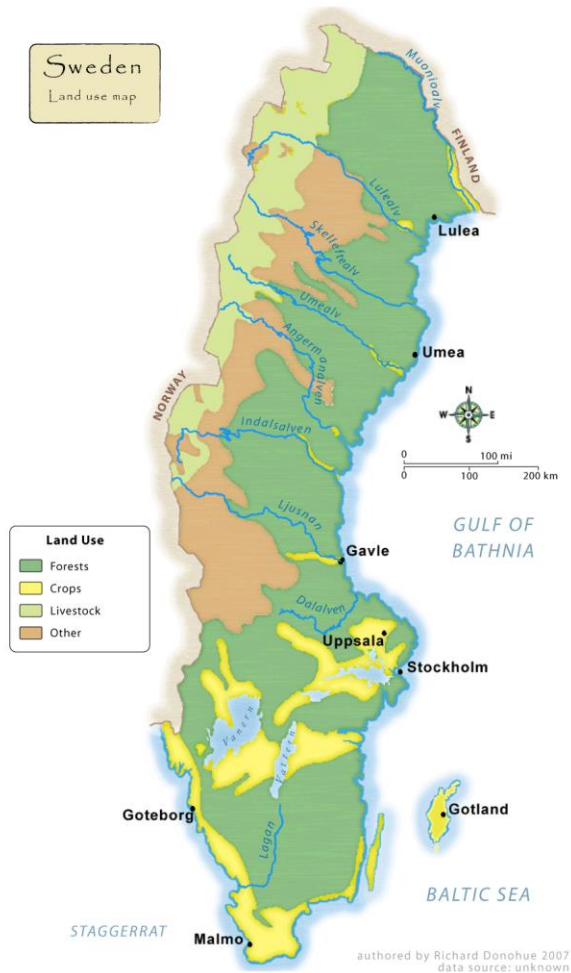
SWEDISH KEY ECONOMIC FIGURES

Kingdom of Sweden



- Area: 450 295 sq km
- Population: 10 081 396 (August 2017)
- Urban population: 85% of total population
- 21 Counties, 290 Municipalities
- Capital: Stockholm
- Constitutional monarchy
- Unicameral Parliament (Riksdag) with 349 seats
- Elections: last held on 14 September 2014 (next to be held on 9 September 2018)
- Government: Coalition of Social Democrats and Greens
- The Swedish economy rests on a capitalist system mixed with public-private partnership, centralized wage negotiations and substantial welfare elements
- Sweden has one of the world's highest per capita income (IMF)

Kingdom of Sweden

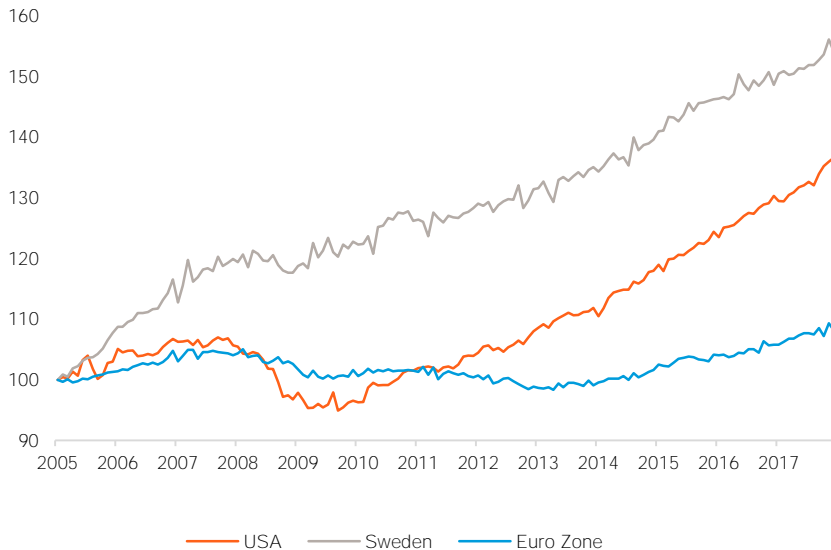


- Approx. 45% of GDP is exported. Largest goods trading partners are the Scandinavian countries, Germany, Netherlands and UK
- Sweden joined the EU in 1995, but the euro was rejected in a public referendum 2003
- The currency, the krona, has been floating since 1992 when the fixed exchange rate regime was abandoned
- The Centralbank, Sveriges Riksbank, operates monetary policy under an inflation target of 2%, +/- 1%
- Sweden ranks third in The Economist's Democracy Index 2016, fourteenth in the United Nations' Human Development Index 2016, sixth in the World Economic Forum Global Competitiveness Index 2016/17 and second in the Global Innovation Index 2016

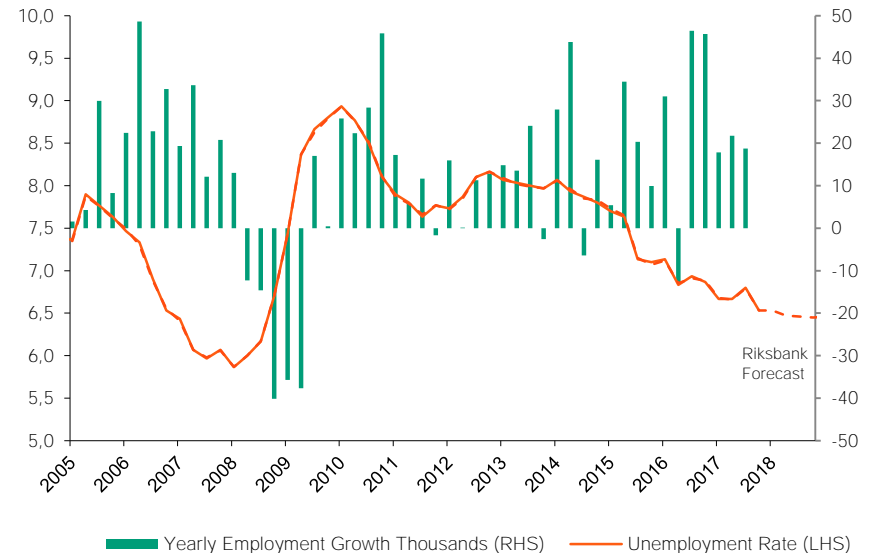
Strong domestic economy

- Stable public finances, low inflation, low interest rates and rising house prices has stimulated the domestic economy over the past years
 - Retail sales has risen by more than 50% since 2005
- The labour market has strengthened
 - Employment has increased by 1.0% on average and hours worked by 1.1% per year over the past ten years. The activity rate (16-64y) has gone from below 80% in 2009 to above 83%

Retail Sales, constant prices (index 2005=100)



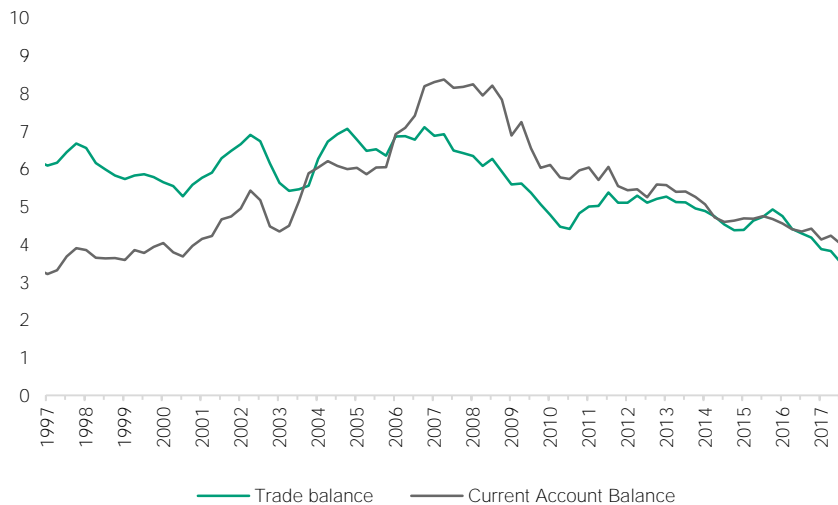
Unemployment Rate and Employment Growth



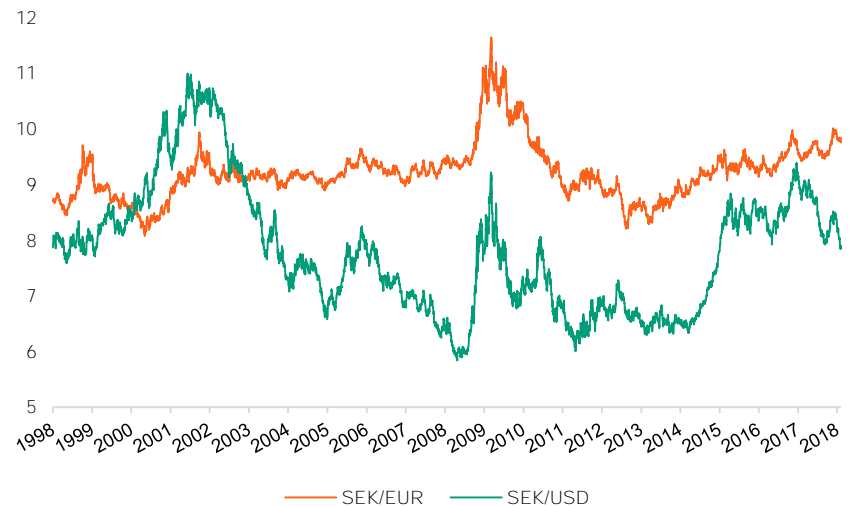
Foreign trade and the Krona

- Very strong current account
 - Exports make up about 45% of GDP. Foreign trade has shown a surplus since the mid-1990s
- The Krona has been floating since 1992
 - As a fairly small currency it is rather sensitive to changes in international risk appetite and business flows. It has however historically been highly correlated with the Euro
- **The Krona is weaker than its historical average...**
 - ...if compared to a trade weighted basket. Factors contributing to a strong krona are a strong current account, high relative growth, solid public finances while low interest rates are dampening the krona

Trade balance (share of GDP)



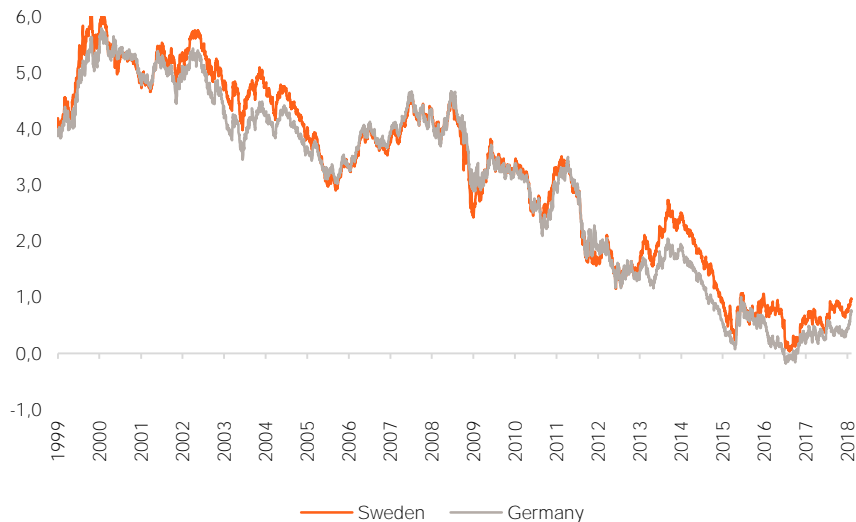
The Krona



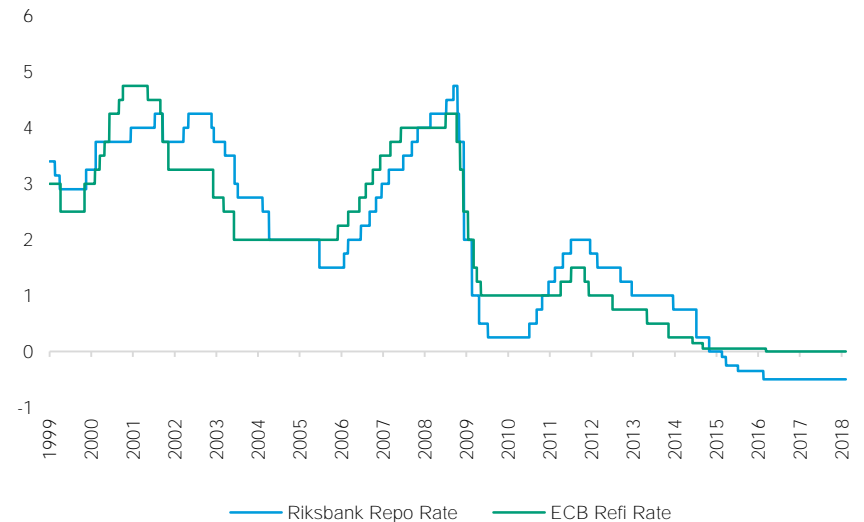
Interest rates

- Long and short interest rates have a high correlation with European (i.e. German) rates
 - The ten year spread against Germany has on average been +18bp, over the last 15 years, correlation has been 0.98
- Sweden has gained something of a safe haven status over the last 10-15 years
 - Strong public finances, a stable financial system, low inflation and international flight to quality have been holding down long term interest rates

10y government bond rates



Policy rates



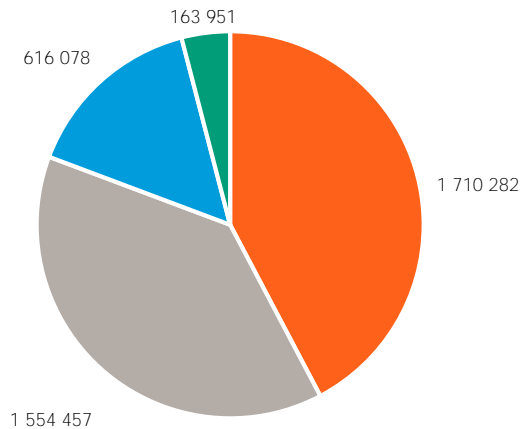
APPENDIX III.

THE SWEDISH MORTGAGE MARKET

The Swedish housing market

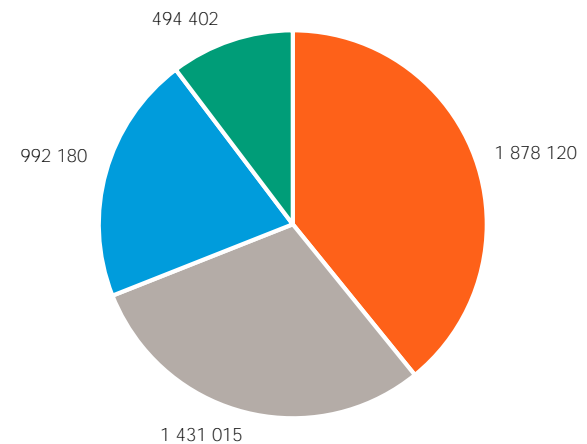
- Most Swedes own their dwelling
 - 65 % of the dwelling stock is owner occupied and 35 % is rented
- The rental market is highly regulated
 - Rent controls are strong and a large part is owned by property companies controlled by municipalities. The share of rented apartments has been declining due to rent regulations making it unprofitable to build new units where demand is high (large cities)
- The number of tenant owned apartments has risen
 - Price increases have made it highly profitable for private (and public) landlords to sell their properties to tenant-owner associations

Number of dwellings 1990



■ One- or two-dwelling houses ■ Rented Apartments ■ Tenant Owned Apartments ■ Others

Number of dwellings 2016

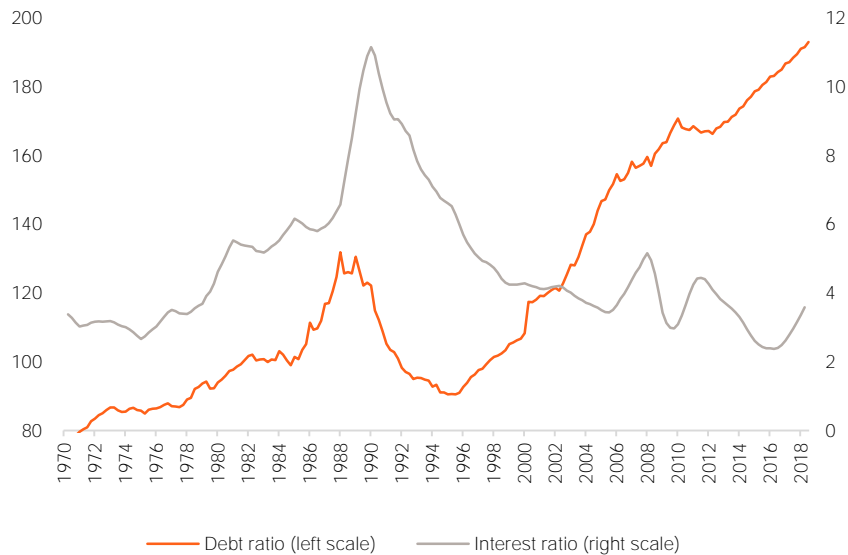


■ One- or two-dwelling houses ■ Rented Apartments ■ Tenant Owned Apartments ■ Others

Household debt has increased

- High debt to income ratio but low interest costs
 - The household debt to income ratio has increased from around 90% in 1995 to above 180%. The rise in the debt ratio is strongly connected to the decline in interest rates and rising homeownership
- Average household exposed to interest rate risk
 - The interest ratio is historically low. Rising interest rate levels will eventually push up the interest ratio in the coming years. This effect will be reinforced by the increased use of floating interest rates

Household debt and interest cost share of income



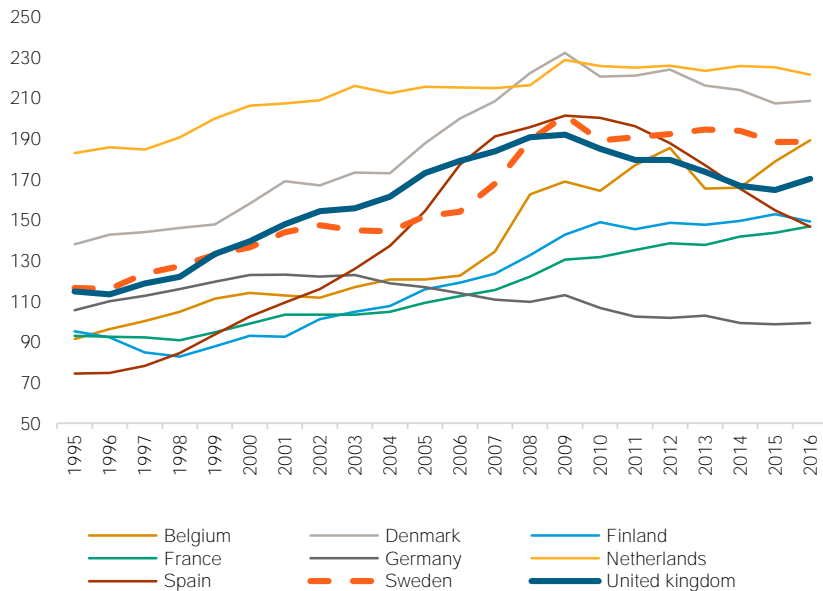
Share of mortgage loans with floating interest rates



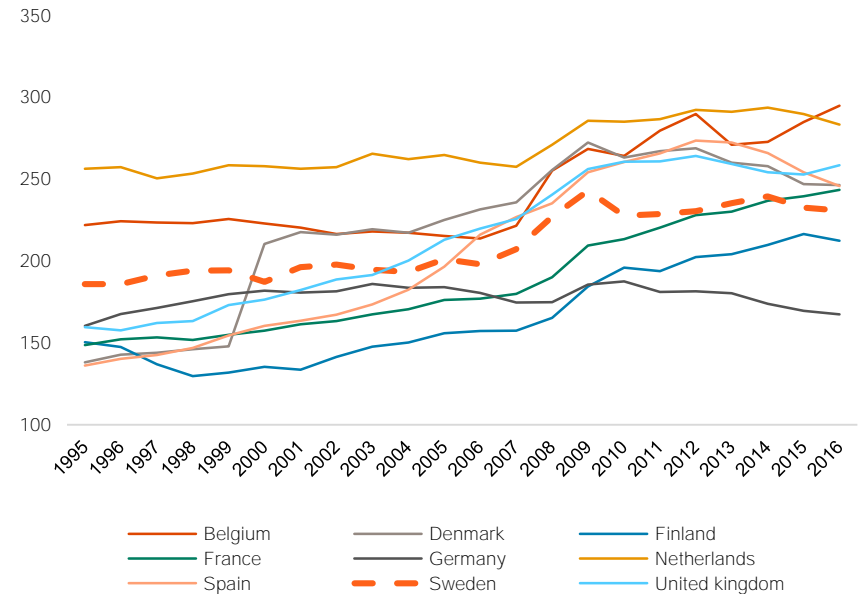
Debt compared to other countries

- Household debt to income is rather high compared to some other countries
 - The general conclusion from authorities is that household debt is not a threat to financial stability but future growth should be contained
- Total debt (household, company (non-financial and financial) and public) around average in an international comparison
 - Strong public finances puts Sweden in a favorable position

Private debt (share of GDP)



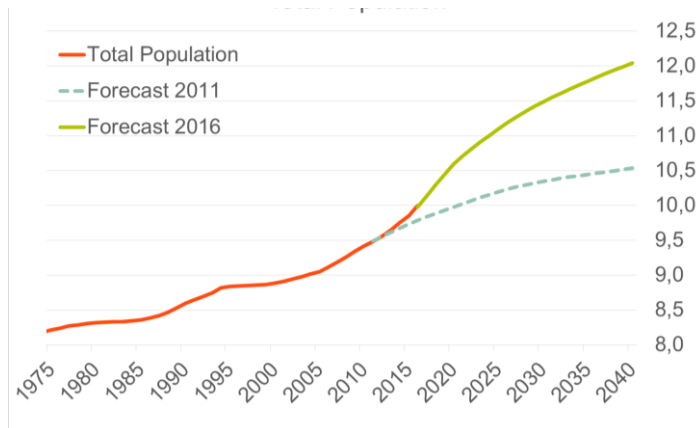
Private and Public Debt (share of GDP)



Demographics

- Population growth has been unexpectedly strong
 - Population is currently growing by
 - Both migration and birth excess are strong
- Rising number of potential First Time Buyers (20-34 year olds)
 - Puts further pressure on housing market
 - Other important demographic changes such as ageing population, urbanization adds to pressure

Total population



Share of population 20-34 years (first time buyers)

