

# Interim report

January–June 2025





# The period in brief

## January–June 2025

(January–June 2024)

- Operating profit amounted to SEK 996 million (982)
- Net interest income totalled SEK 1,973 million (1,915)
- Expenses amounted to SEK 771 million (701)
- Net credit losses resulted in a recovery of SEK 14 million (loss: 34)
- The Common Equity Tier 1 (CET1) capital ratio amounted to 18.7% (16.5)
- All funding programmes continue to have the highest credit ratings from Moody's



Net interest income, SEK million

**1,973**  
(1,915)

Lending, SEK billion

**526.6**  
(504.6)

Credit rating (Moody's)

**Aaa**  
(Aaa)

## Operations

The primary operations of AB Sveriges Sakerställda 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 both in Swedish and in 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.

# Business development

## Overview

SEK million	SCBC			
	2025	2024	2024	2024
	Jan-Jun	Jul-Dec	Jan-Jun	Jan-Dec
Net interest income	1,973	1,758	1,915	3,673
Net commission expense	-21	-14	-30	-44
Net result of financial transactions (Note 3)	-19	11	17	28
<b>Total operating income</b>	<b>1,933</b>	<b>1,754</b>	<b>1,902</b>	<b>3,656</b>
Expenses	-771	-769	-701	-1,470
<b>Profit before credit losses and imposed fees</b>	<b>1,162</b>	<b>984</b>	<b>1,201</b>	<b>2,185</b>
Net credit losses (Note 4)	14	-13	-34	-47
Imposed fees: Risk tax and resolution fee	-180	-183	-185	-368
<b>Operating profit</b>	<b>996</b>	<b>789</b>	<b>982</b>	<b>1,771</b>
Tax	-205	-163	-202	-365
<b>Net profit for the period</b>	<b>791</b>	<b>626</b>	<b>780</b>	<b>1,406</b>
<b>BALANCE-SHEET ITEMS</b>				
Lending to the public, SEK billion, at close of period (Note 5)	526,618	520,771	504,573	520,771
– Of which, Lending, Residential mortgages	367,048	362,334	349,109	362,334
– Of which, Lending, Corporate & Associations	159,570	158,437	155,464	158,437
Issued debt securities, etc., at close of period	315,013	305,210	308,539	305,210
<b>KEY METRICS</b>				
CET1 capital ratio, %	18.7	16.4	16.5	16.4
Return on equity, %	6.4	5.1	6.5	5.8
Return on assets, %	0.3	0.2	0.3	0.3
<b>CREDIT RATING (LONG-TERM FUNDING)</b>				
Moody's	Aaa	Aaa	Aaa	Aaa

### January–June 2025 compared with January–June 2024

The operating profit amounted to SEK 996 million (982) for the period.

#### Net interest income

Net interest income grew to SEK 1,973 million (1,915), mainly due to higher lending margins and lending volumes.

#### Net commission expense

Net commissions increased to an expense of SEK 21 million (expense: 30), mainly attributable to higher revenue linked to lending operations and lower costs for the credit facility to SBAB.

#### Net result of financial transactions

The net result of financial transactions decreased to an expense of SEK 19 million (income: 17), mainly due to the revaluation of credit risk in derivatives and value changes in hedge accounting. For more information, please refer to [Note 3](#).

#### Expenses

Expenses rose to SEK 771 million (701), and mainly comprised fees to SBAB for administrative services in line with the applicable outsourcing agreements. The cost trend is progressing according to plan and tracks the operations' development and investment strategy for long-term competitiveness.

### Credit quality and credit losses

Total net credit losses resulted in a recovery of SEK 14 million (loss: 34). Confirmed credit losses totalled SEK 12 million (loss: 3). Guarantees that can be utilised to cover credit losses remained unchanged during the period (unchanged).

Total credit loss allowances decreased SEK 25 million (increase: 33). Credit loss allowances for credit stage 1 loans decreased SEK 1 million (decrease: 17), while provisions for credit stage 2 rose SEK 1 million (increase: 6). Provisions for credit stage 3 loans decreased SEK 25 million (increase: 44).

During the period, credit stage 3 exposures in the Private business area decreased due to recoveries and write-offs of defaulted exposures as well as due to fewer new defaults. Rating grade migrations in each business area, Private and Corporates & Associations, were overall positive in the period, and were partly offset by larger individual negative rating grade migrations in the Corporates & Associations business area. The forward-looking information applied in the impairment model was revised during the period, in March and June. The information reflects neutral outlooks compared with more positive outlooks in the comparative period based on the higher interest rate environment.

SCBC's lending portfolio in each business area is deemed to have good credit quality and low credit risk. Improvements were noted in the period, both in credit quality and in credit risk, due to the lower interest rate environment. For more information, please refer to [Note 4](#).

### Imposed fees

Imposed fees include Sweden's risk tax and the resolution fee. Imposed fees totalled SEK 180 million (185), of which the risk tax amounted to SEK 92 million (99) and the resolution fee to SEK 88 million (86).

### Lending

SCBC does not conduct any new lending itself, but instead acquires loans from SBAB Bank on an ongoing basis. The aim of securing these loans is to include the loans, in part or in full, in the assets that comprise collateral for holders of SCBC's covered bonds. SCBC's lending portfolio comprises loans for residential mortgages, with lending to private individuals the largest segment. At the end of the period, SCBC's lending amounted to SEK 526.6 billion (504.6).

### Other comprehensive income

Other comprehensive income amounted to SEK 431 million (expense: 861), primarily due to interest-rate-related value changes in derivatives resulting from falling euro interest rates, which positively impacted the item. For more information, please refer to [page 9](#).

## Cover pool data

	SCBC		
	30 Jun 2025	30 Jun 2024	31 Dec 2024
Credit portfolio, SEK billion	535.9	504.6	520.8
Total cover pool, SEK billion	419.5	424.7	404.9
– Of which, liquidity buffer, SEK billion	1.4	1.4	1.5
LTV as per ASCB definition <sup>1)</sup> , %	53.7	54.3	53.7
Nominal OC, %	33.4	36.5	32.6

1) Association of Swedish Covered Bond Issuers

### Cover pool

Information regarding SCBC's lending, the cover pool, is published monthly on the website [sbab.se](https://sbab.se).

### Funding

The fixed-income market fluctuated widely in the first six months of 2025. Market focus in the beginning of the year was on surprisingly high inflation outcomes, leading the market to defer further interest rate cut expectations. Market attention turned as inflation declined and focused instead on the weak economic outlook, which had weakened further in the wake of the US administration's announcement of increased import tariffs. In the second quarter, international and Swedish interest rates fell in conjunction with the market once again pricing in further interest rate cuts by central banks.

During the period, at all of its meetings and despite political pressure, the US Federal Reserve chose to leave the federal funds rate unchanged. On the other hand, the European Central Bank (ECB) chose to cut interest rates on four occasions to a policy rate of 2%. The Swedish policy rate was cut by Riksbank by 0.25 percentage points in January, followed by a further cut in June, and ended June at 2%. Moreover, the Riksbank's most recent policy rate path indicates some likelihood of a further rate cut in the latter part of 2025.

Despite high volatility and uncertainty, international and Swedish funding markets functioned well during the period. During the period, credit spreads narrowed gradually and, even at the height of the turbulence, the covered bond market remained active. For long periods, there was no difference in funding costs between the SEK and EUR, resulting in many Swedish issuers choosing to issue covered bonds in the European market during the period. In addition, continued

strong capital and fundinflows, both in Sweden and internationally, contributed in the period to favourable borrowing conditions and a positive trend for credit spreads in the fixed-income market.

SCBC was active with two public offerings in the first half of the year. In January, an SEK 7 billion five-year green covered bond was issued in the domestic market and, in March, a EUR 1 billion five-year green covered bond was issued in the European market. However, the majority of SCBC's funding was conducted within the framework of the Swedish benchmark programme.

At the end of the period, the total value of issued debt securities outstanding under SCBC's lending programme was SEK 315.0 billion (308.5), distributed as follows: Swedish covered bonds SEK 215.1 billion (218.0) and the Euro Medium Term Covered Note Programme SEK 99.9 billion (90.5). During the period, issued debt securities amounted to SEK 58.6 billion (18.3). At the same time, securities amounting to SEK 13.4 billion (8.3) were repurchased, while securities amounting to SEK 35.3 billion (28.9) matured. Alongside changes in premiums/discounts and changes in SEK exchange rates, this resulted in an increase in issued debt securities of SEK 9.8 billion (decrease: 17.6) in the period.

### Liquidity position

The management of liquidity risks for SCBC is integrated with the Parent Company, SBAB. In addition, SCBC has a liquidity facility agreement with SBAB, under which SCBC can obtain support with liquidity for its operations from the Parent Company when necessary.

### Capital position

SCBC primarily recognises credit risk under the internal ratings-based approach (IRB approach) and operational and market risk using the standardised approach. At the end of 2024, as per the agreed time plan with the Swedish FSA, SCBC applied for a new LGD model for retail exposures, which will be applied for private individuals. In the second quarter, after receiving the Swedish FSA's decision, a minor change was implemented in the default definition. The change is not expected to have any material impact on REA. Application of the first parts of the Banking Package (the Basel IV framework) started on 1 January 2025. In conjunction therewith, the total risk weights for corporate exposures decreased significantly, as the new rules entail lower standard LGD values for exposures secured by collateral in real property. SCBC's total capital ratio and CET1 capital ratio increased to 18.7% (16.5) in the period. The internally assessed capital requirement amounted to SEK 7.1 billion (7.7) at the end of the period.

# Other information

## Dividend

The Annual General Meeting resolved to adopt the Board's proposal for the distribution of a dividend to the Parent Company for 2024 of SEK 579 million. Full details of the proposed appropriation of earnings are available in SCBC's 2024 Annual Report, on page 14.

## Events after the end of the period

No significant events occurred after the end of the period.

## Auditors' review report

This report has been reviewed by the company's auditor in accordance with the International Standard on Review Engagements (ISRE) 2410. The review report can be found at the end of this report.

### Risks and uncertainties related to the Swedish economy and SCBC's lending

The Swedish economy is susceptible to global economic developments and to conditions in the international financial markets. The economic trend in Sweden is the primary risk factor for SCBC's future earnings capacity, and the quality of our assets is mainly exposed to credit risk in the Swedish housing market. The management of interest-rate and currency risks entails some exposure to price risks.

Population growth has outpaced housing construction for quite some time, which has contributed to high demand for housing and a housing shortage. High construction rates and lower population growth since 2020 have reduced the shortage, though some housing shortages still remain. The high rate of construction and an increasing proportion of homeowners, in combination with rising housing prices, have led to higher levels of private indebtedness, with some highly indebted households. However, housing costs as a percentage of household income are generally low, especially among homeowners. Higher interest rates led to higher housing costs in 2023 and early 2024 for many households. However, lower interest rates in 2025 mean that interest expenses are assessed as being at a normal long-term level.

Since the majority of households in Sweden own their own home and due to many mortgages being subject to variable interest, the Swedish economy is sensitive to interest rate changes. While this is positive for the monetary policy's impact, there is a risk that indebted households with tight margins may experience temporary difficulty coping with ongoing payments on their mortgages in periods with rising interest rates. However, in general, the Swedish FSA's stress tests indicate that risks are low in the event of moderately rising interest rates. Moreover, higher interest rates in 2024 did not lead to any significant increase in the share of households with mortgage payment problems.

Pressure was put on household finances by the rapid rise in prices in 2022 and 2023, including for food and electricity. From 2023 onwards, rising mortgage rates applied further pressure on leveraged homeowners alongside falling housing prices. The consequences for households have included very low future expectations and weak consumption. In 2024, consumer confidence recovered, but has fallen again in the first half of 2025, albeit not as deeply.

Inflation fell in 2024 as did the policy rate. Falling policy rates and therefore declining market interest rates brought down mortgage rates. However, the

economic recovery that began toward the end of last year lost momentum in 2025, not least in connection with the US administration's announcement of increased tariffs. Moreover, following a couple of unexpectedly high inflation outcomes at the start of the year, inflation surprised on the downside. This led the Riksbank's decision at its June meeting to cut the policy rate to 2%. The Riksbank's forecast for the policy rate indicates some likelihood of a further cut later this year. Prevailing interest rate levels and future trends are important variables for SCBC, since they impact strongly on net interest income and operating profit.

Falling mortgage rates have contributed to rising housing prices, albeit not on a par with the housing price decline triggered by the earlier rise in interest rates. In June 2025, house and apartment prices remained 12% and 5% respectively below their spring 2022 peaks. At present, price developments are being held back by a weak labour market and high unemployment as well as by considerable uncertainty about the real economic development. Looking ahead, housing prices are expected to rise moderately in pace with rising employment and growth in household incomes. Risks linked to rising interest rates could be increased by falling housing prices and rapidly rising unemployment. The risk largely pertains to the degree to which a fundamental downturn in prices leads to behaviour changes that trigger a larger price downturn, and how uncertainty over future housing prices impacts turnover for existing housing as well as building new housing units.

Many property companies have loans, and the higher interest rates compared with a few years ago have reduced their profits and the value of their properties. Recent years' higher interest rates have put pressure on property companies with tight margins. This has included problems achieving a sufficiently high cash flow to meet current interest expenses and to refinance maturing bonds. In 2025, however, falling interest rates contributed to lower risk, but given the interest rates over the past fifteen years, interest-rate risk remains higher than normal.

### Risks and uncertainties related to the global economy and international financial markets

Any disruption in the international financial markets or in the global economy entails a risk for SCBC both as a participant in the Swedish market and as an issuer in the international capital market. These disruptions could be caused, for example, by global political and macroeconomic events, trade wars,

changes in the monetary policies of central banks or extraordinary events such as pandemics, wars and acts of terrorism.

The trade policy being pursued by the USA means that future global economic developments are currently very difficult to predict. Considerable focus remains on the risk of sharply hiked tariffs. The short timeframe in which tariffs can be imposed, as well as the possibility of negotiations, countermeasures by some countries, exemptions for certain goods and decisions to delay their introduction, all combine to compound uncertainty. One immediate consequence has been the triggering of substantial movements in financial markets and has led, inter alia, to large stock market falls and rising risk premiums on interest-bearing financial assets and instruments. Higher tariffs and uncertainty about their implementation are also impacting decisions about household consumption and business investment levels. Currently, lower global economic growth is expected as a result of these actions by the USA. For Sweden, with an export share to the USA of 9% and an import share from the USA of around 3.5%, the expected economic impact is lower near-term GDP growth, down a couple of tenths of a percentage point. Accordingly, the recovery is expected to be slower. It is difficult to assess the impact of tariffs on inflation, which could be both positive and negative. Any impact of the trade war on SCBC's operations will be through the general economic conditions in Sweden, and is thus deemed to be small.

Above all, armed conflict leads to a great deal of human suffering. However, it also affects economic performance and the financial markets, not just locally but often globally. Russia's war with Ukraine has led to extensive sanctions against Russia, to which Russia has responded by cutting off gas supplies to Europe. It has also led to higher public spending on defence, which can be expected to increase further going forward. Escalating conflicts in the Middle East have yet to have any clear economic consequences, but risk, in addition to further raising uncertainty, leading to higher oil prices. Although SCBC has no presence in the war- or sanction-affected areas, the company is indirectly affected by the unrest through its impact on the global economy. War can lead to high inflation, for example through extensive public borrowing, uncertainty about the future and volatility in the financial markets.

For further information about risks and risk management, please refer to SCBC's 2024 Annual Report.

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# Condensed income statement

SEK million	SCBC			
	2025 Jan-Jun	2024 Jul-Dec	2024 Jan-Jun	2024 Jan-Dec
Interest income <sup>1)</sup>	8,637	10,495	11,289	21,784
Interest expense	-6,664	-8,737	-9,374	-18,111
<b>Net interest income</b>	<b>1,973</b>	<b>1,758</b>	<b>1,915</b>	<b>3,673</b>
Commission income	5	5	4	9
Commission expense	-26	-19	-34	-53
Net expense from financial transactions (Note 3)	-19	11	17	28
Other operating income	0	-1	0	-1
<b>Total operating income</b>	<b>1,933</b>	<b>1,754</b>	<b>1,902</b>	<b>3,656</b>
General administrative expenses	-763	-761	-694	-1,455
Other operating expenses	-8	-8	-7	-15
<b>Total expenses before loan losses and imposed fees</b>	<b>-771</b>	<b>-769</b>	<b>-701</b>	<b>-1,470</b>
<b>Profit before loan losses and imposed fees</b>	<b>1,162</b>	<b>985</b>	<b>1,201</b>	<b>2,186</b>
Net credit losses (Note 4)	14	-13	-34	-47
Imposed fees: Risk tax and resolution fee	-180	-183	-185	-368
<b>Operating profit</b>	<b>996</b>	<b>789</b>	<b>982</b>	<b>1,771</b>
Tax on operating profit for the period/year	-205	-163	-202	-365
<b>Net profit for the period/year</b>	<b>791</b>	<b>626</b>	<b>780</b>	<b>1,406</b>

1) The first half of 2025 the interest income on financial assets measured at amortised cost, calculated using the effective-interest method, amounted to SEK 8,540 million and for the corresponding period the previous year to SEK 10,290 million.

# Condensed statement of comprehensive income

SEK million	SCBC			
	2025 Jan-Jun	2024 Jul-Dec	2024 Jan-Jun	2024 Jan-Dec
<b>Net profit for the period</b>	<b>791</b>	<b>626</b>	<b>780</b>	<b>1,406</b>
<i>Components that will be reclassified to profit or loss</i>				
Changes related to cash-flow hedges	542	1,985	-1,084	901
Tax attributable to components that will be reclassified to profit or loss	-111	-409	223	-186
<b>Other comprehensive income/loss, net of tax</b>	<b>431</b>	<b>1,576</b>	<b>-861</b>	<b>715</b>
<b>Total comprehensive income for the year/period</b>	<b>1,222</b>	<b>2,202</b>	<b>-81</b>	<b>2,121</b>

SCBC's financial position and development is reflected in the income statement and balance sheet. Moreover, the applied accounting policies give certain revaluation effects, among other effects, that are recognised in other comprehensive income.

Other comprehensive income includes changes in cash-flow hedges that consist of unrealised value changes from derivatives used for hedging cash flows in the company's funding in foreign currencies. Funding in cash flow

hedges is measured at amortised cost, where value changes are not recognised while derivatives that hedge borrowing are marked to market. This means that changes in rates, primarily in euro, can lead to volatility during the term, even if the longterm result is zero. The line item is normally affected positively by a decline in interest rates and negatively by a rise in interest rates.

For further comments on the outcome of the period, please see the section Business Development earlier in this report.

# Condensed balance sheet

SEK million	SCBC		
	30 Jun 2025	31 Dec 2024	30 Jun 2024
<b>ASSETS</b>			
Lending to credit institutions	948	1,538	1,427
Lending to the public (Note 5)	526,618	520,771	504,573
Value changes of interest-rate-risk hedged items in macro hedges	380	-357	-1,036
Derivatives (Note 6)	6,727	9,526	8,103
Deferred tax assets	663	772	1,183
Other assets	180	187	1,331
Prepaid expenses and accrued income	402	312	427
<b>TOTAL ASSETS</b>	<b>535,918</b>	<b>532,749</b>	<b>516,008</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Liabilities to credit institutions	2	1	25
Debt securities issued, etc.	315,013	305,210	308,539
Derivatives (Note 6)	7,346	8,516	13,420
Other liabilities	53	46	91
Accrued expenses and deferred income	1,424	3,391	1,432
Subordinated debt to the Parent Company (Note 9)	189,340	193,488	172,598
<b>Total liabilities</b>	<b>513,178</b>	<b>510,652</b>	<b>496,105</b>
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	50	50	50
<b>Total restricted equity</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Unrestricted equity</b>			
Shareholder contribution	16,350	16,350	16,350
Fair value reserve	-2,523	-2,954	-4,530
Retained earnings	8,072	7,245	7,253
Net profit for the year/period	791	1,406	780
<b>Total unrestricted equity</b>	<b>22,690</b>	<b>22,047</b>	<b>19,853</b>
<b>Total equity</b>	<b>22,740</b>	<b>22,097</b>	<b>19,903</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>535,918</b>	<b>532,749</b>	<b>516,008</b>

# Condensed statement of changes in equity

	SCBC					
	Restricted equity	Unrestricted equity				
SEK million	Share capital	Fair value reserve	Shareholder contribution	Retained earnings	Net profit for the year	Total equity
Opening balance 1 January 2025	50	-2,954	16,350	8,651	-	22,097
Dividend paid	-	-	-	-579	-	-579
Other comprehensive income	-	431	-	-	-	431
Net profit for the period	-	-	-	-	791	791
Comprehensive income for the period	-	431	-	-	791	1,222
Closing balance 30 June 2025	50	-2,523	16,350	8,072	791	22,740
Opening balance 1 January 2024	50	-3,669	16,350	12,253	-	24,984
Dividend paid	-	-	-	-5,000	-	-5,000
Other comprehensive income	-	-861	-	-	-	-861
Net profit for the period	-	-	-	-	780	780
Comprehensive income for the period	-	-861	-	-	780	-81
Closing balance 30 June 2024	50	-4,530	16,530	7,253	780	19,903
Opening balance 1 January 2024	50	-3,669	16,350	12,253	-	24,984
Dividend paid	-	-	-	-5,000	-	-5,000
Group contribution paid, after tax	-	-	-	-8	-	-8
Other comprehensive income	-	715	-	-	-	715
Net profit for the year	-	-	-	-	1,406	1,406
Comprehensive income for the year	-	715	-	-	1,406	2,121
Closing balance 31 December 2024	50	-2,954	16,350	7,245	1,406	22,097

# Condensed cash-flow statement

SEK million	SCBC		
	2025	2024	2024
	Jan-Jun	Jan-Jun	Jan-Dec
Opening cash and cash equivalents	1,538	1,379	1,379
<b>OPERATING ACTIVITIES</b>			
Interest and commissions paid/received	-9	245	3,970
Outflows to suppliers and employees	-952	-887	-1,838
Taxes paid/refunded	-337	-280	-611
Change in assets and liabilities of operating activities	5,435	-28,839	-52,061
<b>Cash flow from (used in) operating activities</b>	<b>4,137</b>	<b>-29,761</b>	<b>-50,540</b>
<b>INVESTING ACTIVITIES</b>			
Cash flow from investing activities	-	-	-
<b>FINANCING ACTIVITIES</b>			
Dividend paid	-579	-5,000	-5,000
Change in subordinated debt	-4,148	34,809	55,699
<b>Cash flow from financing activities</b>	<b>-4,727</b>	<b>29,809</b>	<b>50,699</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>-590</b>	<b>48</b>	<b>159</b>
<b>Closing cash and cash equivalents</b>	<b>948</b>	<b>1,427</b>	<b>1,538</b>

Cash and cash equivalents are defined as cash and lending to credit institutions.

## Change in liabilities attributable to financing activities

SEK million	SCBC									
	Opening balance 1 Jan 2025	Non-cash items				Opening balance 1 Jan 2024	Non-cash items			
		Cash flow	Fair value	Other	Closing balance 30 Jun 2025		Cash flow	Fair value	Other	Closing balance 30 Jun 2024
Subordinated debt	193,488	-4,148	-	-	189,340	137,789	34,809	-	-	172,598
<b>Total</b>	<b>193,488</b>	<b>-4,148</b>	<b>-</b>	<b>-</b>	<b>189,340</b>	<b>137,789</b>	<b>34,809</b>	<b>-</b>	<b>-</b>	<b>172,598</b>

## Note 1 Accounting policies

SCBC applies IFRS® Accounting Standards as adopted by the EU, which means that this interim report has been prepared in compliance with IFRS subject to the additions and exceptions that ensue from the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, Finansinspektionen's regulations and general guidelines on annual accounts for credit institutions and securities companies (FFFS 2008:25) and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. SCBC prepares interim reports in accordance with IAS 34, taking into account the exceptions from and additions to IFRS Accounting Standards as detailed in RFR 2.

**New and amended accounting principles that come into effect in 2025 or later**  
IFRS 18 Presentation and Disclosures in Financial Statements will replace IAS 1 Presentation of Financial Reports. The new standard will be effective for fiscal years beginning on or after January 1, 2027. Analysis is underway of the effect the new standard will have on SCBC's financial report.

Other changed accounting principles with entry into force in 2025 or later, such as IASB's published amendments regarding classification and measurement of financial instruments in IFRS 9 and IFRS 7, are currently deemed to have no significant impact on the SCBC's accounting or financial report.

The condensed interim reports are prepared on a going concern basis. The condensed interim reports were approved by the board for publication on 15 July 2025.

## Note 2 Changes in risks

### Credit risk in lending operations

The credit risk in SCBC's lending portfolio is still low and the share of customers experiencing payment difficulties decreased during the half-year, mainly due to the currently lower interest rates. Within the Private business area, this has been observed both through reduced exposure within credit stage 3 due to write-offs and cures for defaulted customers and through positive rating grade migrations for performing customers. Within the Corporates & Associations business area, rating grade migrations have been positive overall but a few larger negative migrations for customers have also occurred. Total loss provisions for expected credit losses (ECL) amounted to SEK 242 million as of June 30, 2025, compared to SEK 268 million as of December 31, 2024.

The Loan-to-Value (LTV) for private individuals, real estate companies, and tenant-owners' associations amounted to 58%, 61%, and 32%, respectively as of June 30, 2025, compared to 59%, 60%, and 31% as of December 31, 2024.

For more information regarding credit losses, credit loss allowances, credit risk and quality, please see [Note 4](#).

### Counterparty credit risk in treasury operations

SCBC models counterparty credit risk according to CRR II Standardised Approach (SA-CCR). Total exposure to SCBC's transactional counterparties increased to SEK 925 million as of June 30 compared to SEK 638 million as of December 31, 2024.

### Liquidity risk

Liquidity risk in SCBC is managed in cooperation with SBAB. SCBC together with SBAB Bank AB (publ) is treated as a liquidity subgroup according to CRR art. 8 and according to a decision from the Financial Supervisory Authority. SCBC has an agreement with SBAB regarding a liquidity facility which can be used to finance SCBC's operations. As of June 30, OC<sup>2)</sup> amounted to 32.2% (30.2% as of December 31, 2024).

### Market risk

The main market risk for SCBC is interest rate risk. Interest rate risk (delta EVE) measured according to FI's pillar 2 method is 154 million as of 30 June compared to 177 on 31 December 2024. The worst scenario is parallel up, both now and at year end.

### Operational risk

The change of SBAB's core ICT-system, with end date in the second quarter of 2026, is ongoing and complex. Therefore, the project is still a source to exposure for operational risks.

### Business risk

Financial markets continue to be impacted by the current geopolitical situation and by elevated interest rates. The impact on SCBC's financial position is nevertheless moderate. Business risk is therefore considered to be at a low level. No material changes in the competitive landscape were observed during the year and SCBC has not entered any new, or exited any existing, markets or segments.

### Concentration risk

SCBC is mainly exposed to credit risk-related concentration risk in the lending business. The risk department continuously monitors and analyzes the lending portfolio's concentration based on, among other things, geography, collateral, segments and product type. In addition, large exposures to individual counterparties are monitored on an ongoing basis. SCBC evaluates the capital requirement for concentration risk on a regular basis and quantifies the risk with economic capital for credit risk exposures. For more information, please see [Note 11](#).

1) The comparison figure has been updated to also include repurchase agreements.

2) OC (Over-Collateralization) measures the OC-level in the cover pool. Regulated by "lagen om utgivning av säkerställda obligationer" (SFS 2003:1223) and regulations and general guidelines regarding covered bonds from Swedish FSA (FFFS 2013:1).

### Note 3 Net result of financial transactions

SEK million	SCBC			
	2025 Jan-Jun	2024 Jul-Dec	2024 Jan-Jun	2024 Jan-Dec
<b>Gains/losses on interest-bearing financial instruments</b>				
– Change in value of hedged items in hedge accounting	-2,221	-1,562	11	-1,551
– Derivatives in hedge accounting	2,207	1,560	-24	1,536
– Other derivatives	-63	-240	-15	-255
– Realised gain/loss from financial liabilities at amortised cost	53	243	41	284
– Loan receivables at amortised cost	5	10	4	14
Currency translation effects	0	0	0	0
<b>Total</b>	<b>-19</b>	<b>11</b>	<b>17</b>	<b>28</b>

SCBC uses derivatives to manage interest rate and currency risks in assets and liabilities. Derivatives are recognised at fair value in the balance sheet. SCBC's risk management and hedge accounting strategies entail that profit variations between periods may arise for individual items in the table above, as a result

of changes in market interest rates, but that they are in general offset by profit variations in other items. Profit variations not neutralised through risk management and hedge accounting are commented on in the income statement overview.

### Note 4 Net credit losses

SEK million	SCBC			
	2025 Jan-Jun	2024 Jul-Dec	2024 Jan-Jun	2024 Jan-Dec
<b>Lending to the public</b>				
Confirmed credit losses	-12	-3	-3	-6
Recoveries of previously confirmed credit losses	-	-	-	-
Adjustment of interest on written down loans	1	1	2	3
Change in provision for the period – credit stage 1	1	2	17	19
Change in provision for the period – credit stage 2	-1	7	-6	1
Change in provision for the period – credit stage 3	25	-20	-44	-64
Guarantees	0	0	0	0
<b>Net credit losses for the period – lending to the public</b>	<b>14</b>	<b>-13</b>	<b>-34</b>	<b>-47</b>

During the first half of 2025, total credit losses amounted to positive SEK 14 million (13). Confirmed credit losses amounted to SEK 12 million (3). During the half-year, total loan loss provisions decreased by SEK 25 million (increase by 11). Loss provisions decreased by SEK 1 million (decrease by 2) for loans in credit stage 1, increased by SEK 1 million (decrease by 7) for loans in credit stage 2 and decreased by SEK 25 million (increase by 20) for loans in credit stage 3.

During the half-year, exposures in credit stage 3 within the Private business area decreased due to write-offs and cures for defaulted exposures in combination with fewer new defaults. Rating grade migrations within both

business areas were positive overall. However, a few larger negative migrations occurred for customers within the Corporates & Associations business area. The forward-looking information was updated twice during the first half of the year and led to increased loss provisions due to somewhat worse forecasts for interest rates, unemployment and housing prices. The management overlay of SEK 30 million, implemented at the end of 2024 for credit stage 1 and 2 for the Private business area, remains unchanged.

Guarantee amounts that can be utilised to cover credit losses was unchanged (unchanged) during the half-year.

## Note 4 Net credit losses, Cont.

### Sensitivity analysis of forward-looking information

#### Lending to the public and loan commitments

	Scenario 1 (40%)			Scenario 2 (10%)			Scenario 3 (25%)			Scenario 4 (25%)		
Factors	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028
GDP <sup>1)</sup> , Δ	+3.3%	+2.5%	+1.8%	+4.3%	+2.4%	+1.3%	+6.7%	+3.0%	+2.2%	-0.7%	+1.5%	+1.8%
Repo rate	2.2%	2.2%	2.2%	2.0%	2.4%	2.4%	2.5%	2.6%	2.5%	3.2%	3.3%	3.1%
Unemployment	8.3%	7.9%	7.4%	7.7%	6.8%	6.3%	11.1%	10.7%	9.4%	9.5%	10.3%	10.3%
House prices, Δ	+4.1%	+4.5%	+2.9%	+1.9%	+4.5%	+2.8%	-8.4%	-1.6%	+2.9%	-13.9%	-10.3%	+0.3%
Prices of tenant-owners' rights, Δ	+6.0%	+4.9%	+3.5%	+3.2%	+4.8%	+3.4%	-8.9%	-3.8%	+3.5%	-13.9%	-11.3%	+1.0%
Property prices, Δ	+1.7%	+4.6%	+5.0%	+1.0%	+3.4%	+4.3%	-5.7%	-5.0%	-2.2%	-7.7%	-9.8%	-8.7%
ECL	SEK 135 million			SEK 131 million			SEK 276 million			SEK 425 million		
Weighted ECL	SEK 242 million											

1) Not included in the ECL calculation

#### Impairment model and credit loss provisions

SCBC has evaluated the macroeconomic development during the first half of 2025 and received updated macroeconomic forecasts from SBAB's Chief Economist to revise the forward-looking information applied in the impairment model for calculating expected credit losses (ECL model) and thereby loan loss provisions. The forward-looking information comprises four scenarios: A base scenario and three alternative scenarios, where the base scenario (scenario 1) is currently positive and describes a normal recovery from the current recession and represents the bank's expectations for Sweden's economy. The three alternative scenarios comprise one positive (scenario 2) and two negative (scenarios 3 and 4) relative to the base scenario. The most recent forward-looking information indicates stable interest rates going forward and price increases for housing and properties in the positive scenarios, while price decreases for housing and properties and rising unemployment dominate the negative scenarios. Compared to the previous forward-looking information, the forecasts for interest rates, unemployment, and housing prices are somewhat worse. The revised forward-looking information contributed to increased loss provisions of SEK 18 million for the first half of 2025. The table above depicts the forward-looking information, consisting of a weighting of the four scenarios with forecasts of the macroeconomic factors applied in the ECL model.

During June, the PD-model for forward-looking information was calibrated by including newly observed data. In addition, an analysis was performed by the model development team which showed that certain changes to the PD-model improved its predictive power and increased stability in estimates over time. The main change that was implemented in the model was a moving average for the repo rate. The model update contributed to decreased loss provisions of SEK 25 million.

As of June 30, 2025, the total loss provisions amount to SEK 242 million, compared to SEK 268 million as of December 31, 2024. The bank is comfortable with the scope of the loss allowances.

#### Overall credit quality

The credit quality in SCBC:s lending portfolio remains strong and the credit risk in lending to private individuals is low. SBAB:s lending within the Private business area is based on a sound credit approval process that determines whether customers have the financial capacity required to meet their obligations. The Swedish Financial Supervisory Authority's annual mortgage survey, with data from 2024, shows that the financial conditions for new customers have improved slightly over the past year. The improvement can, among other things, be explained by the fact interest rates have been lowered following reduced inflation. As of the end of the first half of 2025, the average Loan-to-Value (LTV) ratio<sup>2)</sup> in SCBC's mortgage portfolio was 58% (59). During the first half of 2025, the number of individually assessed loss provisions within the Private business area decreased and the associated provisions decreased by SEK 1 million.

The credit quality in SCBC:s lending to real estate companies, property developers, and tenant-owners' associations also remains strong. For real estate companies and tenant-owners' associations, the average LTV as of the end of the first half of 2025 was 61% (60) and 32% (31), respectively. No loans with individually assessed loss provisions exist within the Corporates & Associations business area as of the first half of 2025.

2) The loan-to-value (LTV) ratio is defined as the size of a loan in relation to the market value of pledged collateral. The reported average is the weighted average. Where applicable, the calculation takes into consideration contributory factors such as guarantees and the collateral's lien priority. SCBC verifies property values on a regular basis. For residential properties and tenant-owners' rights, the property value is verified at least every third year.

## Note 5 Lending to the public

SEK million	SCBC		
	30 Jun 2025	31 Dec 2024	30 Jun 2024
Opening balance	520,771	493,220	493,220
Transferred to/from Group entities	29,766	71,756	30,606
Amortisation, repayments, etc.	-23,933	-44,155	-19,217
Confirmed credit losses	-12	-6	-3
Change in provision for expected credit losses <sup>1)</sup>	-26	-44	-33
<b>Closing balance</b>	<b>526,618</b>	<b>520,771</b>	<b>504,573</b>

1) For further information, please refer to [Note 4](#) ("Change in provision for the period – credit stage 1, 2 and 3").

### Distribution of lending, including provisions

SEK million	SCBC		
	30 Jun 2025	31 Dec 2024	30 Jun 2024
Lending, Residential mortgages	367,048	362,334	349,109
Lending, Corporate Clients & Tenant-Owners' Associations	159,570	158,437	155,464
<b>Total</b>	<b>526,618</b>	<b>520,771</b>	<b>504,573</b>



## Note 5 Lending to the public, Cont.

### Lending to the public by credit stage

SEK million	SCBC		
	30 Jun 2025	31 Dec 2024	30 Jun 2024
<b>Credit stage 1</b>			
Gross carrying amount	496,511	486,631	458,616
Provision for expected credit losses	-28	-29	-31
<b>Carrying amount</b>	<b>496,483</b>	<b>486,602</b>	<b>458,585</b>
<b>Credit stage 2</b>			
Gross carrying amount	29,653	33,580	45,447
Provision for expected credit losses	-61	-60	-68
<b>Carrying amount</b>	<b>29,592</b>	<b>33,520</b>	<b>45,379</b>
<b>Credit stage 3</b>			
Gross carrying amount	696	828	767
Provision for expected credit losses	-153	-179	-158
<b>Carrying amount</b>	<b>543</b>	<b>649</b>	<b>609</b>
<b>Gross carrying amount (credit stages 1, 2 and 3)</b>	<b>526,860</b>	<b>521,039</b>	<b>504,830</b>
<b>Provision for expected credit losses (credit stages 1, 2 and 3)</b>	<b>-242</b>	<b>-268</b>	<b>-257</b>
<b>Total</b>	<b>526,618</b>	<b>520,771</b>	<b>504,573</b>

### Lending to the public and provisions

SEK million	SCBC							
	Credit stage 1 Capital	Provision	Credit stage 2 Capital	Provision	Credit stage 3 Capital	Provision	Capital	Provision
<b>Opening balance 1 January 2025</b>	<b>486,631</b>	<b>-29</b>	<b>33,580</b>	<b>-60</b>	<b>828</b>	<b>-179</b>	<b>521,039</b>	<b>-268</b>
Moved to credit stage 1	9,323	-14	-9,307	11	-16	3	0	0
Moved to credit stage 2	-8,048	1	8,218	-20	-170	19	0	0
Moved to credit stage 3	-38	0	-169	1	207	-1	0	0
Volume change*	6,509	-1	-2,461	5	-138	30	3,910	34
Revaluation**	2,134	15	-208	2	-3	-35	1,923	-18
Confirmed credit losses	-	-	-	-	-12	10	-12	10
<b>Closing balance 30 June 2025</b>	<b>496,511</b>	<b>-28</b>	<b>29,653</b>	<b>-61</b>	<b>696</b>	<b>-153</b>	<b>526,860</b>	<b>-242</b>

\* Refers to new lending, amortisations, redemptions and loan transfers between SBAB and SCBC.

\*\* Refers to revaluation of ECL as well as changes in transaction and modification costs.

SEK million	SCBC							
	Credit stage 1 Capital	Provision	Credit stage 2 Capital	Provision	Credit stage 3 Capital	Provision	Capital	Provision
<b>Opening balance 1 January 2024</b>	<b>449,733</b>	<b>-48</b>	<b>43,063</b>	<b>-61</b>	<b>648</b>	<b>-115</b>	<b>493,444</b>	<b>-224</b>
Moved to credit stage 1	22,782	-39	-22,744	33	-38	6	0	0
Moved to credit stage 2	-18,774	5	18,886	-15	-112	10	0	0
Moved to credit stage 3	-193	0	-345	2	538	-2	0	0
Volume change*	31,660	-1	-4,878	2	-195	23	26,586	25
Revaluation**	1,423	54	-402	-21	-7	-106	1,014	-73
Confirmed credit losses	0	-	-	-	-6	5	-6	5
<b>Closing balance 31 December 2024</b>	<b>486,631</b>	<b>-29</b>	<b>33,580</b>	<b>-60</b>	<b>828</b>	<b>-179</b>	<b>521,039</b>	<b>-268</b>

\* Refers to new lending, amortisations, redemptions and loan transfers between SBAB and SCBC.

\*\* Refers to revaluation of ECL as well as changes in transaction and modification costs.

## Note 6 Derivatives

SEK million	SCBC					
	30 Jun 2025			31 Dec 2024		
	Assets measured at fair value	Liabilities measured at fair value	Total nominal amount	Assets measured at fair value	Liabilities measured at fair value	Total nominal amount
Interest-rate-related	2,774	6,991	366,955	2,716	8,516	331,904
Currency-related	3,953	355	72,356	6,810	–	69,219
<b>Total</b>	<b>6,727</b>	<b>7,346</b>	<b>439,311</b>	<b>9,526</b>	<b>8,516</b>	<b>401,123</b>

Cross-currency interest-rate swaps are classified as currency-related derivatives.

## Note 7 Classification of financial instruments

### Financial assets

SEK million	SCBC				
	30 Jun 2025				
	Financial assets measured at FVTPL		Financial assets measured at amortised cost	Total	Total fair value
	Derivatives (held for trading)	Other (obligatory) classification			
Lending to credit institutions	–	–	948	948	948
Lending to the public	–	–	526,618	526,618	527,749
Value changes of interest-rate-risk hedged items in macro hedges	–	–	380	380	–
Derivatives	6,727	–	–	6,727	6,727
Other assets	–	–	128	128	128
Prepaid expenses and accrued income	–	–	311	311	311
<b>Total</b>	<b>6,727</b>	<b>–</b>	<b>528,385</b>	<b>535,112</b>	<b>535,863</b>

### Financial liabilities

SEK million	SCBC				
	30 Jun 2025				
	Financial liabilities measured at FVTPL		Financial liabilities measured at amortised cost	Total	Total fair value
	Derivatives (held for trading)	Held for trading			
Liabilities to credit institutions	–	–	2	2	2
Issued debt securities, etc.	–	–	315,013	315,013	312,469
Derivatives	7,346	–	–	7,346	7,346
Other liabilities	–	–	53	53	53
Accrued expenses and deferred income	–	–	1,424	1,424	1,424
Subordinated debt to the Parent Company	–	–	189,340	189,340	189,340
<b>Total</b>	<b>7,346</b>	<b>–</b>	<b>505,832</b>	<b>513,178</b>	<b>510,634</b>

## Not 7 Classification of financial instruments, Cont.

### Financial assets

SCBC					
31 Dec 2024					
SEK million	Financial assets measured at FVTPL		Financial assets measured at amortised cost	Total	Total fair value
	Derivatives (held for trading)	Other (obligatory) classification			
Lending to credit institutions	-	-	1,538	1,538	1,538
Lending to the public	-	-	520,771	520,771	519,265
Value changes of interest-rate-risk hedged items in macro hedges	-	-	-357	-357	-
Derivatives	9,526	-	-	9,526	9,526
Other assets	-	-	171	171	171
Prepaid expenses and accrued income	-	-	312	312	312
<b>Total</b>	<b>9,526</b>	<b>-</b>	<b>522,435</b>	<b>531,961</b>	<b>530,812</b>

### Financial liabilities

SCBC					
31 Dec 2024					
SEK million	Financial liabilities measured at FVTPL		Financial liabilities measured at amortised cost	Total	Total fair value
	Derivatives (held for trading)	Held for trading			
Liabilities to credit institutions	-	-	1	1	1
Issued debt securities, etc.	-	-	305,210	305,210	301,249
Derivatives	8,516	-	-	8,516	8,516
Other liabilities	-	-	46	46	46
Accrued expenses and deferred income	-	-	3,391	3,391	3,391
Subordinated debt to the Parent Company	-	-	193,488	193,488	193,488
<b>Total</b>	<b>8,516</b>	<b>-</b>	<b>502,136</b>	<b>510,652</b>	<b>506,691</b>

#### Fair value measurement of financial instruments

The measurement policies for financial instruments recognised at fair value in the balance sheet are provided in Note G 1 (Accounting Policies) in SCBC's Annual Report 2024. In the total fair value column above, information is also provided on the fair value of financial instruments that are recognised at amortised cost in the balance sheet. The carrying amounts for current receivables and liabilities, including subordinated debt to the Parent Company, have

been assessed as equal to their fair values. For Lending to the public, where no observable credit margin data is available at the time of measurement, the credit margin on the most recent date for changes in terms is applied to set the discount rate, Level 3. Issued debt securities are measured at the company's current borrowing interest rate, Level 2.

## Note 8 Fair Value Disclosures

SEK million	SCBC							
	30 Jun 2025				31 Dec 2024			
	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	Total	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	Total
<b>Assets</b>								
Derivatives	–	6,727	–	6,727	–	9,526	–	9,526
<b>Total</b>	–	<b>6,727</b>	–	<b>6,727</b>	–	<b>9,526</b>	–	<b>9,526</b>
<b>Liabilities</b>								
Derivatives	–	7,346	–	7,346	–	8,516	–	8,516
<b>Total</b>	–	<b>7,346</b>	–	<b>7,346</b>	–	<b>8,516</b>	–	<b>8,516</b>

The measurement policies for financial instruments recognised at fair value in the balance sheet are provided provided in Note 9 1 (Accounting Policies) in SCBC's Annual Report 2024. In the table, financial assets and liabilities recognised at fair value in the balance sheet are divided on the basis of the measurement levels used below. No transfers were made between levels in 2024 or 2025.

### Quoted market prices (Level 1)

Measurement at quoted prices in an active market for identical assets and liabilities. A market is deemed to be active if the price data is easily accessible and corresponds to actual regularly occurring transactions. This measurement method is currently not used on any asset or liability.

### Measurement based on observable market data (Level 2)

Measurement aided by external market information other than quoted prices included in Level 1, such as quoted interest rates or prices for closely related instruments. The main tools used are models based on discounted cash flows. This group includes all non-quoted derivatives.

### Measurement based in part on market unobservable data (Level 3)

Measurement whereby a material component of the model is based on estimates or assumptions that do not originate directly from the market. This method is currently not used on any asset or liability.

## Note 9 Subordinated debt to the Parent Company

SEK million	SCBC		
	30 Jun 2025	31 Dec 2024	30 Jun 2024
Subordinated debt to the Parent Company	189,340	193,488	172,598
– Of which Internal Group MREL instrument	24,000	24,000	30,000
<b>Total</b>	<b>189,340</b>	<b>193,488</b>	<b>172,598</b>

### Terms and conditions governing subordination

The subordinated debt is subordinate to the company's other liabilities in the event of receivership or liquidation, which means that it carries an entitlement to payment only after other claimants have received payment.

### Internal Group MREL instrument

Of the subordinated debt to the Parent Company SBAB Bank AB (publ), SEK 24,000 million (24,000) comprises internal Group debt instruments (senior non-preferred notes) that were issued by SCBC to the Parent Company for the purpose of meeting the minimum requirement for own funds and eligible liabilities (MREL) announced by the Swedish National Debt Office in SCBC. The internal Group MREL instruments are subordinate to other subordinated debt to the Parent Company.

## Note 10 Capital adequacy, own funds and capital requirements

### Amendments to the Banking Package

The capital adequacy is based on the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD). Information in this note refers to the minimum capital requirements according to Pillar 1 and corresponds to the disclosure requirements in the CRR, part eight and the Swedish FSA regulation FFFS 2014:12 on supervisory requirements and capital buffers.

In June 2024 changes in CRR and CRD were adopted and published in the Official Journal. The regulation contains amendments that improve the comparability of risk-based capital measures between the banks in the EU banking sector. The regulation includes changes to the standardized approaches and the internal models used to calculate capital requirements for credit risk. For the internal models a capital requirement floor is introduced, where risk weighted

exposure amounts must not be less than 72.5% of what the standardized approach measures, with a transitional period during 2025-2030.

The rules are mainly to be applied from 1 January 2025, but for several years transitional rules will apply.

### Buffer requirements

The countercyclical buffer rate for Swedish exposures amounts to 2% as of 30 June 2025. The Swedish FSA has announced in the second quarter 2025 that the countercyclical buffer rate is left unchanged.

The countercyclical buffer rates for Denmark and Norway are unchanged at 2.5% as of 30 June 2025.

## Capital adequacy

SEK million	SCBC				
	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024
<b>Available own funds (amounts)</b>					
Common Equity Tier 1 (CET1) capital	24,739	24,552	24,140	23,904	23,742
Tier 1 capital	24,739	24,552	24,140	23,904	23,742
Total capital	24,750	24,562	24,144	23,910	23,748
<b>Risk-weighted exposure amounts</b>					
Total risk exposure amount	132,412	130,448	147,471	143,669	144,216
Total risk Exposure pre-floor <sup>1)</sup>					
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>					
Common Equity Tier 1 ratio (%)	18.7	18.8	16.4	16.6	16.5
Common Equity Tier 1 ratio considering unfloored TREA (%) <sup>1)</sup>					
Tier 1 ratio (%)	18.7	18.8	16.4	16.6	16.5
Tier 1 ratio considering unfloored TREA (%) <sup>1)</sup>					
Total capital ratio (%)	18.7	18.8	16.4	16.6	16.5
Total capital ratio considering unfloored TREA (%) <sup>1)</sup>					
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.2	1.2	1.2	1.2	1.2
of which: to be made up of CET1 capital (percentage points)	0.7	0.7	0.7	0.7	0.7
of which: to be made up of Tier 1 capital (percentage points)	0.9	0.9	0.9	0.9	0.9
Total SREP own funds requirements (%)	9.2	9.2	9.2	9.2	9.2

**Note 10** Capital adequacy, own funds and capital requirements, Cont.

SEK million	SCBC				
	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Sep 2024	30 Jun 2024
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>					
Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	–	–	–	–	–
Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0
Systemic risk buffer (%)	–	–	–	–	–
Global Systemically Important Institution buffer (%)	–	–	–	–	–
Other Systemically Important Institution buffer (%)	–	–	–	–	–
Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
Overall capital requirements (%)	13.7	13.7	13.7	13.7	13.7
CET1 available after meeting the total SREP own funds requirements (%)	9.4	9.6	7.1	7.4	7.2
<b>Leverage ratio</b>					
Total exposure measure	531,819	526,691	524,312	515,689	509,360
Leverage ratio (%)	4.7	4.7	4.6	4.6	4.7
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>					
Additional own funds requirements to address the risk of excessive leverage (%)	–	–	–	–	–
of which: to be made up of CET1 capital (percentage points)	–	–	–	–	–
Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>					
Leverage ratio buffer requirement (%)	–	–	–	–	–
Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
<b>Liquidity Coverage Ratio<sup>2)</sup></b>					
Total high-quality liquid assets (HQLA) (Weighted value -average)					
Cash outflows - Total weighted value					
Cash inflows - Total weighted value					
Total net cash outflows (adjusted value)					
Liquidity coverage ratio (%)					
<b>Net Stable Funding Ratio<sup>2)</sup></b>					
Total available stable funding					
Total required stable funding					
NSFR ratio (%)					

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

2) 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. For results on a consolidated level, see interim report for SBAB.

## Note 10 Capital adequacy, own funds and capital requirements, Cont.

Disclosures in accordance with Article 4 of Commission Implementing Regulation (EU) No 637/2021, Annex VII.

### Own funds

SEK million	SCBC		
	30 Jun 2025	31 Dec 2024	30 Jun 2024
<b>Common Equity Tier 1 (CET1) capital : Instruments and reserves</b>			
Capital instruments and the related share premium accounts	50	50	50
Retained earnings	24,422	23,595	23,603
Accumulated other comprehensive income (and other reserves)	-2,523	-2,954	-4,530
Independently reviewed year end profits net of any foreseeable charge or dividend <sup>1)</sup>	474	827	468
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>22 423</b>	<b>21,518</b>	<b>19,591</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
Additional value adjustments (negative amount)	-6	-18	-23
Intangible assets(net of related tax liability (negative amount)	-	-	-
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	2,523	2,954	4,530
Negative amounts resulting from the calculation of expected loss amounts	-201	-313	-355
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-	-
Other regulatory adjustments <sup>2)</sup>	0	-1	-1
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>2,316</b>	<b>2,622</b>	<b>4,151</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>24,739</b>	<b>24,140</b>	<b>23,742</b>
<b>Additional Tier 1 (AT1) capital: Instruments</b>			
<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>			
<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional Tier 1 (AT1) capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 1 capital (T1 = CET1+AT1)</b>	<b>24,739</b>	<b>24,140</b>	<b>23,742</b>
<b>Tier 2 (T2) capital: Instruments</b>			
Capital instruments and the related share premium accounts	-	-	-
Credit risk adjustments	11	4	5
<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>11</b>	<b>4</b>	<b>5</b>
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
<b>Total regulatory adjustments to Tier 2(T2) capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 2 (T2) capital</b>	<b>11</b>	<b>4</b>	<b>5</b>
<b>Total capital (TC=T1+T2)</b>	<b>24,750</b>	<b>24,144</b>	<b>23,748</b>
<b>Total risk-exposure amount</b>	<b>132,412</b>	<b>147,471</b>	<b>144,216</b>

**Note 10** Capital adequacy, own funds and capital requirements, Cont.

SEK million	SCBC		
	30 Jun 2025	31 Dec 2024	30 Jun 2024
<b>Capital ratio and requirements including buffers, %</b>			
Common Equity Tier 1 capital	18.7	16.4	16.5
Tier 1 capital	18.7	16.4	16.5
Total capital	18.7	16.4	16.5
Institution CET1 overall capital requirements	9.7	9.7	9.7
– of which, capital conservation buffer requirement	2.5	2.5	2.5
– of which, countercyclical buffer requirement	2.0	2.0	2.0
– of which, systemic risk buffer requirement	–	–	–
– of which, G-SII buffer and O-SII buffer	–	–	–
– of which, additional own funds requirements to address the risk other than the risk of excessive leverage	0.7	0.7	0.7
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum requirements	9.4	7.1	7.2

1) Net profits for the period were reduced by the expected dividend of SEK 316 million. The results have been verified by Deloitte AB pursuant to Article 26, Point 2a of the Capital Requirements Regulation.

2) A small deduction from CET1 capital has been made due to the NPL backstop, pursuant to Article 36, Point 1m of the Capital Requirements Regulation.



## Note 10 Capital adequacy, own funds and capital requirements, Cont.

### Risk exposure amounts and capital requirements

SEK million	SCBC					
	30 Jun 2025		31 Dec 2024		30 Jun 2024	
	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement
<b>Credit risk recognised in accordance with IRB approach</b>						
Exposures to corporates	29,385	2,351	49,467	3,958	49,329	3,946
Retail exposures	9,287	743	16,904	1,352	18,322	1,466
– of which, exposures to SMEs	–	–	–	–	–	–
– of which, retail exposures secured by immovable property	9,287	743	16,904	1,352	18,322	1,466
<b>Total exposures recognised with IRB approach</b>	<b>38,672</b>	<b>3,094</b>	<b>66,371</b>	<b>5,310</b>	<b>67,651</b>	<b>5,412</b>
<b>Credit risk recognised with the standardised approach</b>						
Exposure to governments and central banks <sup>1)</sup>	21	1	14	1	19	2
Exposures to regional governments or local authorities or agencies	0	0	0	0	0	0
Exposures to institutions <sup>2)</sup>	202	16	161	13	182	15
– of which, derivatives according to CRR, Appendix 2	185	15	122	10	123	10
– of which, repos	17	1	38	3	57	5
– of which, other	0	0	1	0	2	0
Exposures to institutions and corporates with a short-term credit rating	2	0	2	0	2	0
Other items	471	39	0	0	112	8
<b>Total exposures recognised with standardised approach</b>	<b>696</b>	<b>56</b>	<b>177</b>	<b>14</b>	<b>315</b>	<b>25</b>
<b>Market risk</b>	<b>501</b>	<b>40</b>	<b>469</b>	<b>38</b>	<b>249</b>	<b>20</b>
– of which, position risk	–	–	–	–	–	–
– of which, currency risk	501	40	469	38	249	20
<b>Operational risk</b>	<b>6,264</b>	<b>501</b>	<b>5,971</b>	<b>478</b>	<b>5,971</b>	<b>478</b>
<b>Credit valuation adjustment risk</b>	<b>1,453</b>	<b>116</b>	<b>717</b>	<b>57</b>	<b>771</b>	<b>62</b>
<b>Additional requirements under Article 458 of the CRR</b>	<b>84,826</b>	<b>6,786</b>	<b>73,766</b>	<b>5,901</b>	<b>69,259</b>	<b>5,540</b>
<b>Total risk exposure amount and minimum capital requirement</b>	<b>132 412</b>	<b>10,593</b>	<b>147,471</b>	<b>11,798</b>	<b>144,216</b>	<b>11,537</b>
<b>Capital requirements for capital conservation buffer</b>		<b>3,310</b>		<b>3,687</b>		<b>3,606</b>
<b>Capital requirements for countercyclical buffer</b>		<b>2,648</b>		<b>2,949</b>		<b>2,884</b>
<b>Total capital requirement</b>		<b>16,551</b>		<b>18,434</b>		<b>18,027</b>

1) Risk-weighted amount for governments and central banks amounts to SEK 21 million (14) due to deferred tax according to CRR Article 48(4).

2) The risk exposure amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 202 million (160).

## Note 11 Internally assessed capital requirement

The internal capital adequacy assessment aims to ensure that SCBC has sufficient capital to withstand a financial crisis. The internally assessed capital requirement for SCBC amounted to SEK 7,054 million (SEK 7,526 million per 31 December 2024). The internal capital requirement is assessed using internal models for economic capital and is not fully comparable to the estimated capital requirement calculated by the Swedish FSA due to differences in both assumptions and methodologies. SCBC estimates that total capital requirement

as of 30 June 2025 according to Swedish FSA amount to SEK 18,193 million, of which SEK 1,642 million comprise capital requirement in Pillar 2. SCBC quantifies the internal capital requirement within the scope of the internal capital adequacy assessment (ICAAP). Internal capital requirement is defined as the higher of the economic capital and the regulatory capital requirement based on Pillar 1, Pillar 2, and buffer requirements for each risk category.

	SCBC	
	30 Jun 2025	31 Dec 2024
	Internally assessed capital requirement	
	SEK million	SEK million
Creditrisk	4,975	5,372
Market risk	584	495
Operational risk	501	478
Concentration risk	878	1,124
Sovereign risk	0	0
CVA	116	57
Other risks <sup>1)</sup>	0	0
<b>Total</b>	<b>7,054</b>	<b>7,526</b>
<b>Total own funds</b>	<b>24,750</b>	<b>24,144</b>

1) This includes pension and business risk

# Alternative performance measures

Alternative performance measures (APMs) are financial metrics of historical or future performance, financial position or cash flows that are not defined in the applicable rules for financial reporting (such as IFRS and the Swedish Annual Accounts Act) or in the EU's Capital Requirements Directive (CRD IV)/Capital Requirements Regulation (CRR).

SCBC uses APMs when these are relevant for the presentation and follow-up of SCBC's financial position and when these metrics are deemed to provide additional valuable information to readers of the financial reports. SCBC has also chosen to present the APMs as they are in common use within the industry. APMs can be calculated with various approaches and, accordingly, SCBC's metrics are not directly comparable with similar metrics presented by other companies.

## Return on equity

**Definition:** Net profit for the period (annualised) in relation to average equity (calculated using the opening and closing balances for the reporting period), after adjustment for additional Tier 1 instruments and value changes in financial assets recognised in equity.

The APM aims to provide the reader with further information regarding the SCBC's profitability in relation to unrestricted equity.

SEK million	SCBC		
	2025	2024	2024
	Jan-Jun	Jan-Jun	Jan-Dec
Net profit for the period	791	780	1,406
Annual. net profit for the period	1,582	1,560	1,406
Average equity	24,867	24,043	24,352
<b>Return on equity, %</b>	<b>6.4</b>	<b>6.5</b>	<b>5.8</b>

## Definitions of other key performance indicators

<b>Return on assets</b>	Net profit in relation to balance sheet total
<b>CET1 capital ratio</b>	CET1 capital in relation to risk-weighted assets
<b>Total capital ratio</b>	Own funds in relation to risk-weighted assets
<b>Tier 1 capital ratio</b>	Tier 1 capital in relation to risk-weighted assets
<b>Leverage ratio</b>	Tier 1 capital in relation to total assets and off-balance sheet exposures restated with the application of credit conversion factors

# Auditors' review report

To the Board of Directors in The Swedish Covered Bond Corporation (publ), org.nr. 556645-9755

## Introduction

We have reviewed the condensed interim financial information (interim report) for The Swedish Covered Bond Corporation ("SCBC") (in Swedish: AB Sveriges Säkerställda Obligationer (publ)) for the period 1 January – 30 June 2025. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on

Review Engagements (ISRE) 2410 Review of Interim Financial Information performed by the company's auditors. A review consists of making inquiries, primarily with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all mate-

rial aspects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, 15 July 2025

Deloitte AB

*Signature on Swedish original*

Malin Lünig  
Authorised Public Accountant

The Board of Directors and the CEO affirm that this report provides an accurate overview of the operations, financial position and performance of the company, and describes the significant risks and uncertainties faced by the company

Solna, July 15, 2025

Jan Sinclair  
*Chairman of the Board*

Jane Lundgren-Ericsson  
*Board Member*

Synnöve Trygg  
*Board Member*

Mikael Inglander  
*Board Member*

Fredrik Jönsson  
*CEO*

## Financial calendar

Year-end Report 2025

13 February 2026

## Credit ratings

	Moody's	Standard & Poor's
Long-term funding, SBAB	A1	A+
Long-term funding, SCBC	Aaa	–
Short-term funding, SBAB	P-1	A-1



## Contact

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please contact:

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This information was submitted  
for publication on 16 July, 2025  
at 08:00 (CET).

While every care has been taken in the translation of this report, readers are reminded that the original report, signed by the Board of Directors and the CEO, is in Swedish.