

Capital adequacy and risk management 2025

Pillar 3 of the CRR regulations



Contents

1	Introduction	8
1.1	About SCBC	8
1.2	Regulatory framework for Pillar 3 report	8
	SCBC's risk appetite	8
2	The Board's statement on risk management and a brief risk declaration	9
	Risk appetite and risk profile	9
3	Risk management approach and governance	10
3.1	Risk management	10
	EU OVA – Institution risk management approach	10
	SCBC's role in the SBAB Group	12
	EU OVB – Disclosure on governance arrangements	14
	Significant directorships	15
3.2	Remuneration	16
	EU REMA – Remuneration policy	16
	EU REM1 – Remuneration awarded for the financial year	18
	EU REM2 – Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)	19
	EU REM 5 – Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)	19
4	Capital adequacy	20
4.1	Capital requirements and buffers	20
	EU KM1 – Key metrics	20
	EU OV1 – Overview of risk weighted exposure amounts	21
	EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	22
	EU CCyB2 – Amount of institution-specific countercyclical capital buffer	22
4.2	Own funds	23
	EU CC1 – Disclosure of own funds	23
	EU CCA – Reconciliation of regulatory own funds to balance sheet in the audited financial statements	24
	EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements	25
	EU PV1 – Prudent valuation adjustments (PVA)	26
4.3	Scope of application	26
	EU LIB – Other qualitative information on the scope of application	26
	EU LIA – Explanations of differences between accounting and regulatory exposure amounts	26
	EU LI1 – Differences between accounting and regulatory scopes of consolidations and the mapping of financial statement categories with regulatory risk categories	27
	EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements	28
4.4	Leverage ratio	28
	EU LRA – Disclosure of LR qualitative information	28
	EU LR1 – Summary reconciliation of accounting assets and leverage ratio exposures	29
	EU LR2 – Leverage ratio common disclosure	29
	EU LR3 – Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	31
4.5	ICAAP	32
	EU OVC - ICAAP information	32

5	Credit risk	33
5.1	Credit quality	33
	EU CRA – General qualitative information about credit risk	33
	EU CRB – Additional disclosure related to the credit quality of assets	33
	EU CR1 – Performing and non-performing exposures and related provisions	35
	EU CR1-A – Maturity of exposures	35
	EU CR2 – Changes in the stock of non-performing loans and advances	36
	EU CQ1 – Credit quality of forborne exposures	36
	EU CQ3 – Credit quality of performing and non-performing exposures by past due days	37
	EU CQ4 – Quality of non-performing exposures by geography	37
	EU CQ5 – Credit quality of loans and advances to non-financial corporations by industry	38
5.2	Credit risk mitigation techniques	38
	EU CRC – Qualitative disclosure requirements related to CRM techniques	38
	The mapping between internal and external rating for corporates	39
	EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	39
5.3	Credit risk standardised approach	40
	EU CRD – Qualitative disclosure requirements related to standardised model	40
	EU CR4 – Standardised approach - credit risk exposure amount and CRM effects	40
	EU CR5 – Standardised approach	41
5.4	Credit risk IRB approach	42
	EU CRE – Qualitative disclosure requirements related to IRB approach	42
	Loan portfolios and exposure classes for which the IRB approach is applied	43
	EU CR6 – IRB approach - credit risk exposures by exposure class and PD range	44
	EU CR6-A Scope of the use of IRB and SA approaches	45
	EU CR7-A IRB approach - disclosure of the extent of the use of CRM techniques	46
	EU CR8 – RWEA flow statements of credit risk exposures under IRB	47
	EU CR9 – IRB approach -back-testing of PD per exposure class (fixed PD scale)	48
5.5	Counterparty credit risk	49
	EU CCRA – Qualitative disclosure related to CCR	49
	EU CCR1 – Analysis of CCR exposure by approach	49
	EU CCR3 – Standardised approach - CCR exposures by regulatory exposure class and risk weights	50
	EU CCR5 – Composition of collateral for CCR exposures	50
	EU CCR8 – Exposures to CCPs	51
6	CVA Risk	52
6.1	CVA Risk	52
	EU CVAA – Qualitative disclosure requirements related to credit risk adjustment risk	52
	EU CVA1 – Credit valuation adjustment risk under the Reduced Basic Approach (R-BA)	52
7	Liquidity Risk & Funding	55
7.1	Liquidity risk	55
	EU LIQA – Liquidity risk management	55
7.2	Encumbered and unencumbered assets	56
	EU AE4 – Accompanying narrative information	56
	EU AE1 – Asset encumbered disclosures	58
	EU AE2 – Collateral received	58
	EU AE3 – Sources of encumbrance	58

8	Market risk	59
8.1	Market risk	59
	EU MRA – Qualitative disclosure requirements related to market risk	59
	EU MR3 – Market risk under the simplified standardised approach	60
8.2	IRRBB	61
	EU IRRBBA – Interest rate risk on positions not held in the trading book	61
	EU IRRBB1 – Interest rate risk of non-trading book activities	61
9	Operational Risk	62
9.1	Operational risk	62
	EU ORA – Qualitative information on operational risk	62
	EU OR2 – Business Indicator, components and subcomponents	63
	EU OR3 – Operational risk own funds requirements and risk-weighted exposure amounts	63
10	ESG risk	64
10.1	Qualitative information on environmental risk	64
10.2	Qualitative information on social risk	67
10.3	Qualitative information on governance risk	68
	Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	70
	Banking book – Climate change transition risk: Loans collateralised by immovable property – energy efficiency of the collateral	72
	Banking book – Climate change transition risk: Alignment metrics	72
	Banking book – Climate change transition risk: Exposures to top 20 carbon-intensive firms	73
	Banking book – Climate change physical risk: Exposures subject to physical risk	73

Not applicable disclosure requirements

Heading		Reason
EU CCR4	IRB approach – CCR exposures by exposure class and PD scale	SCBC uses the standardised approach for calculating counterparty credit risk.
EU CCR6	Credit derivatives exposures	SCBC has no credit derivative exposures.
EU CCR7	RWEA flow statements of CCR exposures under the IMM	SCBC 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	SCBC's NPL ratio is below 5%.
EU CVAB	Qualitative disclosure requirements related to CVA risk for institutions using the Standardised Approach	SCBC does not use the Standardised method.
EU CQ2	Quality of forbearance	SCBC's NPL ratio is below 5%.
EU CQ6	Collateral valuation loans and advances	SCBC's NPL ratio is below 5%.
EU CQ7	Collateral obtained by taking possession and execution processes	SCBC 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	SCBC 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	SCBC 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	SCBC 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)	SCBC not subject to Article 180(1) CRR
EU LIQB	Qualitative information on LCR, which complements template EU LIQ1	SCBC is treated as a single liquidity sub-group, together with SBAB Bank AB, according to Article 8 (CRR) and a decision by the Swedish FSA.
EU LIQ1	Quantitative information of LCR	SCBC is treated as a single liquidity sub-group, together with SBAB Bank AB, according to Article 8 (CRR) and a decision by the Swedish FSA.
EU LIQ2	Net Stable Funding Ratio	SCBC is treated as a single liquidity sub-group, together with SBAB Bank AB, according to Article 8 (CRR) and a decision by the Swedish FSA.
EU MR1	Market risk under the alternative standardised approach (ASA)	SCBC does not use the alternative standardised approach(ASA)
EU MR2	Market risk under the alternative internal model approach (AIMA)	SCBC does not use the alternative internal model approach (AIMA)
EU MRB	Qualitative disclosure requirements for institutions using the alternative internal model approach(AIMA)	SCBC does not use the alternative internal model approach(AIMA)
EU OR1	Operational risk losses	SCBC is below BI threshold 750 EUR million
EU SECA	Qualitative disclosure requirements related to securitisation exposures	SCBC 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	SCBC 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	SCBC 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	SCBC 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	SCBC 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	SCBC has no securitised loans of its own and has not contributed to any other institution's securitisation.
EU INS1	Insurance participations	SCBC 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	SCBC is not a financial conglomerate.
EU REM3	Deferred remuneration	SCBC does not use a payment scheme with deferred remuneration.
EU REM4	Remuneration of 1 million EUR or more per year	SCBC 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)

Process according to Article 73 of CRD for continuously calculating and maintaining capital 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 weighted exposure amount (RWEA or REA) under CRR

The CRR regulations permit the use of the IRB approach, within the Pillar 1 framework, to establish RWEAs 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 risk weight floor of 35% and for Swedish corporate exposures secured by residential property of 25%. The supplement only applies to 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 report, AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation – SCBC) discloses information in compliance with Part Eight of Regulation (EU) No 575/2013 (CRR) and the Swedish Financial Supervisory Authority’s (SFSA) regulations (FFFS 2014:12) regarding prudential requirements and capital buffers.

1.1 ABOUT SCBC

AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation – SCBC) is a wholly-owned subsidiary of SBAB Bank AB (publ) (SBAB). SBAB is the parent company of the SBAB Group and is owned by the Swedish state. The primary operations within SCBC comprise the issue of covered bonds in accordance with the Swedish Covered Bonds (Issuance) Act (2003:1223) and the Swedish FSA’s regulation FFFS 2013:1. Issues are conducted in both Swedish and international capital markets.

SCBC 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

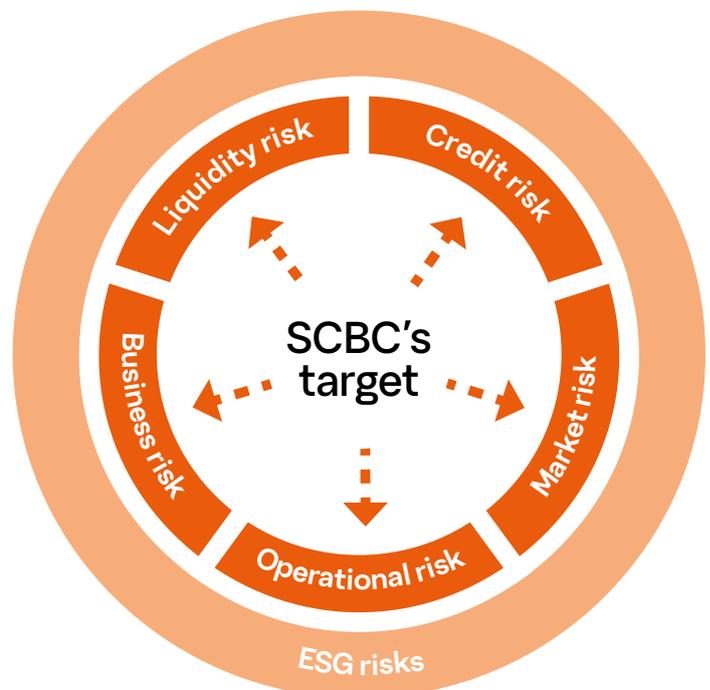
This report refers to the conditions prevailing on 31 December 2025. For periodic information, please refer to the quarterly reports “Disclosure of capital and leverage ratio” at www.sbab.se.

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

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 CRR, 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 the Swedish Covered Bond Corporation (SCBC) assures that the risk management arrangements and measurement systems described in this document are transparent and truthfully disclosed and that they meet the requirements in relation to SCBC's risk profile and the adopted short and long-term strategic, capital and financial plans.

RISK APPETITE AND RISK PROFILE

Risk type	RISK APPETITE		RISK PROFILE	
	Classification	Level	Limit utilisation	Proportion of economic capital, %
Credit risk in lending operations	Wanted risk	Medium	Medium	87
Credit risk in treasury operations	Necessary risk	Low	Low	-
Market risk	Necessary risk	Low	Low	10
Operational risk	Necessary risk	Low	Low	3
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 SCBC's business model and is considered to be the dominant risk in SCBC's operations. Credit risk directly related to SCBC'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 SCBC's activities and must be implemented at such a pace that SCBC 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 SCBC 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. Liquidity risk management for SCBC is performed as an integral part of the Group's overarching management.

ESG risk is a general risk and there are elements of ESG risks across SCBC'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

SCBC's operations are to be conducted so that risks are adapted to SCBC'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. SCBC'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 SCBC are limited by the Board and are compatible with the pre-determined risk appetite.

3.1 RISK MANAGEMENT

INSTITUTION RISK MANAGEMENT APPROACH (EU OVA)

SCBC 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.

SCBC should only deliberately expose itself to risks directly attributable or necessary to SCBC'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 SCBC 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 SCBC'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)

SCBC'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 SCBC 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 SCBC is and may be exposed to as well as the capital required to cover SCBC'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 SCBC'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 SCBC's risk profile and a detailed understanding of the content of the risk reports submitted to them. Some operations are outsourced to the parent company SBAB Bank AB (publ) and SBAB's CRO is also appointed CRO in SCBC. The CRO ensures that the Board and CEO receive 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 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

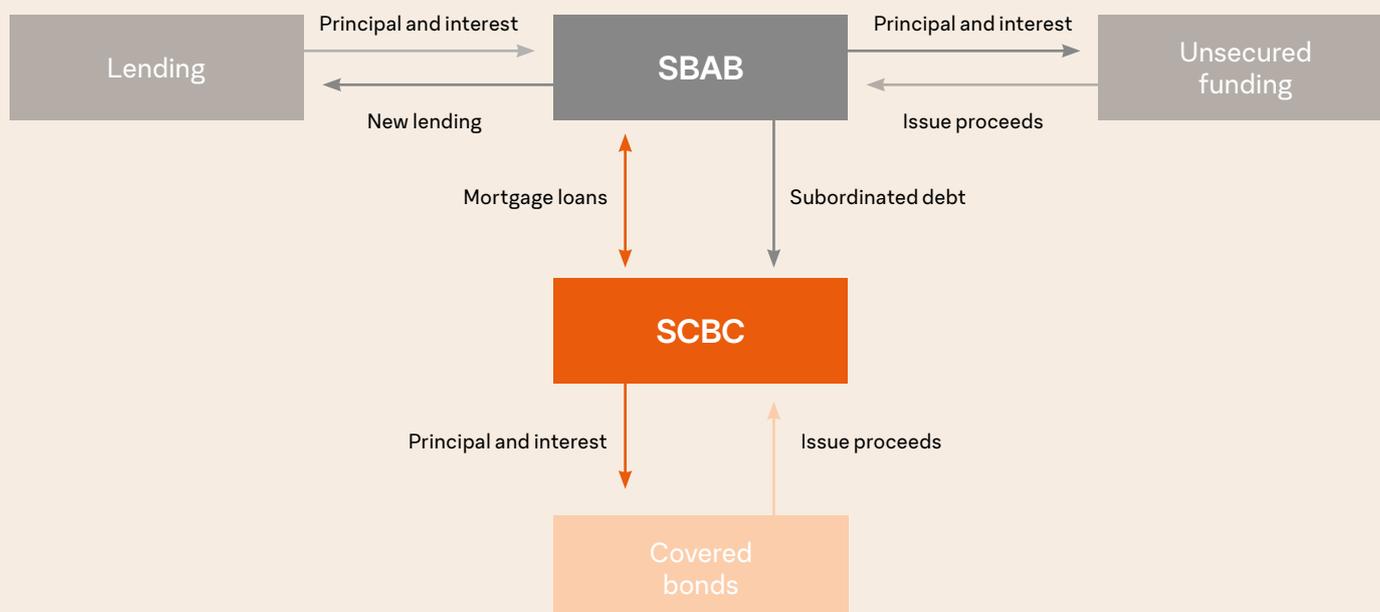
independent Risk Control function, which comprises identification, quantification, analysis, follow-up and reporting of all risks. The CRO is directly subordinate to the CEO and reports to the CEO and Board of Directors of SCBC.

SCBC does not conduct any proprietary new lending operations. Instead, it acquires loans from the parent company on a regular basis. The parent company receives in turn cost efficient funding for its operations by transferring mortgages to SCBC's cover pool. The covered bonds are issued by SCBC on the Swedish and international capital markets, which enables diversified funding in terms of geographical location, different currencies, maturities and investor sentiment. SCBC's funding is managed by Treasury, within the Accounting & Treasury department of the parent company.

SCBC's principal activity is to acquire and manage mortgage loans for residential properties and tenant-owners' rights located in Sweden against collateral in the form of mortgage deeds and shares in tenant-owners' associations and, to a limited extent, to finance commercial properties.

Information about the Board of Directors, the recruitment policy, the diversity policy and the risk committee are included in the Corporate Governance Report in SCBC's Annual Report.

SCBC'S ROLE IN THE SBAB GROUP



The primary operations of AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation – SCBC) comprise the issue of covered bonds to fund the lending of the SBAB Group. SBAB Bank AB (publ), (SBAB), is the parent company of the SBAB Group and is wholly owned by the Swedish state. The Swedish Covered Bond Corporation (SCBC), Corp. Reg. No. 556645-9755, is a wholly-owned subsidiary of SBAB, Corp. Reg. No. 556253-7513. SCBC is a credit market company and is regulated by the Swedish Banking and Financing Business Act (2004:297) and subject to supervision by the Swedish FSA (Sweden's financial

supervisory authority). The primary operations within SCBC comprise the issue of covered bonds in accordance with the Swedish Covered Bonds (Issuance) Act (2003:1223) and the Swedish FSA's regulation FFFS 2013:1. Issues are conducted in both Swedish and international capital markets. SCBC complies with and reports to the European Covered Bond Council's (ECBC) "Labelling Initiative," and reports on a monthly basis in line with "National templates" as published by the Association of Swedish Covered Bond issuers (ASCB). SCBC is domiciled in Solna and its operating activities are mainly outsourced to the parent company.

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, SCBC 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 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 daily. 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 their 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)

SCBC uses both qualitative and quantitative risk measurement systems. For the estimation of credit risk sophisticated statistical models are used to determine the risk weighted exposure amounts complemented with qualitative analysis. For market risk different risk quantification and measurement systems are in use. Interest rate risk in the banking book is measured by fulfilling the requirements laid down by the EBA and the SFSA. A value at risk approach is used, both to estimate the total market risk and separately for the different sub-categories within market risk. The measurement of liquidity risk is strictly regulated and SCBC complies with the regulation for short-term liquidity risk, LCR and structural liquidity risk, NSFR. SCBC is treated as a single liquidity sub-group, together with SBAB Bank AB (publ), according to Article 8 (CRR) and a decision by Swedish FSA. Therefore, Liquidity information is disclosed on a consolidated basis. Operational risk is primarily measured as the cost of incidents during a rolling 12-month time horizon. In addition, incidents are recorded and processed according to pre-defined routines, which gives a solid understanding of the number of incidents and a structured approach for analysis and mitigation techniques. 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 parent company's 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. This includes issues which can also encompass or be relevant for SCBC. The Board recurrently evaluates the suitability of established risk management policies. The risk reporting structure is presented in the figure Risk reporting in SBAB Pillar 3 report, since SCBC operations is outsourced to the parent company.

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

When capital planning, SCBC 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.

SCBC 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 macroeconomic variables is used when stress testing. For the LGD dimension, the loan-to-value ratio (LTV), one of the primary explanatory variables in SCBC'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 System (NGFS) are used for stress testing ESG-risks.

SCBC'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 SCBC's credit rating and the effect of a decline in property prices on SCBC'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)

SCBC 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 criteria. Credit derivatives are not used for hedging. Credit risk is mainly monitored by conducting continuous assessments of the credit quality in the lending portfolios.

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

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

Business risk is mitigated by analysing the market environment, global trends and regulatory development in order to form sound strategies for the bank. The monitoring is primar-

ily 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.

SCBC liquidity management is a part of the liquidity group and hence is liquidity risk mitigated by the group's 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.

The group has an integrated approach regarding sustainability. This means that the group regularly assesses 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, SBAB parent company has conducted a double materiality assessment for the group to identify material risks and opportunities, both in how the group impacts the environment and society through their operations (impact materiality) but also how the outside world impacts the group (financial materiality). The assessment has been approved by the senior management and the board of the parent company. The outcome of the assessment, together with the group's target on reduced financed emission to reach net zero, have impacted the group's metrics, targets and strategic work concerning sustainability. Furthermore, to better understand potential climate related risks, the group 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 SCBC 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, SCBC's vision, mission, business idea and values are important elements in SCBC's governance model. In the same way as is information, transparency, corporate culture, leadership and the long-term sustainable conduct of operations important elements in SCBC's governance model. This, together with corporate governance, means that we can maintain a high level of confidence in SCBC's 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	SBAB Bank AB (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 Victorhuset (Board Member, Chairman of the Board), German honorary consul, Industrial advisor (own business).
Jane Lundgren Ericsson	Board Member	SBAB Bank AB (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)
Mikael Inglander	Board Member	SBAB Bank AB (publ) (CEO), Booli Search Technologies AB (Board Member), Swedish Bank Association (Board Member)
Synnöve Trygg	Board Member	SBAB Bank AB (publ) (Board Member), Ziklo Bank AB (Board Member, Vice Chairman of the Board)

Executive management

Name	Significant directorships
Fredrik Jönsson	-
Nils Rydberg	-
Marko Ivanic	-
Carl Olsson	-
Ellinore Pujol	-
Lisa Strandorff	-
Kristian André	-
Stefan Andersson	-
Kristina Frid	-

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 SCBC's Annual General Meeting (AGM), four members were elected to SCBC's Board. At the end of the year, SCBC's Board comprises of these four members elected by the AGM. The CEO is not a member of the Board. None of the Board members or the CEO hold shares or financial instruments issued by SCBC, since SCBC is wholly owned by the parent company.

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. We also know that demographically diverse organisations perform better. SCBC has set a target that at least 45% of management positions should be held by the underrepresented gender. SCBC met the target during the last financial year by a good margin.

The Board has 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)

SCBC has not established any Credit committee, Risk and Capital Committee or any Remuneration Committee. The parent

company's committees deals with questions about SCBC that are relevant at group level and integrated into its work. The Board of the parent company has established four committees to prepare matters ahead of the Board's decisions. The parent company's Risk and Capital Committee prepares matters which can also encompass or be relevant for SCBC. The Risk and Capital Committee prepares matters concerning the group'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 Group. 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 quarterly report on the overall risk situation and capital adequacy ratios is made available by risk control to the Board, the CEO and Executive Management. In addition, a daily report on current risk levels in relation to granted limits is presented to the CEO, CFO and CRO. SCBC'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 SCBC. 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 General Meeting of SCBC's parent company SBAB decides on the overall guidelines for remuneration and other employment terms for senior executives (members of SBAB's and SCBC's Executive Management). SCBC has not established an own Remuneration Committee. The parent company's Remuneration Committee also address issues concerning SCBC that are relevant at Group level as part of their work. The Remuneration Committee 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 SCBC'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 2020. No significant differences exist between the parent company and the subsidiary remuneration policies. Furthermore, SCBC 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).

SCBC has a CEO and 52 employees who handle the ongoing administration in consultation with the management of the parent company. No salary or other remuneration is paid by the company to the CEO or the employees, since the parent company is responsible for the ongoing administrative services in accordance with the outsourcing agreement signed between SBAB and SCBC. Since there are no employees with remuneration in SCBC, there is no staff whose professional activities have a material impact on the institutions' risk profile.

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);

All individuals performing tasks for SCBC are employed and remunerated by SBAB, with concurrent appointments for SCBC-related duties. Therefore, no remuneration is paid by SCBC and no staff-related quantitative disclosures arise at SCBC level. Therefore, SCBC only accounts for fees and remuneration to the Board Members.

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

Not applicable. All individuals performing tasks for SCBC are employed and remunerated by SBAB, with concurrent appointments for SCBC-related duties. Therefore, no remuneration is paid by SCBC and no staff-related quantitative disclosures arise at SCBC level.

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;

Not applicable. All individuals performing tasks for SCBC are employed and remunerated by SBAB, with concurrent appointments for SCBC-related duties. Therefore, no remuneration is paid by SCBC and no staff-related quantitative disclosures arise at SCBC level.

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

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

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.

Not applicable. All individuals performing tasks for SCBC are employed and remunerated by SBAB, with concurrent appointments for SCBC-related duties. Therefore, no remuneration is paid by SCBC and no staff-related quantitative disclosures arise at SCBC level.

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)**Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.**

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

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)

Not applicable. All individuals performing tasks for SCBC are employed and remunerated by SBAB, with concurrent appointments for SCBC-related duties. Therefore, no remuneration is paid by SCBC and no staff-related quantitative disclosures arise at SCBC level.

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 SCBC 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))

Not applicable. All individuals performing tasks for SCBC are employed and remunerated by SBAB, with concurrent appointments for SCBC-related duties. Therefore, no remuneration is paid by SCBC and no staff-related quantitative disclosures arise at SCBC level.

REMUNERATION AWARDED FOR THE FINANCIAL YEAR (EU REM1)

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

No changes since previous reporting on 31 December, 2024.

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

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

No changes since previous reporting on 31 December, 2024.

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	-	-	-	-	-	-	-	-	-
2	Of which: members of the MB	-	-	-	-	-	-	-	-	-
3	Of which: other senior management	-	-	-	-	-	-	-	-	-
4	Of which: other identified staff	-	-	-	-	-	-	-	-	-
5	Total remuneration of identified staff	-	-	-	-	-	-	-	-	-
6	Of which: variable remuneration	-	-	-	-	-	-	-	-	-
7	Of which: fixed remuneration	-	-	-	-	-	-	-	-	-

No changes since previous reporting on 31 December, 2024.

4 Capital adequacy

4.1. CAPITAL REQUIREMENTS AND BUFFERS

KEY METRICS (EU KM1)

SEK million		SCBC				
		31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
		a	b	c	d	e
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	24,229	24,907	24,739	24,552	24,140
2	Tier 1 capital	24,229	24,907	24,739	24,552	24,140
3	Total capital	24,229	24,916	24,750	24,562	24,144
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	134,190	133,351	132,412	130,448	147,471
4a	Total risk Exposure pre-floor ²⁾					
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	18.1	18.7	18.7	18.8	16.4
5b	Common Equity Tier 1 ratio considering unfloored TREA (%) ²⁾					
6	Tier 1 ratio (%)	18.1	18.7	18.7	18.8	16.4
6b	Tier 1 ratio considering unfloored TREA (%) ²⁾					
7	Total capital ratio (%)	18.1	18.7	18.7	18.8	16.4
7b	Total capital ratio considering unfloored TREA (%) ²⁾					
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0.8	0.8	1.2	1.2	1.2
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.4	0.4	0.7	0.7	0.7
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.6	0.6	0.9	0.9	0.9
EU 7d	Total SREP own funds requirements (%)	8.8	8.8	9.2	9.2	9.2
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer	-	-	-	-	-
11	Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
EU 11a	Overall capital requirements (%)	13.3	13.3	13.7	13.7	13.7
12	CET1 available after meeting the total SREP own funds requirements (%)	9.3	9.9	9.4	9.6	7.1
Leverage ratio						
13	Total exposure measure	540,808	537,049	531,819	526,691	524,312
14	Leverage ratio (%)	4.5	4.6	4.7	4.7	4.6

SEK million	SCBC				
	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
	a	b	c	d	e
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-
EU 14e	Overall leverage ratio requirements (%)	3.0	3.0	3.0	3.0
Liquidity Coverage Ratio ¹⁾					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)				
EU 16a	Cash outflows - Total weighted value				
EU 16b	Cash inflows - Total weighted value				
16	Total net cash outflows (adjusted value)				
17	Liquidity coverage ratio (%)				
Net Stable Funding Ratio ¹⁾					
18	Total available stable funding				
19	Total required stable funding				
20	NSFR ratio (%)				

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

²⁾ Output floor is only calculated and reported on Group level, according to adopted Regulation (2024:674) amending the Regulation (2014:993) on Special Supervision and Capital Buffers.

Since the previous quarter, capital ratio has decreased due to an increase in REA and a decrease in the capital base. The decrease in CET1 capital during the fourth quarter of 2025 is mainly attributable to the Board of Directors' decision to set the dividend to shareholders at 100% of profits, instead of the previously applied 40%. REA has increased since the previous quarter, mainly due to the mortgage floor, where the underlying driver is primarily the change in risk weights for Swedish mortgage lending.

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	
1	Credit risk (excluding CCR)	126,023	125,019	10,082
2	Of which the standardised approach	3	191	0
3	Of which the foundation IRB (FIRB) approach	29,955	29,529	2,396
5	Of which the advanced IRB (AIRB) approach	8,623	9,185	690
6	Counterparty credit risk - CCR	207	198	17
7	Of which the standardised approach	183	185	15
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
9	Of which other CCR	24	14	2
10	Credit valuation adjustments risk –CVA risk	1,342	1,403	107
EU 10b	Of which the simplified standardised approach(S-SA)	1,342	1,403	107
20	Position, foreign exchange and commodities risks (Market risk)	429	467	34
21	Of which the simplified standardised approach	429	467	34
24	Operational risk	6,189	6,264	495
25	Amount below the threshold for deduction (subject to 250% risk weight)	-	-	-
26	Output floor applied (%)			
27	Floor adjustment (before application of transitional cap)			
28	Floor adjustment (after application of transitional cap)			
29	Total	134,190	133,351	10,735

REA has increased since the previous quarter, mainly due to the mortgage floor, where the underlying driver is primarily the change in risk weights for Swedish mortgage lending.

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

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 exposures - Market risk	Relevant credit exposures - Securitisation positions in the non-trading book	Risk-weighted exposure amounts		Own fund requirements weights (%)	
													Total
a	b	c	d	e	f	g	h	i	j	k	l	m	
Sweden	10	534,651	-	-	-	534,661	3,086	-	-	3,086	38,579	100.0	2.0
Norway	-	-	-	-	-	-	-	-	-	-	-	-	2.5
Denmark	-	-	-	-	-	-	-	-	-	-	-	-	2.5
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
020 Total	10	534,651	-	-	-	534,661	3,086	-	-	3,086	38,579	100.0	

No changes in the countercyclical buffer rate for Swedish exposures since June 30, 2025, but a minor increase 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	134,190
2 Institution specific countercyclical capital buffer rate, %	2.00
3 Institution specific countercyclical capital buffer requirement	2,684

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 ¹
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	50	24
2	Retained earnings	24,406	28
3	Accumulated other comprehensive income (and other reserves)	-2,645	26
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	11	29
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	21,822	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-6	
8	Intangible assets (net of related tax liability) (negative amount)	-	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	2,645	26
12	Negative amounts resulting from the calculation of expected loss amounts	-231	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
27a	Other regulatory adjustments	0	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	2,407	
29	Common Equity Tier 1 (CET1) capital	24,229	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	27
31	of which: classified as equity under applicable accounting standards	-	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	Additional Tier 1 (AT1) capital before regulatory adjustments	-	
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier 1 (AT1) capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	24,229	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	-	
50	Credit risk adjustments	-	23
51	Tier 2 (T2) capital before regulatory adjustments	-	
Tier 2 (T2) capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	-	
59	Total capital (TC = T1 + T2)	24,229	
60	Total risk exposure amount	134,190	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1	18.1	
62	Tier 1	18.1	
63	Total capital	18.1	
64	Institution CET1 overall capital requirement	9.4	
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	0.4	
68	Common Equity Tier 1 available to meet buffer (as a percentage of risk exposure amount)	9.3	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	3	
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	231	

Since June 30, 2025, total capital was affected by added net profit/loss for the period. The increase in total risk weighted exposure amounts is explained in table KM1.

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

MAIN FEATURES OF REGULATORY OWN FUNDS INSTRUMENTS AND ELIGIBLE LIABILITIES INSTRUMENTS (EU CCA)¹⁾

1	Issuer	AB Sveriges Säkerställda Obligationer (publ)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
2a	Public or private placement	N/A
3	Governing law(s) of the instrument	Swedish
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A
Regulatory treatment		
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo
7	Instrument type (types to be specified by each jurisdiction)	Share capital as published in Regulation (EU) No 575/2013 article 28
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	SEK 50m
9	Nominal amount of instrument	SEK 50m
EU-9a	Issue price	N/A
EU-9b	Redemption price	N/A
10	Accounting classification	Shareholder's equity
11	Original date of issuance	24-jun-03
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates, and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
Coupons / dividends		
17	Fixed or floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Nonconvertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No
31	If write-down, write-down trigger (s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/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
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements			
1 Cash and balances at central banks	-	-	
2 Treasury bills, etc,	-	-	
3 Lending to credit institutions	2,301	2,301	
4 Lending to the public (Note 5)	533,953	533,953	
5 Value changes of interest-rate-risk hedged items in macro hedges	-94	-94	
6 Bonds and other interest-bearing securities	-	-	
7 Derivatives (Note 6)	5,280	5,280	
8 Shares and participations in Group companies	-	-	
9 Shares and participations in subsidiaries	-	-	
10 Deferred taxes	684	684	
11 Intangible assets	-	-	
12 Property, plant and equipment	-	-	8
13 Other assets	512	512	
14 Prepaid expenses and accrued income	53	53	
Total assets	542,690	542,690	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements			
15 Liabilities to credit institutions	4	4	
16 Deposits from the public	-	-	
17 Debt securities issued, etc,	297,882	297,882	
18 Derivatives (Note 6)	7,539	7,539	27a
19 Other liabilities	33	33	
20 Accrued expenses and deferred income	4,128	4,128	
21 Deferred tax liabilities	-	-	
22 Provisions	-	-	46
23 Subordinated debt	209,852	209,852	
Total liabilities	519,438	519,438	
Shareholders' Equity			
24 Share capital	50	50	1
Shareholder contribution	16,350	16,350	
26 Reserves/Fair value reserve	-2,645	-2,645	3,11
27 Additional Tier 1 instruments	-	-	30
28 Retained earnings	9,486	9,486	2
29 Net profit for the period	11	11	5a
Total equity	23,252	23,252	
Liabilities and Equity			
TOTAL LIABILITIES AND EQUITY	542,690	542,690	

Since June 30, 2025, total assets increased mainly due to increased lending to the public. 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	g
1	Market price uncertainty	-	-	-	-	-	-	-	-	-	-
3	Close-out cost	-	-	-	-	-	-	-	-	-	-
4	Concentrated positions	-	-	-	-	-			-	-	-
5	Early termination	-	-	-	-	-			-	-	-
6	Model risk	-	-	-	-	-	-	-	-	-	-
7	Operational risk	-	-	-	-	-			-	-	-
10	Future administrative costs	-	-	-	-	-			-	-	-
12	Total Additional Valuation Adjustments (AVAs)								6	-	-

Prudent validation has decreased from 18 to 6 SEK million since December 31, 2024. SCBC 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)

No subsidiaries in SCBC.

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.

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)**

Not applicable.

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 differences due to the reporting of derivative exposures and the netting rules according to the counterparty credit risk framework.

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

Balance sheet, SEK million		Carrying values of items					Not subject to capital requirements or subject to deduction from capital base ³⁾
		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to the credit risk framework	Subject to CCR framework	Subject to the market risk framework ²⁾	
		a	b	c	d	e	f
Assets							
1	Cash and balances at central banks	-	-	-	-	-	-
2	Treasury bills	-	-	-	-	-	-
3	Lending to credit institutions	2,301	2,301	10	2,291	-	-
4	Lending to the public	533,953	533,953	533,953	-	-	-
5	Value changes of interest-rate-risk hedged items in macro hedges ⁴⁾	-94	-94	0	-	-	-
6	Bonds and other interest-bearing securities	-	-	-	-	-	-
7	Derivatives	5,280	5,280	-	5,280	-	-
	Shares in associated companies and joint ventures	-	-	-	-	-	-
8	Shares and participati in subsidiaries	-	-	-	-	-	-
	Deferred tax assets	684	684	-	-	-	684
9	Intangible assets	-	-	-	-	-	-
10	Property, plant and equipment	-	-	-	-	-	-
11	Other assets	512	512	512	-	-	-
12	Prepaid expenses and accrued income	53	53	53	-	-	-
Total assets		542,691	542,691	534,528	7,571	-	684
Liabilities							
		-	-	-	-	-	-
1	Liabilities to credit institutions	4	4	-	4	-	-
2	Deposits from the public	-	-	-	-	-	-
3	Debt securities issued	297,882	297,882	-	-	-	-
4	Derivatives	7,539	7,539	-	7,539	-	-
5	Other liabilities	33	33	-	-	-	-
6	Accrued expenses and deferred income	4,128	4,128	-	-	-	-
7	Deferred tax liabilities	-	-	-	-	-	-
8	Provisions	-	-	-	-	-	-
9	Subordinated debt	209,852	209,852	-	-	-	-
Total liabilities		519,438	519,438	-	7,543	-	-

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

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

⁴⁾ 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.

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

Since December 31, 2024 derivatives has decreased and lending to the public has increased.

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

SEK million	Total	Items subject to			
		Credit risk framework	Securisation framework	CCR framework	Market risk framework
	a	b	c	d	e
1 Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	542,099	534,528	-	7,571	-
2 Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	7,543	-	-	7,543	-
3 Total net amount under the scope of prudential consolidation	534,556	534,528	-	28	-
4 Off-balance-sheet amounts	-	-	-	-	-
5 <i>Differences in valuations</i>	-	-	-	-	-
6 <i>Differences due to different netting rules, other than those already included in row 2</i>	-	-	-	-	-
7 <i>Differences due to consideration of provisions</i>	197	197	-	-	-
8 <i>Differences due to the use of credit risk mitigation techniques (CRMs)</i>	-	-	-	-	-
9 <i>Differences due to credit conversion factors</i>	-	-	-	-	-
10 <i>Differences due to Securitisation with risk transfer</i>	-	-	-	-	-
11 <i>Other differences</i>	8,137	801	-	7,336	-
12 Exposure amounts considered for regulatory purposes	542,890	535,526	-	7,364	-

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

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%. 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 SCBC'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 SCBC'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 SCBC'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 4.48% as per December 2025, which is lower than a year earlier when it amounted to 4.60%. The year-on-year change in the leverage ratio was due to:

- Tier 1 capital increased due to accrued earnings, which had a small positive impact on the leverage ratio by 0.02%.
- The effect of the exposure measure attributable to SFTs increased slightly, which had a negative impact on leverage ratio by 0.02%.
- The effect of the exposure measure attributable to lending increased, which entailed a negative impact by 0.11%.

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	542,690
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	–
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	–
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	–
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	–
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	–
7	Adjustment for eligible cash pooling transactions	–
8	Adjustments for derivative financial instruments	–4,357
9	Adjustment for securities financing transactions (SFTs)	4,496
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	–
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	–6
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	–7,823
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	–
12	Other adjustments	5,808
13	Total exposure measure	540,808

Identified changes since June 30, 2025 is primarily due to an increase in on-balance sheet exposures. The increase is attributed to lending to the public.

LEVERAGE RATIO COMMON DISCLOSURE (EU LR2)

SEK million	CRR leverage ratio exposures		
	31 Dec 2025	30 Sep 2025	
	a	b	
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	541,698	536,018
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	–	–
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	–	–
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)	541,698	536,018
7	Total on-balance sheet exposures (excluding derivatives and SFTs)		
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	910	910
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	13	13
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	–	–
EU-9b	Exposure determined under Original Exposure Method	–	–
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	–	–
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	–	–
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	–	–
11	Adjusted effective notional amount of written credit derivatives	–	–
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–	–
13	Total derivatives exposures	923	923

SEK million		CRR leverage ratio exposures	
		31 Dec 2025	30 Sep 2025
		a	b
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	6,000	4,501
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	4	3
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	Total securities financing transaction exposures	6,010	4,505
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	-	-
20	(Adjustments for conversion to credit equivalent amounts)	-	-
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures		
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-7,823	-9,628
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)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units):		
	- Promotional loans granted by a public development credit institution		
	- Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State		
	- Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-7,823	-9,628
Capital and total exposure measure			
23	Tier 1 capital	24,229	24,739
24	Total exposure measure	540,808	531,819

SEK million		CRR leverage ratio exposures	
		31 Dec 2025	30 Sep 2025
		a	b
Leverage ratio			
25	Leverage ratio (%)	4.5	4.7
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans (%)	4.5	4.7
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	4.5	4.7
26	Regulatory minimum leverage ratio requirement (%)	3.0	3.0
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 (%)	3.0	3.0
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	-	-
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	4,722	3,673
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	6,004	4,504
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)	539,526	530,988
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)	539,526	530,988
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)	4.49	4.66
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)	4.49	4.66

Identified changes since June 30, 2025 is primarily due to an increase in on-balance sheet exposures. The increase is attributed to lending to the public.

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	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	535,391
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	535,391
EU-4	<i>Covered bonds</i>	-
EU-5	<i>Exposures treated as sovereigns</i>	147
EU-6	<i>Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns</i>	-
EU-7	<i>Institutions</i>	780
EU-8	<i>Secured by mortgages of immovable properties</i>	533,931
EU-9	<i>Retail exposures</i>	-
EU-10	<i>Corporates</i>	-
EU-11	<i>Exposures in default</i>	522
EU-12	<i>Other exposures (eg equity, securitisations, and other non-credit obligation assets)</i>	10

Identified changes since June 30, 2025 is primarily due to an increase in on-balance sheet exposures. The increase is attributed to lending to the public.

4.5 ICAAP

ICAAP INFORMATION (EU OVC)

The internal capital adequacy assessment aims to ensure that SCBC 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), SCBC 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 ICAAP 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 SCBC'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. SCBC 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)

SCBC does not perform any credit granting of its own. All loans in SCBC's credit portfolio are acquired from the parent company SBAB. The purpose of acquiring these loans is to include them, in part or in full, in the assets that comprise collateral for holders of SCBC's covered bonds and derivative counterparties. This entails that SCBC's credit portfolio comprises only secured exposures and no off-balance sheet exposures.

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

For a loan to be granted by the parent company and in turn acquired by SCBC, 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 tenant-owners' associations. To a limited extent, the parent company also provides unsecured loans where no collateral is obtained, such as consumer loans to private individuals and building credits to real estate companies. However, SCBC does not acquire these types of exposures, in accordance with the company's business model.

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)

SCBC'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 the 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 expo-

sure 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 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 19% 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 NPL ratio of 5% or above. SCBC 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)*

SCBC 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. SCBC 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	535,327	510,295	25,032	798	0	798	-66	-23	-43	-132	0	-132	-	533,421	351
020 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030 <i>General governments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040 <i>Credit institutions</i>	1,514	1,514	-	-	-	-	-	-	-	-	-	-	-	-	-
050 <i>Other financial corporations</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
060 <i>Non-financial corporations</i>	160,104	149,815	10,289	245	-	245	-19	-5	-14	-30	-	-30	-	159,704	-
070 <i>Of which: SMEs</i>	82,130	73,267	8,862	245	-	245	-16	-2	-13	-30	-	-30	-	81,970	215
080 <i>Households</i>	373,709	358,966	14,743	553	0	553	-47	-17	-29	-101	0	-101	-	373,717	351
090 Debt Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110 <i>General governments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120 <i>Credit institutions</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
130 <i>Other financial corporations</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140 <i>Non-financial corporations</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance sheet exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160 <i>Central banks</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
170 <i>General governments</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180 <i>Credit institutions</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
190 <i>Other financial corporations</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
200 <i>Non-financial corporations</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
210 <i>Households</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
220 Total	535,327	510,295	25,032	798	0	798	-66	-23	-43	-132	0	-132	-	533,421	351

Within the Performing portfolio, the largest individual change is an increase in Households compared with the outcome as of 30 June 2025, and this is the main driver of the overall increase.

MATURITY OF EXPOSURES (EU CR1-A)

SEK million	Net exposure values						Total
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity		
	a	b	c	d	e	f	
1 Loans and advances	-	401,823	116,792	15,380	76	534,125	
2 Debt securities	-	-	-	-	-	-	
3 Total	-	401,823	116,792	15,380	76	534,125	

The total increase in net exposure has mainly occurred in the 1 year and 1–5 year maturity buckets since 30 June 2025. SCBC do not have a liquidity portfolio, hence debt securities is zero.

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	711
020 Inflows to non-performing portfolios	392
030 Outflows from non-performing portfolios	-306
040 Outflows due to write-offs	-105
050 Outflow due to other situations	-201
060 Final stock of non-performing loans and advances	798

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	Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures		
		Of which defaulted	Of which impaired			g	h	
	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 Central banks	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-
040 Credit institutions	-	-	-	-	-	-	-	-
050 Other financial corporations	-	-	-	-	-	-	-	-
060 Non-financial corporations	1	-	-	-	0	-	0	-
070 Households	38	43	43	43	0	-9	71	33
080 Debt Securities	-	-	-	-	-	-	-	-
090 Loan commitments given	-	-	-	-	-	-	-	-
100 Total	39	43	43	43	0	-9	72	33

No significant changes have been noted since the 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								
	a	b	c	d	Unlikely to pay that are not past due or past due ≤ 90 days		f	g	h	i	j	k	l
					e	e							
005 Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-	-	-	-	-
010 Loans and advances	535,327	535,049	278	798	506	85	80	98	28	-	-	-	798
020 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
030 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-
040 Credit institutions	1,514	1,514	-	-	-	-	-	-	-	-	-	-	-
050 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
060 Non-financial corporations	160,104	160,103	1	245	245	-	-	-	-	-	-	-	245
070 Of which SMEs	82,130	82,128	1	245	245	-	-	-	-	-	-	-	245
080 Households	373,709	373,432	277	553	261	85	80	98	28	-	-	-	553
090 Debt Securities	-	-	-	-	-	-	-	-	-	-	-	-	-
100 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
110 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-
120 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
130 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
140 Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
150 Off-balance sheet exposures	-	-	-	-	-	-	-	-	-	-	-	-	-
160 Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
170 General governments	-	-	-	-	-	-	-	-	-	-	-	-	-
180 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
190 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
200 Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
210 Households	-	-	-	-	-	-	-	-	-	-	-	-	-
220 Total	535,327	535,049	278	798	506	85	80	98	28	-	-	-	798

Within the Performing portfolio, the largest individual change is an increase in Households compared with the outcome as of 30 June 2025, and this is the main driver of the overall increase.

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

SEK million	Gross carrying/nominal amount							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	Provisions on off-balance sheet commitments and financial guarantee given		
	a	b	c					
010 On balance sheet exposures	534,614	798	798	-	-197	-	-132	
020 Sweden	534,614	798	798	-	-197	-	-132	
080 Off balance sheet exposures	-	-	-	-	-	-	-	
090 Sweden	-	-	-	-	-	-	-	
150 Total	534,614	798	798	-	-197	-	-132	

No significant changes have been noted since the previous reporting on June 30, 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	-
020 Mining and quarrying	-		-		-	-
030 Manufacturing	-		-		-	-
040 Electricity, gas, steam and air conditioning supply	-		-		-	-
050 Water supply	-		-		-	-
060 Construction	28		-		0	-
070 Wholesale and retail trade	-		-		0	-
080 Transport and storage	933		-		0	-
090 Accommodation and food service activities	-		-		-	-
100 Information and communication	-		-		-	-
110 Real estate activities	158,226		245		-49	-
120 Financial and insurance activities	-		-		-	-
130 Professional, scientific and technical activities	1,068		-		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	91		-		0	-
180 Arts, entertainment and recreation	-		-		-	-
190 Other services	-		-		-	-
200 Total	158,477		245		-49	-

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

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 SCBC 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)

SCBC acquires loans from the parent company SBAB, which in turn 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 twice a year. Market values on multi-family dwellings, e.g. owned by real estate companies or tenant-owners' associations, are updated at least every third year but verified on an annual basis. For other properties, the market values are updated at least annually. If there are major changes in macro-economic factors that affect the Swedish property market, the market value is verified more often.

THE MAPPING BETWEEN INTERNAL AND EXTERNAL RATING FOR CORPORATES

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

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

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

Acquisition of loans requires that adequate collateral is provided, usually in the form of mortgage deeds on immovable property or a share in a tenant-owners' association where the LTV does not exceed 75–85%.

In addition to collateral in immovable property or tenant-owners' rights, it is possible to acquire loans against collateral in the form of a government guarantee or municipal guarantee. SCBC 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)

SCBC 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)

SCBC's credit exposure is concentrated in Sweden. SCBC's credit portfolio is mainly secured by properties for housing in the Stockholm area. SCBC's credit exposure to economically weak regions in Sweden is below 1%.

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

Exposure classes, SEK million	Unsecured carrying amount ¹		Secured carrying amount		
	a	b	Of which	Of which	Of which secured by credit derivatives
			secured by collateral	secured by financial guarantees	
			c	d	e
1 Loans and advances	15	534 111	534 047	63	–
2 Debt securities	–	–	–	–	–
3 Total	15	534 111	534 047	63	–
4 Of which non-performing exposures	39	647	647	–	–
EU-5 Of which defaulted	16	604			

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

No significant changes have been noted since previous reporting on June 30, 2025. SCBC do not have a liquidity portfolio, hence debt securities is zero.

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)

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

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

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

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

Not applicable.

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

SCBC 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	85	-	85	-	-	-
2	Non-central government public sector entities	1	-	63	-	-	-
EU 2a	Regional governments or local authorities	1	-	63	-	-	-
EU 2b	Public sector entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
EU 3a	International organisations	-	-	-	-	-	-
4	Institutions	780	-	780	-	0	0.1
5	Covered bonds	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	-
6,1	Of which: Specialised Lending	-	-	-	-	-	-
7	Subordinated debt exposures and equity	-	-	-	-	-	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-
EU 7b	Equity	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-
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	-	-	-	-	-	-
EU 10a	Claims on institutions and corporates with a short-term credit assessment	10	-	10	-	2	20.0
EU 10b	Collective investment undertakings (CIU)	-	-	-	-	-	-
EU 10c	Other items	0	-	0	-	0	100.0
17	Total	875	-	937	-	3	26.8

The largest volume change since 30 June 2025 is found within exposures to institutions, due to 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	z		
1	Central governments or central banks	85	-	-	-	-	-	-	-	-	85	-
2	Non-central government public sector entities	63	-	-	-	-	-	-	-	-	63	-
EU 2a	Regional governments or local authorities	63	-	-	-	-	-	-	-	-	63	-
EU 2b	Public sector entities	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
EU 3a	International organisations	-	-	-	-	-	-	-	-	-	-	-
4	Institutions	777	-	2	-	-	-	-	-	-	780	-
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	-	-	-	-	-	-
6,1	Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	-
7	Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	-	-	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-
EU 7b	Equity	-	-	-	-	-	-	-	-	-	-	-
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	10	-	-	-	-	-	-	10	-
EU 10b	Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-
EU 10c	Other items	-	-	-	-	-	0	-	-	-	0	0
EU 11c	TOTAL	925	-	12	-	-	0	-	-	-	937	0

The largest volume change since 30 June 2025 is found within exposures to institutions, due to 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. 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, SCBC furthermore received permission to use IRB for excess exposures that are not fully covered by mortgage deeds and property financing using collateral other than directly pledged mortgage deeds. Previously, the standardized approach was used for these exposures. In 2023, SCBC 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 management function 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;

SCBC 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 the 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 requiring only 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 the 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, corporate exposures and their respective approach.

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 PD models 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 SCBC:s credit 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 the LTV. A rise in the LTV implies an increase in the probability of a liquidation and thus the level of credit losses. The LGD models are primarily based on internal data consisting of default outcomes, credit losses in terms of write offs and succeeding recoveries, and LTV 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;

Not applicable. SCBC has no off-balance sheet exposures within the credit portfolio.

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
A-IRB													
	0.00 to <0.15	298,538	-	-	298,538	0.07	139,681	6.09	-	3,269	1.10	13	-4
	0.00 to <0.10	237,193	-	-	237,193	0.06	108,883	5.95	-	2,280	0.96	9	-2
	0.10 to <0.15	61,345	-	-	61,345	0.10	30,798	6.64	-	989	1.61	4	-2
	0.15 to <0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to <0.50	41,580	-	-	41,580	0.28	25,656	6.55	-	1,391	3.35	8	-5
	0.50 to <0.75	20,211	-	-	20,211	0.59	13,878	7.02	-	1,248	6.18	8	-7
	0.75 to <2.50	6,875	-	-	6,875	2.47	4,680	6.77	-	1,033	15.03	11	-6
	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
Retail	1.75 to <2.5	6,875	-	-	6,875	2.47	4,680	6.77	-	1,033	15.03	11	-6
	2.50 to <10.00	5,117	-	-	5,117	5.43	3,655	6.17	-	1,085	21.21	17	-9
	2.5 to <5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to <10	5,117	-	-	5,117	5.43	3,655	6.17	-	1,085	21.21	17	-9
	10.00 to <100.00	1,556	-	-	1,556	40.61	851	6.82	-	590	37.91	43	-26
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	1,556	-	-	1,556	40.61	851	6.82	-	590	37.91	43	-26
	100.00 (Default)	399	-	-	399	100.00	281	9.91	-	6	1.56	91	-91
Subtotal (exposure class)		374,274	-	-	374,274	0.51	188,682	6.22	-	8,623	2.30	192	-148
Total (all exposures classes)		374,274	-	-	374,274	0.51	188,682	6.22	-	8,623	2.30	192	-148
F-IRB													
	0.00 to <0.15	59,512	-	-	59,503	0.11	1,343	20.63	2.5	6,949	11.7	14	0
	0.00 to <0.10	21,031	-	-	21,031	0.08	811	20.04	2.5	1,575	7.5	4	0
	0.10 to <0.15	38,481	-	-	38,473	0.13	532	20.95	2.5	5,374	14.0	10	0
	0.15 to <0.25	53,698	-	-	53,694	0.22	639	20.84	2.5	10,299	19.2	24	-1
	0.25 to <0.50	31,012	-	-	31,009	0.37	676	20.95	2.5	6,779	21.9	24	-2
	0.50 to <0.75	9,350	-	-	9,350	0.64	175	21.63	2.5	2,694	28.8	13	-2
	0.75 to <2.50	4,155	-	-	4,155	0.92	109	21.11	2.5	1,448	34.8	8	-1
	0.75 to <1.75	4,088	-	-	4,088	0.90	108	21.06	2.5	1,420	34.7	8	-1
Corporate	1.75 to <2.5	68	-	-	68	2.45	1	24.36	2.5	28	41.0	0	0
	2.50 to <10.00	692	-	-	647	4.74	30	20.91	2.5	277	42.7	6	-1
	2.5 to <5	303	-	-	258	2.76	26	20.05	2.5	88	34.0	1	0
	5 to <10	389	-	-	389	6.05	4	21.48	2.5	189	48.5	5	-1
	10.00 to <100.00	1,713	-	-	1,711	22.69	24	22.07	2.5	1,509	88.2	86	-11
	10 to <20	129	-	-	128	19.20	15	20.02	2.5	83	64.8	5	0
	20 to <30	1,584	-	-	1,582	22.97	9	22.24	2.5	1,426	90.1	81	-11
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	245	-	-	245	100.00	2	24.95	2.5	-	-	61	-30
Subtotal (exposure class)		160,377	-	-	160,315	0.66	2,998	20.89	2.5	29,955	18.7	237	-49
Total (all exposures classes)		160,377	-	-	160,315	0.66	2,998	20.89	2.5	29,955	18.7	237	-49

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

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	-	85	100.00	-	-
2	Regional governments and local authorities	-	62	100.00	-	-
3	Public sector entities	-	-	-	-	-
4	Institutions	-	8,144	100.00	-	-
5	Corporates	160,377	160,315	-	100.00	-
5,1	<i>Of which Corporates - General</i>	-	-	-	-	-
5,2	<i>Of which Corporates - Specialised lending</i>	-	-	-	-	-
5.2.1	<i>Of which Corporates - Specialised lending, excluding slotting approach</i>	-	-	-	-	-
5.2.2	<i>Of which Corporates Specialised lending under slotting approach</i>	-	-	-	-	-
5.3	<i>Of which Corporates - Purchased Receivables</i>	-	-	-	-	-
6	Retail	374,274	374,274	-	100.00	-
6,1	<i>of which Retail - Qualifying revolving</i>	-	-	-	-	-
6,2	<i>of which Retail - Secured by residential immovable property</i>	-	374,274	-	100.00	-
6,3	<i>of which Retail - Purchased Receivables</i>	-	-	-	-	-
6,4	<i>of which Retail - Other retail exposures</i>	-	-	-	-	-
7	Equity	-	-	-	-	-
8	Other non-credit obligation assets	-	-	-	-	-
9	Total	534,651	542,880	2.0	98.0	-

No major changes have been noted since reporting on December 31, 2024.

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)		RWEA with substitution effects (both reduction and substitution effects)	RWEA without substitution effects (reduction effects only)	
	Part of exposures covered by Other eligible collaterals (%)					Part of exposures covered by Other funded credit protection (%)					Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)			
	Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)								
SEK million	Total exposures	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	374,274	-	99.97	99.97	-	-	-	-	-	-	-	-	8,623	8,623
6,1	Retail – Qualifying revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6,2	Retail – secured by residential immovable property	374,274	-	99.97	99.97	-	-	-	-	-	-	-	-	8,623	8,623
6,3	Retail – Purchased Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6,4	Retail – Other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Total	374,274	-	99.97	99.97	-	-	-	-	-	-	-	-	8,623	8,623

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 Guarantees (%)	Part of exposures covered by Credit Derivatives (%)					
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	160,315	-	95.73	95.73	-	-	-	-	-	-	0.04	-	29,943	29,955	
5,1	Corporates – General	160,315	-	95.73	95.73	-	-	-	-	-	-	0.04	-	29,943	29,955	
5,2	Corporates – Specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5,3	Corporates – Purchased Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Total	160,315	-	95.73	95.73	-	-	-	-	-	-	0.04	-	29,943	29,955	

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	Risk weighted exposure amount as at the end of the previous reporting period	38,713
2	Asset size (+/-)	113
3	Asset quality (+/-)	-79
4	Model updates (+/-)	-
5	Methodology and policy (+/-)	-
6	Acquisitions and disposals (+/-)	-
7	Foreign exchange movements (+/-)	-
8	Other (+/-)	56
9	Risk weighted exposure amount as at the end of the reporting period	38,577

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
A-IRB							
	0.00 to <0.15	127,072	7	0.0	0.1	0.1	0.0
	0.00 to <0.10	127,072	7	0.0	0.1	0.1	0.0
	0.10 to <0.15	-	-	-	0.1	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	24,394	4	0.0	0.3	0.3	0.1
	0.50 to <0.75	21,824	21	0.1	0.6	0.6	0.1
	0.75 to <2.50	6,871	35	0.5	2.5	2.4	0.6
	0.75 to <1.75	-	-	-	-	-	-
	1.75 to <2.5	6,871	35	0.5	2.5	2.4	0.5
	2.50 to <10.00	3,983	40	1.0	5.4	5.2	1.4
	2.5 to <5	-	-	-	-	-	-
	5 to <10	3,983	40	1.0	5.4	5.2	1.2
	10.00 to <100.00	1,223	90	7.4	40.6	39.0	9.8
	10 to <20	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-
	30.00 to <100.00	1,223	90	7.4	40.6	39.0	9.4
	100.00 (Default)	376	12	3.2	100.0	100.0	2.8

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
F-IRB							
	0.00 to <0.15	1,547	-	-	0.1	0.1	0.0
	0.00 to <0.10	969	-	-	0.1	0.1	0.0
	0.10 to <0.15	578	-	-	0.1	0.1	0.0
	0.15 to <0.25	409	-	-	0.2	0.2	0.0
	0.25 to <0.50	673	1	0.15	0.4	0.3	0.2
	0.50 to <0.75	244	-	-	0.6	0.6	0.4
	0.75 to <2.50	88	-	-	0.9	0.9	0.0
	0.75 to <1.75	83	-	-	0.9	0.8	0.0
	1.75 to <2.5	5	-	-	2.5	2.5	0.0
	2.50 to <10.00	34	1	2.94	4.7	2.9	2.6
	2.5 to <5	31	-	-	2.8	2.7	2.0
	5 to <10	3	1	33.33	6.1	5.5	11.1
	10.00 to <100.00	9	-	-	22.7	20.0	0.0
	10 to <20	2	-	-	19.2	17.2	0.0
	20 to <30	7	-	-	23.0	20.9	0.0
	30.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	1	-	-	100.0	100.0	0.0

No major changes have been noted since reporting on December 31, 2024.

5.5 COUNTERPARTY CREDIT RISK

QUALITATIVE DISCLOSURE RELATED TO CCR (EU CCRA) Description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties (Article 439 (a) CRR)

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

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

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

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

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

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

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

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

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

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

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

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

ANALYSIS OF CCR EXPOSURE BY APPROACH (EU CCR1)

SEK million Exposure class	Replacement cost (RC)	Potential future expo- sure (PFE)	Alpha used for computing reg- ulatory expo- sure value EEPE	Exposure value pre- CRM	Exposure value post- CRM	Exposure value	RWEA	
	a	b	c	d	e	f	g	h
EU1 EU - Original Exposure Method (for derivatives)	-	-	-	1.4	-	-	-	-
EU2 EU - Simplified SA-CCR (for derivatives)	-	-	-	1.4	-	-	-	-
1 SA-CCR (for derivatives)	650	4,509	-	1.4	7,223	7,223	7,223	183
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)	-	-	-	-	141	141	141	24
5 VaR for SFTs	-	-	-	-	-	-	-	-
6 Total	-	-	-	-	7,364	7,364	7,364	207

No significant difference in risk-weighted exposure can be observed compared to June 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	
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	6,342	-	-	-	997	25	-	-	-	-	-	-	7,364
7 Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Retail	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Total exposure value	6,342	-	-	-	997	25	-	-	-	-	-	-	7,364

SCBC has one external derivative, an IRS.

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	-	-	-	-	-	4,492	-	6,004
2 Cash – other currencies	-	-	-	-	-	-	-	-
3 Domestic sovereign debt	-	-	-	-	-	-	-	-
4 Other sovereign debt	-	-	-	-	-	-	-	-
5 Government agency debt	-	-	-	-	-	-	-	-
6 Corporate bonds	-	-	-	-	-	5,801	-	4,315
7 Equity securities	-	-	-	-	-	-	-	-
8 Other collateral	-	-	-	-	-	-	-	-
9 Total	-	-	-	-	-	10,293	-	10,319

SCBC only have one external derivate, an IRS.

EXPOSURES TO CCPs (EU CCR8)

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

SCBC has no exposure towards CCPs.

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 SCBC arises from derivative transactions used to manage interest rate and currency exposures. All trades are captured and valued in SBAB's treasury systems using trade details, independent market data, and contractual terms. 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.

SCBC 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 Group's risk appetite, which limits CVA Risk Exposure Amount (REA). 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

SCBC 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

The Group's 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)

SCBC 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)

		Components of Own Funds Requirements	Own funds requirements
		a	b
1	Aggregation of systematic components of CVA risk	165	
2	Aggregation of idiosyncratic components of CVA risk	165	
3	Total		1,342

REA 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 SCBC is not able to meet its payment obligations without the related cost of obtaining liquidity increasing significantly. Liquidity risk is recognized by SCBC as a necessary risk and shall be maintained at such a level that SCBC 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. SCBC has a liquidity facility agreement with the parent company, SBAB, under which SCBC can borrow money for its operations from the parent company when necessary.

7.1 LIQUIDITY RISK

As the liquidity risk in SCBC is managed in cooperation with SBAB, the following table contains answers for the group.

LIQUIDITY RISK MANAGEMENT (EU LIQA)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The overall aim of SBAB's liquidity strategy is to ensure SBAB's survival in terms of liquidity and that the company can effectively meet its payment obligations. Key features of the strategy are proactive and continuous liquidity planning, active debt management and management of SBAB's liquidity reserve. SBAB measures its structural liquidity risk through a metric for maturity matching that captures the relationship between the maturities of assets and liabilities from a liquidity perspective at various points in the future. This can be viewed as SBAB's internal version of the NSFR. See Chapter 2 for the Board's statement on risk management and a brief risk declaration.

7.2 ENCUMBERED AND UNENCUMBERED ASSETS

ACCOMPANYING NARRATIVE INFORMATION (EU AE4) (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, SCBC is able to convert assets with a fixed interest rate profile to floating rate payments linked to 3-month STIBOR. For liabilities, SCBC 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;

SCBC 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 223,855 million and is comprised mainly by loans and advances not encumbered for covered bonds.

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 SCBC'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.

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	
	<i>of which notionally eligible EHQLA and HQLA</i>		<i>of which notionally eligible EHQLA and HQLA</i>		<i>of which EHQLA and HQLA</i>		<i>of which EHQLA and HQLA</i>	
	010	035	040	055	060	085	090	105
010 Assets of the reporting institution	299,907	-			242,783	-		
030 Equity instruments	-	-	-	-	-	-	-	-
040 Debt securities	-	-	-	-	-	-	-	-
050 <i>of which: covered bonds</i>	-	-	-	-	-	-	-	-
060 <i>of which: securitisations</i>	-	-	-	-	-	-	-	-
070 <i>of which: issued by general governments</i>	-	-	-	-	-	-	-	-
080 <i>of which: issued by financial corporations</i>	-	-	-	-	-	-	-	-
090 <i>of which: issued by non-financial corporations</i>	-	-	-	-	-	-	-	-
120 Other assets	299,907	-			242,783	-		

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	
	<i>of which notionally eligible EHQLA and HQLA</i>		<i>of which EHQLA and HQLA</i>	
	010	035	040	065
130 Collateral received by the reporting institution	299,907	-	-	-
140 Loans on demand	-	-	-	-
150 Equity instruments	-	-	-	-
160 Debt securities	-	-	-	-
170 <i>of which: covered bonds</i>	-	-	-	-
180 <i>of which: securitisations</i>	-	-	-	-
190 <i>of which: issued by general governments</i>	-	-	-	-
200 <i>of which: issued by financial corporations</i>	-	-	-	-
210 <i>of which: issued by non-financial corporations</i>	-	-	-	-
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 SCBC's exposure to market risk is that the level of risk taking should be low. SCBC 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 SCBC 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 SCBC 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.

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;

SCBC 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 SCBC 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 SCBC'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 SCBC 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. Currency risk is controlled by measuring the effect on present value when currency exchange rates change. Basis risk is controlled by stressing the future floating cash flows with a stress connected to their underlying reference rates.

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

When disclosing information on the structure and organisation of the market risk management function, institutions shall include (Paragraph(1) of Article 435 CRR): SCBC has no trading book

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	34	-	-	-
5	Securitisation (specific risk)	-			
6	Total OFR SSA	34	-	-	-

SCBC 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. Since June 20, 2025, the foreign exchange risk has slightly decreased due to a change in the net exposure in EUR.

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.

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

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

Not applicable. SCBC 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. SCBC 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. SCBC 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. SCBC 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)

SCBC 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)

All of the non-maturing deposits are in SBAB.

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	-296	-154	-642	85
2	Parallel down	155	82	139	-102
3	Steeper	27	2		
4	Flattener	-120	-39		
5	Short rates up	-229	-98		
6	Short rates down	120	52		

The increase in reported delta-NII between 2025-06-30 and 2025-12-31, as well as the change in the most adverse scenario from "parallel shock down" to "parallel shock up", is driven by a combination of methodological refinements to the bank's NII model implemented during the second half of 2025 and normal balance sheet dynamics over the period, including the repricing and maturity profile of certain instruments and portfolios.

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)

SCBC'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. The Risk function operates under a mandate defined by the Board of Directors. Responsibilities and accountabilities are documented and monitored through internal controls. Risk management is aligned with SCBC'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

SCBC 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 with-

out direct damage or financial loss are also reported to encourage proactive risk management.

Approval Process for New Products and Significant Changes

SCBC'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 SCBC's risk strategy and risk appetite.

Business Continuity Management

SCBC 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

SCBC has identified specific risks that could have a greater impact on operations than others. For additional information, see SBAB Capital adequacy and risk management report 2025.

Operational Risk Capital

SCBC 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 SCBC'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. SCBC does not use derivative instruments to hedge operational risk but maintains insurance coverage for certain operational events. Residual exposures are borne by the bank and monitored. 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
1	Interest, lease and dividend component (ILDC)				3,836
EU 1	ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3))				-
1a	Interest and lease income	21,994	19,440	9,391	16,942
1b	Interest and lease expense	18,312	15,400	5,605	13,106
1c	Total assets/Asset component	484,877	504,945	484,877	507,308
1d	Dividend income/ dividend component	-	-	-	-
2	Services component (SC)				37
2a	Fee and commission income	9	7	19	12
2b	Fee and commission expense	32	43	35	37
2c	Other operating income	-0	0	-0	-0
2d	Other operating expense	0	-	0	0
3	Financial component (FC)				253
3a	Net profit or loss applicable to trading book (TB)	-270	-280	-111	-220
3b	Net profit or loss applicable to banking book (BB)	-19	-8	-73	-33
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)				Accounting approach
4	Business Indicator (BI)				4,126
5	Business indicator component (BIC)				495

Disclosure on the BI:

6a	BI gross of excluded divested activities	4,126
6b	Reduction in BI due to excluded divested activities	-
EU 6c	Impact in BI of mergers/acquisitions	-

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

		a
1	Business Indicator Component (BIC)	495
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)	495
4	Operational Risk Exposure Amounts (REA)	6,189

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, 2024, a total of 9 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 Bank conducted its annual review of the group's double materiality assessment (which includes the interests of SCBC), and the assessment is aligned with ESRS requirements. The outcome of the assessment was approved by the board of the parent company, and it resulted in six identified sustainability areas that are considered material for the group where environmental factors and risks are included. These sustainability areas are taken into consideration when the group adjusts its business strategy and model to achieve the organization's set sustainability goals, which impact SCBC. SCBC's primary function as a subsidiary within the group and its operations concern issuance of covered bonds. Hence, the parent company's business model, strategies and steering model impact SCBC's operations and the covered bonds within SCBC.

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)).

The parent company of SCBC has since 2021 been a member of the Partnership for Carbon Accounting Financials (PCAF) and thereby obligated to measure financed emissions from the lending and investment activities by using PCAF's global standard for carbon accounting. When it comes to financed emissions, the parent company has objectives and targets related to financed emissions in the lending portfolio with the goal of being climate neutral in the long-term. The set objectives and targets related to the reduction of financed emis-

sions are set on a group. Furthermore, the parent company regularly performs climate risk assessments and regularly follow up on set targets and objectives, which includes the group's interests.

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 group's current investment activities, targets related to 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. SCBC's primary function as a subsidiary within the group and its operations concern issuance of covered bonds. SBAB Group's green lending is partially financed by green funding. In 2024, the parent company of SCBC, SBAB Bank, updated the Group's Green Bond Framework.

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)

Within the SBAB Group (including SBAB Bank and SCBC) there are several different policies, strategies and procedures relating to direct and indirect engagement with counterparties concerning environmental risks. However, SCBC's, which is a subsidiary within the Group, primary operations comprise the issuance of covered bonds. SCBC does not pursue lending activities but instead acquires loans that meet certain criteria from SBAB on a regular basis. SCBC does not have direct contact with counterparties as the administration regarding the lending activities is outsourced to the parent company SBAB Bank. However, SCBC indirectly contributes to mitigating environmental risks and impacts. For example, since 2018, the parent company SBAB Bank has offered the product "Green Mortgages" to retail customers who live in single-family homes or apartments that have a valid energy performance certificate with energy class A, B or C, that is, in line with or above the energy requirements for new builds in Sweden. The better the energy class, the greater the reduction to the mortgage rate. SCBC acquire these green mortgages from the parent company and manage them by issuing covered bonds with the mortgages as collateral.

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)

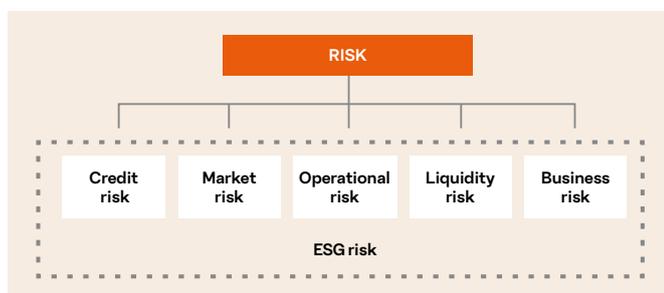
The management body and the CEO are responsible for the overall governance structure of the organization, including management of environmental risks. These risks are described in different internal governing documents, e.g. the Risk policy, Sustainability policy and the Risk appetite, which are all assessed and approved by the management body. The management body is regularly informed on environmental risks through internal reporting.

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)

SCBC 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 SBAB group (which include the interests of SCBC) annually conduct a climate risk identification workshop and reviews its double materiality assessment (including environmental factors and risks). Both assessments include short-, medium- and long-term perspectives.

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 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, if deemed necessary, the forum prepares questions that are further processed or decided by the SBAB group's senior management, appropriate board committees and/or the board.



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 on KRIs related to environmental risks. Furthermore, the SBAB group annually conducts an ESG stress test and a scenario analysis to assess the

portfolio's financial resilience in the event of serious environmental risks materialising.

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

The parent company of SCBC is committed to the State's Ownership Policy which prohibits variable compensation (e.g. bonuses). Therefore, employees do not receive bonuses when achieving organisational goals (e.g. environmental milestones or targets). The remuneration policy encompasses all employees in the Group, regardless of position.

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 operations of SBAB Group consists 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 those operations and the counterparties of the parent company SBAB Bank. 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 Group's portfolio. SCBC's primary operations comprise the issuance of covered bonds and the underlying collaterals in these bonds will most likely be impacted over time by both transition risks and physical risks. The double materiality assessment and climate risk assessment considers the short-, medium- and long-term risks of the Group when being carried out. Additionally, the Group is regularly reporting on KRIs, conducts stress tests and scenario analyses to test the resilience and risk level of the assets in the portfolio.

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)

In the process of identifying climate risks, the Group's double materiality assessment as well as climate risk assessment are annually reviewed. Both assessments apply a short, medium- and long-term horizon when identifying risks (where the RCP 4.5 and 8.5 is 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 parent company of SCBC, SBAB Bank, has conducted a double materiality assessment covering the group's interests (including SCBC) and the assessment is aligned with ESRS requirements. The assessment resulted in six identified overarching sustainability areas that are considered material. The assessment identified sustainability risks and possibilities of varying scope. 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 Private segment. SCBC's, which is a subsidiary within the group, primary operations comprise the issuance of covered bonds. Hence, the activities mentioned above contribute to the pool of mortgage credits ("cover pool") as they impact the underlying assets of the covered bonds.

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

The Group has implemented Key Risk Indicators (KRI) covering both physical and transition aspects of environmental risks in the portfolio. 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. Since SCBC acquires residential mortgage loans from the parent company and issues covered bonds, it is of relevance to monitor the degree of risk exposure the collaterals are exposed to in terms of physical and transition risk. To better monitor the group's progress towards reducing its climate footprint, the parent company 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, the outcome of the set targets related to financed emissions is published 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 quarterly to the Board. The Risk department facilitates identification of risks, evaluate, and monitor that the KRIs are kept within decided limits. Within the ICAAP and ILAAP process for 2024, SBAB group 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, a flooding scenario was created where collaterals with heightened risk of flooding depreciated. The purpose of the scenario was to assess the 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 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 group uses national data sources and third-party data in risk assessments which also cover SCBC's needs. The data has been deemed 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 which SBAB group 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 Indicators (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

Significant impacts of risk drivers for the parent company of SCBC are energy costs (transition risk) and the impact of extreme weather events (physical climate risk) on real estate value and household wealth which may result in e.g. higher credit risk in the forthcoming years. Since SCBC issues covered bonds from acquired mortgage credits from the parent company, the risk framework and prudential risk drivers of the parent company is central when monitoring, identifying and mitigating risks that the group (which includes SCBC) is exposed to.

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)

The parent company of SCBC, SBAB Bank, reviewed its double materiality assessment which covers the group's interests (including SCBC) and the assessment is aligned with ESRS requirements. The outcome of the review was approved by the board of the parent company during 2025, and it resulted in six identified sustainability areas that are considered material for the group where social factors and risks are included. These sustainability areas are embedded in the group's business strategy and model, and the relevant elements of this strategy are applied within SCBC to ensure alignment with the organization's sustainability objectives. SBAB Bank revisits its double materiality assessment annually.

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 and an inclusive housing- and real estate market as material sustainability areas related to social risks. The 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, which is mainly achieved through the activities of SCBC's parent company, SBAB Bank, which set the foundation for SCBC's operations as they issue covered bonds from acquired mortgage credits from SBAB Bank.

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 parent company of SCBC has several different policies, strategies and procedures relating to direct and indirect engagement with counterparties concerning social risks. However, SCBC's, which is a subsidiary within the group, primary operations comprise the issuance of covered bonds. SCBC does not conduct lending activities or operations. SCBC instead acquires loans on a regular basis that meet certain criteria from SBAB Bank. SCBC does not have direct contact with counterparties as the administration regarding the lending activities is outsourced to the parent company SBAB Bank.

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 of the group are responsible for the overall governance structure of SBAB group, including management of social risks. The group's management of risks are described in different internal governing documents, e.g. the Risk policy, Sustainability policy and the Risk appetite, which are all assessed and approved by the management body. The management body of the group and SCBC is regularly informed on social risks through regular internal reporting.

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)).

The 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. Furthermore, if deemed necessary, the forum prepares questions that are further processed or decided by the Group's senior management, appropriate board committees and/or the board.

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

The 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 measures and 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 parent company of SCBC is committed to the State's Ownership Policy which prohibits variable compensation (e.g. bonuses). Therefore, employees do not receive bonuses when achieving organisational goals (e.g. environmental milestones or targets). The remuneration policy encompasses all employees in the Group, regardless of position.

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 Devel-

opment 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 the parent company 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)).

The Group's double materiality assessment is annually reviewed with the purpose to identify material ESG risks. Since SCBC issues covered bonds from acquired mortgage credits from SBAB Bank, the majority of SCBC's exposure to social risks derives from the lending activities of the parent company. One example of a risk linked to social conditions and human rights concern the risk of the parent company's services and products not being available to all members of society. Accessibility is however regularly monitored by conducting tests of customer's digital and telephone experience. This is one example of a risk and activity carried out by the SBAB Bank that indirectly impact SCBC's exposure to social risk factors since it is related to the assets that SCBC acquire from the parent company.

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

SCBC's exposure to social risks derives from the lending activities of SBAB Bank. SBAB Bank's risk mitigation activities (e.g., concerning personnel, social conditions and human rights) refer to several different actions. For example, SBAB Bank aim to manage and mitigate social risks linked to its lending operations by in-dept customer dialogues and industry collaborations (e.g. the initiative "Hållbar Byggbransch"). Furthermore, SBAB Bank 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 content 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. The annual report also reports share of females in management positions and Board of Directors. Furthermore, all employees within the SBAB group (including SCBC) 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 Group.

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 the parent company of SCBC, SBAB Bank, consists principally of deposit operations and residential mortgage lending to consumers, tenant-owners' associations and property companies in Sweden. There are identified risks on a group level regarding social risks and factors. However, in SCBC case, whose primary operations comprise the issuance of covered bonds, social risk factors are limited as SCBC acquire mortgages and credits from its parent company to conduct its operations.

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 parent company of SCBC has 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.

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 corporate counterparties of SCBC's parent company SBAB Bank consists 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. SCBC's primary function as a subsidiary within the group and its operations concern issuance of covered bonds. The parent company of SCBC reviews its counterparties frequently based on the money laundering and financing of terrorism regulations before issuing loans. Additionally, customers sustainability risks are also evaluated and updated regularly by SBAB Bank.

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

SCBC has no direct interaction with counterparties and therefore has no data on their governance structure. However, the parent company, who provides the loans to its commercial counterparties, accounts and documents the counterparties' highest governance body as part of the credit granting process for the counterparties. Counterparties are annually reviewed by the parent company (including ESG factors).

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 these 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. SCBC’s primary function as a subsidiary within the group and its operations concern issuance of covered bonds. The parent company of SCBC reviews its counterparties frequently based on the money laundering and financing of terrorism regulations before issuing loans. Additionally, customers sustainability risks are also evaluated and updated regularly by SBAB Bank.

RISK MANAGEMENT

Institution’s integration in risk management 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))

The parent company of SCBC, SBAB Bank, provides household mortgages to private customers and loans to tenant-owners’ associations. Furthermore, the parent company’s counterparties 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 counterparties of the parent company are evaluated based on sustainability risks. SCBC’s primary function as a subsidiary within the group and its operations concern issuance of covered bonds. SCBC does not have any interaction with corporate or retail counterparties.



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

Sector/subsector	Gross carrying amount (SEKmillion)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (SEKmillion)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent) ²⁾		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting				Average weighted maturity	
	a	b	c	d	e	f	g	h	i	j	k	GHG emissions				
												<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years		> 20 years
1 Exposures towards sectors that highly contribute to climate change*	159,190	-	-	10,287	245	-49	-14	-30	17,441	-	96.7	-17	-	-	159,207	49,8
2 A - Agriculture, forestry and fishing	3	-	-	-	-	0	-	-	2	-	0,0	4	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Sector/subsector	Gross carrying amount (SEKmillion)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (SEKmillion)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent) ³⁾		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting				Average weighted maturity	
	a	b	c	d	e	f	g	h	i	j	k	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting				
												<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years		> 20 years
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	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	-	-	5	-	100.0	-	-	-	28	49.8
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45 H - Transportation and storage	933	-	-	344	-	0	-	-	52	-	100.0	-	-	-	933	49.8
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	933	-	-	344	-	0	-	-	52	-	100.0	-	-	-	933	49.6
50 H.53 - Postal and courier activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51 I - Accommodation and food service activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
52 L - Real estate activities	158,226	-	-	9,939	245	-49	-14	-30	17,383	-	100.0	-17	-	-	158,243	49.6
53 Exposures towards sectors other than those that highly contribute to climate change*	1,160	-	-	2	-	0	0	-	-	-	-	-	-	-	1,160	49.7
54 K - Financial and insurance activities	-	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-
55 Exposures to other sectors (NACE codes J, M - U)	1,160	-	-	2	-	0	0	-	-	-	-	-	-	-	1,160	49.7
56 Total	160,350	-	-	10,289	245	-49	-14	-30	17,441	-	100.0	-17	-	-	160,366	49.8

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.

2) This disclosure requirement enter into force as of December 2023.

3) This disclosure requirement enter into force as of June 2024. SCBC work with data development regarding GHG-financed emissions is ongoing and will be published on required level of details as soon as the data is assured, not later than June 2024.

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 in Finrep-regulation. 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 are form of "until further notice" with no final repayment date, although the maturity period mainly is reported equal to the condition period. Bucket 10 years or longer is represented by property loans. GHG financed emissions have decreased compared to June 30, 2025 mainly as a result of data quality improvements. Since June 30, 2025, there has also been increased volumes in maturity bucket 20 years or longer. SCBC 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 (SEKmillion)															
	Level of energy efficiency (EP score in kWh/m ² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral		
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m ² of collateral) estimated
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
1 Total EU area	160,366	85,329	70,958	3,368	639	0	73	1,303	29,479	33,772	27,498	39,463	19,094	4,435	5,322	100%
2 Of which Loans collateralised by commercial immovable property	11,499	10,141	1,251	108	0	0	0	306	6,897	2,651	1,007	108	65	108	357	100%
3 Of which Loans collateralised by residential immovable property	148,868	75,189	69,707	3,260	639	0	73	997	22,582	31,121	26,490	39,355	19,029	4,328	4,965	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 ² of collateral) estimated	5,322	-	5,322	-	-	-	-	-	-	-	-	-	-	-	5,322	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 ² of collateral) estimated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The template includes loans collateralised by commercial and residential immovable property. Construction loans are excluded. The gross carrying amount is aligned with the valued reported in Finrep. Energy Performance Certificates are applied where available. Where unavailable, emissions factors from the Swedish Energy Agency database estimates are used. The availability of EPC labels for the real estate portfolio are limited due to the fact that energy declarations are not compulsory and is generally required only when selling property. Since June 30, 2025 no major changes has been noted.

BANKING BOOK - CLIMATE CHANGE TRANSITION RISK: ALIGNMENT METRICS

Sector	NACE Sectors (a minima)	Portfolio gross carrying amount ¹⁾ (Mn EUR)	Alignment metric ²⁾	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	11,499	5,08 kgCO2e per m2	2025	-15.79	7.55
9b Residential Real Estate	L68	148,868	3,42kgCO2e per m2	2025	99.25	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 pathway 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) 2021/63. Since previous disclosure period in June 30, 2025 we have observed changes within both commercial real estate and residential real estate, respectively. Slower pace toward reaching IEA NZE2050, with the distance increasing for residential Real Estate from 94,47% to 99,25%. Regarding commercial real estate, however, where SCBC is ahead the target, the distance has change from -17,44 % to - 15,89%, i.e., the lead above the target has decrease compared to the previous period.

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

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

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

Not applicable. As of 31 December, 2025, SCBC 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	a	Gross carrying amount (SEKmillion)											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										
	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	933	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 L - Real estate activities	158,226	-	-	-	2,819	49.8	1,591	1,553	326	178	0	0	0	0	0
10 Loans collateralised by residential immovable property	523,126	5	27	360	9,107	39.2	4,047	6,227	775	448	8	-2	-1	-1	-1
11 Loans collateralised by commercial immovable property	11,499	-	-	-	601	49.8	472	130	0	0	0	0	0	0	0
12 Repossessed colaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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. 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, SCBC 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.



Corp. Reg. No. 556645-9755
Visiting address: Svetsarvägen 24
Address: Box 4209, SE-171 04 Solna, Sweden
Tel: 0771-45 30 00
Fax: 08-611 46 00
www.SCBC.se