

SBAB Bank AB (publ)

December 22, 2025

This report does not constitute a rating action.

Rating Score Snapshot

SACP: a-			Support: +2	Additional factors: 0				
Anchor	a-		ALAC support	+2				
Business position	Moderate	-1	GRE support	0				
Capital and earnings	Strong	+1	Group support	0				
Risk position	Adequate	0	Sovereign support	0				
Funding	Adequate	0	<table border="1"> <tr> <th>Issuer credit rating</th> </tr> <tr> <td>A+/Stable/A-1</td> </tr> <tr> <th>Resolution counterparty rating</th> </tr> <tr> <td>AA-/A-1+</td> </tr> </table>		Issuer credit rating	A+/Stable/A-1	Resolution counterparty rating	AA-/A-1+
Issuer credit rating								
A+/Stable/A-1								
Resolution counterparty rating								
AA-/A-1+								
Liquidity	Adequate							
CRA adjustment	0							

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

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Credit Highlights

Overview

Key strengths

Resilient asset quality, owing to a strong focus on collateralized lending.

Material capital and loss-absorption buffers.

A growing franchise with an efficient business model exhibiting a notably lower cost-to-income ratio than peers.

Key risks

Concentration in Sweden's property market.

Limited product and revenue diversification compared with peers¹.

Despite the subdued growth in the highly competitive Swedish retail mortgage market in 2025, we expect SBAB Bank AB (publ)'s (SBAB) market share to hold steady in this segment. The bank held 8.8% of the market in September 2025, up from 8.6% a year prior. We forecast SBAB's loan book to increase by about 1.5% for the full year, after recording 1.2% through September, reflecting muted market dynamics regarding residential mortgages and new residential

construction projects. We expect the bank's lending to pick up pace in 2026-2027, with support from a more pronounced rebound in the national economic activity and expect outstanding loans to increase between 4.0%-5.0% annually over the coming two years. In our view, SBAB is well-placed to increase its market share within its key business segments, benefiting from its transparent pricing model, competitive product offering, and solid market visibility via conscious marketing exercises amid consistently high customer approval ratings.

We expect SBAB to maintain strong risk-adjusted capitalization over 2026-2027 despite the regulatory capital relief from the Basel IV/CRR III making extraordinary dividends distribution likely next year.

Following the implementation of Basel IV, and the reduced risk-weights attributed to collateralized lending, SBAB's common equity Tier 1 (CET1) ratio has improved notably. Moreover, capital consumption year to date has been calm, following the muted growth in lending and stable earnings. The bank's CET1 ratio stood at 14.8% as of the third quarter of 2025, up about 200 basis points (bps) compared with year-end 2024. We forecast SBAB's risk-adjusted capital (RAC) at 13.2% for year-end 2025, down from 13.5% last year, adjusting for the capital instruments that we expect will be called in the first quarter of 2026. We expect SBAB's RAC ratio to remain solid at 13.0%-13.5% through 2027, supported by net earnings at Swedish krona (SEK) 2.0 billion-SEK2.5 billion, digesting the impact on capitalization from higher lending volumes while also retaining space for potential extraordinary dividends distribution in 2026. SBAB target a minimum CET1 level of 1%-3%-points above the regulatory requirement from the Swedish FSA (currently at 10%).

Steady inflows of deposits help to broaden funding base. Competitive pricing and strong brand recognition has helped SBAB to increase its deposit base, with deposits at 42.0% of funding as of end-2024, equivalent to 47.5% of lending. Furthermore, in addition to broadening its funding sources, the bank's lower funding costs on deposits relative yields on market debt financing, including on covered bonds, assists SBAB's profitability. That said, given the lack of full-scale bank services (including transaction services) compared with the larger domestic banks, we are cautious on depositor stickiness. We have however not observed any meaningful deposit outflow or retention issues at this stage, and recognize the bank's trusted brand, underpinned by its full state ownership and strong possibility to shift funding requirements onto its covered bonds franchise given the cover pool eligible nature of almost its entire lending as key mitigants.

Outlook

The stable outlook on SBAB reflects our expectation that, over the next two years, the bank will maintain additional loss-absorbing capacity (ALAC) sustainably above our adjusted threshold of 8% for two notches of ALAC support while maintaining robust capitalization. We also expect SBAB will remain focused on the Swedish retail mortgage market, and its loan losses will remain low.

Downside scenario

We could lower our ratings if operating conditions deteriorate, implying that asset quality would be much weaker than we expect, or if the RAC ratio were to fall below 10%. Adverse developments such as these could weaken the bank's creditworthiness relative to that of similarly rated peers. We could also take a negative rating action if we see a lower likelihood that SBAB will sustain an ALAC buffer above our adjusted 8% threshold.

Upside scenario

An upgrade is currently unlikely.

Key Metrics

SBAB Bank AB (publ)--Key ratios and forecasts

(%)	--Fiscal year ended Dec. 31--				
	2023a	2024a	2025f	2026f	2027f
Growth in operating revenue	14.7	0.2	(3.8)-(4.7)	2.0-2.5	6.5-8.0
Growth in customer loans	1.6	3.9	1.3-1.6	4.0-4.9	4.5-5.5
Growth in total assets	2.5	1.4	2.6-3.1	4.0-4.9	3.9-4.8
Net interest income/average earning assets (NIM)	0.9	0.8	0.7-0.8	0.7-0.8	0.7-0.8
Cost-to-income ratio	31.0	35.5	36.7-38.5	37.6-39.6	36.5-38.4
Return on average common equity	14.8	11.9	9.8-10.9	9.4-10.4	9.7-10.8
Return on assets	0.4	0.3	0.3-0.4	0.3-0.4	0.3-0.4
New loan loss provisions/average customer loans	0.0	(0.0)-0.0	(0.0)-0.0	(0.0)-0.0	(0.0)-0.0
Gross nonperforming assets/customer loans	0.1	0.2	0.0-0.1	0.0-0.1	0.0-0.1
Net charge-offs/average customer loans	0.0	0.0	0.0-0.1	0.0-0.1	0.0-0.1
Risk-adjusted capital ratio	12.4	13.5	12.8-13.5	12.9-13.5	12.9-13.5

All figures include S&P Global Ratings' adjustments. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: Swedish Focus Results In An 'a-' Anchor

The anchor for a commercial bank operating only in Sweden is 'a-', based on an economic risk score of '2' and an industry risk score of '3'.

We expect the Swedish economy to record a moderate 1% growth in 2025 after 0.8% in 2024. This reflects a weaker first half followed by a stronger second half, when rising real wages and looser monetary policy to households and businesses should support consumption and investment. Preliminary data indicates strong third-quarter 2025 growth (2.4% year over year), driven by private consumption and exports as consumer confidence has strengthened again following higher inflation outturns and elevated uncertainty over global trade earlier in the year. These factors should underpin a faster recovery of 2.6% in 2026 and 2.3% in 2027. At the same time, we expect the Swedish economy will remain wealthy, with strong public finances providing support if necessary.

The highly indebted private sector capably managed the impact of higher interest rates. We expect the lower interest rates, and more benign economic prospects, will support also a firmer rebound in the housing market. Although we expect unemployment to average 8.8% in 2025, accumulated household savings should help cushion the effects on spending and economic growth. The economic risk trend for banks operating in Sweden is stable.

The industry trend for Swedish banks is stable. This reflects the strong starting point relative to European peers in terms of efficiency, returns, and capitalization. While deposit-based funding has increased in importance, we expect wholesale funding could again become an equally attractive funding source in a lower interest rate environment. Domestic wholesale funding markets will therefore remain a vital funding source, although this reliance can pose a risk if markets are disrupted.

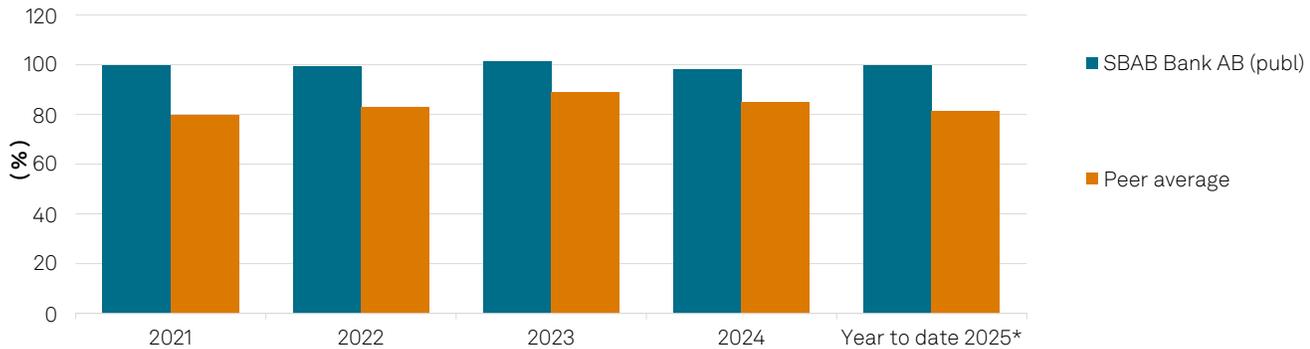
Business Position: Digital Lender Focused On Swedish Residential Loans

With total assets of SEK660 billion (€55 billion) as of Sept. 30, 2025, and a market share of 8.8% in household mortgage loans, SBAB is the fifth-largest bank in Sweden (considering the Swedish branch operations of Nordea Bank Abp). Retail mortgage lending represents about two-thirds of SBAB's total lending, with lending to corporate real estate companies (20%) and tenant-owned associations (12%) making up the rest. Because of SBAB's focus on property financing, the bank holds a narrower product offering compared with the larger Nordic banking groups. Hence, its revenue concentration in interest income is prevalent compared with larger peers with more diversified income streams.

Chart 1

Revenue concentration compared with that of Nordic peers

Net interest income/operating revenue



*As of Sept. 30, 2025. Source: S&P Global Ratings.

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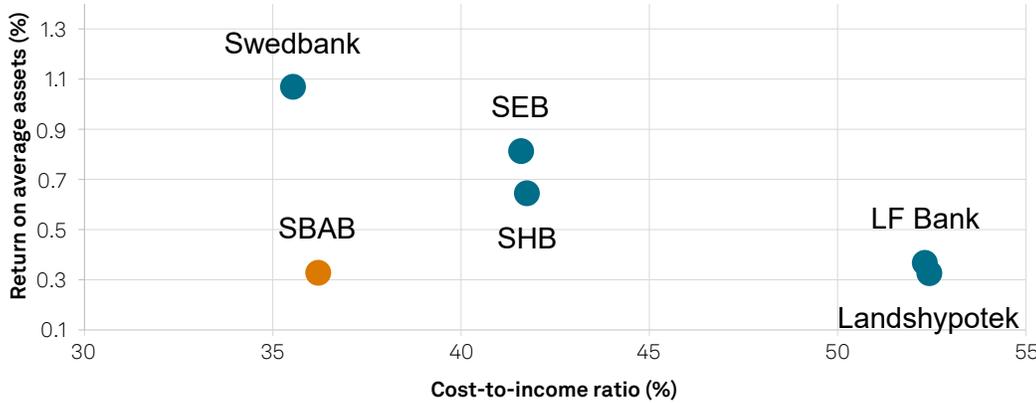
In tandem with the expansion of SBAB's core retail mortgage business segment--which is up by close to 55% over the past seven years--the bank has increased its presence in financing real estate companies, predominantly providers of multifamily dwellings, for both existing and new buildings. SBAB's market share toward this corporate real estate segment has grown strongly over the past five years, to represent 18% of lending in 2024 up from 10% as of-end 2019 approaching its long-term strategic target of holding 20% of the market by 2030.

SBAB's secured lending focus and role as a challenger bank have historically meant that returns are somewhat lower than those of larger domestic peers. At the same time, because all business is conducted digitally or through call centers, SBAB maintains a lean and more variable operating cost structure. This is reflected in a cost-to-income ratio that compares favorably with that of domestic and international peers. That said, while it has historically remained at about 30%, our forecast assumes that SBAB's cost-to-income ratio will be temporarily elevated over the coming three years, at about 35%. This follows our expectation that SBAB's net interest margin (NIM) will trend down to its historical average about 0.75%-0.80% over 2026-2027, after peaking at almost 0.90% in 2023, coupled with lingering costs from the bank's upgrades to digital platforms and underwriting infrastructure, alongside a continued focus marketing activities for its lending and deposit offerings.

Chart 2

SBAB's service model supports high operating efficiency

Cost-to-income ratio and return on average assets compared with peers



Year to date as of Sept. 30, 2025. Source: S&P Global Ratings.

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We expect SBAB's profitability to trend down over the next two years compared with the record levels over 2022-2024, with return-on equity declining to below 10% in 2026 due to a compression of mortgage margins in a slow but highly competitive market. We think that these trends could linger into 2026 but expect housing market activity to progressively rebound in tandem with a more pronounced rebound of the Swedish economy. Therefore, we expect SBAB to focus on cost containment, making efforts to streamline underwriting processes further, on the back of ongoing upgrades to its digital platform and technological architecture.

Capital And Earnings: Solid Capitalization Remains A Key Rating Strength

We forecast SBAB's RAC ratio to remain strong at about 13.0%-13.5% over 2025-2027, stable from 13.5% as of year-end 2024, assuming annual dividends of 40% of net income.

Our base case forecasts SBAB's loan book expanding by a modest 1.5% in 2025 but picking up by an annual average of 4.75% over 2026-2027 with a progressively strengthening trend over the forecast in line with our expectations of a broader pick up in retail mortgage lending. While subdued house price growth and high

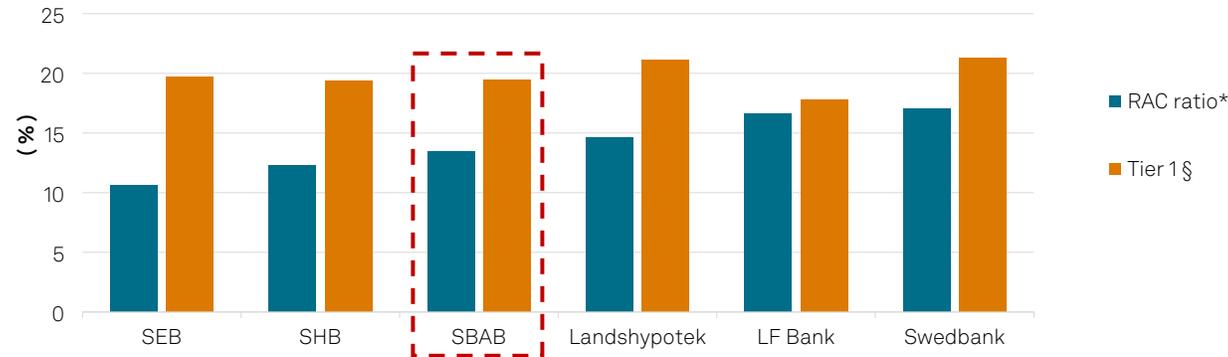
competition has pressured SBAB's net interest margin (NIM) in 2025, the bank's steady deposit growth and still contained cost-to-income ratio ensure organic CET1 build-up.

We anticipate that the bank's strong focus on cost containment will moderate the growth in operating expenses over 2025-2027, calming the growth rate to about 3.5%-4.5% annually. This helps sustain annual profits at about SEK2.0 billion (€195 million), which is a 15% drop from the highs recorded in 2023, but compares well to 2020-2022 results.

Chart 3

Robust capital position in line with Nordic peers

S&P Global Ratings RAC ratio compared with Tier 1 ratios



*As of Dec. 31, 2024. §As of Sept. 30, 2025. RAC--Risk-adjusted capital. Source: S&P Global Ratings.

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The implementation of the Basel IV has benefitted SBAB's regulatory risk-weighted capital positions, as the directive provides greater consideration to the lower loss-given-default profile of highly secured exposures. This notably reduces the regulatory risk-weights applied to SBAB's collateralized corporate lending. As of Sept. 30, 2024, SBAB's common equity tier ratio stood at 14.8%, 480 bps well ahead of the 10% level required by the Swedish regulator and comfortably above the bank's own set buffer minimum of staying 1%-3% points over the regulatory requirement.

Given its strong capital buffers, we do not exclude that the SBAB's owner could require extraordinary dividends from SBAB in 2026, on top of the typical dividends' payout requirement of 40%. We have not incorporated it in our RAC forecast but simulate that a hypothetical/potential extraordinary dividend to the tune of SEK1.0 billion would move the RAC ratio by about 50 bps, all else equal. This illustrates the still solid buffers on the RAC ratio and our capital assessment. However, while the risk-weighted regulatory ratios have markedly improved, we observe that SBAB's regulatory leverage ratio--which was 4.32% as of Sept. 30, 2025--remains just below the European average and could be the more constraining regulatory metric when contemplating potential outtakes of extraordinary dividends.

Risk Position: Strong Asset Quality From Highly Collateralized Loan Book Balances Concentration Risks

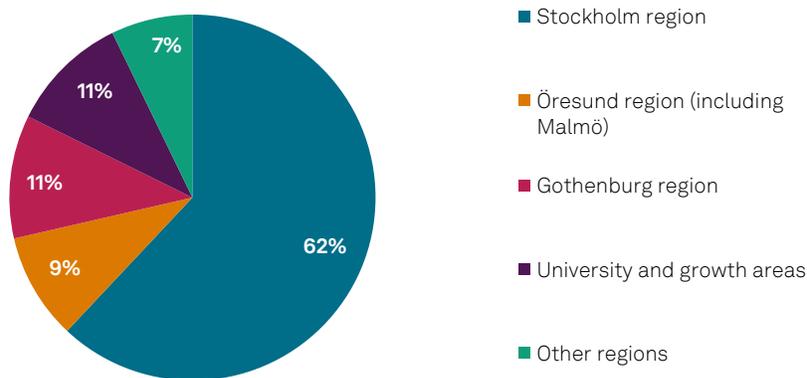
We think that SBAB's risk position is neutral to the rating. Our view of SBAB's risk position is supported by its solid asset quality, its history of prudent underwriting, and our assessment of the bank's overall sound risk management. These strengths balance the risks we assess from the

bank's geographical and business line concentration in addition to its somewhat high single-name positions within its corporate lending book. We calculate our RAC ratio after concentration adjustments to 9.1% with balance sheet positions at year-end 2024, which is 440 bps lower than our key metric of RAC ratio before diversification adjustments at 13.5%. While its business is fully concentrated in Sweden, we recognize it has a notable focus within the macroeconomically stronger areas, mitigating some of risks from lack of diversification.

Chart 4

SBAB focuses on growth regions in Sweden

Geographical distribution of mortgage loan book (67% of lending)



Sources: Q3 Interim Report 2025, S&P Global Ratings.

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SBAB's core mortgage lending portfolio is focused on growth regions in Sweden. Its emphasis on secured lending has resulted in a well-collateralized loan portfolio, further contributing to a strong asset quality track record. Despite the pressured economic backdrop over the past two years--with lackluster GDP growth, rising unemployment, and elevated corporate bankruptcies--we have not observed any meaningful impact on SBAB's asset quality. On the contrary, its gross nonperforming assets remain exceptionally low at 0.12% of gross loans as of Sept. 30, 2025, from 0.17% of total loans a year prior and 0.05%-0.07% recorded in 2021-2022. Supported by more favorable prospects for the Swedish economy we forecast asset quality to remain robust over 2026-2027. We expect nonperforming assets of 0.10%-0.12% with negligible loan loss provisioning needs.

We think SBAB's recent expansion into corporate real estate financing has been prudently executed and do not consider it to have materially added risk to the bank's business profile due to its focus on larger, more financially robust counterparts and focus on regions with strong demand fundamentals. Moreover, SBAB's corporate lending centers on residential real estate, with no exposure to commercial real estate and only small parts of loans to new construction, as key items in supporting the risk profile of this lending segment. Therefore, despite pressure on the broader Swedish real estate sector over the past two years, SBAB's loss provisions have been stable.

Funding And Liquidity: A Growing Deposit Base Helps Balance Dependence On Covered Bonds Funding

We anticipate that SBAB's funding and liquidity will remain a neutral rating factor, with the bank's established covered bond franchise and adequate liquidity buffers providing flexibility if funding conditions were to tighten. As a result, we expect the bank to maintain a stable funding ratio of 102.3%, which we calculate for third-quarter 2025, stable from end-2024. In the third quarter of 2025, SBAB reported a regulatory net stable funding ratio of 133.2%, which is comfortably above the minimum requirement of 100%.

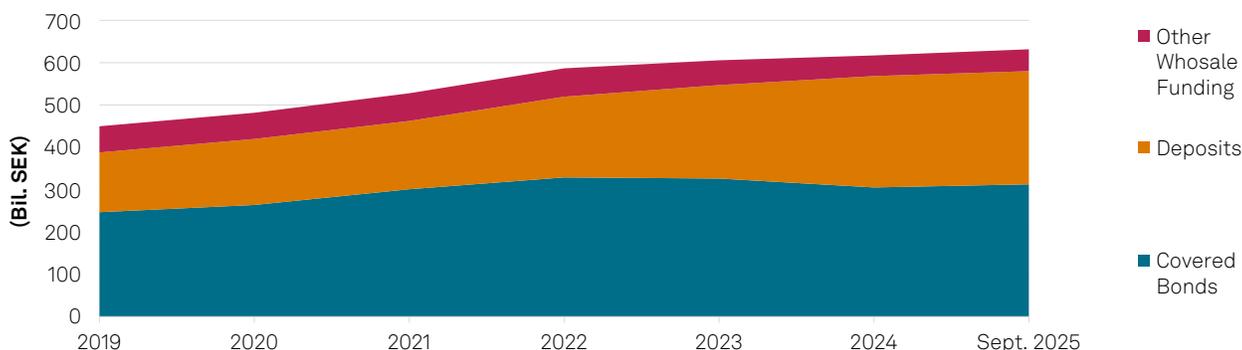
SBAB is increasing deposit volumes. In 2025, deposits surpassed SEK250 billion to make up 42% of total funding at September 2025 or 47.5% of lending. This is up about 10 percentage points compared with five years ago. We think that the added deposit funding gives diversity to SBAB's funding profile. Despite the growing deposit franchise, the bank still operates with a loan-to-deposit ratio of 205% (as of Sept. 30, 2025), suggesting that a structural funding gap persists. SBAB fills this gap mainly through covered bonds issued by its subsidiary, Swedish Covered Bond Corp., which accounts for about half of the bank's total funding. Overall, we consider that the Swedish covered bond market's depth and stability provide strong support to SBAB's funding profile.

While we see some risks to depositor retention, we recognize that SBAB benefits from its niche position within the Swedish banking market as a government-owned challenger bank. SBAB provides higher deposit margins than the larger Swedish banking groups while benefitting from the credibility its central government ownership brings to the franchise compared with smaller, challenger banks that market aggressive pricing models. In addition, as the entire loan book is collateralized and eligible to back covered bonds financing, we think an expansion of the deposit base leaves additional un-touched collateral room to tap the covered bond markets for replacement financing should it be required.

Chart 5

SBAB has rapidly expanded its deposit franchise

Funding composition



SEK--Swedish Krona. Source: S&P Global Ratings.

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Support: Two Notches Of ALAC Support Instead Of Government Support

SBAB is among the midsize banks regarded by the Swedish National Debt Office as critical to the domestic financial system. Although we cannot rule out extraordinary support from the Swedish government, the bank's sole owner, we assume SBAB would likely be subject to a bail-in-led resolution, if it failed. Therefore, we apply external support from ALAC to our ratings on SBAB instead of extraordinary support for government-related entity.

We expect SBAB will retain an ample ALAC buffer. We anticipate that the bank will continue to issue senior nonpreferred debt to replace upcoming maturities and to sustainably meet its minimum requirement for own funds and eligible liabilities over the next two years. We estimate SBAB's ALAC ratio at 10.4% of S&P Global Ratings-forecast risk-weighted assets (RWA) at year-end 2025 exceeding our 8% threshold (including an adjustment of 200 bps for concentration) for two notches of uplift.

For SBAB, the higher regulatory requirement is for the nonrisk-weighted measure, which, as of second-quarter 2024, stood at equivalent to 26.7% of total RWAs and includes a subordinated requirement equivalent to 24.2% of RWA (including the combined buffer requirement). As of second-quarter 2024, the bank comfortably met the requirements with their own funds and eligible liabilities at 40.4% of RWA and own funds and subordinated liabilities at 30.1% of RWA.

Environmental, Social, And Governance

We consider environmental, social, and governance factors to be neutral for our assessment of SBAB's creditworthiness.

SBAB was Sweden's first bank to issue a green bond in 2016 and furthers its green profile via its Green Bond Framework, which experienced its third revision in 2024. This framework is fully aligned with ICMA Green Bond Principles and incorporates the language and criteria for green buildings outlined in the EU Taxonomy. The framework covers both unsecured green bonds and green covered bonds. As of year-end 2024, the volume of eligible green loans as defined in the framework stood at SEK89.3 billion, representing about 17% of total lending, with green capital market funding amounting to SEK35.4 billion, or about 10% of total market funding.

Since 2018, SBAB has provided Green Mortgages to customers who live in houses or apartments that have an energy classification within the top three energy classes. The better the energy class, the greater the reduction to the mortgage rate. As of end-2024, almost 31,000 private homes had a green mortgage, corresponding to a mortgage volume of SEK73.8 billion (or 20% of SBAB's total residential mortgage stock). In 2023, SBAB expanded its offering to corporate customers with sustainability-linked loans, further complementing its existing green product offering, including financing of energy-efficient buildings and loans aimed at improving energy-efficiency.

Furthermore, SBAB's risk management framework is increasingly incorporating climate aspects. Processes exist for regularly evaluating climate-related risks using regional and property-specific data. Overall, we consider the bank's governance standards consistent with industry norms in Sweden but view the Swedish government's 100% stake as a supportive factor.

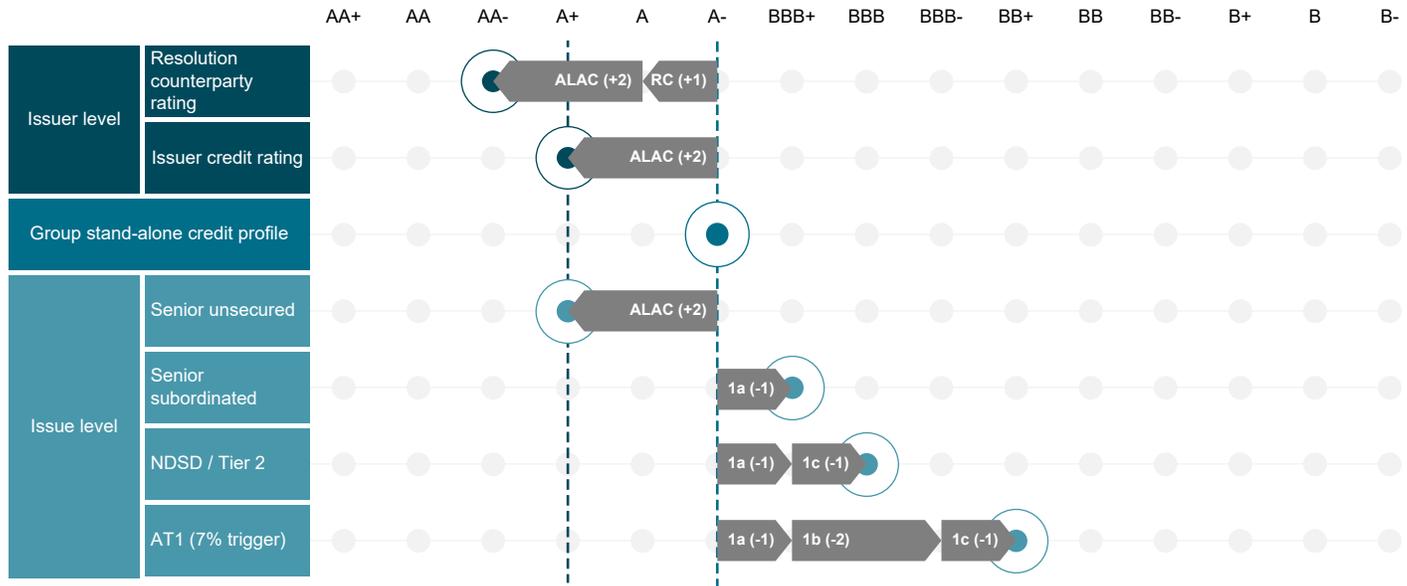
Group Structure, Rated Subsidiaries, And Hybrids

We rate SBAB's hybrid debt instruments according to their respective features.

On Nov. 21, 2025 we raised our ratings on SBAB's junior subordinated additional Tier 1 instruments to 'BB+' from 'BB'. The upgrade followed our reappraisal of the default risks of

certain European bank capital instruments. For the banks, including SBAB, that issued capital instruments with 7% or 8% CET1 principal conversion or write-down triggers, we no longer consider these going concern triggers. For more information please see [Ratings On Multiple European Bank Hybrids Raised On Revised Analytical Expectations](#).

SBAB Bank AB: Notching



Key to notching

- Issuer credit rating
- Group stand-alone credit profile

- RC** Resolution counterparty liabilities (senior secured debt)
- ALAC** Additional loss-absorbing capacity buffer
- 1a** Contractual subordination
- 1b** Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital
- 1c** Mandatory contingent capital clause or equivalent

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on Oct. 13, 2025.

The nonoperating holding company (NOHC) issuer credit rating and senior unsecured debt ratings are notched from the group stand-alone credit profile (SACP) under our criteria. Since ALAC notching does not benefit NOHCs, for simplicity the diagram above is stylized to show the positioning of these ratings with reference to the group SACP.

AT1--Additional Tier 1. NDSB--Non-deferrable subordinated debt

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Resolution Counterparty Ratings (RCRs)

The 'AA-/A-1+' RCRs reflect our assessment of Sweden as the bank's jurisdiction and our review of its relevance for SBAB. An RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that are protected from default through an effective bail-in resolution process for the issuing financial institution.

Key Statistics

SBAB Bank AB (publ)

SBAB Bank AB (publ) Key Figures

Mil. SEK	2025*	2024	2023	2022	2021
Adjusted assets	675,800	659,433	650,085	634,047	557,877
Customer loans (gross)	544,761	538,130	517,692	509,675	467,179
Adjusted common equity	22,247	21,563	20,596	19,470	18,434
Operating revenues	3,886	5,377	5,367	4,681	4,122
Noninterest expenses	1,407	1,907	1,663	1,529	1,492
Core earnings	1,982	2,731	2,832	2,432	2,081

*2025 data is for the 9 months to end-September. SEK--Swedish krona.

SBAB Bank AB (publ) Business Position

(%)	2025*	2024	2023	2022	2021
Loan market share in country of domicile	8.8	8.6	8.4	8.5	8.5
Deposit market share in country of domicile	7.5	7.5	6.7	5.5	4.3
Total revenues from business line (currency in millions)	3,886	5,377	5,367	4,681	4,122
Commercial & retail banking/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Other revenues/total revenues from business line	-	0.0	0.0	0.0	0.0
Return on average common equity	10.7	11.9	14.9	12.0	10.2

*2025 data is for the 9 months to end-September.

SBAB Bank AB (publ) Capital And Earnings

(%)	2025*	2024	2023	2022	2021
Tier 1 capital ratio	19.5	16.3	15.8	16.5	16.6
S&P Global Ratings' RAC ratio before diversification	N/A	13.5	12.4	11.9	12.2
S&P Global Ratings' RAC ratio after diversification	N/A	9.1	8.3	8.0	8.2
Adjusted common equity/total adjusted capital	76.1	78.0	78.0	77.1	81.1
Double leverage	88.1	90.5	92.9	75.2	79.2
Net interest income/operating revenues	99.6	98.3	101.5	99.4	99.8
Fee income/operating revenues	(0.9)	(1.0)	(0.6)	0.3	0.7
Market-sensitive income/operating revenues	0.0	1.5	(1.8)	(0.7)	(1.7)
Cost to income ratio	36.2	35.5	31.0	32.7	36.2
Provision operating income/average assets	0.5	0.5	0.6	0.5	0.5
Core earnings/average managed assets	0.4	0.4	0.4	0.4	0.4

*2025 data is for the 9 months to end-September.

SBAB Bank AB (publ) Risk-Adjusted Capital Framework Data

(Mil. SEK)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government & central banks	43,011	0	0	1,400	3
Of which regional governments and local authorities	33,548	0	0	1,208	4
Institutions and CCPs	66,529	6,578	10	7,504	11
Corporate	108,874	44,353	41	81,778	75

SBAB Bank AB (publ) Risk-Adjusted Capital Framework Data

(Mil. SEK)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Retail	440,590	32,241	7	103,346	23
Of which mortgage	437,848	30,184	7	101,537	23
Securitization§	0	0	0	0	0
Other assets†	841	462	55	832	99
Total credit risk	659,846	83,634	13	194,860	30
Credit valuation adjustment					
Total credit valuation adjustment	'--	1,119	'--	0	'--
Market Risk					
Equity in the banking book	107	107	100	939	875
Trading book market risk	'--	0	'--	0	'--
Total market risk	'--	107	'--	939	'--
Operational risk					
Total operational risk	'--	7,603	'--	9,550	'--
(Mil. SEK)	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global RWA	% of S&P Global RWA
Diversification adjustments					
RWA before diversification	'--	168,850	'--	205,349	100
Total Diversification/ Concentration Adjustments	'--	'--	'--	99,842	49
RWA after diversification	'--	168,850	'--	305,191	149
(Mil. SEK)		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global RAC ratio (%)
Capital ratio					
Capital ratio before adjustments		27,517	16.3	27,663	13.5
Capital ratio after adjustments‡		27,517	16.3	27,663	9.1

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework.

†Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons).

RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. SEK -- Sweden Krona. Sources: Company data as of 'Dec. 31 2024', S&P Global Ratings.

SBAB Bank AB (publ) Risk Position

(%)	2025*	2024	2023	2022	2021
Growth in customer loans	1.2	4.0	1.6	9.1	10.5
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	48.6	49.2	48.7	48.4
Total managed assets/adjusted common equity (x)	30.4	30.6	31.6	32.6	30.3
New loan loss provisions/average customer loans	(0.0)	N.M.	0.0	0.0	0.0
Net charge-offs/average customer loans	0.0	0.0	0.0	0.0	0.0
Gross nonperforming assets/customer loans + other real estate owned	0.1	0.2	0.1	0.1	0.1
Loan loss reserves/gross nonperforming assets	36.2	34.3	39.7	49.3	59.7

*2025 data is for the 9 months to end-September. N.M.--Not meaningful.

SBAB Bank AB (publ) Funding And Liquidity

(%)	2025*	2024	2023	2022	2021
Core deposits/funding base	41.9	41.5	35.54	31.1	27.5
Customer loans (net)/customer deposits	205.6	210.2	240.4	279.3	322.2
Long-term funding ratio	87.5	86.9	85.7	83.9	84.0
Stable funding ratio	102.3	102.3	102.7	98.2	98.1
Short-term wholesale funding/funding base	13.0	13.6	14.9	16.6	16.8
Regulatory net stable funding ratio	133.2	126.3	131.9	127.9	128.6
Broad liquid assets/short-term wholesale funding (x)	1.3	1.3	1.3	1.1	0.9
Broad liquid assets/total assets	15.8	16.0	18.0	17.1	14.7
Broad liquid assets/customer deposits	40.5	41.3	54.4	59.3	56.6
Net broad liquid assets/short-term customer deposits	11.7	10.5	15.7	7.3	(4.5)
Regulatory liquidity coverage ratio (LCR) (x)	255.5	253.5	251.0	219.0	232.5
Short-term wholesale funding/total wholesale funding	22.0	22.9	22.7	23.8	22.9
Narrow liquid assets/3-month wholesale funding (x)	N/A	N/A	N/A	N/A	1.2

*2025 data is for the 9 months to end-September.

Rating Component Scores

Issuer Credit Rating	A+/Stable/A-1
SACP	a-
Anchor	a-
Business position	Moderate (-1)
Capital and earnings	Strong (1)
Risk position	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	2
ALAC support	2
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [General Criteria: National And Regional Scale Credit Ratings Methodology](#), June 8, 2023

- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015

Related Research

- [Banking Industry Country Risk Assessment Update: December 2025](#), Dec 17, 2025
- [Ratings On Multiple European Bank Hybrids Raised On Revised Analytical Expectations](#), Nov 21, 2025
- [Stress Test Highlights European Banks' Resilience To Potential Trade Escalations](#), June 24, 2025
- [Swedish Authorities' Boost Credibility Of Bank Resolution](#), June 3, 2025
- [Banking Industry Country Risk Assessment: Sweden](#), May 14, 2025
- [The Top Trends Shaping European Bank Ratings In 2025: Solid Positions, Growing Ambition](#), Jan 27, 2025
- [Nordic Banking Outlook 2025: Ample Resilience Amid Lingering Uncertainty](#), Jan 24, 2025

Ratings Detail (as of December 22, 2025)*

SBAB Bank AB (publ)

Issuer Credit Rating	A+/Stable/A-1
<i>Nordic Regional Scale</i>	--/--/K-1
Resolution Counterparty Rating	AA-/--/A-1+
Commercial Paper	A-1
<i>Nordic Regional Scale</i>	K-1
Junior Subordinated	BB+
Senior Subordinated	BBB+
Senior Unsecured	A+
Short-Term Debt	A-1
Subordinated	BBB

Issuer Credit Ratings History

17-Feb-2023	<i>Foreign Currency</i>	A+/Stable/A-1
24-Nov-2017		A/Stable/A-1
25-Sep-2013		A/Negative/A-1
17-Feb-2023	<i>Local Currency</i>	A+/Stable/A-1
24-Nov-2017		A/Stable/A-1

Ratings Detail (as of December 22, 2025)*

25-Sep-2013		A/Negative/A-1
22-Jun-2004	<i>Nordic Regional Scale</i>	--/--/K-1

Sovereign Rating

Sweden		AAA/Stable/A-1+
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*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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