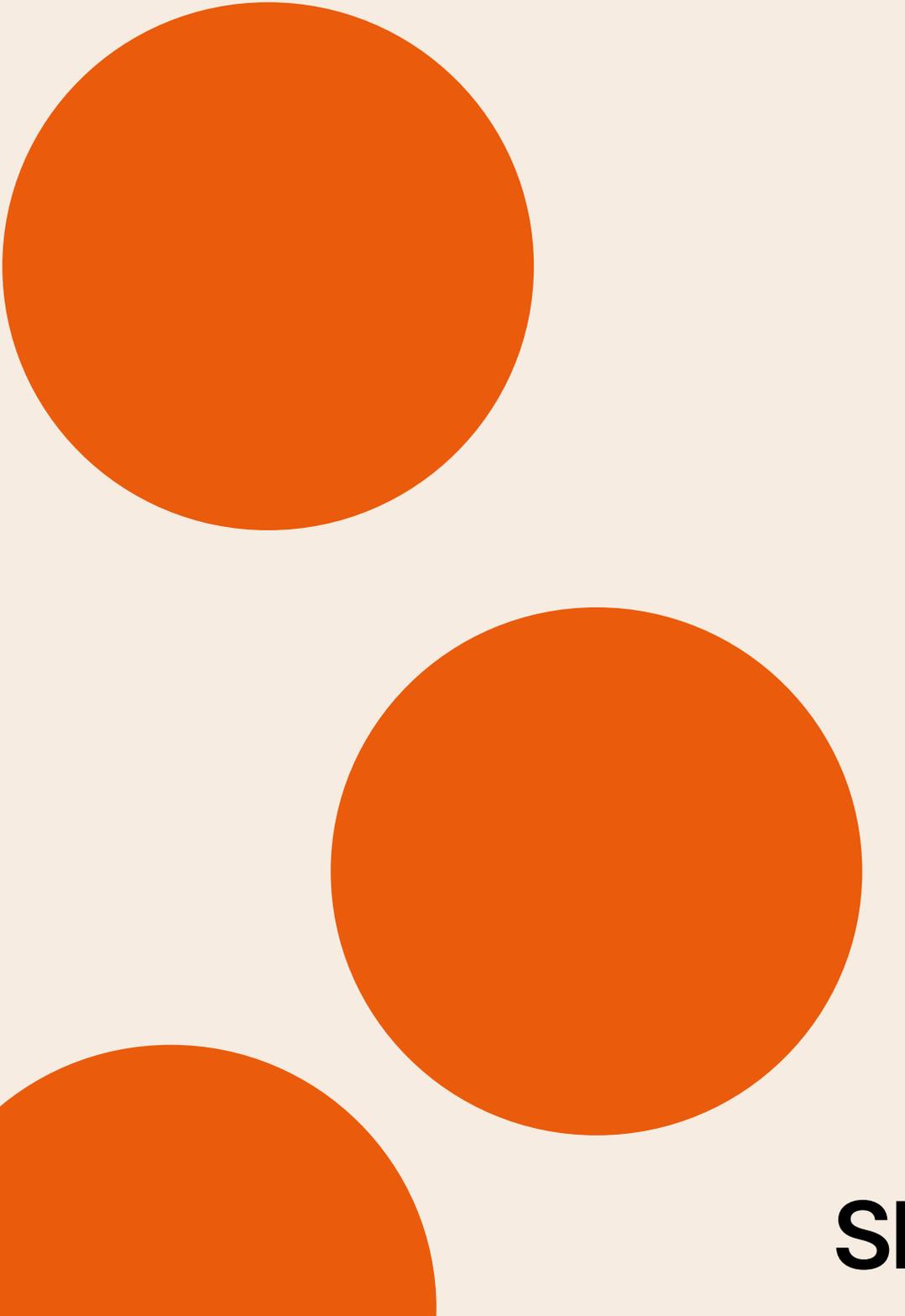


# Capital adequacy and risk management 2025

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 CVAB	Qualitative disclosure requirements related to CVA risk for institutions using the Standardised Approach	SBAB does not use the Standardised method.
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 180(1)
EU MR1	Market risk under the alternative standardised approach (ASA)	SBAB does not use the alternative standardised approach(ASA)
EU MR2	Market risk under the alternative internal model approach(AIMA)	SBAB does not use the alternative internal model approach (AIMA)
EU MRB	Qualitative disclosure requirements for institutions using the alternative internal model approach(AIMA)	SBAB does not use the alternative internal model approach(AIMA)
EU OR1	Operational risk losses	SBAB is below BI threshold 750 EUR million
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.
Template 6 ESG	Summary of GAR KPIs	Not applicable according to transitional rules in EBA /CP/2025/07
Template 7 ESG	Mitigating actions: Assets for the calculation of GAR	Not applicable according to transitional rules in EBA /CP/2025/07
Template 8 ESG	GAR (%)	Not applicable according to transitional rules in EBA /CP/2025/07
Template 9.1 ESG	Mitigation actions: Assets for the calculation of BTAR	Not applicable according to transitional rules in EBA /CP/2025/07
Template 9.2 ESG	BTAR (%)	Not applicable according to transitional rules in EBA /CP/2025/07
Template 10 ESG	Other climate change mitigating actions that are not covered in the EU Taxonomy	Not applicable according to transitional rules in EBA /CP/2025/07

# 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, 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 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).

## **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 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 and Commercial mortgage, 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%. For Swedish corporate exposures secured by commercial real estate a riskweight floor of 35% and for Swedish corporate exposures secured by residential property of 25%. The supplement only applies for credit institutions that apply the IRB approach.

### **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 continued strength of its capital position and good risk management means that SBAB meets the supervisory rules adopted by the EU.

## 1.2 REGULATORY FRAMEWORK FOR PILLAR 3 REPORT

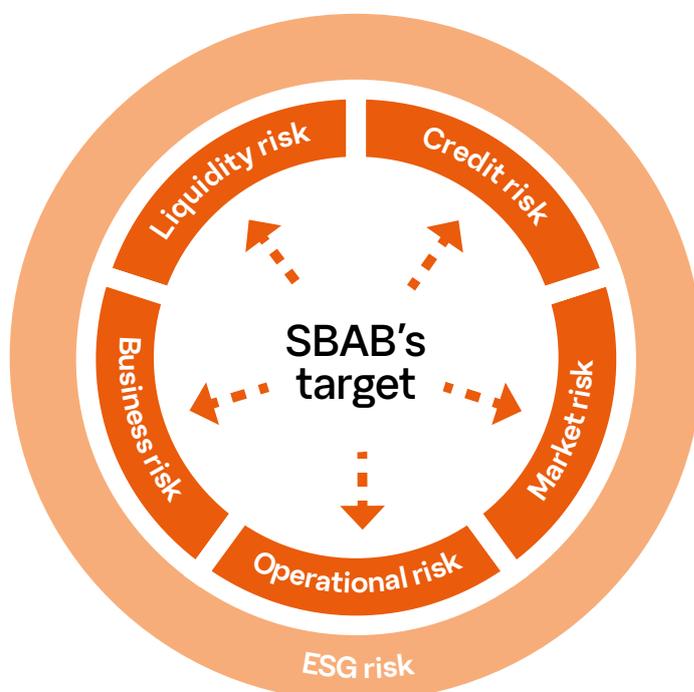
This report refers to the consolidated situation and the conditions prevailing on 31 December 2025. For periodic information, please refer to the quarterly reports "Disclosure of capital, liquidity and leverage ratio" at [www.sbab.se](http://www.sbab.se).

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.

Pillar 3 information is also available in EBA Pillar 3 Datahub website at [link](#).

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 Eight). 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) 2024/3172 with first application date from 1 January 2025. The regulation 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 has been implemented since the end of 2022 in this report.



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

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.

### 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	73
Credit risk in treasury operations	Necessary risk	Low	Low	1
Market risk	Necessary risk	Low	Low	20
Operational risk	Necessary risk	Low	Low	6
Business risk	Necessary risk	Low	Low	–
Liquidity risk	Necessary risk	Low	Low	–
ESG 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.

**ESG risk** is a general risk and there are elements of ESG risks across SBAB's entire operations. ESG 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 ESG 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.

#### 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.

#### 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.

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

During the year, there were no changes in the heads of risk management, compliance or internal audit

**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 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 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.

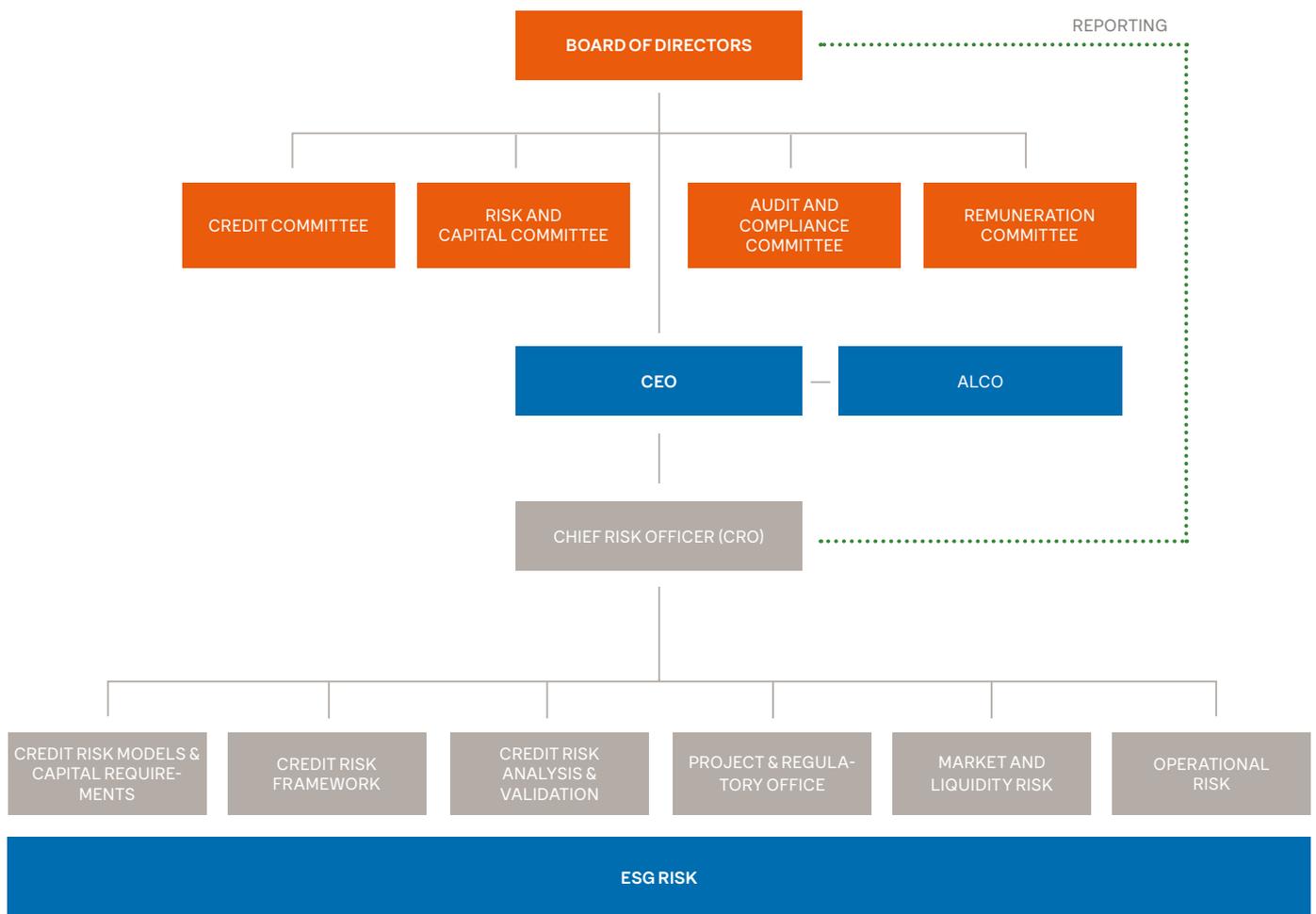
**Disclosure on the scope and nature of risk disclosure and/or measurement systems (Point (c) of Article 435(1) CRR)**

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 SFSF. 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 SFSF. 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. ESG 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 recurrently evaluates 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 or ESG factors 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 or ESG 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 after which the economic conditions are assumed to return to normal. In the ICLAAP, a scenario from macroeconomic forecasts by SBAB’s Chief Economist, describing a severe economic decline, is used for stress testing credit risk while scenarios from Network for Greening the Financial (NGFS) are used for stress testing ESG-risks.

SBAB's process of stress testing credit risk comprises:

- Determination of a scenario for the stress test
- Estimating impact on credit risk in the assumed 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 bank's 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 bank's 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 pro-

cesses. 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 analysing 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 ESG. 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 ESG. 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 ESG 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), Svenska Hypotekskassan (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 Victoriarhuset (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)
Jane Lundgren Ericsson	Board Member	AB Sveriges Säkerställda Obligationer (publ) (Board Member), Kommuninvest i Sverige AB (Board Member), Visma Software AB (Board Member), Inyett AB (Board Member), Gruvaktiebolaget Viscaria AB (publ) (Board Member), Miskatonic Ventures AB (Deputy Board Member), Flex Applications Sverige AB (CEO)
Wenche Martinussen	Board Member	Stiftelsen for bank- og finansstudier (Board Member), Stiftelsen forsikringsakademiet (Board Member), BI Norwegian Business School (Sales and Marketing Director)
John Sætre	Board Member	Clinsj AS (Chairman of the Board), Jayas AS (Chairman of the Board), Tinka Vekst AS (Board Member), Jayas AS (CEO), Bakke AS (COO)
Synnöve Trygg	Board Member	AB Sveriges Säkerställda Obligationer (publ) (Board Member)
Rikard Josefson	Board Member	American Express Europe S.A (Board Member), Thaning Consulting AB (Deputy Board Member), Djurgården Hockey AB (Chairman of the Board), Teknik innovation Norden Fonder AB (Board Member, Chairman of the Board), Börje Salmings ALS Insamlingsstiftelse (Chairman of the Board), Alfa Rehabilitering Aktiebolag (Board Member), Ljung & Sjöberg AB (Board Member), NDP-Nordisk Dropprevention AB (Board Member), L&S Intressenter AB (Board Member), Hockey Invest Europe AB (Board Member)
Mattias Forsberg	Board Member	AdventEdge Consulting AB (Board Member), Lakbäck Padel AB (Board Member, Chairman of the Board), Bostadsrättsföreningen Blacktimberlodges II (Board Member), Mattias Forsberg (own business)
Margareta Naumburg	Employee representative SACO	Compliance Officier 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.

**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).
Kristina Frid	Acting Head of Business Area Private, Head of Operations Business Area Private	-
Anders Alvemur	Acting Head of Business Area Private, Head of Product and Services Business Area Private	-
Liv Forsström	Head of HR	-
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. In addition, one further board member was elected at an Extraordinary General Meeting in September 2025. At the end of the year, SBAB's Board comprised of these ten members elected by the AGM and two members, 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 women 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 per cent 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 reparatory 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 eleven 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 6 meetings during 2025.

**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 2025. 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 is considered to be entitled to a significant remuneration for the preceding financial year if a) his or her remuneration is equal to or greater than EUR 500,000 and equal to or greater than the average remuneration granted to those referred to in point 1 (Executives), and (b) he or she works within a material business unit, and the position is such that it has a significant impact on the risk profile of the relevant business unit, (c) his or her remuneration is within the top 0.3% in the bank, (d) his or her remuneration amounts to EUR 750,000 or more.
12. Credit Officers
  - SBAB assesses that neither consumer-credit officers nor credit officers handling corporate and housing-association lending have a material impact on the company's risk profile. Consumer-credit officers have limited ability to deviate from the credit framework, and manual exceptions are rare and not risk-material. Credit officers in Corporate and Housing Association lending have decision authority but not in relation to their own cases, and therefore cannot materially influence SBAB's risk.

**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](http://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 2025.

***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 2025, 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 do 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 24 million and for other employees SEK 707 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	<b>Fixed remuneration</b>				
	Number of identified staff	-	2	14	89
2	Total fixed remuneration	-	1.76	30.41	79.42
3	Of which: cash-based	-	1.66	29.86	75.87
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	-	0.10	0.54	3.55
8	(Not applicable in the EU)				
9	<b>Variable remuneration</b>				
	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	<b>Total remuneration</b>	-	1.76	30.41	79.42

No major changes have been noted since previous year.

**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
<b>Guaranteed variable remuneration awards</b>				
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	-	-	-
<b>Severance payments awarded in previous periods, that have been paid out during the financial year</b>				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-
<b>Severance payments awarded during the financial year</b>				
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	-	-	-

No major changes have been noted since previous year.

**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	j
1	Total number of identified staff									105
2	Of which: members of the MB	-	2	2						
3	Of which: other senior management				-	4	-	8	2	-
4	Of which: other identified staff				-	32	-	57	-	-
5	Total remuneration of identified staff	-	1.76	1.76	-	32.74	-	74.18	2.92	-
6	Of which: variable remuneration	-	-	-	-	-	-	-	-	-
7	Of which: fixed remuneration	-	1.76	1.76	-	32.74	-	74.18	2.92	-

No major changes have been noted since previous year.

# 4 Capital adequacy

## 4.1. CAPITAL REQUIREMENTS AND BUFFERS

### KEY METRICS (EU KM1)

	SEK million	CONSOLIDATED SITUATION				
		31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
		a	b	c	d	e
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	21,335	22,381	22,090	21,849	21,417
2	Tier 1 capital	28,335	29,381	27,790	27,549	27,517
3	Total capital	30,333	31,388	29,798	29,557	29,534
<b>Risk-weighted exposure amounts</b>						
4	Total risk-weighted exposure amount	150,768	150,856	152,135	151,267	168,889
4a	Total risk Exposure pre-floor	150,768	150,856	-	-	-
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	14.2	14.8	14.5	14.4	12.7
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	14.2	14.8	14.5	14.4	-
6	Tier 1 ratio (%)	18.2	19.5	18.3	18.2	16.3
6b	Tier 1 ratio considering unfloored TREA(%)	18.2	19.5	18.3	18.2	-
7	Total capital ratio (%)	20.1	20.8	19.6	19.5	17.5
7b	Total capital ratio considering unfloored TREA (%)	20.1	20.8	19.6	19.5	-
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.8	1.8	1.9	1.9	1.9
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.0	1.0	1.1	1.1	1.1
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.3	1.3	1.4	1.4	1.4
EU 7d	Total SREP own funds requirements (%)	9.8	9.8	9.9	9.9	9.9
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>						
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 (%)	14.3	14.3	14.4	14.4	14.4
12	CET1 available after meeting the total SREP own funds requirements (%)	8.7	9.3	9.0	8.9	7.1

SEK million		CONSOLIDATED SITUATION				
		31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
		a	b	c	d	e
<b>Leverage ratio</b>						
13	Total exposure measure	661,550	679,723	679,093	698,779	656,664
14	Leverage ratio (%)	4.3	4.3	4.1	3.9	4.2
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>						
Additional own funds requirements to address the risk of excessive leverage (%)						
EU 14a		-	-	-	-	-
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
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>						
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	110,851	111,716	110,347	106,159	104,433
EU 16a	Cash outflows - Total weighted value	56,014	55,961	56,880	55,063	57,895
EU 16b	Cash inflows - Total weighted value	11,454	11,299	12,578	13,717	16,700
16	Total net cash outflows (adjusted value)	44,560	44,661	44,302	41,346	41,195
17	Liquidity coverage ratio (%)	253.9	255.5	254.4	259.9	253.5
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	557,222	578,569	579,917	579,796	530,349
19	Total required stable funding	434,714	434,467	432,506	438,094	419,976
20	NSFR ratio (%)	128.2	133.2	134.1	132.3	126.3

The decrease in total REA during the fourth quarter of 2025 primarily refers to a reduction in holdings of covered bonds.

The decrease in CET1 capital during the fourth quarter of 2025 is mainly attributable to the fact that the dividend to shareholders, in accordance with a decision by the Board of Directors, has been set at 100% instead of the previously applied 40% of the Group's profit.

The decrease in the LCR is driven by a reduced amount of liquidity reserves (in relative terms) compared with net cash outflows, which have also decreased during the period.

The decline in the NSFR is attributable to a benchmark maturity occurring in June 2026, which has now fallen within the six month window.

## OVERVIEW OF RISK WEIGHTED EXPOSURE AMOUNTS (EU OV1)

SEK million	Risk weighted exposure amounts (RWEAs)		Total own funds requirements	
	31 Dec 2025	30 Sep 2025	31 Dec 2025	
	a	b	c	
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>139,221</b>	<b>139,634</b>	<b>11,138</b>
2	Of which the standardised approach	7,936	9,085	635
3	Of which the foundation IRB (FIRB) approach	33,712	33,081	2,697
5	Of which the advanced IRB (AIRB) approach	8,935	9,533	715
<b>6</b>	<b>Counterparty credit risk - CCR</b>	<b>746</b>	<b>777</b>	<b>60</b>
7	Of which the standardised approach	535	591	43
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	187	128	15
9	Of which other CCR	24	58	2
<b>10</b>	<b>Credit valuation adjustments risk – CVA risk</b>	<b>1909</b>	<b>2014</b>	<b>153</b>
EU 10b	Of which the simplified standardised approach (S-SA)	1909	2014	153
<b>20</b>	<b>Position, foreign exchange and commodities risks (Market risk)</b>	<b>689</b>	<b>735</b>	<b>55</b>
21	Of which the simplified standardised approach	689	735	55
<b>24</b>	<b>Operational risk</b>	<b>8203</b>	<b>7696</b>	<b>656</b>
25	Amount below the threshold for deduction (subject to 250% risk weight)	-	-	-
26	Output floor applied (%)	50	50	-
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	-	-	-
<b>29</b>	<b>Total</b>	<b>150,768</b>	<b>150,856</b>	<b>12,061</b>

The decrease in total REA during the fourth quarter 2025 primarily refers to a reduction in holdings of covered bonds.

## 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					Counter-cyclical buffer rate (%)		
		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			Risk-weighted exposure amounts	Own fund requirements weights (%)
										Total	Total			
a	b	c	d	e	f	g	h	i	j	k	l	m		
	Sweden	43,893	591,958	-	-	-	635,851	3,969	-	-	3,969	49,610	98.1	2.0
	Norway	3,694	-	-	-	-	3,694	30	-	-	30	369	0.7	2.5
	Denmark	5,677	-	-	-	-	5,677	45	-	-	45	568	1.1	2.5
	Finland	357	-	-	-	-	357	3	-	-	3	36	0.1	-
<b>020</b>	<b>Total</b>	<b>53,621</b>	<b>591,958</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>645,579</b>	<b>4,047</b>	<b>-</b>	<b>-</b>	<b>4,047</b>	<b>50,583</b>	<b>100.0</b>	

No changes in the countercyclical buffer rate for Swedish, Norwegian and Danish exposures since June 30, 2025, 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	150,768
2 Institution specific countercyclical capital buffer rate, %	2.00
3 Institution specific countercyclical capital buffer requirement	3,027

No major changes have been noted since previous reporting on June 30, 2025.

**COMPARISON OF MODELLED AND STANDARDISED RISK WEIGHTED EXPOSURE AMOUNTS AT RISK LEVEL (EU CMS1)**

	RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs (a + b)	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
	a	b	c	d	EU d
1 Credit risk (excluding counterparty credit risk)	42,647	7,936	50,583	171,528	171,528
2 Counterparty credit risk	-	746	746	746	746
3 Credit valuation adjustment	-	1,909	1,909	1,909	1,909
4 Securitisation exposures in the banking book	-	-	-	-	-
5 Market risk	-	689	689	689	689
6 Operational risk	-	8,203	8,203	8,203	8,203
7 Other risk weighted exposure amounts	-	88,639	88,639	-	-
<b>8 Total</b>	<b>42,647</b>	<b>108,121</b>	<b>150,768</b>	<b>183,075</b>	<b>183,075</b>

No major changes have been noted since previous reporting on June 30, 2025.

**COMPARISON OF MODELLED AND STANDARDISED RISK WEIGHTED EXPOSURE AMOUNTS FOR CREDIT RISK AT ASSET CLASS LEVEL (EU CMS2)**

	RWEAs for modelled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardised approach	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
	a	b	c	d	EU d
1	Central governments and central banks	-	-	-	-
EU 1a	Regional governments or local authorities	-	-	-	-
EU 1b	Public sector entities	-	-	-	-
EU 1c	Categorised as Multilateral Development Banks in SA	-	-	-	-
EU 1d	Categorised as International organisations in SA	-	-	-	-
2	Institutions	-	-	0	0
3	Equity	-	-	108	108
4	Not applicable				
5	Corporates	33,712	50,573	33,712	50,573
5.1	Of which: F-IRB is applied	33,712	50,573	33,712	50,573
5.2	Of which: A-IRB is applied				
EU 5a	Of which: Corporates - General	33,712	50,573	33,712	50,573
EU 5b	Of which: Corporates - Specialised lending				
EU 5c	Of which: Corporates - Purchased receivables	-	-	-	-
6	Retail	8,935	112,490	11,462	115,016
6.1	Of which: Retail - Qualifying revolving	-	-	-	-
EU 6.1a	Of which: Retail - Purchased receivables	-	-	-	-
EU 6.1b	Of which: Retail - Other	-	112,490	-	115,016
6,2	Of which: Retail - Secured by residential real estate	8,935	-	8,935	-
7	Not applicable				
EU 7a	Categorised as secured by immovable properties and ADC exposures in SA	-	155,519	-	155,519
EU 7b	Collective investment undertakings (CIU)	-	-	-	-
EU 7c	Categorised as exposures in default in SA	-	529	7	536
EU 7d	Categorised as subordinated debt exposures in SA	-	-	-	-
EU 7e	Categorised as covered bonds in SA	-	-	4,848	4,848
EU 7f	Categorised as claims on institutions and corporates with a short-term credit assessment in SA	-	-	26	26
8	Other non-credit obligation assets	-	-	419	419
<b>9</b>	<b>Total</b>	<b>42,647</b>	<b>163,592</b>	<b>50,583</b>	<b>171,528</b>

No major changes have been noted since previous reporting on June 30, 2025.

## 4.2 OWN FUNDS

## DISCLOSURE OF OWN FUNDS (EU CC1)

SEK million		31 Dec 2025	
		a	b <sup>1</sup>
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>			
1	Capital instruments and the related share premium accounts	1,958	24
2	Retained earnings	19,690	28
3	Accumulated other comprehensive income (and other reserves)	2,380	26
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	34	29
6	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>19,302</b>	
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7	Additional value adjustments (negative amount)	99	
8	Intangible assets (net of related tax liability) (negative amount)	273	11
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	2,661	26
12	Negative amounts resulting from the calculation of expected loss amounts	242	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
27a	Other regulatory adjustments	14	
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>2,033</b>	
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>21,335</b>	
<b>Additional Tier 1 (AT1) capital: instruments</b>			
30	Capital instruments and the related share premium accounts	7,000	27
31	of which: classified as equity under applicable accounting standards	7,000	27
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	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>7,000</b>	
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>			
43	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>-</b>	
44	<b>Additional Tier 1 (AT1) capital</b>	<b>7,000</b>	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>28,335</b>	
<b>Tier 2 (T2) capital: instruments</b>			
46	Capital instruments and the related share premium accounts	1,998	23
50	Credit risk adjustments	-	
51	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>1,998</b>	
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>-</b>	
58	<b>Tier 2 (T2) capital</b>	<b>1,998</b>	
59	<b>Total capital (TC = T1 + T2)</b>	<b>30,333</b>	
60	<b>Total risk exposure amount</b>	<b>150,768</b>	
<b>Capital ratios and requirements including buffers</b>			
61	Common Equity Tier 1	14.2	
62	Tier 1	18.8	
63	Total capital	20.1	
64	Institution CET1 overall capital requirement	10.0	
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	1.0	
68	<b>Common Equity Tier 1 available to meet buffer (as a percentage of risk exposure amount)</b>	<b>8.7</b>	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
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	109	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	31	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	256	

Since June 30, 2025, total REA decreased partly due to positive risk class migrations in the lending portfolio within retail. The issuance of AT1 instrument contributed to an increase in total capital.

1) Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation

**EU CCA - MAIN FEATURES OF REGULATORY OWN FUNDS INSTRUMENTS AND ELIGIBLE LIABILITIES INSTRUMENTS, 31 DECEMBER 2025**  
**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)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	SE0013102050	SE0013102068	SE0017769870	SE0020356681	SE0020356699	SE0026275976	XS3027983462
2a	Public or private placement	N/A	Public	Public	Public	Public	Public	Public	Public
3	Governing law(s) of the instrument	Swedish	Swedish	Swedish	Swedish	Swedish	Swedish	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
<b>Regulatory treatment</b>									
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
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
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)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"
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	SEK 1,958.3m	SEK 800m	SEK 1,500m	SEK 1,500m	SEK 600m	SEK 1,300m	SEK 1,300m	SEK 1,998m
9	Nominal amount of instrument	SEK 1,958.3m	SEK 800m	SEK 1,500m	SEK 1,500m	SEK 600m	SEK 1,300m	SEK 1,300m	SEK 2,000m
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
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
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
11	Original date of issuance	21-dec-84	25-Feb-21	25-Feb-21	13-Apr-22	21-Feb-24	21-Feb-24	23-Sep-25	19-march-25
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Dated
13	Original maturity date	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
15	Optional call date, contingent call dates, and redemption amount	N/A	"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)"	"23-Sep-30 100 per cent of Nominal amount In addition tax/regulatory event call (capital event call)"	"19-march-30 100 per cent of Nominal amount In addition tax/regulatory event call (capital event call)"
16	Subsequent call dates, if applicable	N/A	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 day from and including 23 September 2030 to and including 23 December 2030 (Initial Call Period), and thereafter any specified interest payment date after Initial Call Period	Any day from and including 23 September 2030 to and including 23 December 2030 (Initial Call Period), and thereafter any specified interest payment date after Initial Call Period
<b>Coupons / dividends</b>									
17	Fixed or floating dividend/coupon	N/A	Fixed to floating	Floating	Floating	Fixed to floating	Floating	Floating	Floating

18	Coupon rate and any related index	N/A	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+2.35 per cent per annum	Floating Stibor 3-month+1.45 per cent per annum
19	Existence of a dividend stopper	N/A	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
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
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	Yes	Yes	Yes	Yes	Yes	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
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
33	If write-down, permanent or temporary	N/A	Temporary	Temporary	Temporary	Temporary	Temporary	Temporary	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
34a	Type of subordination (only for eligible liabilities)	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
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
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
Link 37a	Link to the full term and conditions of the instrument (signposting)	N/A	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>

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

## EU CCA - MAIN FEATURES OF REGULATORY OWN FUNDS INSTRUMENTS AND ELIGIBLE LIABILITIES INSTRUMENTS, 31 DECEMBER 2025

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)	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)	XS2439731121	XS2527965177	XS2535285915	XS2702862249	XS2702863726	XS2748968091	XS2749485749	XS2581993917	XS2581997231	XS2889897703	XS3072224184	XS3072219267	XS3072231478	XS2985214316	XS2985214407	XS3076318149
2a	Public or private placement	Public	Public	Public	Public	Public	Public	Public	Public	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	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	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Regulatory treatment</b>																	
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	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	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 and (Sub-) Consolidated	Solo and (Sub-) Consolidated	Solo and (Sub-) Consolidated	Solo and (Sub-) Consolidated	Solo and (Sub-) Consolidated	Solo and (Sub-) Consolidated	Solo and (Sub-) Consolidated	Solo and (Sub-) Consolidated	Solo and (Sub-) Consolidated	Solo and (Sub-) Consolidated	Solo and (Sub-) Consolidated	Solo and (Sub-) Consolidated	Solo and (Sub-) 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	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 or eligible liabilities (Currency in million, as of most recent reporting date)	SEK 326.1m	SEK 607.8m	SEK 218.3m	SEK 805.3m	SEK 707.2m	SEK 1,348.0m	SEK 1,206.9m	SEK 251.34m	SEK 1,559.6m	SEK 1,502.2m	SEK 802.3m	SEK 1,504.2m	SEK 509.7m	SEK 1,607.0m	SEK 1,405.9m	SEK 5,500.1m
9	Nominal amount of instrument	EUR 30m	SEK 600m	EUR 20m	SEK 800m	SEK 700m	SEK 1,300m	SEK 1,200m	SEK 250m	SEK 1,500m	SEK 1,500m	SEK 800m	SEK 1,500 m	SEK 500m	SEK 1,600m	SEK 1,400m	EUR 500m
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	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	99.814 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	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	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost			
11	Original date of issuance	02-Feb-22	02-Sep-22	20-Sep-22	12-Oct-23	12-Oct-23	18-Jan-24	18-Jan-24	03-Feb-23	03-Feb-23	02-Sep-24	14-May-25	14-May-25	14-May-25	24-Jan-25	24-Jan-25	21-May-25
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	02-Feb-27	02-Sep-27	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-May-28	14-May-30	14-May-30	24-Jan-31	24-Jan-29	21-May-31
14	Issuer call subject to prior supervisory approval	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	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 only	100 per cent of Nominal amount in case of tax/MREL event only	100 per cent of Nominal amount in case of tax/MREL event only	"12-Oct-26 (initial call date) 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"	"12-Oct-26 (initial call date) 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)"	"14-May-27 (Initial call date) 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"	"14-May-29 (initial call date) 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"	"14-May-29 (initial call date) 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"	"24-Jan-30 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"	"24-Jan-28 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"	"21-May-30 100 per cent of Nominal Amount In addition tax/regulatory event call (tax/MREL call)"
16	Subsequent call dates, if applicable	N/A	N/A	N/A	Any subsequent interest payment date after initial call date	Any subsequent interest payment date after initial call date	N/A	N/A	N/A	N/A	N/A	Any subsequent interest payment date after initial call date	Any subsequent interest payment date after initial call date	Any subsequent interest payment date after initial call date	N/A	N/A	N/A

Coupons / dividends																		
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Floating	Fixed to Floating	Fixed to Floating	Floating	Floating	Fixed to Floating	Floating	Floating	Floating	Floating	Fixed to Floating	Floating	Floating	Fixed to Floating
18	Coupon rate and any related index	Fixed 0.53 per cent per annum	Fixed 4.2 per cent per annum	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 initial call date, thereafter floating Stibor 3-month+1.28 per cent per annum	Fixed 3.94 per cent per annum until 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 call date, thereafter floating Stibor 3-month+1.55 per cent per annum	Floating Stibor 3-month+0.70 per cent per annum	Floating Stibor 3-month+0.75 per cent per annum	Floating Stibor 3-month+1.02 per cent per annum	3.263 per cent per annum until initial call date, thereafter floating Stibor 3-month+1.02 per cent per annum	Floating Stibor 3-month+1.03 per cent per annum	Floating Stibor 3-month+0.73 per cent per annum	3.375 per cent per annum until call date, thereafter floating Euribor 3-month+1.10 per cent per annum	
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No	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	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	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	No	No	No	No	No	No	No	No	
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	
23	Convertible or non-convertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	Nonconvertible	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	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	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	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	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	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	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	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	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	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	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	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	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	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)	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	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	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)	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>	

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

## EUCCA - MAIN FEATURES OF REGULATORY OWN FUNDS INSTRUMENTS AND ELIGIBLE LIABILITIES INSTRUMENTS, 31 DECEMBER 2025

1	Issuer	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)	XS2441055998	XS2980741099	XS3208013030
2a	Public or private placement	Public	Public	Public
3	Governing law(s) of the instrument	English/Swedish	English/Swedish	English/Swedish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes
<b>Regulatory treatment</b>				
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible liabilities	Eligible liabilities	Eligible liabilities
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated	Solo and (Sub-)Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Senior preferred	Senior preferred	Senior preferred
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	SEK 5,427m	SEK 5,563m	SEK 5,398m
9	Nominal amount of instrument	EUR 500m	EUR 500m	EUR 500m
EU-9a	Issue price	99.715 per cent	99.989 per cent	99.502 per cent
EU-9b	Redemption price	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
11	Original date of issuance	08-Feb-22	21-Jan-25	22-Oct-25
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	08-Feb-27	06-Feb-30	22-Apr-31
14	Issuer call subject to prior supervisory approval	Yes	Yes	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	100 per cent of Nominal amount in case of tax/MREL event only
16	Subsequent call dates, if applicable	N/A	N/A	N/A
<b>Coupons / dividends</b>				
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Fixed 0.50 per cent per annum	Fixed 3.250 per cent per annum	Fixed 2.75 per cent per annum
19	Existence of a dividend stopper	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible	Nonconvertible	Nonconvertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A
30	Write-down features	No	No	No
31	If write-down, write-down trigger (s)	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Contractual	Contractual	Contractual
EU-34b	Ranking of the instrument in normal insolvency proceedings	7	7	7
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Preferred deposits	Preferred deposits	Preferred deposits
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	<a href="#">Link</a>	<a href="#">Link</a>	<a href="#">Link</a>

(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	Reference	
	31 Dec 2025	31 Dec 2025		
	a	b	c	
<b>Assets - Breakdown by asset classes according to the balance sheet in the published financial statements</b>				
1	Cash and balances at central banks	1,910	1,910	
2	Treasury bills	-	-	
3	Lending to credit institutions	8,123	8,092	
4	Lending to the public (Note 5)	544,911	544,911	
5	Value changes of interest-rate-risk hedged items in macro hedges	-121	-121	
6	Bonds and other interest-bearing securities	91,291	91,291	
7	Derivatives (Note 6)	6,717	6,717	
8	Shares in associated companies & joint ventures	7	7	
9	Shares in subsidiaries	-	101	
10	Deferred tax assets	544	542	
11	Intangible assets	497	422	
12	Property, plant and equipment	190	187	8
13	Other assets	631	644	
14	Prepaid expenses and accrued income	702	700	
	<b>Total assets</b>	<b>655,401</b>	<b>655,403</b>	
<b>Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements</b>				
15	Liabilities to credit institutions	1,145	1,145	
16	Deposits from the public	264,685	264,685	
17	Debt securities issued	343,003	343,003	
18	Derivatives (Note 6)	10,224	10,224	27a
19	Other liabilities	1,082	1,075	
20	Accrued expenses and deferred income	4,781	4,796	
21	Deferred tax liabilities	-	-	
22	Provisions	3	3	46
23	Subordinated debt	1,996	1,996	
	<b>Total liabilities</b>	<b>629,919</b>	<b>626,927</b>	
<b>Shareholders' Equity</b>				
24	Share capital	1,958	1,958	1
26	Reserves/Fair value reserve	-2,380	-2,380	3,11
27	Additional Tier 1 instruments	7,000	7,000	30
28	Retained earnings	21,903	21,865	2
29	Net profit for the period	0	34	5a
	<b>Total equity</b>	<b>28,481</b>	<b>28,477</b>	
	<b>Liabilities and Equity</b>			
	<b>TOTAL LIABILITIES ANDEQUITY</b>	<b>655,401</b>	<b>655,403</b>	

Since June 30, 2025 a decrease in holdings in the liquidity portfolio partly reduced total assets. Net profit for the period is reduced with anticipated dividend.

## 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
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	<b>Total Additional Valuation Adjustments (AVAs)</b>								<b>99</b>	-	-

Prudent validation has decreased from 115 to 99 SEK million since December 31, 2024. 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)

Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
a	b	c	d	e	f	g	h
SBAB Bank AB (publ)	Full consolidation	X					Credit institution
AB Sveriges Säkerställda Obligationer (publ)	Full consolidation	X					Credit institution
Booli Technologies AB	Full consolidation				X		Non Financial corporation
Tibern AB	Equity method			X			Non Financial corporation

**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)<sup>1)</sup>**

Balance sheet, SEK million		Carrying values of items					Not subject to capital requirements or subject to deduction from capital base <sup>3)</sup>
		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 <sup>2)</sup>	
		a	b	c	d	e	f
<b>Assets</b>							
1	Cash and balances at central banks	1,910	1,910	1,910	-	-	-
2	Treasury bills	-	-	-	-	-	-
3	Lending to credit institutions	8,123	8,092	1,944	6,148	-	-
4	Lending to the public	544,911	544,911	544,911	-	-	-
5	Value changes of interest-rate-risk hedged items in macro hedges <sup>4)</sup>	-121	-121	0	-	-	-
6	Bonds and other interest-bearing securities	91,291	91,291	91,291	-	-	-
7	Derivatives	6,717	6,717	-	6,717	-	-
	Shares in associated companies and joint ventures	7	7	7	-	-	-
8	Shares in subsidiaries	0	101	101	-	-	-
	Deferred tax assets	544	542	-	-	-	542 <sup>5)</sup>
9	Intangible assets	497	423	423	-	-	-
10	Property, plant and equipment	190	187	187	-	-	-
11	Other assets	631	644	644	-	-	-
12	Prepaid expenses and accrued income	702	700	700	-	-	-
<b>Total assets</b>		<b>655,401</b>	<b>655,403</b>	<b>642,118</b>	<b>12,865</b>	<b>-</b>	<b>542</b>
<b>Liabilities</b>							
1	Liabilities to credit institutions	1,145	1,145	-	1,145	-	-
2	Deposits from the public	264,685	264,685	-	-	-	-
3	Debt securities issued	343,003	343,003	-	-	-	-
4	Derivatives	10,224	10,224	-	10,224	-	-
5	Other liabilities	1,082	1,075	-	-	-	-
6	Accrued expenses and deferred income	4,781	4,796	-	-	-	-
7	Deferred tax liabilities	-	-	-	-	-	-
8	Provisions	3	3	-	-	-	-
9	Subordinated debt	1,996	1,996	-	-	-	-
<b>Total liabilities</b>		<b>626,919</b>	<b>626,927</b>	<b>-</b>	<b>11,369</b>	<b>-</b>	<b>-</b>

<sup>1)</sup> The table does not include operational risk or CVA risk.

<sup>2)</sup> 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.

<sup>3)</sup> 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.

<sup>4)</sup> Value changes of interest rate risk hedged in macro hedges is negative as of year-end 2025. The negative amount effects carrying amount for scope of regulatory consolidation and credit risk but is not subject to calculation of exposure amounts.

<sup>5)</sup> 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, 2024 derivatives and cash and balances at centralbanks has decreased. No other significant changes has been noted.

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

SEK million	Items subject to				
	Total	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)	654,983	642,118	-	12,865	-
2 Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	11,369	-	-	11,369	-
3 Total net amount under the scope of prudential consolidation	643,614	642,118	-	1,496	-
4 Off-balance-sheet amounts	50,327	50,327	-	-	
5 Differences in valuations	-	-	-	-	
6 Differences in due to different netting rules, other than those already included in row 2	-	-	-	-	
7 Differences due to considerations of provisions	203	203	-	-	
8 Differences due to the use of credit risk mitigation techniques (CRMs)	-	-	-	-	
9 Differences due to credit conversion factors	-38,378	-38,378	-	-	
10 Differences due to Securisation with risk transfer	-	-	-	-	
11 Other differences	7,209	136	-	7,073	
12 Exposure amounts considered for regulatory purposes	662,975	654,406	-	8,569	-

Since year end 2024 the exposure amounts subject to Credit risk and CCR framework has increased.

## 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 0.15%. 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 4.28% as per December 2025, which is higher than a year earlier when it amounted to 4.19%. 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 0.12%.
- 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 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 0.05%.
- The effect of exposure measure attributable to other assets decreased, which had a positive impact on leverage ratio by 0.05%.

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

SEK million		Applicable amount
		2025
		a
1	Total assets as per published financial statements	655,401
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	2
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	–3,707
9	Adjustment for securities financing transactions (SFTs)	2,981
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	11,953
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	–99
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	4,981
13	<b>Total exposure measure</b>	<b>661,550</b>

Identified changes since June 30, 2025, are primarily due to a decrease in off balance sheet, sovereign exposures and other exposures.

## LEVERAGE RATIO COMMON DISCLOSURE (EU LR2)

SEK million		CRR leverage ratio exposures	
		31 Dec 2025	30 June 2025
		a	b
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	646,528	666,101
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	405	16
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-4,567	-7,811
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)	-273	-236
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>642,092</b>	<b>658,070</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	922	1,058
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	2,088	2,284
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	<b>Total derivatives exposures</b>	<b>3,010</b>	<b>3,342</b>
<b>Securities financing transaction (SFT) exposures</b>			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	6,000	5,000
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-1,511	-1,433
16	Counterparty credit risk exposure for SFT assets	6	1
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	<b>Total securities financing transaction exposures</b>	<b>4,495</b>	<b>3,568</b>
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposures at gross notional amount	50,337	58,292
20	(Adjustments for conversion to credit equivalent amounts)	-38,384	-44,178
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	<b>Off-balance sheet exposures</b>	<b>11,953</b>	<b>14,113</b>
<b>Excluded exposures</b>			
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 2025	30 June 2025
		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	<b>(Total exempted exposures)</b>	-	-
<b>Capital and total exposure measure</b>			
23	Tier 1 capital	28,335	27,790
24	<b>Total exposure measure</b>	<b>661,550</b>	<b>679,093</b>
<b>Leverage ratio</b>			
25	Leverage ratio (%)	4.28	4.09
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans (%)	4.28	4.09
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	4.28	4.09
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
<b>Choice on transitional arrangements and relevant exposures</b>			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	-	-
<b>Disclosure of mean values</b>			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	13,885	15,105
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	4,489	3,567
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)	670,946	690,631
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)	670,946	690,631
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) (%)	4.22	4.02
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) (%)	4.22	4.02

Identified changes since June 30, 2025, are primarily due to a decrease in off balance sheet, sovereign exposures and other exposures.

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

SEK million		CRR leverage ratio exposures
		2025
		a
EU-1	<b>Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:</b>	<b>642,317</b>
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	642,317
EU-4	<i>Covered bonds</i>	48,484
EU-5	<i>Exposures treated as sovereigns</i>	45,464
EU-6	<i>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</i>	-
EU-7	<i>Institutions</i>	1,814
EU-8	<i>Secured by mortgages of immovable properties</i>	542,434
EU-9	<i>Retail exposures</i>	2,508
EU-10	<i>Corporates</i>	-
EU-11	<i>Exposures in default</i>	534
EU-12	<i>Other exposures (eg equity, securitisations, and other non-credit obligation assets)</i>	1,078

Identified changes since June 30, 2025, are primarily due to a decrease in off balance sheet, sovereign exposures and other 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. Internal capital requirement is defined as the higher of the economic capital and the regulatory capital requirement based on Pillar 1 for each risk category.

#### 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.

#### Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process (Article 438(c) CRR)

SBAB and SCBC has the required reporting structure in place to upon demand from the competent authority to provide the information on the result of the institution's internal capital adequacy assessment process.

## 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 SBAB to grant a loan, the analysis and approval process must show sufficient repayment capacity, and 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)**

For regulatory purposes, 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. For accounting purposes, an exposure is considered to be impaired if it is in default according to the internal default definition or when 90 days past due is exceeded.

**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.

Loans are assigned either an individual provision or a model-based provision according to the impairment model (ECL model). Loans where an individual provision has been posted refer to exposures with an increased credit risk for future payments and the that 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.

Assignment of individual and model-based loss provisions is carried out pursuant to the current accounting standard IFRS 9. On 31 December 2025, the total provisions, with deductions for guarantees, amounted to 20% 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 forborne 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 forborne 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	2,040	2,040	-	-	-	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	552,749	527,396	25,353	818	0	818	-71	-27	-44	-140	0	-140	-	538,689	571
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040 Credit institutions	7,962	7,962	-	-	-	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
060 Non-financial corporations	165,712	155,339	10,373	245	-	245	-21	-7	-14	-30	-	-30	-	162,120	215
070 Of which: SMEs	83,412	74,507	8,906	245	-	245	-16	-2	-13	-60	-	-30	-	83,251	215
080 Households	379,075	364,095	14,980	573	0	573	-50	-19	-30	-110	0	-110	-	376,569	355
090 Debt Securities	1,945	1,945	-	-	-	-	0	0	-	-	-	-	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	1,945	1,945	-	-	-	-	0	0	-	-	-	-	-	-	-
130 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance sheet exposures	50,328	50,275	53	-	-	-	-	-3	0	0	-	0	-	-	-
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200 Non-financial corporations	5,088	5,088	-	0	-	0	-2	-2	0	0	-	0	-	-	-
210 Households	45,240	45,188	53	-	-	-	-1	-1	0	-	-	-	-	-	-
220 Total	607,062	581,656	25,406	818	0	818	-74	-30	-44	-140	0	-140	-	538,689	571

Within the Performing portfolio, the largest individual change is a reduction in off-balance exposures of approximately SEK 8 billion, compared with the outcome as of 30 June 2025, and this is the main driver of the overall decrease.

## MATURITY OF EXPOSURES (EU CR1-A)

SEK million	Net exposure values					
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
	a	b	c	d	e	f
1 Loans and advances	-	405,933	117,738	15,401	5,971	555,113
2 Debt securities	-	6,745	80,283	4,818	-	91,846
3 Total	-	412,678	198,022	20,219	5,971	646,958

The total reduction in net exposure has mainly occurred in the 1–5 year maturity bucket since 30 June 2025.

## 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	740
020 Inflows to non-performing portfolios	397
030 Outflows from non-performing portfolios	-319
040 Outflows due to write-offs	-116
050 Outflow due to other situations	-203
060 Final stock of non-performing loans and advances	818

No major effects on the stock (net) since June 30, 2025.

## 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	39	43	43	43	0	-9	72	33
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	-	-	-	0	-	0	-
070 <i>Households</i>	38	43	43	43	0	-9	71	33
080 Debt Securities	-	-	-	-	-	-	-	-
090 Loan commitments given	-	-	-	-	-	-	-	-
100 <b>Total</b>	<b>39</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>0</b>	<b>-9</b>	<b>145</b>	<b>67</b>

No major changes have been noted since previous reporting on June 30, 2025.

## 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	2,040	2,040	-	-	-	-	-	-	-	-	-
010	Loans and advances	552,749	552,467	282	818	512	90	83	104	30	-	818
020	Central banks	-	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	7,962	7,962	-	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-
060	Non-financial corporations	165,712	165,710	1	245	245	-	-	-	-	-	245
070	Of which SMEs	83,412	83,411	1	245	245	-	-	-	-	-	245
080	Households	379,075	378,795	280	573	267	90	83	104	30	-	573
090	Debt Securities	1,945	1,945	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-
110	General governments	-	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	1,945	1,945	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	50,328	-	-	-	-	-	-	-	-	-	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	-	-	-	-	-	-	-	-	-	-	-
190	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-
200	Non-financial corporations	5,088	-	-	-	-	-	-	-	-	-	-
210	Households	45,240	-	-	-	-	-	-	-	-	-	-
220	<b>Total</b>	<b>605,022</b>	<b>554,412</b>	<b>282</b>	<b>818</b>	<b>-</b>	<b>90</b>	<b>83</b>	<b>104</b>	<b>30</b>	<b>-</b>	<b>818</b>

No significant changes are identified since previous reporting on December 31, 2024.

## 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	553,567	818	818	-	-211	-	-140
020	Sweden	553,567	818	818	-	-211	-	-140
080	Off balance sheet exposures	50,328	0	0	-	-	-	-
090	Sweden	50,328	0	0	-	-	-	-
150	<b>Total</b>	<b>603,895</b>	<b>818</b>	<b>818</b>	<b>-</b>	<b>-211</b>	<b>-</b>	<b>-140</b>

Off-balance sheet exposures have decreased since the previous reporting date, 30 June 2025.

## 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			
	e	f				
010 Agriculture, forestry and fishing	3		-		0	0
020 Mining and quarrying	-		-		-	-
030 Manufacturing	-		-		-	-
040 Electricity, gas, steam and air conditioning supply	-		-		-	-
050 Water supply	-		-		-	-
060 Construction	28		-		0	0
070 Wholesale and retail trade	-		-		-	-
080 Transport and storage	1,809		-		0	0
090 Accommodation and food service activities	-		-		-	-
100 Information and communication	-		-		-	-
110 Real estate activities	162,918		245		-50	-
120 Financial and insurance activities	-		-		-	-
130 Professional, scientific and technical activities	1,068		-		0	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	131		-		0	0
180 Arts, entertainment and recreation	-		-		-	-
190 Other services	-		-		-	-
200 Total	165,957		245		-51	0

Overall exposure has decreased since 30 June 2025, primarily driven by a reduction within the largest counterparty industry, Real estate activities.

## 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 ratings 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 able to be 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 once 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 macroeconomic 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 <sup>1)</sup>	Secured carrying amount			
		a	b	Of which	Of which
				secured by collateral	secured by financial guarantees
		c	d	e	
1 Loans and advances	15,729	539,384	539,320	64	–
2 Debt securities	91,846	–	–	–	–
3 <b>Total</b>	<b>107,575</b>	<b>539,384</b>	<b>539,320</b>	<b>64</b>	<b>–</b>
4 Of which non-performing exposures	45	658	658	0	–
EU-5 Of which defaulted	22	614			

<sup>1)</sup> Unsecured exposures consist of exposures that are not pledged in real estate.

Unsecured carrying amount has decreased since 30 June 2025, mainly related to debt securities.

## 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 and Moody's. 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	3,704	-	3,704	-	-	-
2	Non-central government public sector entities	35,192	-	35,254	-	-	-
EU 2a	Regional governments or local authorities	35,192	-	35,254	-	-	-
EU 2b	Public sector entities	-	-	-	-	-	-
3	Multilateral development banks	1,948	-	1,948	-	-	-
EU 3a	International organisations	4,557	-	4,557	-	-	-
4	Institutions	1,814	-	1,814	-	0	0
5	Covered bonds	48,484	-	48,484	-	4,848	10.0
6	Corporates	-	-	-	-	-	-
6,1	Of which: Specialised Lending	-	-	-	-	-	-
7	Subordinated debt exposures and equity	108	-	108	-	108	100.0
EU 7a	Subordinated debt exposures	-	-	-	-	-	-
EU 7b	Equity	108	-	108	-	108	100.0
8	Retail	2,508	1,533	2,508	860	2,527	75.0
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	-	-	-
9,1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	-	-
9,2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-
9,3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-
9,4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-
9,5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-
10	Exposures in default	7	-	7	-	7	101.4
EU 10a	Claims on institutions and corporates with a short-term credit assessment	131	-	131	-	26	20.0
EU 10b	Collective investment undertakings (CIU)	-	-	-	-	-	-
EU 10c	Other items	838	10	838	4	419	49.7
17	<b>Total</b>	<b>99,293</b>	<b>1,543</b>	<b>99,356</b>	<b>864</b>	<b>7,936</b>	<b>7.9</b>

The largest volume change since 30 June 2025 is found within Covered bonds. Exposure related to the Riksbank's reserve requirement is classified as an institutional exposure with a zero percent risk weight.

## 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	j	m	p	t	u	y		
1	Central governments or central banks	3,704	-	-	-	-	-	-	-	-	3,704	-
2	Non-central government public sector entities	35,254	-	-	-	-	-	-	-	-	35,254	-
EU 2a	Regional governments or local authorities	35,254	-	-	-	-	-	-	-	-	35,254	-
EU 2b	Public sector entities	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development banks	1,948	-	-	-	-	-	-	-	-	1,948	-
EU 3a	International organisations	4,557	-	-	-	-	-	-	-	-	4,557	-
4	Institutions	1,814	-	0	-	-	-	-	-	-	1,814	-
5	Covered bonds	-	48,484	-	-	-	-	-	-	-	48,484	-
6	Corporates	-	-	-	-	-	-	-	-	-	-	-
6,1	Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	-
7	Subordinated debt exposures and equity	-	-	-	-	-	108	-	-	-	108	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-
EU 7b	Equity	-	-	-	-	-	108	-	-	-	108	-
8	Retail exposures	-	-	-	-	3,369	-	-	-	-	3,369	3,369
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	-	-	-	-	-	-	-	-
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	-	-	-	-	-	-	-
9.1.1	no loan splitting applied	-	-	-	-	-	-	-	-	-	-	-
9.1.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	-
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	-
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	-	-	-
9.3.1	no loan splitting applied	-	-	-	-	-	-	-	-	-	-	-
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	-
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	-
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	7	0	-	-	7	7
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	131	-	-	-	-	-	-	131	-
EU 10b	Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-
EU 10c	Other items	426	-	-	-	-	410	5	-	-	842	842
EU 11c	<b>TOTAL</b>	<b>47,705</b>	<b>48,484</b>	<b>131</b>	<b>-</b>	<b>3,369</b>	<b>410</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>100,220</b>	<b>4,218</b>

The largest volume change since 30 June 2025 is found within Covered bonds. Exposure related to the Riksbank's reserve requirement is classified as an institutional exposure with a zero percent risk weight.

## 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 prior to 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;***

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.

PD estimates for both retail and corporate exposures are floored to 0,05% according to Article 163 (1) and 160 (1) CRR, respectively. During the last three periods (2023 - 2025), PD estimates have exceeded default rates for both retail and corporate exposures. Default rates in SBAB:s lending portfolio are very low for retail exposures and nearly non-existent for corporate exposures. Increased default rates were observed for retail exposures during 2023 and 2024 due to raised interest rates in Sweden in response to rising inflation, which returned to lower levels again during 2025. PD-estimates and default rates for both exposure classes can be found in table EU CR9.

***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;***

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. Like 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.

LGD estimates for retail exposures are floored to 5% according to Article 164 (4) CRR.

***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 range	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
		a	b	c	d	e	f	g	h	i	j	k	i
<b>A-IRB</b>													
	0.00 to <0.15	300,811	25,681	0.29	306,638	0.07	147,353	6.11	-	3,374	1.10	13	-5
	0.00 to <0.10	238,858	14,358	0.31	242,533	0.06	113,093	5.96	-	2,338	0.96	9	-2
	0.10 to <0.15	61,952	11,323	0.26	64,106	0.10	34,260	6.66	-	1,036	1.62	4	-2
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	41,914	8,205	0.23	43,236	0.28	28,532	6.57	-	1,450	3.35	8	-5
	0.50 to <0.75	20,336	6,999	0.21	21,285	0.59	16,945	7.03	-	1,317	6.19	9	-7
	0.75 to <2.50	6,933	1,739	0.19	7,126	2.47	5,643	6.78	-	1,073	15.06	12	-7
	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
<b>Retail</b>	1.75 to <2.5	6,933	1,739	0.19	7,126	2.47	5,643	6.78	-	1,073	15.06	12	-7
	2.50 to <10.00	5,166	1,081	0.17	5,267	5.43	4,203	6.19	-	1,120	21.26	18	-9
	2.5 to <5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to <10	5,166	1,081	0.17	5,267	5.43	4,203	6.19	-	1,120	21.26	18	-9
	10.00 to <100.00	1,571	-	-	1,571	40.61	858	6.81	-	595	37.85	43	-26
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	1,571	-	-	1,571	40.61	858	6.81	-	595	37.85	43	-26
	100.00 (Default)	404	-	-	404	100.00	285	9.90	-	6	1.57	92	-92
<b>Subtotal (exposure class)</b>		<b>377,134</b>	<b>43,706</b>	<b>0.14</b>	<b>385,528</b>	<b>0.51</b>	<b>203,819</b>	<b>6.51</b>	<b>-</b>	<b>8,935</b>	<b>10.80</b>	<b>195</b>	<b>-151</b>
<b>Total (all exposures classes)</b>		<b>377,134</b>	<b>43,706</b>	<b>0.14</b>	<b>385,528</b>	<b>0.51</b>	<b>203,819</b>	<b>6.51</b>	<b>-</b>	<b>8,935</b>	<b>10.80</b>	<b>195</b>	<b>-151</b>
<b>F-IRB</b>													
	0.00 to <0.15	60,094	123	1.00	60,209	0.11	1,368	20.66	2.5	7,016	11.65	14	0
	0.00 to <0.10	21,567	115	1.00	21,683	0.08	831	20.14	2.5	1,635	7.54	4	0
	0.10 to <0.15	38,527	8	1.00	38,526	0.13	537	20.96	2.5	5,380	13.97	10	0
	0.15 to <0.25	54,842	652	0.68	55,282	0.22	659	21.10	2.5	10,723	19.40	25	-2
	0.25 to <0.50	34,238	3,399	0.52	35,997	0.38	722	23.21	2.5	9,311	25.87	32	-4
	0.50 to <0.75	9,889	183	0.40	9,962	0.64	182	22.65	2.5	3,066	30.77	15	-2
	0.75 to <2.50	4,315	729	0.40	4,606	0.98	113	22.96	2.5	1,808	39.26	11	-3
	0.75 to <1.75	4,247	247	0.40	4,346	0.89	111	22.18	2.5	1,572	36.18	9	-1
<b>Corporate</b>	1.75 to <2.5	68	482	0.40	261	2.45	2	35.93	2.5	236	90.56	2	-1
	2.50 to <10.00	692	-	-	647	4.74	30	20.91	2.5	277	42.73	6	-1
	2.5 to <5	303	-	-	258	2.76	26	20.05	2.5	88	34.05	1	0
	5 to <10	389	-	-	389	6.05	4	21.48	2.5	189	48.48	5	-1
	10.00 to <100.00	1,714	-	-	1,712	22.69	26	22.08	2.5	1,511	88.27	86	-11
	10 to <20	129	-	-	128	19.20	15	20.02	2.5	83	64.85	5	0
	20 to <30	1,585	-	-	1,583	22.97	11	22.25	2.5	1,428	90.17	81	-11
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	245	-	-	245	100.00	2	24.95	2.5	-	-	61	-30
<b>Subtotal (exposure class)</b>		<b>166,030</b>	<b>5,088</b>	<b>0.37</b>	<b>168,662</b>	<b>0.65</b>	<b>3,102</b>	<b>21.77</b>	<b>2.5</b>	<b>33,712</b>	<b>32.24</b>	<b>250</b>	<b>-53</b>
<b>Total (all exposures classes)</b>		<b>166,030</b>	<b>5,088</b>	<b>0.37</b>	<b>168,662</b>	<b>0.65</b>	<b>3,102</b>	<b>21.77</b>	<b>2.5</b>	<b>33,712</b>	<b>32.24</b>	<b>250</b>	<b>-53</b>

An increase in defaulted exposure for corporates has been observed since previous reporting on June 30 2025, leading to higher expected loss amounts. In addition, positive rating grade migrations for retail exposures have occurred, leading to lower risk weighted exposure amounts.

#### 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	-	3,704	100.00	-	-
2	Regional governments and local authorities	-	35,254	100.00	-	-
3	Public sector entiteis	-	-	-	-	-
4	Institutions	-	10,383	100.00	-	-
5	Corporates	171,117	168,662	-	100.00	-
5,1	<i>Of which Corporates - General</i>	-	168,662	-	100.00	-
5,2	<i>Of which Corporates - Specialised Lending</i>	-	-	-	-	-
52.1	<i>Of which Corporates Specialised Lending excluding slotting approach</i>	-	-	-	-	-
52.2	<i>Of which Corporates Specialised Lending under slotting approach</i>	-	-	-	-	-
5.3	<i>Of which Corporates- Purchased Receivables</i>	-	-	-	-	-
6	Retail	420,840	388,896	-	99.13	0.87
6,1	<i>of which Retail – Qualifying revolving</i>	-	-	-	-	-
6,2	<i>of which Retail – Secured by residential immovable property</i>	-	385,528	-	100.00	-
6,3	<i>of which Retail – Purchased Receivables</i>	-	-	-	-	-
6,4	<i>of which Retail – Other retail exposures</i>	-	3,369	-	-	100.00
7	Equity	-	108	100.00	-	-
8	Other non-credit obligation assets	-	-	-	-	-
9	<b>Total</b>	<b>591,958</b>	<b>607,008</b>	<b>2.34</b>	<b>91.30</b>	<b>0.56</b>

Since 31 December 2024, the exposure amount has increased primarily within retail secured by residential immovable property.

## 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 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 (%)		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 (%)	substitution effects (reduction effects only)	substitution effects (reduction and substitution effects)	m	n				
		a	b	c	d	e	f	g	h	i	j	k	l	m	n				
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
2	Regional governments and local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
5	Corporates																		
5,1	Corporates – General	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
5,2	Corporates – Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
5,3	Corporates – Purchased Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
6	Retail	385,528	-	99.97	99.97	-	-	-	-	-	-	0.00	-	8,935	8,935				
6,1	Retail – Qualifying revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
6,2	Retail – secured by residential immovable property	385,528	-	99.97	99.97	-	-	-	-	-	-	0.00	-	8,935	8,935				
6,3	Retail – Purchased Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
6,4	Retail – Other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
7	<b>Total</b>	<b>385,528</b>	<b>-</b>	<b>99.97</b>	<b>99.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>8,935</b>	<b>8,935</b>				

F-IRB	Credit risk Mitigation techniques												Credit risk Mitigation methods in the calculation of RWEAs		
	Funded credit Protection (FCP)											Unfunded credit Protection (UFCP)			
	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 Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)					
SEK million	a	b	c	d	e	f	g	h	i	j	k	l	m	n	
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional governments and local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Corporates	168,662	-	92.25	92.25	-	-	-	-	-	0.04	-	33,700	33,712	
5,1	Corporates – General	168,662	-	92.25	92.25	-	-	-	-	-	0.04	-	33,700	33,712	
5,2	Corporates – Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	
5,3	Corporates – Purchased Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	<b>Total</b>	<b>168,662</b>	<b>-</b>	<b>92.25</b>	<b>92.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.04</b>	<b>-</b>	<b>33,700</b>	<b>33,712</b>	

No major changes have been noted since previous reporting on June 30, 2025.

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

SEK million	Risk weighted exposure amount	
	a	
1	<b>Risk weighted exposure amount as at the end of the previous reporting period</b>	<b>42,613</b>
2	Asset size (+/-)	66
3	Asset quality (+/-)	-96
4	Model updates (+/-)	-
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	-
8	Other (+/-)	64
9	<b>Risk weighted exposure amount as at the end of the reporting period</b>	<b>42,647</b>

No major changes have been noted since previous reporting on September 30, 2025.

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

Exposure class	PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
<b>A-IRB</b>							
Retail	0.00 to <0.15	135,684	8	0.0	0.1	0.1	0.0
	0.00 to <0.10	135,684	8	0.0	0.1	0.1	0.0
	0.10 to <0.15	-	-	-	-	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	27,918	6	0.0	0.3	0.3	0.1
	0.50 to <0.75	26,066	21	0.1	0.6	0.6	0.1
	0.75 to <2.50	8,245	38	0.5	2.5	2.4	0.5
	0.75 to <1.75	-	-	-	-	-	-
	1.75 to <2.5	8,245	38	0.5	2.5	2.4	0.5
	2.50 to <10.00	4,525	40	0.9	5.4	5.2	1.3
	2.5 to <5	-	-	-	-	-	-
	5 to <10	4,525	40	0.9	5.4	5.2	1.1
	10.00 to <100.00	1,237	91	7.4	40.6	39.0	9.8
	10 to <20	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-
	30.00 to <100.00	1,237	91	7.4	40.6	39.0	9.3
	100.00 (Default)	386	12	3.1	100.0	100.0	2.6

Exposure class	PD range	Number of obligors in the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			Of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
<b>F-IRB</b>							
Corporate	0.00 to <0.15	1583	-	-	0.1	0.1	0.0
	0.00 to <0.10	988	-	-	0.1	0.1	0.0
	0.10 to <0.15	595	-	-	0.1	0.1	0.0
	0.15 to <0.25	430	-	-	0.2	0.2	0.0
	0.25 to <0.50	721	1	0.1	0.4	0.3	0.2
	0.50 to <0.75	266	-	-	0.6	0.6	0.3
	0.75 to <2.50	101	-	-	1.0	0.9	0.0
	0.75 to <1.75	96	-	-	0.9	0.8	0.0
	1.75 to <2.5	5	-	-	2.5	2.5	0.0
	2.50 to <10.00	37	1	2.7	4.7	3.2	2.1
	2.5 to <5	31	-	-	2.8	2.7	1.5
	5 to <10	6	1	16.7	6.1	5.7	4.2
	10.00 to <100.00	13	-	-	22.7	20.0	-
	10 to <20	3	-	-	19.2	17.2	-
	20 to <30	10	-	-	2.0	20.9	-
	30.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	2	-	-	-	100.0	100.0

Two obligors within the corporate exposure class defaulted during 2025. Within the retail exposure class, 204 obligors defaulted during 2025.

## 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 is 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)	EEPE	Alpha used for computing reg- ulatory expo- sure value	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)	-	-			-	-	-	-
EU2 EU - Simplified SA-CCR (for derivatives)	-	-			-	-	-	-
1 SA-CCR (for derivatives)	710	944		1.4	2,315	2,315	2,315	535
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)					106	106	106	24
5 VaR for SFTs					-	-	-	-
6 <b>Total</b>					<b>2,422</b>	<b>2,422</b>	<b>2,422</b>	<b>559</b>

No significant difference in risk-weighted exposure can be observed compared to June 30, 2025.

## 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%	30%	50%	70%	75%	100%	150%	Others	
	a	b	c	d	e	f	g	h	i	j	k	l	m
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	-	5,919	-	-	1,677	973	-	-	-	-	-	-	8,569
7 Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Retail	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	-	-	-	-
11 <b>Total exposure value</b>	-	<b>5,919</b>	-	-	<b>1,677</b>	<b>973</b>	-	-	-	-	-	-	<b>8,569</b>

Since end of June 2025, the exposure for all risk weights has decreased.

## 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	-	773	-	-	-	4,492	-	4,489
2 Cash – other currencies	-	372	1,558	4,589	-	-	-	-
3 Domestic sovereign debt	-	-	-	-	-	-	-	-
4 Other sovereign debt	-	-	-	-	-	-	-	-
5 Government agency debt	-	-	-	-	-	-	-	-
6 Corporate bonds	-	-	2,327	-	-	4,321	-	4,315
7 Equity securities	-	-	-	-	-	-	-	-
8 Other collateral	-	-	-	-	-	-	-	-
9 <b>Total</b>	-	<b>1,145</b>	<b>3,885</b>	<b>4,589</b>	-	<b>8,812</b>	-	<b>8,803</b>

Since end of June 2025, the amounts differs due to changes in market values.

## EXPOSURES TO CCPS (EU CCR8)

SEK million	Exposure value	RWEA
	a	b
1 <b>Exposures to QCCPs (total)</b>		<b>187</b>
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	2,301	74
3 (i) OTC derivatives	2,301	74
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	3,846	113
9 Prefunded default fund contributions	-	-
10 Unfunded default fund contributions	-	-
11 <b>Exposures to non-QCCPs (total)</b>		-
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 2025, the exposure value has decreased, but the RWEA has increased due to higher concentration of exposure towards a CCP with higher risk weight.

## 6 CVA risk

### 6.1 CVA RISK

#### QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO CREDIT VALUATION ADJUSTMENT RISK (EU CVAA)

A description of the institution's processes to manage credit valuation adjustment risk, including:

- a description of the processes implemented to identify, measure, monitor and control the institution's credit valuation adjustment risks;

- a description of their policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges (Point (a) of Article 445a(1) CRR)

#### Identification

CVA risk at SBAB arises from derivative transactions, primarily cross-currency swaps and foreign exchange swaps used to manage interest rate and currency exposures. All trades are captured and valued in the Bank's treasury systems using trade details, independent market data, and contractual terms. These data feed into the Risk function for calculating CVA exposures and regulatory capital requirements.

SBAB applies the Basic Approach (BA-CVA) without recognition of eligible hedges (reduced BA-CVA), in accordance with Article 384(3) CRR. Exposure at Default (EAD) for CVA risk is determined under SA-CCR (Article 274 CRR). The same methodology is used for internal risk management, capital allocation, and planning.

#### Monitoring and control

CVA risk is monitored daily against the Bank's risk appetite, which limits CVA Risk Exposure Amount (REA) to SEK 4.2 billion. Limit utilization is reported daily to executive management and published internally on the risk portal. Material changes in risk measures, including CVA REA, are investigated and documented as part of standard risk reporting routines.

In addition to daily monitoring, CVA risk is subject to periodic stress testing. As part of the ICAAP, the three largest non-CCP counterparties are assumed to be downgraded by one credit quality step, and the resulting increase in CVA capital is assessed to ensure adequate capital buffers.

#### Hedging

SBAB does not currently use credit derivatives (e.g., single-name or index CDS) to hedge CVA risk. The Bank therefore applies the reduced BA-CVA and focuses on mitigating CVA risk through other measures.

#### Mitigation

CVA risk is primarily mitigated through:

- Counterparty selection – Transactions are limited to large Scandinavian or international banks with strong credit quality.
- Collateralization – Bilateral derivatives require ISDA master agreements with enforceable netting and Credit Support Annex (CSA) arrangements providing for daily or weekly variation margin.
- Clearing – Nearly all interest rate swaps, including all new transactions, are cleared through qualifying central counterparties (QCCPs).
- Governance – New counterparties undergo stringent due diligence and require credit committee approval. Counterparty and rating-group exposure limits are monitored daily in line with the Bank's risk appetite.

**An explanation whether the institution meets all the conditions set out in Article 273a(2); where those conditions are met, whether institution has chosen to calculate the own funds requirements for CVA risk using the simplified approach set out in Article 385; where institutions have chosen to calculate the own funds requirements for CVA risk using the simplified approach, the own funds requirements for CVA risk in accordance with that approach (Point (b) of Article 445a(1) CRR)**

SBAB does not meet the conditions in Article 273a(2) CRR; therefore, the simplified CVA approach under Article 385 CRR is not applicable. The Bank calculates own funds requirements for CVA risk using the Basic Approach (Article 384 CRR).

#### CREDIT VALUATION ADJUSTMENT RISK UNDER THE REDUCED BASIC APPROACH (R-BA) (EU CVA1)

	SEK million	Components of	Own funds
		Own Funds	requirements
		Requirements	
		a	b
1	Aggregation of systematic components of CVA risk	336	
2	Aggregation of idiosyncratic components of CVA risk	190	
3	<b>Total</b>		<b>1,909</b>

RWEA for CVA has increased since 31 December 2024 due to a change in methodology to the reduced basic approach.

# 7 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.

## 7.1 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.

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.

**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 management of SBAB's liquidity reserve. As part of measuring SBAB's structural liquidity risk 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 is used. This can be viewed as SBAB's internal version of the NSFR.

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.

## 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 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025
		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
<b>HIGH-QUALITY LIQUID ASSETS</b>									
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61					110,851	111,716	110,347	106,159
<b>CASH - OUTFLOWS</b>									
2	retail deposits and deposits from small business customers, of which:	226,160	224,806	222,396	219,099	12,540	12,801	12,881	12,773
3	Stable deposits	114,198	114,293	112,613	109,319	5,710	5,715	5,631	5,466
4	Less stable deposits	52,338	54,590	56,253	57,143	6,831	7,086	7,250	7,307
5	Unsecured wholesale funding	39,786	38,523	37,749	35,053	17,658	16,921	17,047	15,454
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	36,647	35,771	34,269	32,423	14,519	14,169	13,568	12,825
8	Unsecured debt	3,139	2,752	3,480	2,630	3,139	2,752	3,480	2,630
9	Secured wholesale funding	-	-	-	-	3,495	2,951	2,726	2,354
10	Additional requirements	15,588	16,404	17,401	18,032	15,588	16,404	17,401	18,032
11	Outflows related to derivative exposures and other collateral requirements	11,611	11,285	12,863	14,568	11,611	11,285	12,863	14,568
12	Outflows related to loss of funding on debt products	3,977	5,119	4,538	3,464	3,977	5,119	4,538	3,464
13	Credit and liquidity facilities	-	-	-	-	-	-	-	-
14	Other contractual funding obligations	228	336	348	285	87	81	98	38
15	Other contingent funding obligations	56,613	56,243	56,149	55,864	6,645	6,803	6,726	6,411
16	<b>TOTAL CASH OUTFLOWS</b>	-	-	-	-	<b>56,014</b>	<b>55,961</b>	<b>56,880</b>	<b>55,063</b>
<b>CASH - INFLOWS</b>									
17	Secured lending (e.g. reverse repos)	8,095	6,083	5,144	2,634	3,692	2,981	2,677	2,245
18	Inflows from fully performing exposures	1,750	2,021	1,941	2,066	1,406	1,594	1,552	1,639
19	Other cash inflows	6,356	6,725	8,349	9,833	6,356	6,725	8,349	9,833
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	<b>TOTAL CASH INFLOWS</b>	<b>16,201</b>	<b>14,830</b>	<b>15,434</b>	<b>14,533</b>	<b>11,454</b>	<b>11,299</b>	<b>12,578</b>	<b>13,717</b>
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	16,201	14,830	15,434	14,533	11,454	11,299	12,578	13,717
<b>TOTAL ADJUSTED VALUE</b>									
21	<b>LIQUIDITY BUFFER</b>					<b>110,851</b>	<b>111,716</b>	<b>110,347</b>	<b>106,159</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>					<b>44,560</b>	<b>44,661</b>	<b>44,302</b>	<b>41,346</b>
23	<b>LIQUIDITY COVERAGE RATIO</b>					<b>254%</b>	<b>256%</b>	<b>254%</b>	<b>260%</b>

The LCR changes between periods are 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*

	SEK Millions	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
		a	b	c	d	e
<b>Available stable funding (ASF) Items</b>						
1	Capital items and instruments	24,073	2,300	-	1,995	26,068
2	<i>Own funds</i>	24,073	2,300	-	1,995	26,068
3	<i>Other capital instruments</i>		-	-	-	-
4	Retail deposits		222,147	2,760	1,901	212,295
5	<i>Stable deposits</i>		157,938	1,625	1,251	152,836
6	<i>Less stable deposits</i>		64,209	1,135	650	59,459
7	Wholesale funding:		74,092	13,671	293,659	318,856
8	<i>Operational deposits</i>		-	-	-	-
9	<i>Other wholesale funding</i>		74,092	13,671	293,659	318,856
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	88	5,870	-	3	3
12	<i>NSFR derivative liabilities</i>	88				
13	<i>All other liabilities and capital instruments not included in the above categories</i>		5,870	-	3	3
14	<b>Total available stable funding (ASF)</b>					<b>557,222</b>

SEK Millions	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
	a	b	c	d	e	
<b>Required stable funding (RSF) Items</b>						
15	Total high-quality liquid assets (HQLA)				3,348	
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		2,002	2,382	259,379	224,198
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		2,244	2,660	276,100	196,986
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>		5	-	-	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>		195	227	8,457	196,768
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		0	0	7	132,117
22	<i>Performing residential mortgages, of which:</i>		2,045	2,432	267,405	-
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		1,450	1,720	200,811	-
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>		-	-	238	217
25	Interdependent assets		-	-	-	-
26	Other assets:		5,860	1,817	6,473	7,665
27	<i>Physical traded commodities</i>				-	-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>		-	-	3,900	3,315
29	<i>NSFR derivative assets</i>		-			-
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>		4,599			230
31	<i>All other assets not included in the above categories</i>		1,262	1,817	2,573	4,120
32	Off-balance sheet items		48,679	-	1,647	2,516
33	<b>Total RSF</b>					<b>434,714</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>128.2</b>

The difference between the quarters is due to reduced ASF due to a smaller volume of covered bonds issued. Compared to the previous reporting period NSFR has decreased to 128.2 (133.2) percent.

## 7.2 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 355,496 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 <i>of which notionally eligible EHQLA and HQLA</i>	040 <i>of which notionally eligible EHQLA and HQLA</i>	055 <i>of which notionally eligible EHQLA and HQLA</i>	060 <i>of which EHQLA and HQLA</i>	085 <i>of which EHQLA and HQLA</i>	090 <i>of which EHQLA and HQLA</i>	105 <i>of which EHQLA and HQLA</i>
010 Assets of the reporting institution	299,907	-			355,496	91,291		
030 Equity instruments	-	-	-	-	-	-	-	-
040 Debt securities	-	-	-	-	91,291	91,291	91,290	91,290
050 <i>of which: covered bonds</i>	-	-	-	-	51,587	51,587	48,255	48,255
060 <i>of which: securitisations</i>	-	-	-	-	-	-	-	-
070 <i>of which: issued by general governments</i>	-	-	-	-	39,704	39,704	43,035	43,035
080 <i>of which: issued by financial corporations</i>	-	-	-	-	51,587	51,587	48,255	48,255
090 <i>of which: issued by non-financial corporations</i>	-	-	-	-	-	-	-	-
120 Other assets	299,907	-			264,205	-		

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	299,907	-	-	-
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	299,907	-	-	-

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	299,907	299,907

No significant changes since previous reporting period are identified.

## 8 Market risk

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

### 8.1 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 team validates the results each day in the daily report.

#### MARKET RISK UNDER THE SIMPLIFIED STANDARDISED APPROACH (SSA) (EU MR3)

		Own Funds Requirements			
		Outright products	Options		
	Simplified approach		Delta-plus approach	Scenario approach	
		a	b	c	d
1	Interest rate risk (general and specific)	-	-	-	-
2	Equity risk (general and specific)	-	-	-	-
3	Commodity risk	-	-	-	-
4	Foreign exchange risk	55	-	-	-
5	Securitisation (specific risk)	-			
6	<b>Total OFR SSA</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>-</b>

SBAB uses the simplified standardised approach to quantify capital requirements for market risk in Pillar 1. The regulatory capital requirements for market risk is shown in the table. The foreign exchange risk has slightly decreased since June 2025.

## 8.2 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.

**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 0.41 years for the customer segment retail non-transactional and 0.32 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 2025	30 Jun 2025	31 Dec 2025	30 Jun 2025
	a	b	c	d
1 Parallel up	369	456	-165	-469
2 Parallel down	-1,309	-1,541	-552	-730
3 Steepener	10	-51		
4 Flattener	26	83		
5 Short rates up	192	271		
6 Short rates down	-811	-996		

Since June 2025, the interest rate risk in the banking book has decreased, both from a delta-EVE perspective and a delta-NII perspective. The greatest negative impact is still from a parallel shift down.

# 9 Operational risk

Operational risk refers to the potential for losses arising from inadequate or failed internal processes, systems, human errors, or external events. It includes legal risks but excludes reputational risk and is inherent in all banking products and activities.

## 9.1 OPERATIONAL RISK

### QUALITATIVE INFORMATION ON OPERATIONAL RISK (EU ORA)

#### Disclosure of the risk management objectives and policies

(Point (a) of Article 435(1) and point (a) of Article 446(1) CRR)

SBAB's operational risk management is governed by a framework comprising policies, guidelines, and a risk appetite approved by the Board of Directors. The process includes continuous risk identification, analysis, assessment, and monitoring, followed by appropriate mitigation measures.

#### Disclosure of the structure and organisation of the operational risk management function

(Point (b) of Article 435(1) and point (a) of Article 446(1) CRR)

The second line of defense (Risk) is responsible for methodology, oversight, and independent review of first-line operational risk management. Responsibilities and accountabilities are documented and monitored through internal controls. Risk management is aligned with SBAB's risk appetite and material business processes. This includes ongoing efforts to strengthen employees' risk awareness and the bank's risk culture, improve processes and routines, and provide tools for efficient and proactive risk management in daily operations.

#### Description of the scope and nature of the measurement system

(Point (c) of Article 435(1) and point (a) of Article 446(1) CRR)

The measurement system relies on a set of procedures, including those outlined below, that are used to estimate the bank's risk profile and risk level.

#### Risk and Control Self-Assessment (RCSA)

The RCSA process involves identifying and evaluating operational risks and controls across all material processes and ICT-assets. Assessments are conducted using a standardized methodology and documented in the shared GRC system. Results are reported annually to the Board of Directors, the CEO, and the management body.

#### Incident Management

SBAB maintains structured procedures for incident reporting and follow-up. The Risk department supports business units by analyzing reported incidents, identifying root causes, and ensuring corrective actions are implemented. Incidents without direct damage or financial loss are also reported to encourage proactive risk management.

#### Key Risk Indicators (KRI)

SBAB uses Key Risk Indicators as an integral part of its operational risk monitoring framework. KRIs provide early warning signals of potential risk exposures and emerging trends across processes, products, ICT assets, and business units.

#### Approval Process for New Products and Significant Changes

SBAB's process for managing new products and significant changes covers the development of new products, markets, and services, as well as major changes to existing ones. It also includes material changes to processes, systems, and organizational structures. The purpose is to ensure that all changes align with SBAB's risk strategy and risk appetite.

#### Business Continuity Management

SBAB takes proactive measures to prevent incidents that could disrupt operations. A dedicated crisis organization is responsible for crisis and disaster management, including communication. This organization is regularly tested in collaboration with external crisis management experts.

#### Significant Operational Risks

SBAB has identified material operational risks in areas such as ICT/cybersecurity, external criminal threats, talent acquisition and retention, and regulatory compliance. These risks are continuously monitored by the management body and the Board of Directors and are considered within SBAB's business planning framework.

#### Operational Risk Capital

SBAB applies the Standardised Measurement Approach for calculating operational risk capital requirements.

#### Description of the scope and nature of the operational risk reporting framework

(Point (c) of Article 435(1) and point (a) of Article 446(1) CRR)

The overall operational risk level is regularly analyzed and reported to the Board of Directors, the CEO, and the management body. Reporting includes risk levels, incidents, remediation actions, and the status of risk mitigation activities.

#### Description of the policies and strategies of the risk mitigation and risk hedge

(Point (d) of Article 435(1) and point (a) of Article 446(1) CRR)

To strengthen SBAB's risk culture, Risk and Regulatory Coordinators have been established in the first line of defense. Their role is to support business managers in risk management, process mapping, internal controls, incident management, and compliance. SBAB does not use derivative instruments to hedge operational risk but maintains insurance coverage for certain operational events. Residual exposures are monitored and borne by the bank. Outsourcing risks are managed through a dedicated outsourcing policy.

**BUSINESS INDICATOR, COMPONENTS AND SUBCOMPONENTS (EU OR2)**

BI and its subcomponents		T	T-1	T-2	Average value
		a	b	c	d
<b>1</b>	<b>Interest, lease and dividend component (ILDC)</b>				5,121
<b>EU 1</b>	<b>ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3))</b>				-
1a	Interest and lease income	37,320	35,834	13,846	29,000
1b	Interest and lease expense	32,035	30,384	9,217	23,879
1c	Total assets/Asset component	654,581	648,339	628,575	642,832
1d	Dividend income/ dividend component	-	-	-	-
<b>2</b>	<b>Services component (SC)</b>				
2a	Fee and commission income	78	114	166	119
2b	Fee and commission expense	59	58	53	57
2c	Other operating income	2	3	4	3
2d	Other operating expense	1	0	1	1
<b>3</b>	<b>Financial component (FC)</b>				225
3a	Net profit or loss applicable to trading book (TB)	-74	-97	-33	-68
3b	Net profit or loss applicable to banking book (BB)	-128	-282	-62	-157
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)				accounting approach
<b>4</b>	<b>Business Indicator (BI)</b>				5,469
<b>5</b>	<b>Business indicator component (BIC)</b>				656

**Disclosure on the BI:**

6a	BI gross of excluded divested activities	5,469
6b	Reduction in BI due to excluded divested activities	-
EU 6c	Impact in BI of mergers/acquisitions	-

This is a new disclosure requirement as of reference date, 31 December 2025, therefore, there are no prior periods available for comparison

**OPERATIONAL RISK OWN FUNDS REQUIREMENTS AND RISK EXPOSURE AMOUNTS (EU OR3)**

		a
1	Business Indicator Component (BIC)	656
EU 1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
2	Not applicable	
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	656
4	Operational Risk Exposure Amounts (REA)	8,203

REA for operational Risk has increased compared to previous year, partly due to changes in the Capital Requirements Regulation (CRR3) and partly due to an annual update with data from year 2024.

## 10 ESG 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, 2025, a total of 5 quantitative templates are required. The section with qualitative information is split into three parts; Environmental risk, Social risk and Governance risk. Each part compiles questions and answers to business strategy and processes, governance and risk management respectively.

### 10.1 QUALITATIVE INFORMATION ON ENVIRONMENTAL 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).**

SBAB Group continuously works with and for further integration of the Group's identified material sustainability areas, described in the Sustainability policy, into the operations and business strategies with the purpose of aligning activities and governing documents with the Group's steering model. The Group annually revisits and reviews its double materiality assessment where environmental risks are reviewed. The outcome of the materiality assessment serves as central piece of information as it provides a direction and foundation for how the Group strategically approach and integrate environmental aspects into strategy and business planning. The steering model and the business strategies set the foundation for the Group's annual business planning process. The business strategies include environmental factors and risks. The annual business plan is ultimately approved by the board of directors of the parent company.

**Objectives, targets and limits to assess and address environmental 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)).**

SBAB Group has identified risks, opportunities and impacts through a double materiality assessment aligned with ESRS requirements. The assessment is annually reviewed and considers a short-, medium- and long-term perspective. This year's review resulted in the identification of six identified overarching sustainability areas that are considered material for SBAB. The identified sustainability areas have different

sub-categories of risks and possibilities of varying scope, which ultimately guide the organization's work within strategy, product development and risk management. An example of an environmental risk deemed as material is the risk of extreme weather events inflicting damage to properties. The Group monitors the risk of flooding, which is a type of extreme weather event, on collaterals in the lending portfolio. When it comes to financed emissions, SBAB Group has objectives and targets related to financed emissions in the lending portfolio. The Group has an annual financed emission reduction target (short), a financed emission reduction target entailing a 50% decrease of financed emission compared to the baseline year 2022 (medium), and work towards being climate neutral in alignment with the long-term regulatory goals of the jurisdiction we operate within. SBAB Group's 2030 target is aligned with the decarbonization pathway provided by the Carbon Risk Real Estate Monitor (CRREM) Foundation, which is consistent with Group's ambition to reduce its financed emissions and accelerate the transition to a low-carbon economy. Furthermore, SBAB Bank (the parent company of the Group) has since 2021 been a member of the Partnership for Carbon Accounting Financials (PCAF). When measuring financed emissions from the lending and investment activities, PCAF's global standard for carbon accounting is being used.

**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))**

The 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. The green lending is partially financed by green funding. In 2024, the Green Bond Framework was updated.

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

Climate risk is mainly managed through internal training, product development, risk assessments, internal reporting and monitoring, system development and broadened customer dialogue. In 2025, SBAB Bank (parent company of the Group) initiated dialogues with corporate counterparties regarding the risk of flooding and collects information regarding actions taken to mitigate the risk. The internal governance structure regarding environmental risks of counterparties is integrated into internal processes and policies for granting and monitoring loans. There is also an ongoing and continuous process to collect, analyse and increase the quality of climate-related data. Since 2023, the Group has been conducting an enterprise-wide project to

further strengthen the infrastructure concerning collecting and analysing relevant climate-related data.

## 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 and the CEO are responsible for the overall governance structure of the organization, including management of environmental risks. These risks are described in internal governing documents, e.g. the Risk policy, Sustainability policy and the Risk appetite, which are all assessed and approved by the board. The board is regularly informed through internal reporting, which covers climate-related risks. The board is an integral part in deciding the direction of the work on the management of environmental risks.

**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*)

The Group 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. Furthermore, responsibilities between business lines and internal control functions are clarified in governing documents related to sustainability as well as internal governance and risk management. Concerning time horizons, the Group annually conducts a climate risk identification workshop and reviews its double materiality assessment (including environmental factors and risks). Both activities involve representatives from different departments of the entire Group and include short-, medium- and long-term perspectives in the assessments.

**Integration of measures to manage environmental 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*)

The Group has a Sustainability Forum which includes members of senior management and relevant representatives from different departments of the Group. The Sustainability Forum gathers at least once a quarter, and the purpose of the forum is to ensure that ESG is integrated into strategic business decisions and operations. The Sustainability Forum also receives regular updates on the progress with set sustainability targets and activities. Furthermore, appropriate board committees are involved in processing updates related to the management of environmental factors and risks that ultimately is approved by the board. For example, the Risk and Capital committee review and process environmental factors and risks related to capital and financing. Additionally, roles and responsibilities in the organisation concerning integration of ESG risks and factors into the operations and business lines are further clarified in internal governing documents.



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

The Risk department reports monthly to the senior management and the board on KRIs related to environmental risks.

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

The Group is a state-owned entity and follows the State's Ownership Policy which prohibits variable compensation (e.g. bonuses). Therefore, employees' do not receive specific bonuses when achieving organisational goals (e.g. environmental milestones or targets). The remuneration policy encompasses all employees, regardless of position. In accordance with the remuneration policy, the employees' salaries are to be competitive, capped and appropriate, moderate, reasonable, well considered but not salary leading.

## 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*)

The Group's operations consist principally of deposit operations and residential mortgage lending to consumers, tenant-owners' associations and property companies in Sweden. Accordingly, the materiality assessments and climate risk assessments carried out on regular basis encompass the environmental risks relevant for the lending operations and the Group's counterparties. Furthermore, environmental risks are categorised into physical risks and transition risks. Both physical and transition risks can be a risk driver of credit risk for collaterals and counterparties in the portfolio. Therefore, frequent reporting on key risk indicators (KRI), conducting stress tests and scenario analyses, performing climate risk workshops and materiality assessments using different time horizons, are all examples on how environmental factors and risks are integrated in procedures and the risk framework.

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

The definitions and methodologies used for environmental risk management primarily refers to the guidance, standards, material, commitments and frameworks from both regulatory bodies and voluntary sources. This includes relevant guidelines from EBA, national authorities and legislators, science-based

voluntary commitments, guidance and material such as RCP scenarios provided by the ICCP or NGFS. For instance, the Group reports on environmental risks in accordance with ESRS, which also fulfils our commitments under the UNEP FI Principles for Responsible Banking (PRB). Furthermore, the State's Ownership Policy states that state-owned companies, which is the case for SBAB Bank (the parent company of the Group), must act exemplary in sustainable business within its industry, and work to achieve its set sustainability goals.

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

SBAB Group has identified risks, opportunities and impacts through a double materiality assessment aligned with ESRS requirements. The assessment is annually reviewed and considers a short-, medium- and long-term perspective. This year's review resulted in the identification of six identified overarching sustainability areas that are considered material for SBAB. The identified sustainability areas have different sub-categories of risks and possibilities of varying scope, which ultimately guide the organization's work within strategy, product development and risk management. Furthermore, a climate risk workshop was conducted in 2025. The climate risk workshop also applies a short-, medium- and long-term horizon when identifying risks (where the RCP 4.5 and 8.5 scenarios are considered). Insights from previous workshops have resulted in different Key Risk Indicators (KRI) covering both environmental physical risks and transition risks, which are regularly monitored monthly through internal reporting.

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

The commitments, exposures and activities that the Group has in place to mitigate environmental risks, inter alia, are green investment loans within the corporate and tenant-owner associations segment and green mortgages and energy loans (Kilowattlån) within the retail segment. Additional mitigating activities also cover in-depth customer dialogues regarding updated "Left to live on calculus" (i.e. KALP) based on previous increased and volatile energy prices.

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

SBAB Group monitors Key Risk Indicators (KRI) covering both physical and transition aspects of environmental risks. The KRIs cover 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 lending products compared to the total lending portfolio, and ratio of valid Energy Performance Certificates in the portfolio. The KRIs are reported monthly. Furthermore, the Group has also developed a mapping tool which identifies areas at risk of flooding during extreme weather events. Additionally, there is an inherent transition risk in SBAB Group's target of achieving its set CO2 reduction targets (e.g. 50% reduction in financed emissions by 2030) as

clients firstly need to actively choose to invest in more energy efficient solutions for their properties. In order to facilitate that decision, the Group need to offer relevant and competitive products, such as lending related energy efficiency measures. To better monitor the bank's progress towards its set targets, SBAB Bank 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 Group publishes its progress in the annual report.

**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 monthly to the Board and the CEO. The Risk department facilitates identification of risks, evaluate, and monitor the KRIs. 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 and ILAAP process for 2024, SBAB Bank performed a stress test where energy prices were increased with the purpose of investigating how increased household costs would impact the bank's capital position. Furthermore, the bank created a flooding scenario where collaterals with heightened risk of flooding depreciated. The purpose of the scenario was to assess the Group'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 position and liquidity risk profile.

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

Data availability, quality and accuracy for environmental factors and risks are challenging. SBAB Bank uses national data sources and third-party data in risk assessments where the bank has deemed the data to be of sufficient quality. It is an ongoing process to improve and complement these assessments with better data and/or qualitative assessments to ensure data quality and accuracy. The methodology SBAB Bank uses to calculate the portfolio's GHG emissions is based on the PCAF global standard for the financial industry's accounting and reporting of GHG emissions related to lending and investments.

**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)

The Key Risk Indicator (KRI) measuring the risk of collaterals flooding is considered as a driver of prudential risk. The risk has a set limit and if it is breached, the Risk department shall assess the elevated risk and issue a recommendation if needed.

**Description of the link (transmission channels) between environmental with credit risk, liquidity and funding risk, market risk, operational risk and reputation risk in the risk management framework**

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

## 10.2 QUALITATIVE INFORMATION ON SOCIAL-RISK

### BUSINESS STRATEGY AND PROCESSES

**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)**

SBAB Group continuously works with and for further integration of the identified material sustainability areas, described in the sustainability policy, into the operations and business strategies with the purpose of aligning activities and governing documents with the organisational steering model. The steering model and the business strategies set the foundation for the annual business planning process. SBAB Group strives to contribute to an inclusive, fair and safe real estate market for customers, tenants and homebuyers, where social factors and risks are considered. The Group has identified information security (i.e. protect client information) as a material risk within the social category of sustainability. Furthermore, SBAB Group also strives to be an attractive employer and aims to create motivation and engagement amongst its employees. Inclusion and diversity are fundamentals for finding innovative solutions as different backgrounds and experiences increase creativity within the organisation.

**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)).**

The double materiality assessment, which applies a short-, medium- and long-term perspective, considers the SBAB Group's role as an attractive employer, information security, working conditions in the real estate sector and an inclusive housing- and real estate market as material sustainability areas. Information security has been identified as a material risk for SBAB Group. There are KRI:s in place to monitor the risk level and the Group has a Security strategy containing targets relevant for information security. Furthermore, the Group also have a Security policy stating goals, principles and responsibilities related to the Group's work on information security. The Group also have a HR strategy, which is relevant for the sustainability area "Attractive workplace". SBAB Group has different targets set to monitor the well-being of the employees, e.g. personnel turnover and scores from employee surveys. Inclusive housing- and real estate market is a sustainability area which aims to create safe residential areas and provide transparent and fair pricing.

**Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities (Article 449a in conjunction with Article 435(1) points (d)).**

The Credit policy, Risk appetite, Sustainability policy, Credit risk framework, strategies, ESG considerations and other governing documents are all essential parts when assessing counterparties and the overall risk profile of the lending portfolio. The structure of governing counterparties and the overall risk profile of the lending portfolio. The structure of governing documents and processes covering ESG aim to reduce risks. In the double materiality assessment, decent working conditions in the value chain have been identified 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 was initiated by SBAB bank (the parent company in the Group) 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 Bank runs the initiative together with several other commercial banks in Sweden.

### 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 social risk management covering counterparties' approaches to: (Article 449a in conjunction with Article 435(1) points (b) and Article 435(2) points (a),(b) and (c))**

The management body and the CEO are responsible for the overall governance structure of the organization, including management of social risks. SBAB Group has determined a long-term HR strategy, approved by the management body, and has clear company-wide goals to support equality and diversity, to ensure positive employee experience, and high employee commitment. SBAB Group's culture supports inclusion, which is supported by the content of the Equality and diversity policy. Furthermore, the Group has an equality plan that emphasizes the value of promoting diversity with employees of different backgrounds. All employees have the same rights, obligations and opportunities in every aspect related to the workplace. Some 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 Group's values and the inherent responsibilities of being an employee. It also highlights how SBAB Group's biggest impact originates from its lending activities and through customer dialogue and collaborations. The Group also has a Supplier Code of Conduct addressing human and labour rights standards which the suppliers must comply with, in addition to compliance with national and international guidelines and principles.

**Integration of measures to manage 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** (Article 449a in conjunction with Article 435(2) points (a), (b) to (c)). SBAB Group has a Sustainability Forum which includes members of senior management and relevant representatives from different departments of the Group. The forum gathers at least once a quarter, and the purpose of the forum is to ensure that ESG is integrated into strategic business decisions and operations. The Sustainability Forum also receives regular updates on the progress with set sustainability targets and activities. Additionally, roles and responsibilities in the organisation concerning integration of ESG risks and factors into the operations and business lines are further clarified in internal governing documents.

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

SBAB Group measures personnel turnover and sick leave which is reported on a quarterly basis to the management body as a part of the operational risk KRIs. Additionally, the Group also monitors KRI:s related to information security.

**Alignment of the remuneration policy in line with institution's social risk-related objectives** (Article 449a in conjunction with Article 435(2) points (e)).

The Group is a state-owned entity and follows the State's Ownership Policy which prohibits variable compensation (e.g. bonuses). Therefore, employees' do not receive specific bonuses when achieving organisational goals (e.g. milestones or targets related to social risk management). The remuneration policy encompasses all employees, regardless of position. In accordance with the relevant policy, the remuneration is to be competitive, capped, appropriate, moderate, reasonable and well-balanced, and must not be solely salary-driven, while also contributing to high ethical standards and a good corporate culture.

## RISK MANAGEMENT

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

The definition used for social risks refers to the UN 2030 Agenda for sustainable development, the Sustainable Development Goals (SDGs), the European Sustainability Reporting Standards (ESRS), and Principles for Responsible Banking (PRB). The Group also conducts its operations according to the principles set out in the Global Compact, which SBAB Bank is a signatory of.

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

SBAB Group has a double materiality assessment, approved by the management body, which is a process to identify material ESG risks. Even though some risks might not be considered as material, it can still be risks that SBAB are, to some degree, exposed to and obligated to manage. Risks linked to social conditions and human rights in conjunction with lending to real estate construction companies could for example be diffi-

culties for the main contractor to perform controls of its sub-contractors in relation to decent working conditions. SBAB Group is also exposed to these risks in combination with the procurement of services and goods. Social risks also encompass the risk of the Group's services and products not being available to all members of society. The Group regularly monitors its accessibility by conducting tests of customer's digital and telephone experience. 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. Additionally, as the European accessibility act is incorporated into Swedish law, SBAB Group has made further efforts to ensure accessibility of its products and services.

**Activities, commitments and assets contributing to mitigate social risk** (Article 449a in conjunction with Article 435(1) points (a)).

The Group'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. Furthermore, SBAB bank (the parent company of the Group) tries to manage and mitigate social risks linked to labour conditions in its lending activities through in-depth customer dialogues and industry collaborations (e.g. the initiative "Hållbar Byggbransch"). Furthermore, the Group 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 the partnerships with NGOs have a focus on tackling structural and acute homelessness. Additionally, SBAB Bank also work to make sure that its products and services are available to all members of the society by adapting and designing the products and services in an inclusive manner.

**Implementation of tools for identification and management of social risk** (Article 449a in conjunction with Article 435(1) points (a)).

Tools implemented for identification, measurement and management of social risks are key performance indicators such as personnel turnover, sick leave, and wellness. SBAB Group also reports on equality for e.g., share of females in management positions or Board of Directors. Furthermore, employees within the SBAB Group conducts different exercises provided by the tool "Respekttrappan" (Eng: The Ladder of Respect) during their onboarding. 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.

**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) points (f)).

The operations of SBAB Group primarily consists of deposit operations and residential mortgage lending to consumers, tenant-owners' associations and property companies in Sweden. Given the limited scope of lending, there are currently no separate limits set in relation to social risk and external counterparties. The parent company do have targets in relation to its goal of being an attractive employer, but it is not related to the lending activities. The Group also have, through SBAB Bank, an initiative to improve working conditions within the real estate

construction industry ("Hållbar byggbransch") which include certain criteria and demands on the borrower which frequently are followed up upon. In addition, as a part of the monitoring of operational risk, there are KRIs regarding personnel turnover, sick leave and other operational risk metrics.

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

In the pursuit of being an appreciated employer, the Group monitors 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 the risk department. Additionally, information security has been identified as a material risk for SBAB Group. There are KRIs in place to monitor the risk level and there is a Security strategy containing targets relevant for information security.

### 10.3 QUALITATIVE INFORMATION ON GOVERNANCE RISK

#### GOVERNANCE

**Institution's integration in their governance arrangements 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))**

The majority of the Group's corporate counterparties consist of construction and real estate companies. Several of these counterparties are listed on the stock exchange, i.e. they have a high degree of transparency in their operations and processes, and they have routines in place to handle conflicts of interest. The 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 the identity of the counterparty. Additionally, the customers' sustainability risks are also evaluated and updated regularly.

**Institution's accounting of the counterparty's highest governance body's role in non-financial reporting**

The counterparties highest governance body is accounted and documented as part of the credit granting process.

**Institution's integration in governance arrangements of the governance performance of their counterparties including (Article 449a in conjunction with Article 435(2))**

The majority of the Group's corporate counterparties consist of construction and real estate companies. Several of the corporate counterparties are listed on the stock exchange, i.e. they have a high degree of transparency in their operations and processes, and they have routines in place to handle conflicts of interest. The 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 the identity of the counterparty. Additionally, the customers' sustainability risks are also evaluated and updated regularly. For instance, SBAB have an initiative to improve working conditions within the real estate construction industry ("Hållbar byggbransch") which include certain criteria and demands on the borrower which are frequently monitored.

#### RISK MANAGEMENT

**Institution's integration in risk management arrangements the governance performance of their counterparties considering: (Article 449a in conjunction with Article 435(1))**

Besides providing household mortgages to retail customers and loans to tenant-owners' associations, the counterparties of SBAB bank (the parent company of the Group) also consist of construction and real estate companies. Several of these counterparties are listed on the stock exchange, i.e. they have a high degree of transparency in their operations and processes, and they have routines in place to handle conflicts of interest. The 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 the identity of the counterparty. Additionally, the customers' sustainability risks are also evaluated and updated regularly.



**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) <sup>2)</sup>		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 <sup>1)</sup>		Of which stage 2 exposures	Of which non-performing exposures	f	g	h	i	j	k	l	m	n		o
		b	c													
1 Exposures towards sectors that highly contribute to climate change*	164,758	-	-	10,331	245	51	14	30	33,121	15,391	95.4	3,364	-	-	161,394	48.8
2 A - Agriculture, forestry and fishing	3	-	-	-	-	0	-	-	2	-	0.0	-	-	-	3	49.8
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 D35.1 - Electric power generation, transmission and distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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) <sup>2)</sup>		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 Regulation<sup>1)</sup></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	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting				
												l ≤ 5 years	m > 5 year ≤ 10 years	n > 10 year ≤ 20 years		o > 20 years
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	28	-	-	4	-	0	0	-	5	-	100.0	-	-	-	28	49.8
41 F.41 - Construction of buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42 F.42 - Civil engineering	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43 F.43 - Specialised construction activities	28	-	-	4	-	0	0	-	5	-	100.0	-	-	-	28	49.8
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45 H - Transportation and storage	1,809	-	-	-	-	0	0	-	321	256	51.6	825	-	-	984	27.2
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	1,809	-	-	344	-	0	0	-	321	256	51.6	825	-	-	984	27.2
50 H.53 - Postal and courier activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51 I - Accommodation and food service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52 L - Real estate activities	162,918	-	-	9,984	245	-50	-14	-30	32,793	15,135	95.9	2,539	-	-	160,379	49.1
53 <b>Exposures towards sectors other than those that highly contribute to climate change*</b>	<b>1,199</b>	-	-	<b>42</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	<b>1,199</b>	<b>49.7</b>
54 K - Financial and insurance activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55 Exposures to other sectors (NACE codes J, M - U)	1,199	-	-	42	-	0	0	-	-	-	-	-	-	-	1,199	49.7
56 <b>Total</b>	<b>165,957</b>	-	-	<b>10,373</b>	<b>245</b>	<b>-51</b>	<b>-14</b>	<b>-30</b>	<b>33,121</b>	<b>15,391</b>	<b>95.4</b>	<b>3,364</b>	-	-	<b>162,593</b>	<b>48.8</b>

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 values 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 5 years. Property loans is a form of "until further notice" with no final repayment date, although the maturity period is reported equal to the condition period. Bucket 10 years or longer is represented by property loans. Since June 30, 2025, financed GHG emissions have decreased partly due to reduced lending for construction credits, partly due to the implementation of a more granular calculation method for financed GHG emissions related to construction credits, and partly due to corrections improving the data quality of emissions from property loans and tenant-owner associations. Additionally, SBAB Bank AB has completed a core system replacement in which, for technical reasons, an assumed amortization period of 50-years will be entered as a default value. This entails a migration to maturities exceeding 20 years.

**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 <sup>2</sup> 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 <sup>2</sup> of collateral) estimated	
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
1 Total EU area	162,593	86,109	72,405	3,368	639	-	73	1,303	29,762	33,861	27,912	39,888	19,590	4,536	5,741	100%
2 Of which Loans collateralised by commercial immovable property	11,569	10,141	1,321	108	-	-	-	306	6,897	2,651	1,007	139	105	108	357	100%
3 Of which Loans collateralised by residential immovable property	151,024	75,968	71,084	3,260	639	-	73	997	22,865	31,210	26,905	39,749	19,486	4,428	5,383	100%
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 <sup>2</sup> of collateral) estimated	5,741	-	5,741	-	-	-	-	-	-	-	-	-	-	-	5,741	100%
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 <sup>2</sup> 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, 2025 no major changes has been noted.

**BANKING BOOK - CLIMATE CHANGE TRANSITION RISK: ALIGNMENT METRICS**

Sector	NACE Sectors (a minima)	Portfolio gross carrying amount <sup>1)</sup> (Mn EUR)	Alignment metric <sup>2)</sup>	Year of reference	Distance to IEA NZE2050 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	11,569	5,11 kgCO <sub>2</sub> e per m <sup>2</sup>	2025	-15.29	7.55
9b Residential Real Estate	L68	151,024	3,43kgCO <sub>2</sub> e per m <sup>2</sup>	2025	99.83	2.09

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

1) The Portfolio gross carrying amounts excludes construction credits.

2) The Targets are set using methodologies based for the real sector in Sweden aligned with 1.5 degree pathway according to Carbon Risk Real Estate Monitor initiative (CREEM). SBAB uses CRREM pathwya version 2.

Reference date December 2025 is used for the calculation of alignment metric and distance to IEA NZE2050 according to Commission implementing regulation (EU) 2021/637. Since previous disclosure period in June 30, 2025, we have primarily observed changes within residential real estate, where there is a slightly slower pace toward reaching IEA NZE2050, with the distance increasing from 95.05 % to 99.83 %.

## 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
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, 2025, 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

Variable: Geographical area subject to climate change physical risk - acute and chronic events	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														
	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	Of which non-performing exposures		
	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years											
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
1 A - Agriculture, forestry and fishing	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
2 B - Mining and quarrying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
3 C - Manufacturing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4 D - Electricity, gas, steam and air conditioning supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5 E - Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6 F - Construction	28	-	-	-	-	-	-	-	-	-	-	-	-	-	
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8 H - Transportation and storage	1,809	-	-	-	-	-	-	-	-	-	-	-	-	-	
9 L - Real estate activities	162,918	-	-	-	2,829	49.84	1,599	1,563	334	178	-	0	0	-	
10 Loans collateralised by residential immovable property	528,141	5	27	360	9,143	39.18	4,072	6,246	783	449	8	-2	-1	-1	
11 Loans collateralised by commercial immovable property	11,569	-	-	-	601	49.83	472	130	-	-	-	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. Since the previous reporting on June 30, 2025, SBAB Bank AB has completed a core system replacement in which, for technical reasons, an assumed amortization period of 50-years will be entered as a default value. This entails a migration to maturities exceeding 20 years and an increase in average weighted maturity.

# SBAB!

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