# Q2 2026

## Investor Presentation

SBAB Bank AB (publ)

# Executive summary

- Founded in 1985 and 100% owned by the Kingdom of Sweden
- Sweden's fifth-largest mortgage lender with a low-risk residential mortgage portfolio
- Proven service model with #1 customer satisfaction for seven consecutive years
- Financial targets covering profitability, capitalisation and dividend
- Funding needs for 2026 estimated to approximately SEK 70 bn

**Total lending (SEK bn)**

547

**Total deposits (SEK bn)**

274

Moody's: A1, Aaa

Standard & Poor's: A+

10.1%
**Return on equity**
*H1 2026*

14.1%
**CET1 capital ratio**
*30 Jun 2026*

0.01%
**Credit loss level**
*H1 2026*

34.7%
**C/I ratio**
*H1 2026*

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6 Macro development


# Straightforward business model

– Continued long-term growth across core lending segments despite subdued market conditions

## RETAIL LENDING

- Core product residential mortgages (5th largest player in Sweden) complemented with savings accounts
- No traditional retail bank branches, products and services offered online or by telephone
- Lending geographically concentrated to metropolitan areas in Sweden, including Stockholm, Gothenburg and Malmö, as well as university cities and growth regions
- Platform with value adding services relating to housing and household finances (through subsidiary Booli)

| | Market share |
|---|---|
| **Residential Mortgages** | 8.8% |
| **Consumer Loans** | 0.6% |
| **Retail Deposits** | 7.4% |

## CORPORATE LENDING

- Lending to property companies, housing developers and tenant-owners' associations (ToA) as well as savings to corporates and organisations
- Multi-family dwellings, existing buildings or new construction, both privately owned or owned by ToAs
- Personal service from offices in Stockholm, Gothenburg and Malmö (credit granting concentrated to growth regions surrounding these three offices)
- Primarily targeting larger customer groups

| | Market share |
|---|---|
| **Property Companies** | 17.5% |
| **Tenant-Owners' Associations** | 10.3% |
| **Corporate Deposits** | 4.3% |

*Market shares as per 31 May 2026

# Why customers choose SBAB

– Strong customer franchise supports growth, retention and long-term resilience

# #1


**Customer Satisfaction in Sweden**

| | |
|---|---|
| **Residential mortgages** | • #1 for 7 consecutive years |
| **Property loans** | • #1 for 8 consecutive years |

## SBAB's value proposition

### ACCESSIBILITY
Residential mortgages online and over the phone, seven days a week, covering all circumstances.

### TRANSPARENCY
Fair prices and appropriate terms and conditions from the start.

### CONSIDERATION
Housing specialists who care.



Source: Swedish Quality Index (SKI)

# Our targets and ambitions

## Financial targets (effective from Jan 2026)

| | |
|---|---|
| Return on Equity | ≥10% |
| CET1 above requirement | 1-3% |
| Dividend payout | 20-40% |

## Strategic management ambitions 2030

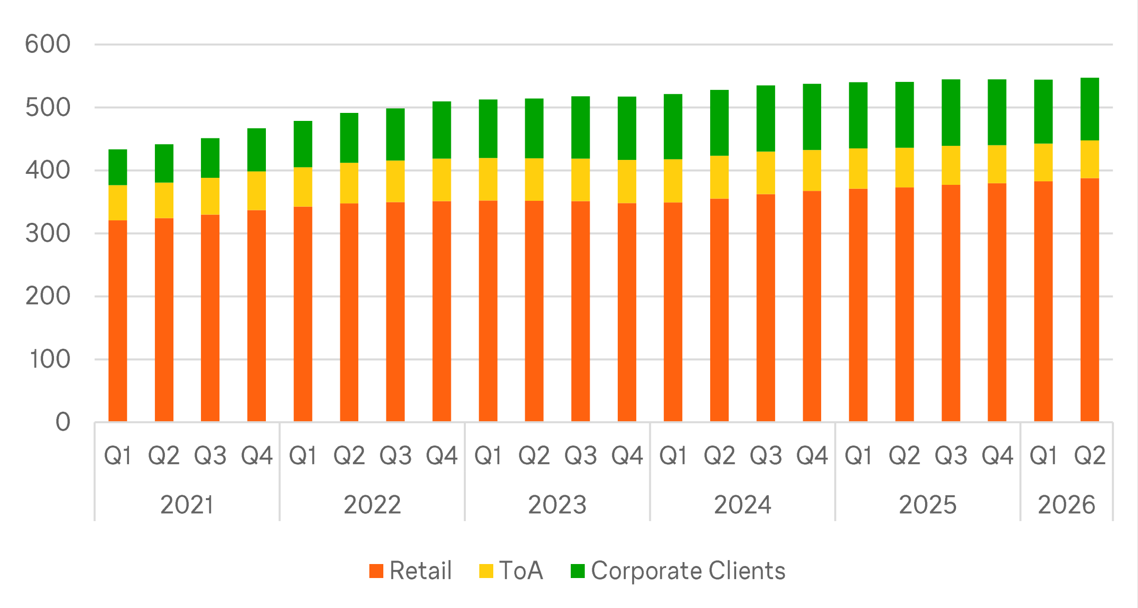
| | |
|---|---|
| Market shares | 10% Res. Mortg. · 15% ToA · 20% Corporates |
| Efficiency | C/I below 30% |
| Sustainability | 50% Emission Reduction |
| People | Employee Engagement >4.0 |

# Lending growth and market position

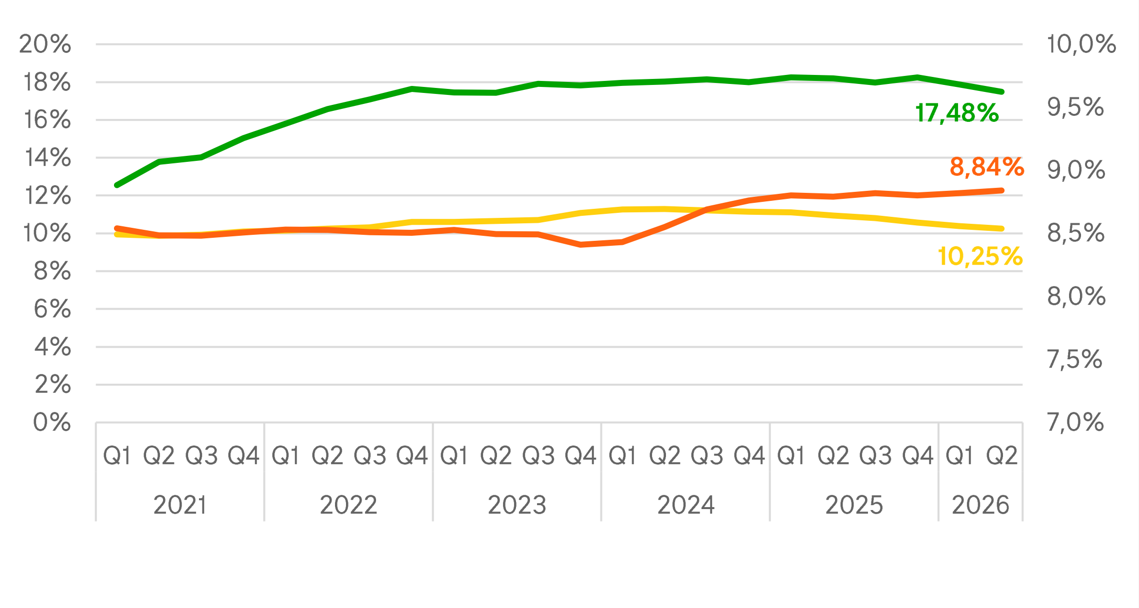
– Continued long-term growth across core lending segments despite subdued market conditions

| Total lending | 547 bn | YoY Growth | +1.3% | Mortgage Market Share | 8.8% |
|---|---|---|---|---|---|

## Lending (SEK bn)



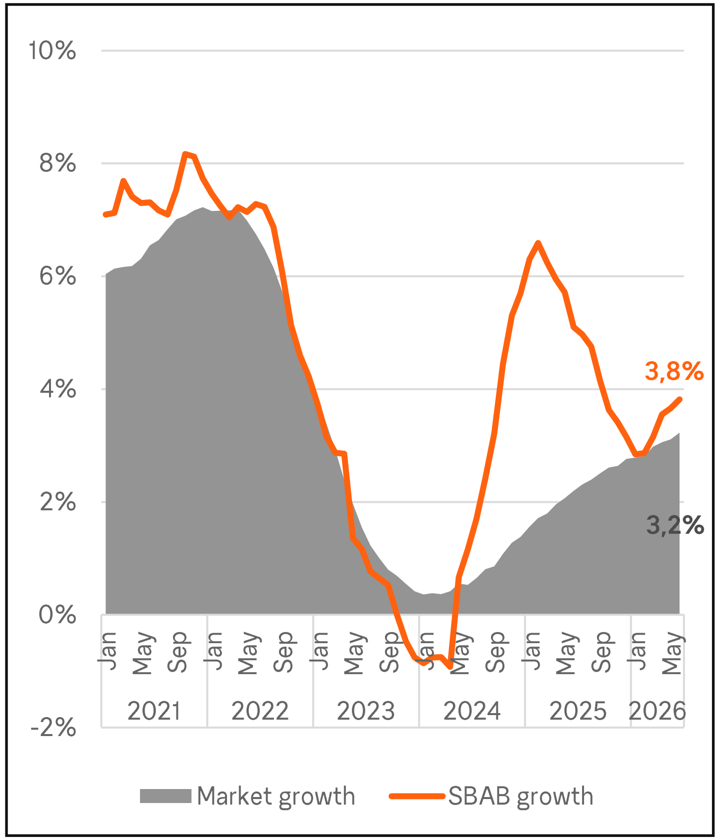

## Market shares (%)*



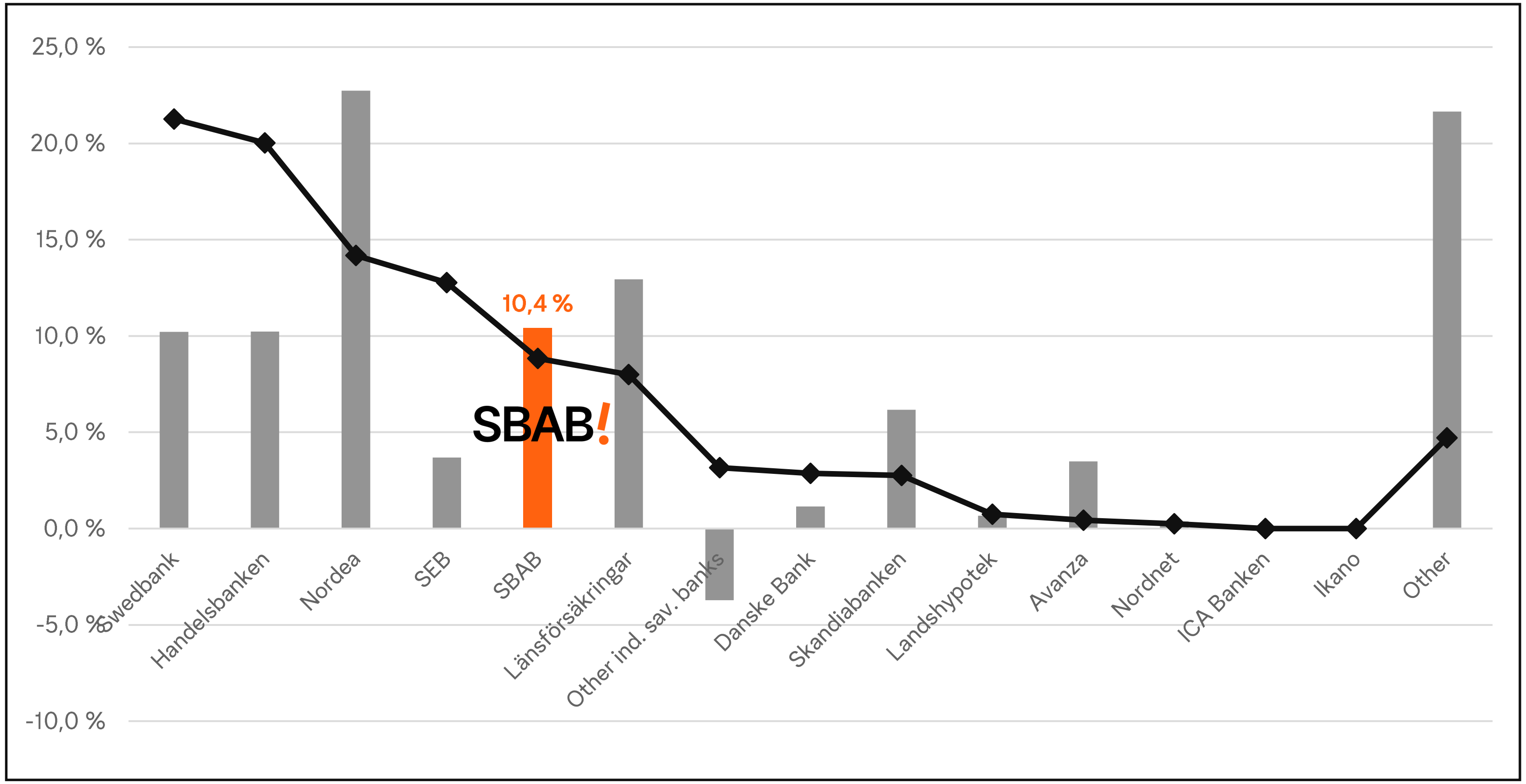

*Source: Statistics Sweden (SCB) (data as of May 2026)

# Outgrowing the mortgage market

## Total market growth




## Share of net market growth (R12) vs back book market share (line)





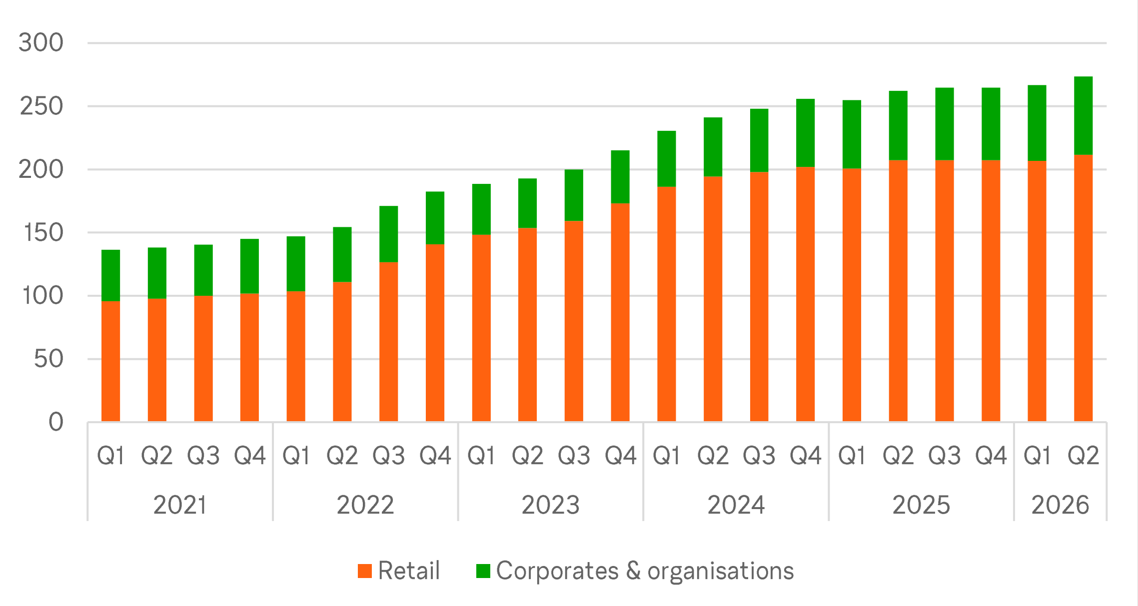

Source: Statistics Sweden (SCB) (data as of Jun 2026)

# Growth in strategic deposit funding

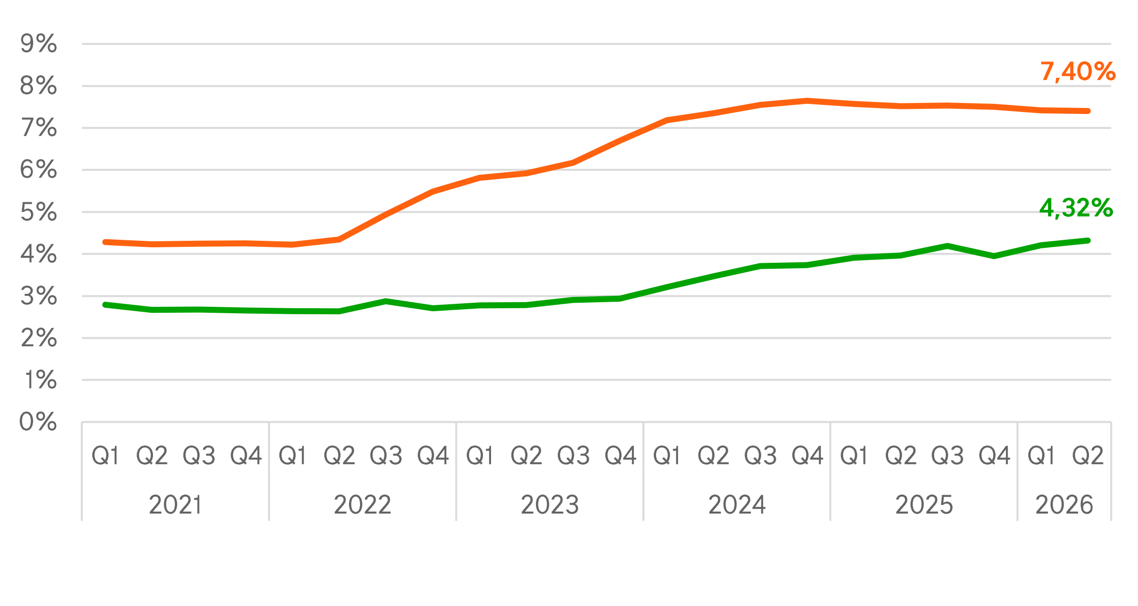
– Strong growth in recent years amid regained strategic focus on growing share of deposits in funding mix

| Total deposits | 274 bn | YoY Growth | +4.3% | Retail Deposit Share | 7.4% |
|---|---|---|---|---|---|

## Deposits (SEK bn)




## Market shares (%)*




*Source: Statistics Sweden (SCB) (data as of May 2026)

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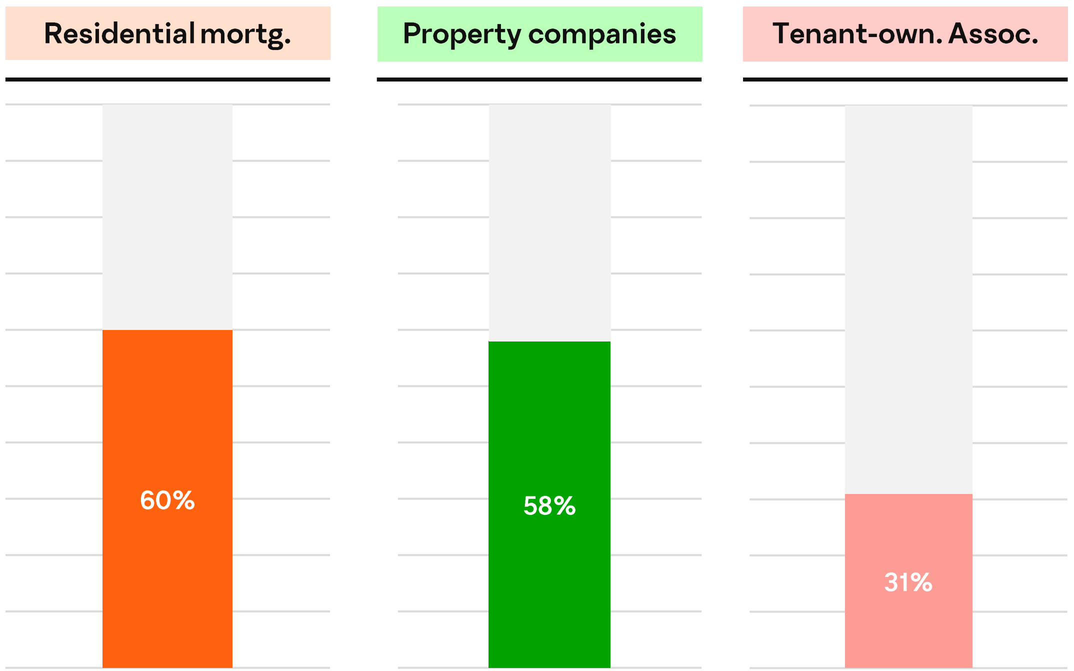
# Low-risk lending portfolio focused on Swedish housing

## Lending composition

| | SEK bn | % of lending | Average LTV |
|---|---|---|---|
| Residential mortgages | 387.7 | 70.6% | 60% |
| Consumer loans | 1.9 | 0.3% | |
| Tenant-owners' associations | 60.0 | 10.9% | 31% |
| Property companies | 99.8 | 18.2% | 58% |
| – *(Of which, commercial lending)*[1)] | *(10.6)* | *(1.9%)* | |
| – *(Of which, construction loans)* | *(3.9)* | *(0.7%)* | |
| **Total lending** | **547.5** | 100% | |

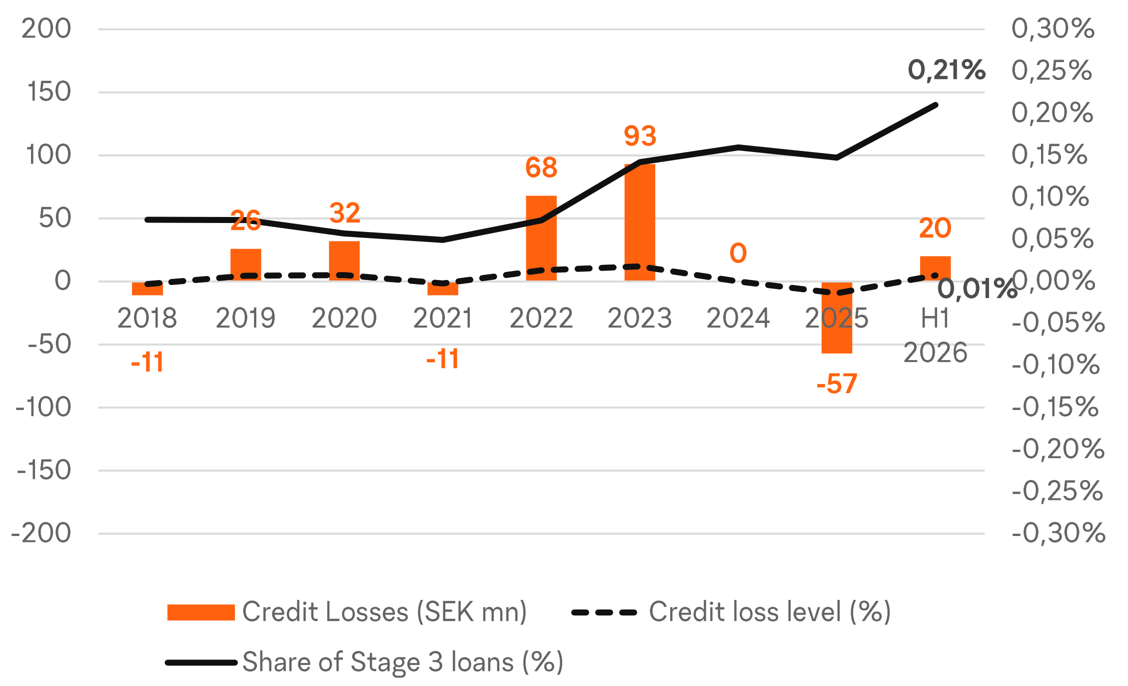
## LTV ratios in loan book




1) Revised internal definition of commercial lending during Q3 2022 (the corresponding figure for Q2 2022 was 0.3%)

# Exceptional asset quality through economic cycles

## Credit quality metrics*




- Low-risk loan portfolio focused on collateralised residential lending in Sweden
- Prudent underwriting criteria (incl. affordability assessment with stressed interest rate)
- Proven track record over time & strong resilience towards economic downturns

**20** MSEK
**Credit losses**
*Jan-Jun 2026*

**0.01**%
**Credit loss ratio**
*Jan-Jun 2026*

**0.21**%
**Share of stage 3 loans**
*30 Jun 2026*



*A negative figure for credit losses implies a recovery (positive figure) in the income statement

# Strong and resilient cover pool

SCBC!
Covered bonds of SBAB

## Overall key metrics

381 bn
Cover Pool (SEK)

394,759
No. of loans

961,233
Average loan size

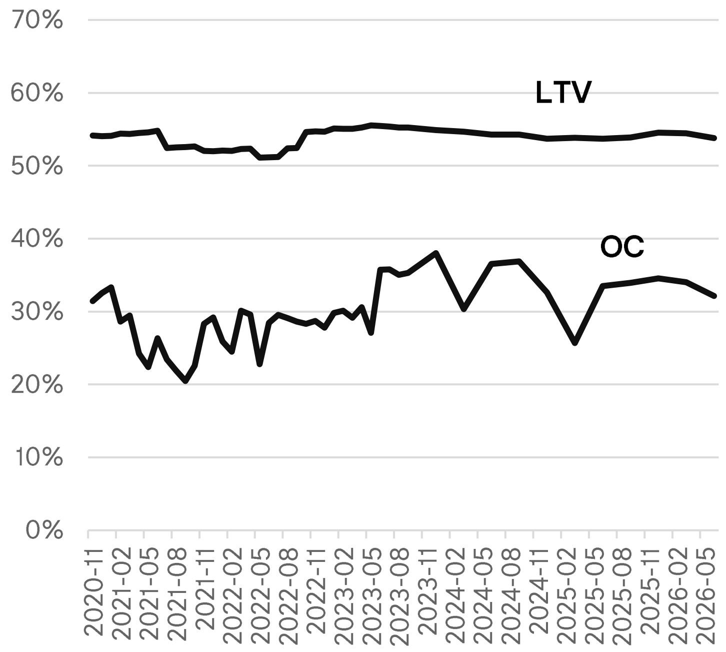
32.1%
OC

53.8%
WA LTV

6.5
WA seasoning

- Assets spread throughout Sweden; concentrated to economic hubs
- 60.0% floating, 40.0% fixed
- 51.7% amortising, 48.3% interest only

## Development of OC and WA LTV




*Additional lending that qualifies into the cover pool but is not included in the cover pool amounts to 133.7 bn SEK. This lending could be transferred into the cover pool if needed.*

## Simulation of decline in house prices

| House-price change | Mortgage assets in cover pool (SEK bn) | WA LTV (%) | OC* (%) |
|---|---|---|---|
| 0% | 379.5 | 53.8 | 32.1 |
| -5% | 377.5 | 56.0 | 31.4 |
| -10% | 374.6 | 58.3 | 30.4 |
| -15% | 370.3 | 60.5 | 29.0 |
| -20% | 364.2 | 62.7 | 26.9 |
| -25% | 355.8 | 64.6 | 24.0 |
| -30% | 343.9 | 66.4 | 19.9 |

**OC calculated in accordance with requirements from the Swedish FSA*

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# Financial highlights

– Solid performance despite continued pressure on margins and subdued market growth

| Operating Profit Jan-Jun 2026 | 1.4 bn |
|---|---|

| ROE Jan-Jun 2026 | 10.1% |
|---|---|

| CET1 30 Jun 2026 | 14.1% |
|---|---|

**Jan-Jun 2026**

- **Revenue:** NII down 1% YoY, mainly due to compressed lending margins
- **Cost discipline:** Increased internal focus on cost development. Costs down 5% YoY despite continued investments for future competitiveness
- **Asset quality:** Credit losses remains exceptionally low at 0.01%

| SEK mn | Jan-Jun 2026 | YoY | Q2 2026 | QoQ | FY 2025 | YoY |
|---|---|---|---|---|---|---|
| Lending (SEK bn) | 547.5 | +1.2% | 547.5 | +0.6% | 544.9 | +1.3% |
| Deposits (SEK bn) | 273.6 | +4.3% | 273.6 | +2.6% | 264.7 | +3.4% |
| Net interest income | 2,561 | –1.2% | 1,271 | –1.5% | 5,141 | –2.8% |
| Costs | –910 | –4.6% | –460 | +2.2% | –1,927 | +1.0% |
| Loan losses | –20 | –40 mn | –14 | +8 mn | 57 | +57 mn |
| Operating profit | 1,419 | +2.8% | 660 | –13.0% | 2,764 | –4.7% |
| Return on equity (%) | 10.1% | +0.4 pp | 9.3% | –1.9 pp | 9.5% | –0.9 pp |
| C/I ratio (%) | 34.7% | –2.0 pp | 35.9% | +2.3 pp | 36.8% | +1.3 pp |
| Loan loss ratio (%) | –0,01% | –0.02 pp | –0,01% | –0.01 pp | 0.01% | +0.01 pp |
| CET1 capital ratio (%) | 14.1% | –0.4 pp | 14.1% | – | 14.2% | +1.5 pp |

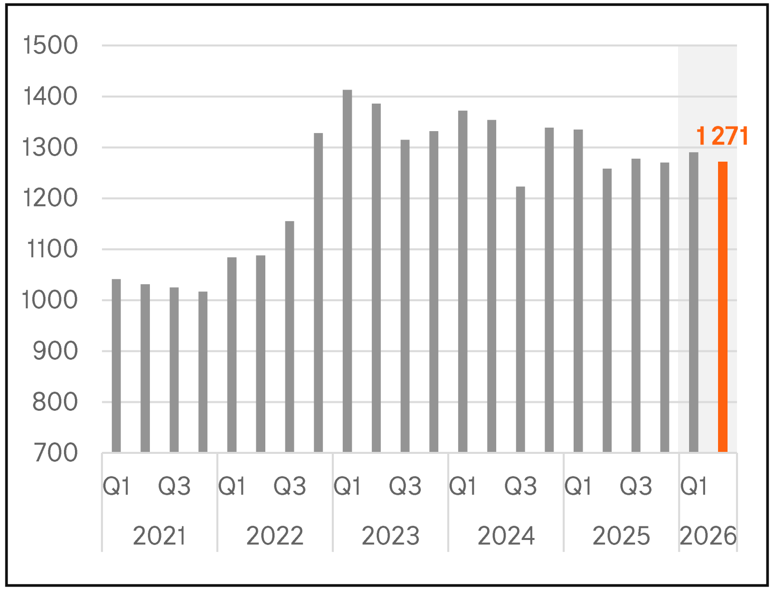
# Revenue & margin development

– Resilient revenues despite lower lending margins and falling interest rates

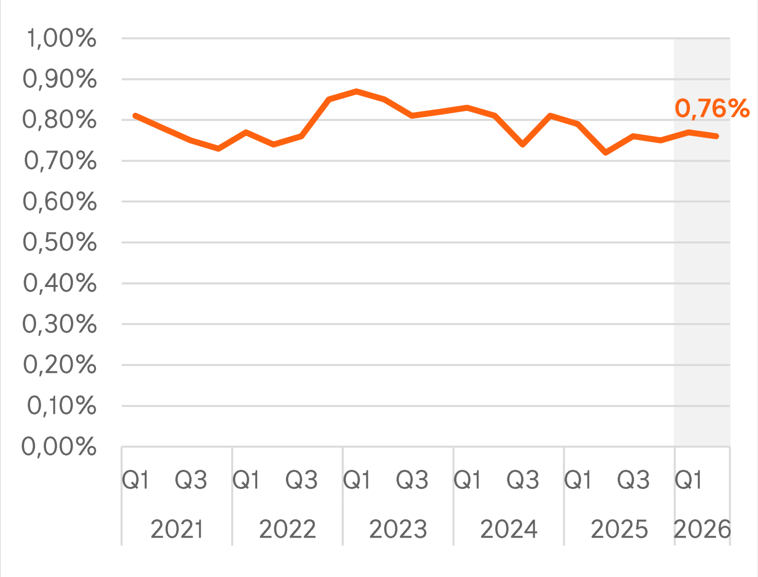
| NII Q2 2026 | 1.3 bn |
|---|---|

| NIM Q2 206 | 0.76% |
|---|---|

## Net Interest Income (NII) QoQ (SEK mn)




## Net Interest Margin* (NIM) QoQ (%)




## Comments

- NII has gradually declined from peak levels as lower market rates and competitive pressure have compressed lending margins
- Strong growth in deposits and corporate lending and has changed NII composition over time, reducing earnings volatility and partly offsetting compressed lending margins

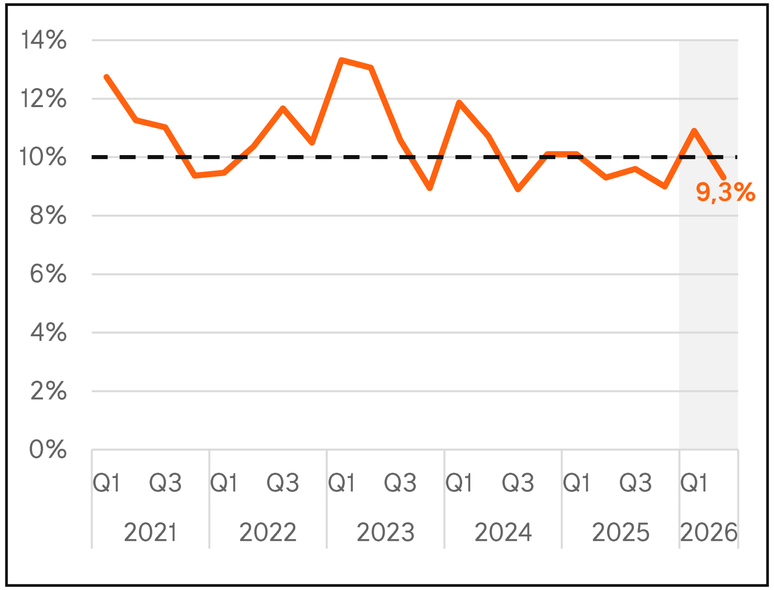
* Calculated as NII in relation to total assets in balance sheet

# Profitability & efficiency

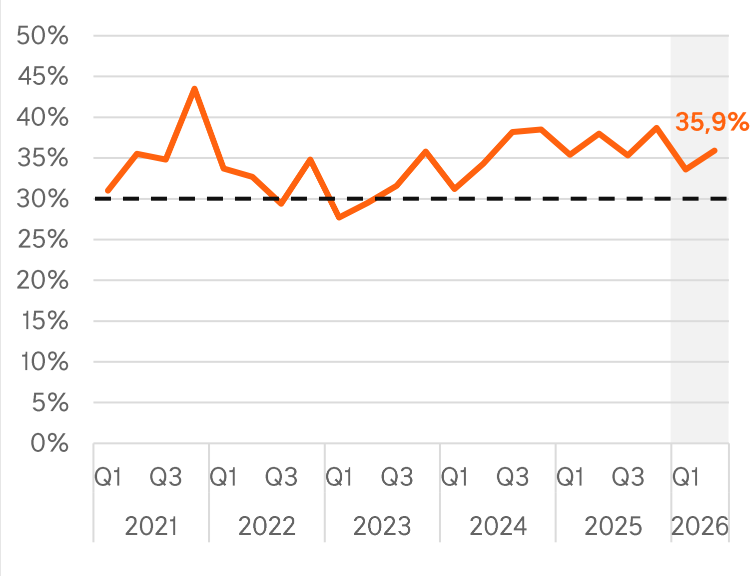
– Stable profitability supported by low credit losses and disciplined cost management

| ROE Q2 2026 | 9.3% | C/I ratio Q2 2026 | 35.9% |
|---|---|---|---|

## Return on equity, %




## C/I-ratio, %




## Comments

- Lower interest rates compressed margins adds pressure to profitability. Stable profitability supported by low credit losses and disciplined cost management
- Increased internal focus on cost development given pressure on revenue (i.e. prolonged compression of mortgage margins)

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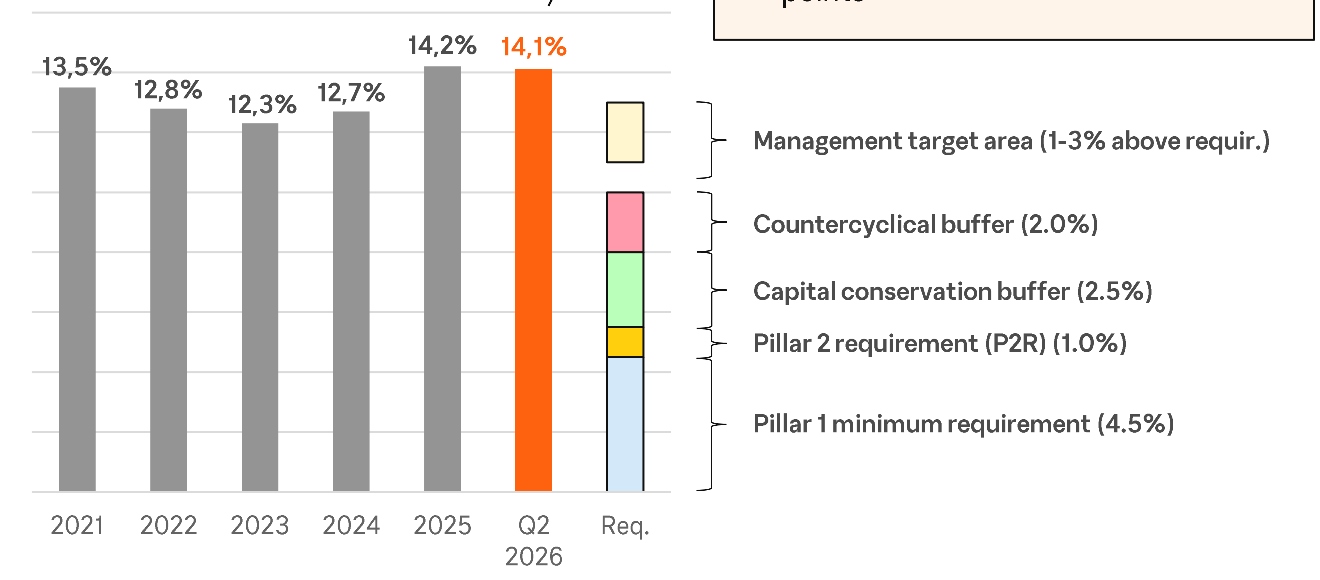
# Capital position

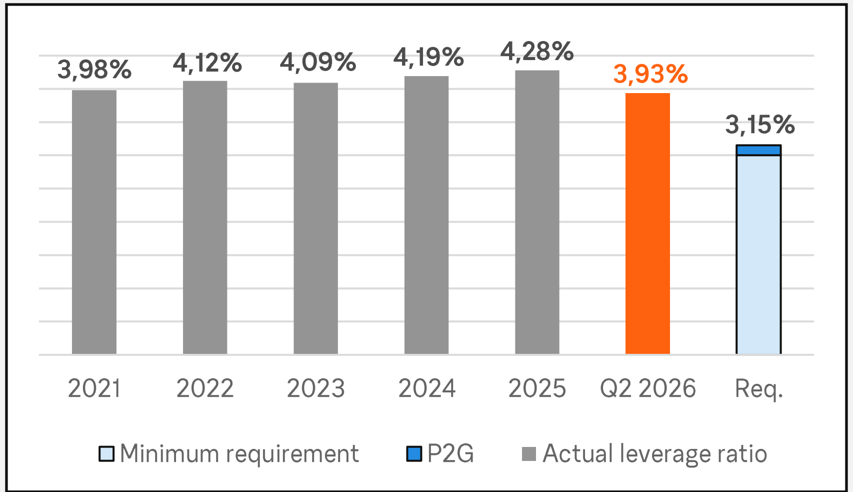
– CET1 ratio well above regulatory requirement and management target

## Components of SBAB's CET1 capital target & actual CET1 capital ratio

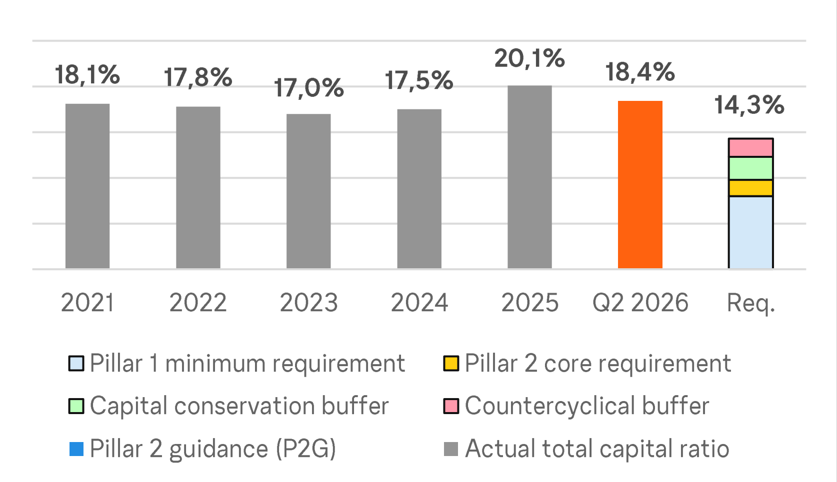



- **Management target:** 1-3 percentage points above requirement
- **Actual headroom:** 4.1 percentage points

## Leverage ratio vs. requirement




## Total capital ratio vs. requirement

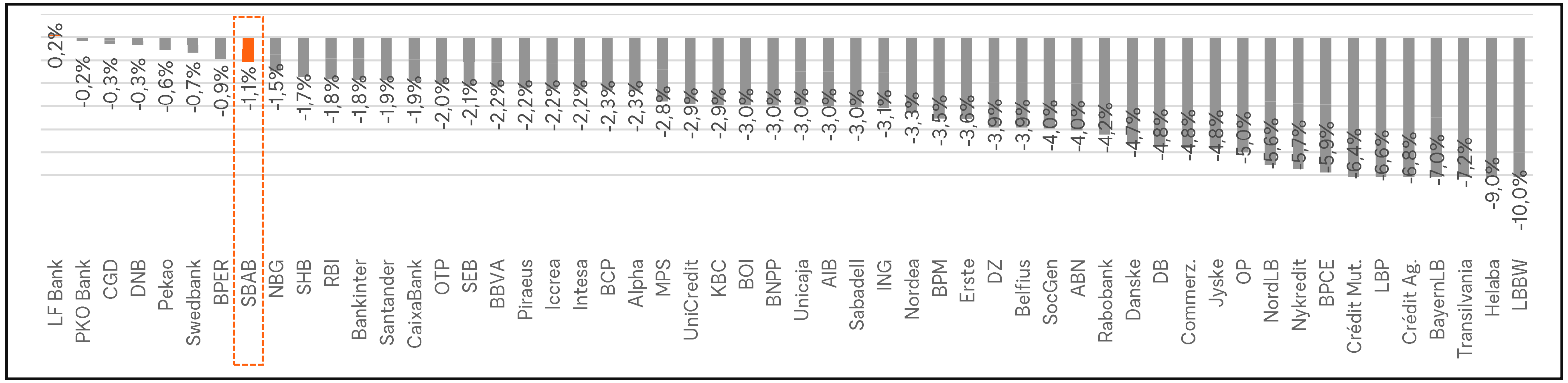


# Strong resilience confirmed by EBA

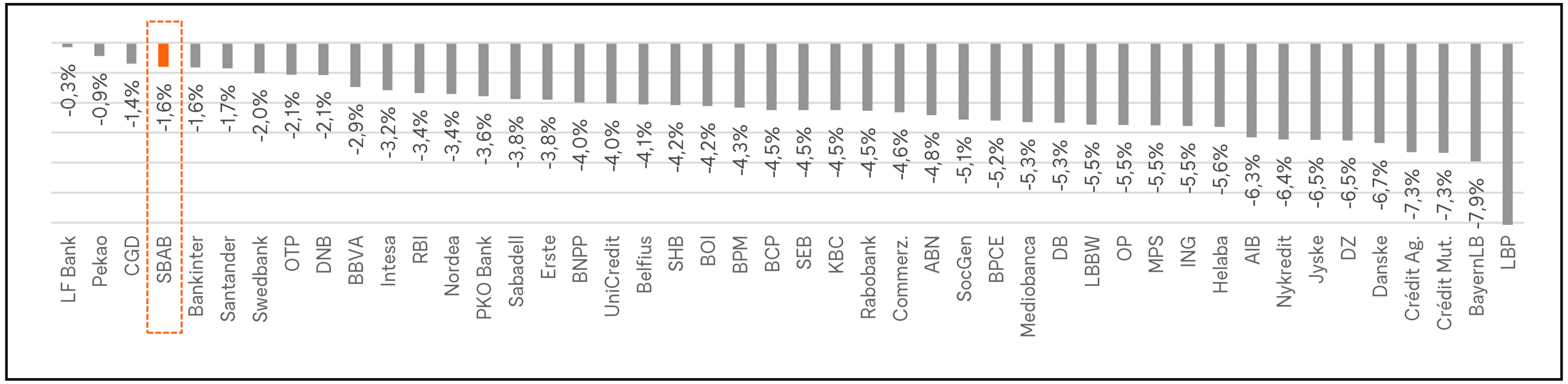
– SBAB's robust business and resilient capital position confirmed in EBA stress test

- On 1 August 2025, the EBA published the results of its EU-wide stress test involving 64 banks from 17 EU and EEA countries and covering 75% of EU banking sector assets
- As in 2021 and 2023, the 2025 EBA stress test confirms that SBAB is robust and resilient even under a severely stressed scenario
- SBAB's business model (low-risk lending portfolio with focus on residential mortgages) as well as 25% risk-weight floor for mortgage lending in Sweden important factors for the strong results

Maximum negative CET1 ratio impact in adverse scenario (%) (2025 Transitional))




Maximum negative CET1 ratio impact in adverse scenario (%) (2023)



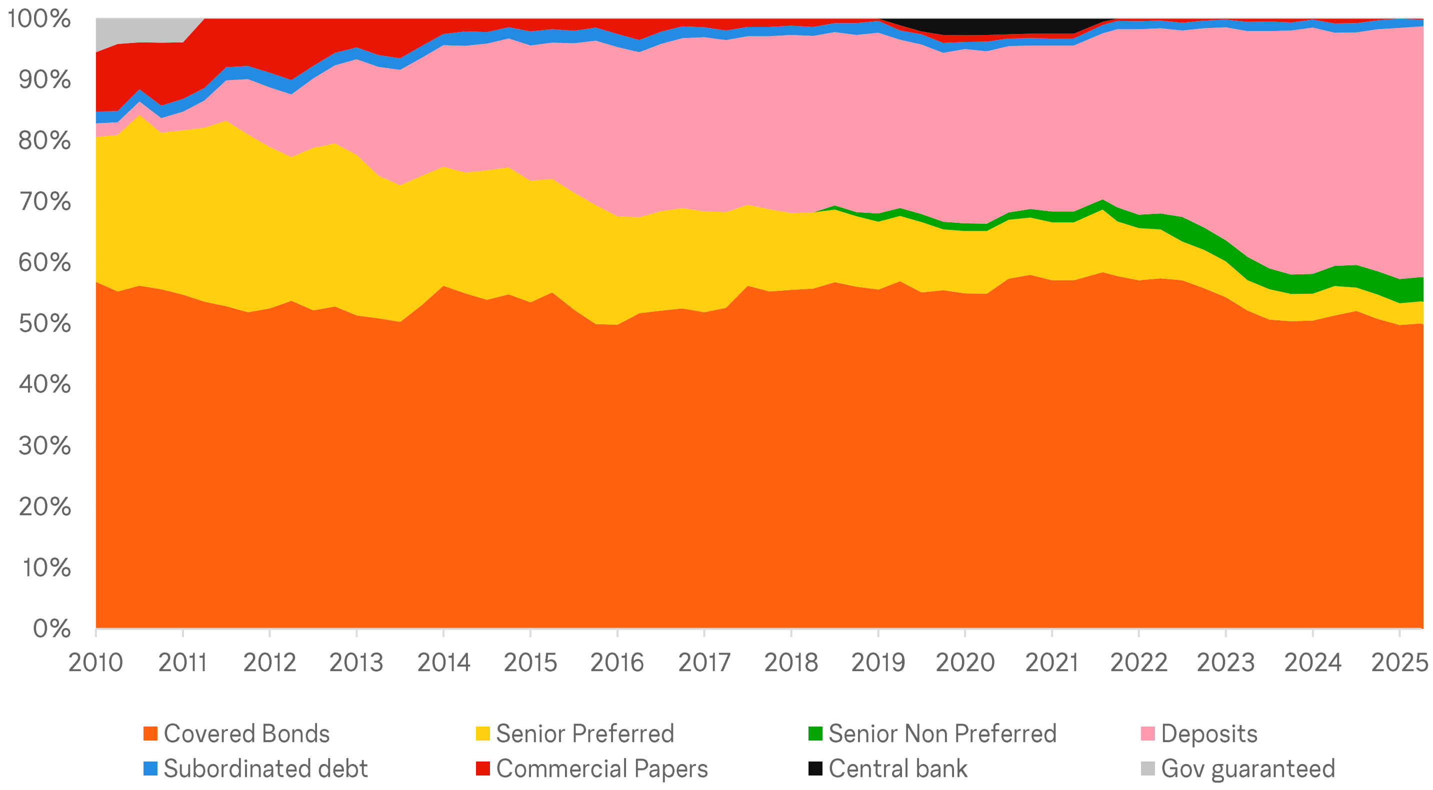

Source: EBA, 2023 & 2025 EU-Wide Stress Test – Results, 28-Jul-2023 & 01-Aug-2025 (excl. US banks' European entities and Volkswagen Bank)

# Funding overview & strategy

## Funding strategy

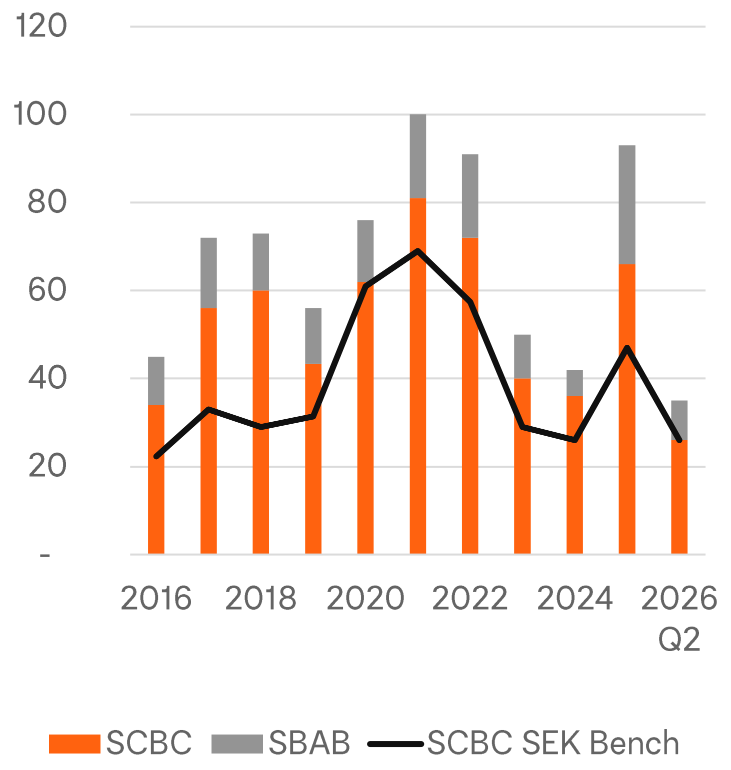
- Mortgage lending primarily funded by covered bonds and to a growing extent deposits from the public. Efficient use of CB funding (~50% of total funding), utilizing the depth and stability of the Swedish CB market
- Strategy to maintain access to core funding markets; SEK- and EUR-market with regular benchmark issuances in different formats (*please view next slide*)
- Limited use of short dated funding through CP-programs, interbank funding and central bank facilities. Liquidity risk mitigated through buy-backs of maturing bonds
- Dedicated green bond issuer subject to eligible green lending volumes

## Development of funding sources over time

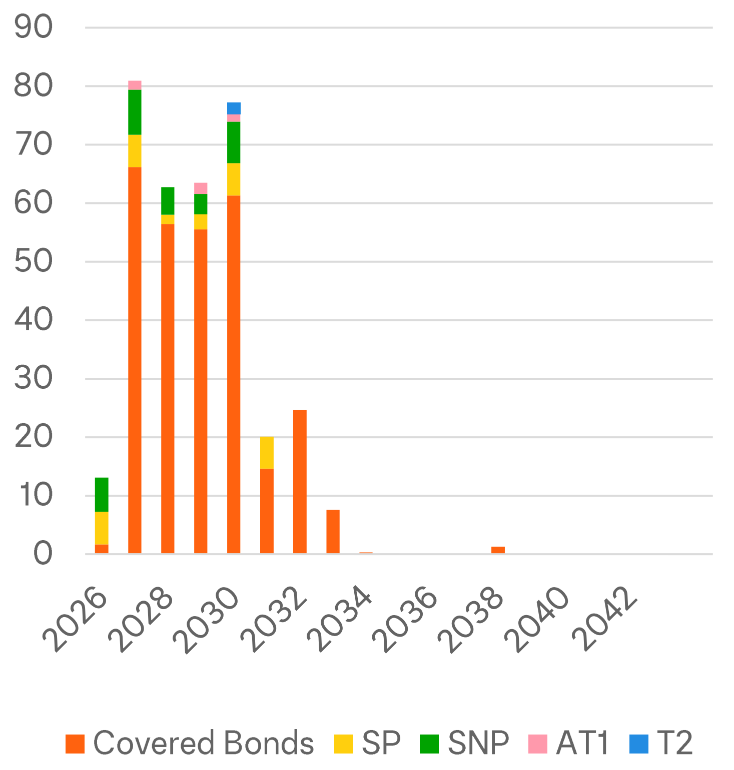


# Future funding activity

## Annual issuance, SEK bn




## Maturity profile Q2 2026 (SEK bn)




## Future issuance

- Expected funding needs for 2026 approx. SEK 70 billion (vs. SEK 90bn in 2025 and SEK 35 bn in 2024)
- Regular benchmark issuance in CB (through subsidiary SCBC) and SP/SNP (through SBAB) in SEK and EUR. Private placements as a complement
  - Regular issuance from the domestic CB programme (including one new SEK covered bond benchmark per year)
  - One to two public EUR transactions (CB/SP/SNP) in international funding markets per year
  - SNP issuance predominately in SEK, EUR as a complement. Capital issuance (AT1 & T2) predominately in SEK
- SBAB's focus is to use intermediate (5y+) tenors to support duration in covered bonds and mainly short to intermediate (3 to 5y) in the senior and subordinated formats

# MREL position

– Significant buffers to both MREL and subordination requirements

- As per Q2 2026, the total MREL requirement amounted to 26.5% of REA, corresponding to 41.1 billion. The subordinated requirement for SBAB amounted to 6% of LRE (incl. the ban on double counting), corresponding to SEK 40.5 billion
- Ample buffers to both requirements and internal targets
- SNP issuance predominately in SEK, EUR as a complement

**MREL requirement**
(Q2 2026)

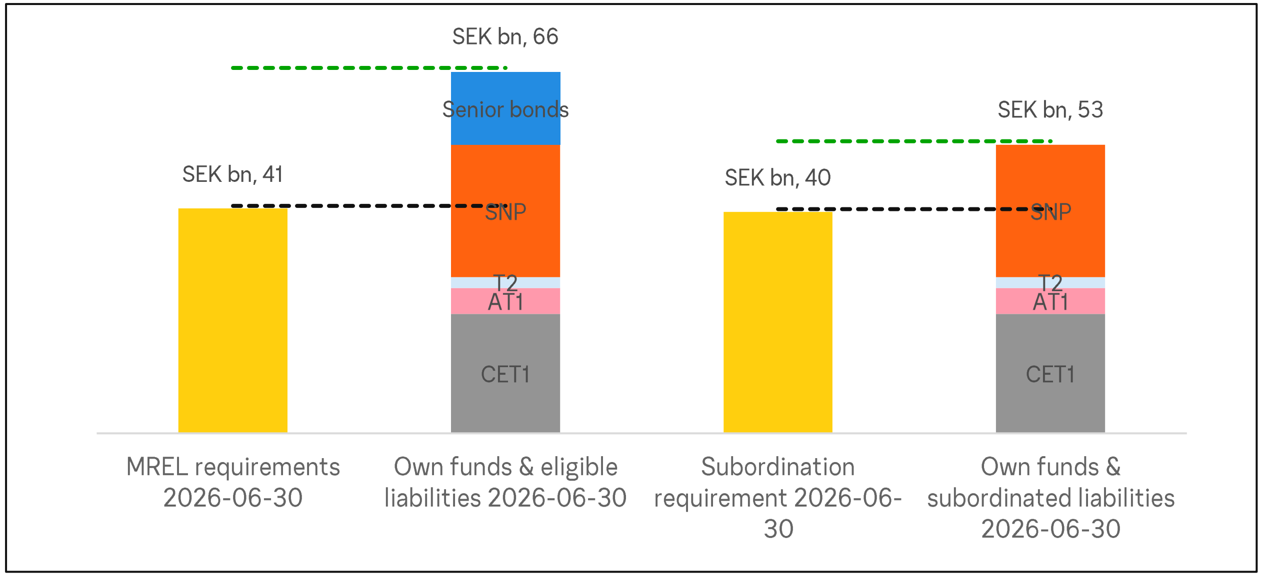
| | % | SEK bn |
|---|---|---|
| REA | 26.5% | 41.1 |
| LRE | 6% | 40.5 |
| **Buffer** | | **24.9** |

**Subordination requirement**
(Q2 2026)

| | % | SEK bn |
|---|---|---|
| REA | 24.0% | 37.2 |
| LRE | 6% | 40.5 |
| **Buffer** | | **12.3** |

**Own funds & eligible liabilities**
(Q2 2026)

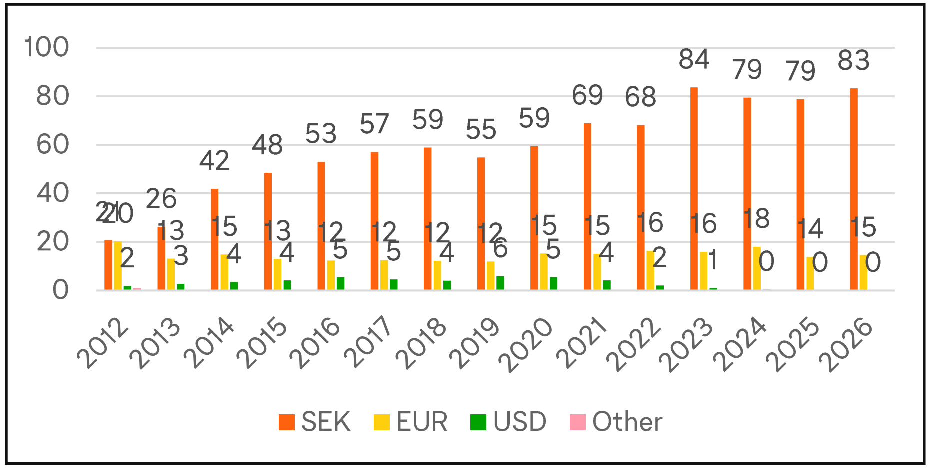
| | SEK bn | |
|---|---|---|
| CET1 | 21.8 | 53 |
| AT1 | 4.7 | |
| T2 | 2.0 | |
| SNP | 24.2 | |
| Senior bonds | 13.2 | |
| **Total** | **66** | |



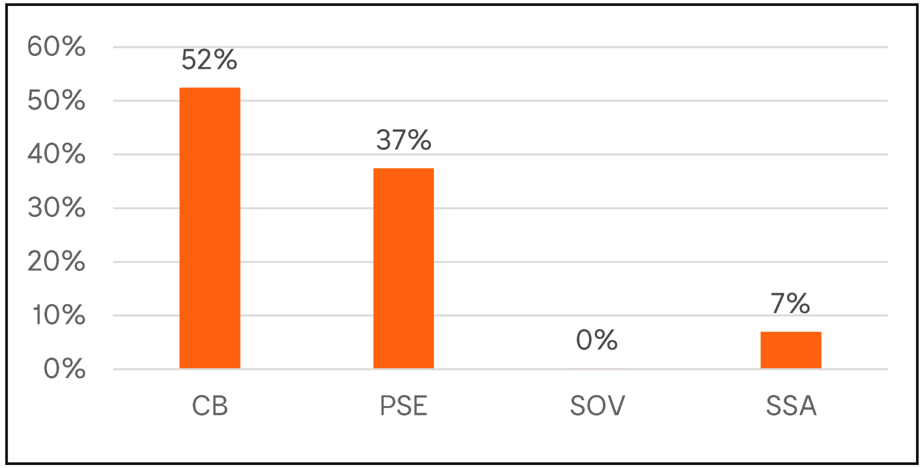
# Liquidity position

- At the end Q2 2026, the market value of the assets in the liquidity reserve amounted to SEK 91.4 billion. Taking the Riksbank's and the ECB's haircuts into account, the liquidity value of the assets was SEK 88.5 billion
- LCR and NSFR well above regulatory requirements. Survival horizon implies liquidity need coverage for 343 days under stressed scenario (unchanged lending portfolio, severe deposit outflow and no new funding added)
- High quality and diversified liquidity portfolio within relevant currencies (of which the vast majority AAA-rated)

## Total liquidity reserve* (Currency distribution)




## Total liquidity reserve* (Securities type)




## Key metrics

**218%**
LCR

**129%**
NSFR

**343 days**
Survival horizon



*Gross liquidity reserve, not considering regulations on LCR

# Ratings overview

## Senior Unsecured Rating

| | | |
|---|---|---|
| Moody's | Stable Outlook | A1 |
| Standard & Poor's Ratings Services (McGraw Hill Financial) | Stable Outlook | A+ |

| | Moody's | | Standard & Poor's Ratings Services (McGraw Hill Financial) | |
|---|---|---|---|---|
| Investment Grade | Aaa | Sov. rating | AAA | Sov. rating |
| | Aa1 | | AA+ | |
| | Aa2 | | AA | |
| | Aa3 | | AA- | |
| | A1 | Senior Preferred | A+ | Senior Preferred |
| | A2 | | A | |
| | A3 | | A- | SACP |
| | Baa1 | BCA and SNP | BBB+ | SNP |
| | Baa2 | T2 | BBB | T2 |
| | Baa3 | | BBB- | |
| Non Investment Grade | Ba1 | AT1 | BB+ | AT1 |
| | Ba2 | | BB | |
| | [...] | | [...] | |

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# Sustainability strategy & climate ambition

– Sustainability integrated into SBAB's long-term strategy and business operations

## Guided by five strategic target areas

- Long-term Value Creation
- Sustainable Society
- Customer Satisfaction
- Efficient Operations
- Attractive Workplace

## Focused on six material sustainability areas

- **Climate & energy transition**
  *Energy-efficient housing stock*
- **Information security**
  *Protecting data and digital services*
- **Inclusive housing market & safe residential neighbourhoods**
  *Responsible lending and housing accessibility*
- **Attractive workplace**
  *Engagement, inclusion and long-term competence*
- **Working conditions in the construction sector**
  *Responsible value chain practices*
- **Counteracting financial crime**
  *Combatting money laundering and fraud*

Climate Ambition

**–50%**

Reduction in financed emissions intensity by 2030 (Base year 2022)



Material sustainability areas identified through SBAB's double materiality assessment conducted in accordance with ESRS.

# Sustainable lending platform

## Green lending products (YE 2026)

| | |
|---|---|
| Green Residential Mortgages | 81 bn |
| The kW Loan | 216 mn |
| Green Property Loans | 30 bn |
| Green Construction Loans | 810 mn |
| Green Investment Loans | 124 mn |

## Green guides and tools

**"The KW Calculation"**
- Advice (based on user input) on measures to reduce energy consumption, including cost of investment and potential savings in SEK & kW

**EPC discount**
- Discounted Energy Performance Certificate (EPC) via business partner

## Other sustainable lending products

| | |
|---|---|
| Sustainability Linked Loans (SLLs) | 6 bn |
| Social Loans | n/a |

# Green bond platform

– First bank in Sweden to issue a green bond in 2016, maintaining a recurring presence in the green bond market ever since

## Green Loan Categories included in framework

| | |
|---|---|
| 1 | • **New buildings** (built after 2020): Primary Energy Demand (PED) 10% lower than the level required by the Swedish building regulation ("BBR") |
| 2 | • **Existing buildings** (built before 2021): EPC A or top 15% of the national or regional building stock |
| 3 | • **Major renovations**: Meets minimum energy performance requirements of the national building regulation or a reduction in energy use of at least 30% |
| 4 | • **Building energy efficiency measures:** Direct costs (e.g. material, installation and labour costs) for installing energy efficient technologies or other energy saving measures during the construction, maintenance and service phase of a building |

**47 bn**

**Outstanding Green Bonds**

**105 bn**

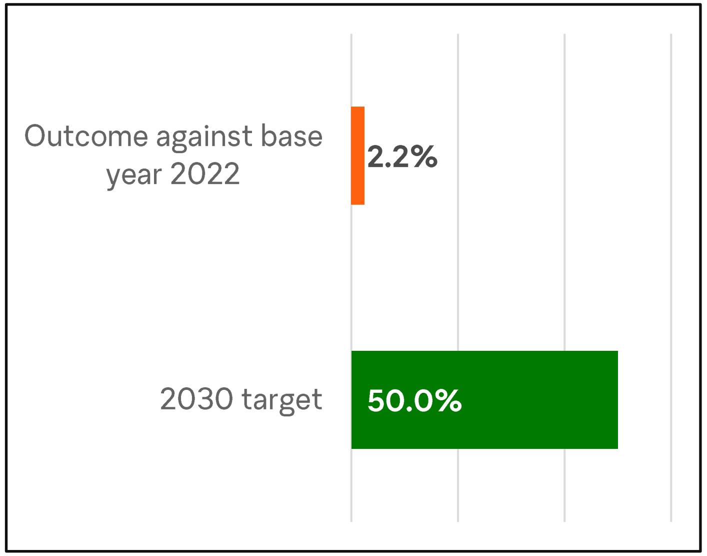
**Eligible Green Loans**

## Recurrent issuer from 2016

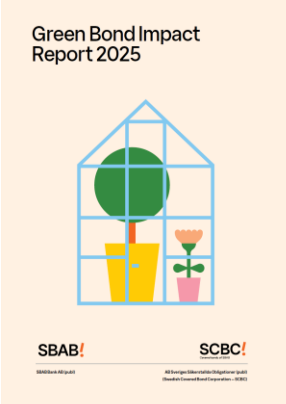
# Green metrics & external validation

## Climate ambition

**–50%**




## Green Bond Impact Reporting




| | | |
|---|---|---|
| Outstanding Green Bonds & Estimated annual avoidance of GHG emissions | 46.6 SEK bn | 1,976 $tCO_2e$ |
| Eligible Green Loans & Estimated annual avoidance of GHG emissions | 105.5 SEK bn | 4,472 $tCO_2e$ |
| Alignment with the EU Taxonomy[1)] | 56.4 SEK bn | 53.4% |

SUSTAINALYTICS

| Negligible (0-10) | Low (10-20) | **Medium (20-30)** | High (30-40) | Severe (40+) |
|---|---|---|---|---|

MSCI

| CCC | B | BB | BBB | **A** | AA | AAA |
|---|---|---|---|---|---|---|

[1)] Corporate clients not subject to CSRD, as well as tenant-owners' associations, fall outside the scope of the EU Taxonomy. Consequently, even assets with a known use of proceeds that meet the technical screening criteria cannot be classified as Taxonomy-aligned. SBAB nevertheless has substantial loan volumes to these counterparties that meet the technical screening criteria.

# Contents


1 Business update

2 Credit portfolio and asset quality

3 Financial update

4 Capital, funding & liquidity

5 SBAB's commitment to sustainability

**6 Macro development**


# Overview of the Swedish economy

– Economic recovery supported by resilient growth and stable inflation

GDP Growth (2026E)

**+2.4%**

CPIF (2026E)

**1.9%**

Policy Rate YE (2026E)

**2.25%**

## Forecast key figures Sweden

| | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|
| Real GDP, actual | 1.5 (1.4) | 2.4 (2.8) | 2.7 (2.5) | 2.2 (1.9) |
| Household consumption | 1.6 (1.3) | 2.5 (2.7) | 3.2 (2.8) | 2.8 (2.3) |
| Public consumption | 0.7 (0.6) | 2.6 (2.2) | 1.4 (1.9) | 0.8 (0.9) |
| Investments | 2.8 (1.1) | 3.2 (3.7) | 4.8 (4.6) | 2.7 (2.8) |
| Unemployment rate (%) | 8.8 (8.8) | 8.4 (8.5) | 7.9 (7.6) | 7.3 (7.2) |
| Inflation, CPIF growth | 2.1 (2.1) | 2.3 (1.5) | 3.0 (2.0) | 2.7 (2.7) |
| Policy rate, yearly average (%) | 2.08 (2.08) | 1.78 (1.75) | 2.25 (1.95) | 2.00 (2.00) |

Note: Annual percentage growth unless indicated otherwise. Light orange background indicates SBAB Q2 forecast in April 2026. Blue figures are SBAB Q3 preliminary forecast in August 2026. Figures in brackets are SBAB Q1 forecast in February 2026.



Source: Macrobond, National Institute of Economic Research, The Riksbank and SBAB

# Housing market conditions (1/2)

– Housing prices and market activity have gradually recovered

House Prices YoY

**+2.7%**

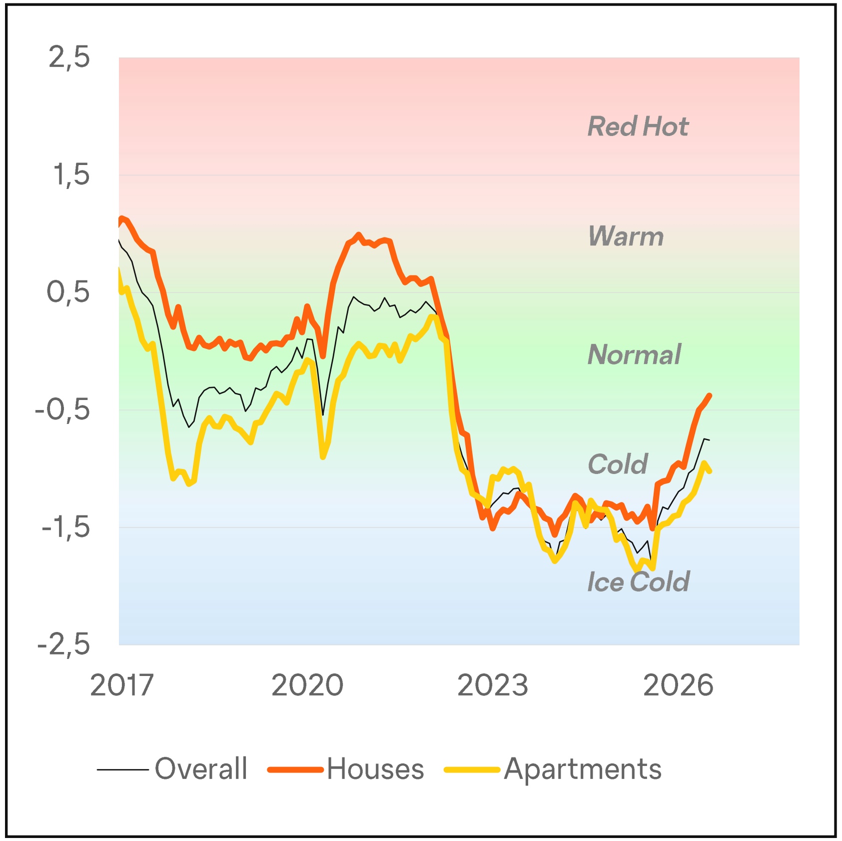
Housing Market Conditions

**Cold / Normal**

House Prices YoY (2026E)

**+4%**

## SBAB Booli Housing Market Temperature




## SBAB Booli HPI (January 2013=1)




Source: Booli and SBAB

# Housing market conditions (2/2)

– Housing market activity continues to normalise while housing construction remains at historically low levels

Turnover Rate, Houses

**3.2%**

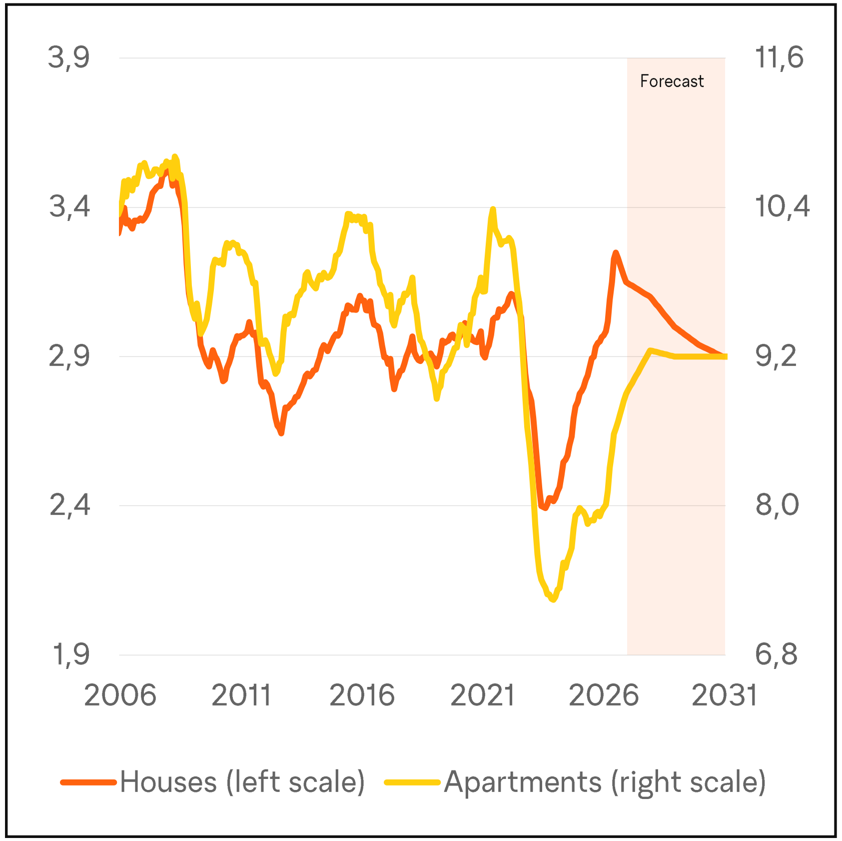
Turnover Rate, Apartments

**8.6%**

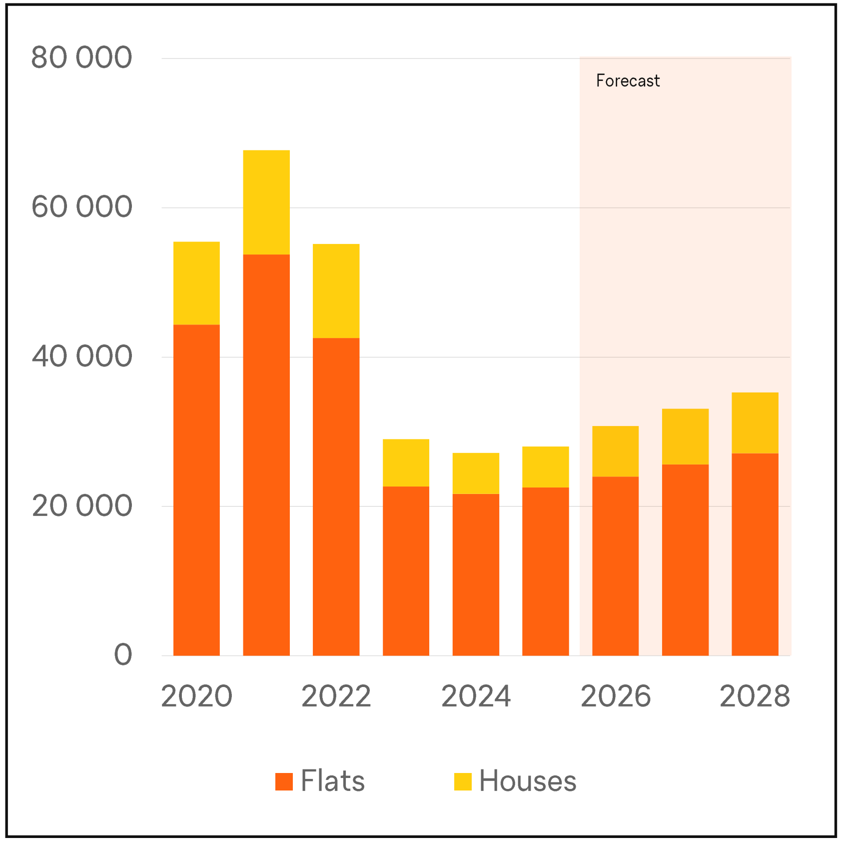
Housing Starts (2026E)

**30k**

## Housing turnover rate (%)*




## Housing construction (number of homes)






Source: Macrobond, Statistics Sweden, SBAB and Booli

*Share per 12M of each stock

# Credit growth

– Credit growth expected to strengthen amid improving housing market fundamentals

Res. Mortgage Growth (2026E)

**+3.7%**

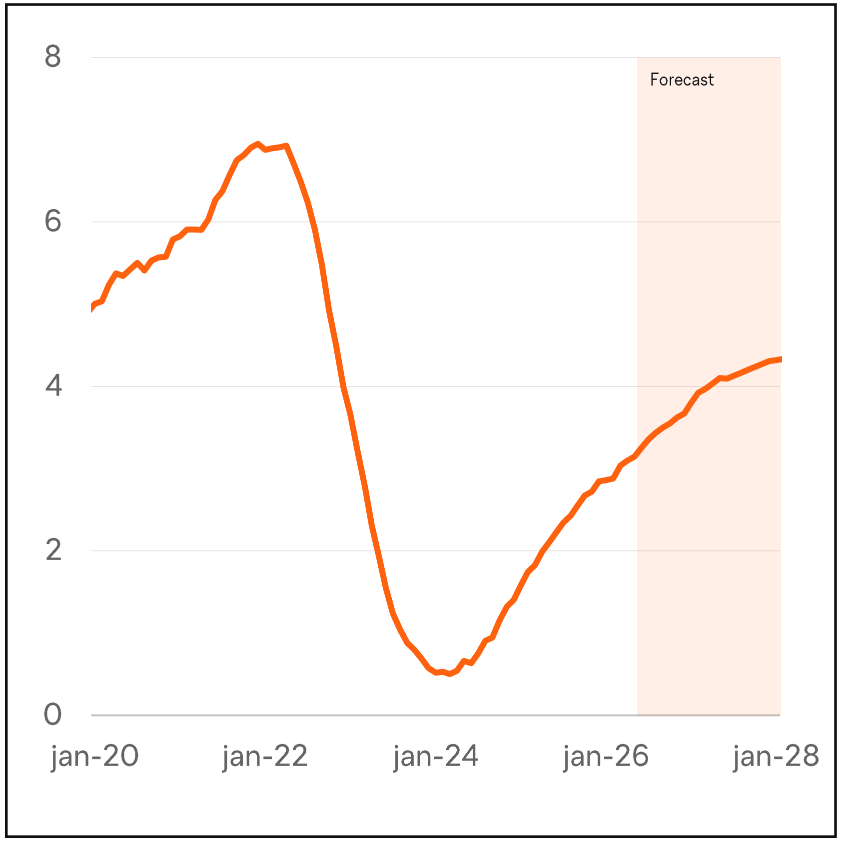
Res. Mortgage Growth (2027E)

**+4.3%**

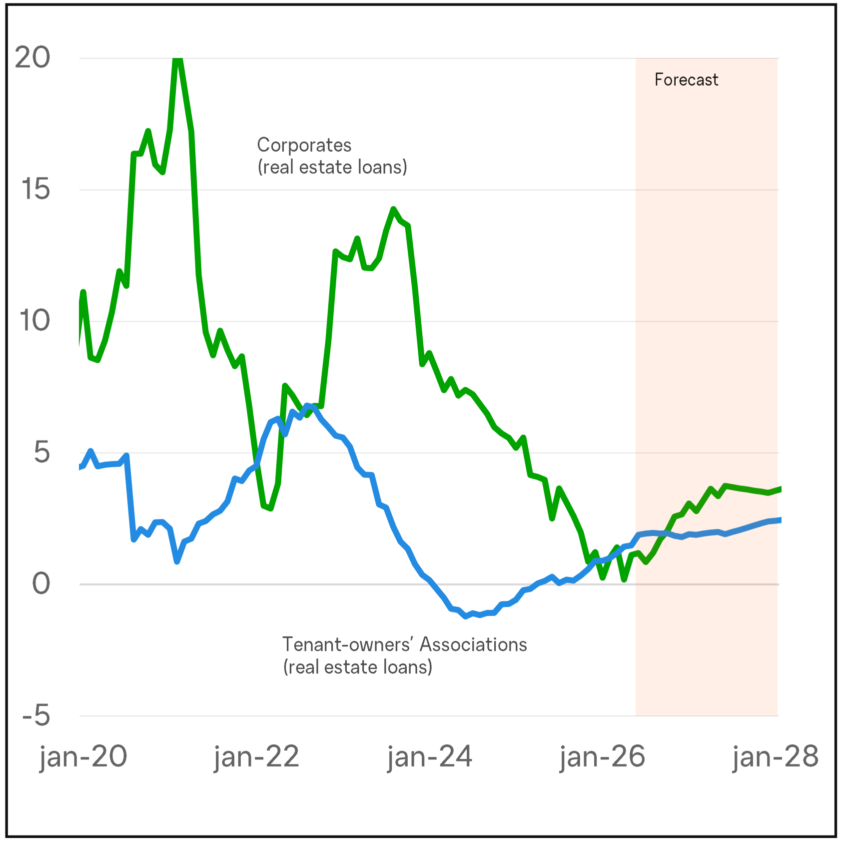
Real estate loans to corporates

**+0.9%**

## Credit growth res. mortgages (YoY, %)




## Credit growth ToA & Corporates (YoY, %)




Source: Statistics Sweden, SBAB

# Contact

**Fredrik Jönsson**
Head of Treasury

fredrik.jonsson@sbab.se

**Kristian André**
Head of Funding

kristian.andre@sbab.se

**Pontus Niléhn**
Head of Investor Relations

pontus.nilehn@sbab.se

**Daniel Odhe**
Treasury Dealer

daniel.odhe@sbab.se

# Appendix

# Mortgage lending in Sweden – a low-risk business for several reasons

1. **Personal Liability:** A borrower is personally liable even after a default and foreclosure procedure, i.e., full and personal recourse
2. **Affordability Assessment:** Mortgage lending in Sweden is based on household affordability in the long term, i.e. funds left to live on after interest payments (including stressed interest rate), housing expenses and other general living expenses

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1. **"Originate and hold" model:** No "originate to distribute" model, no subprime lending
2. **Restricted Buy-to-Let Market:** Restricted buy-to-let market due to regulated rental market and tenant-owner subletting restrictions

1. **Social Security:** Well developed welfare system raising households' ability to service debt even during times of unemployment
2. **Mortgage Deed System:** A Mortgage Deed for every house is registered and controlled by the Swedish mapping, cadastral and land registration authority (*Sw* Lantmäteriet)
3. **Credit Information Agency:** National computerized data base with information regarding civil status, income and changes in income, assets, debt, payment complaints and recent inquiries at the agency. Used in every credit process regarding loans
4. **Enforcement Authority:** Lender can initiate an enforcement order with this office to enforce his claim, this process normally takes up to 90 days

# Key changes in the new mortgage rules

– Effective April 1, 2026

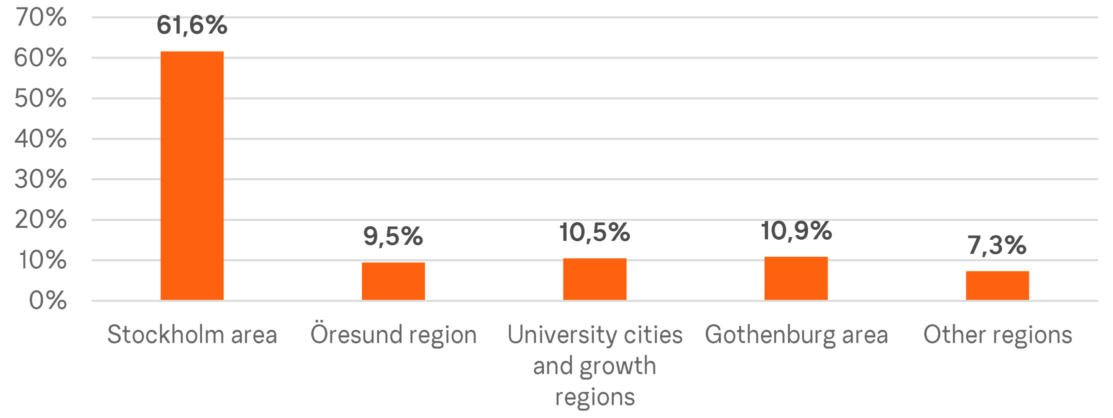
| | |
|---|---|
| **Loan-to-Value (LTV) cap raised to 90%** | • Borrowers can now finance up to 90% of a property's value, reducing the minimum cash down payment from 15% to 10% |
| **Standard amortisation rules remain unchanged** | • LTV > 70% → 2% amortisation per year<br>• LTV 50–70% → 1% amortisation per year<br>• LTV < 50% → No mandatory amortisation |
| **Stricter rules for top-up / additional loans** | • Additional borrowing on an existing property (e.g., for renovations) is capped at 80% of the property's value (down from 85%) |
| **New five-year "revaluation lock-in" rule** | • A property may only be revalued every five years for the purpose of lowering amortisation or increasing loan amounts. |
| **Abolition of the stricter amortisation requirement** | • The extra 1% amortisation for borrowers with mortgages exceeding 4.5x gross annual income is removed. Only the standard amortisation based on LTV remains (0–2% yearly) |
| **New legal framework replaces previous FI regulations** | • Rules on LTV limits and amortisation are moved from the FI regulations (Swedish FSA) into a new national law. |

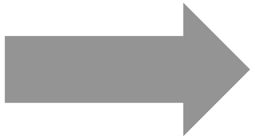
# Overview of mortgage lending

**New mortgage rules (effective as of 1 April 2026):**
- Maximum LTV of 90% (previously 85%)
- Regulatory amortization requirements remains (amortization of 2% per year if LTV = 70-85% and 1% per year if LTV = 50-70%)
- The extra 1% amortisation for borrowers with mortgages exceeding 4.5x gross annual income removed
- A property may only be revalued every five years for the purpose of lowering amortisation or increasing loan amounts

**SBAB underwriting criteria:**
- Credit granting based on an affordability assessment, i.e. funds left to live on post interest payments (including stressed interest rate), housing expenses and other general living expenses
- Affordability assessment (KALP) revised frequently to factor in changes in general living- and housing expenses
- Credits granted to at most a DTI of 5.5x (irrespective of LTV)
- At Q2 2026, the average LTV ratio in the mortgage portfolio amounted to 60%. At the same date, the average residential mortgage loan amounted to SEK 2.0 million. LTV and DTI for new lending during Q2 2026 was 71% and 3.6x respectively

## Geographical distribution of lending (%)



60%

**Average LTV**

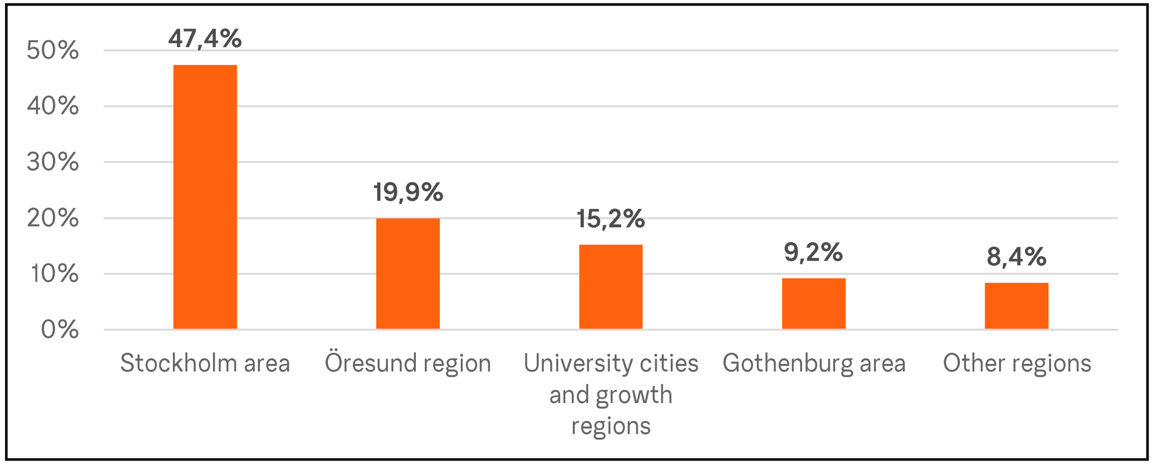
SEK 2.0 mn

**Average loan**

# Corporate & TOA lending

- Primary focus is on financing multi-family dwellings ("housing"/"residential") in geographies with strong demand. Focus on large and experienced property companies/groups with strong balance sheets
- Internal limits for construction loans (*Sw* "kreditiv") vs. total lending and commercial lending vs. total lending
- Strong volume growth, especially during 2020-2023, but no significantly increased asset risk in line with long-term strategy of growing with selected reputable and financially strong customers
- Increased frequency of monitoring of property companies/groups with high share of capital market financing and/or customers with construction loans (which could be negatively impacted by rising interest rates and increased prices of input goods and construction material)

## Geographical distribution of lending (%)




**58%**
**Average LTV (Corporate)**

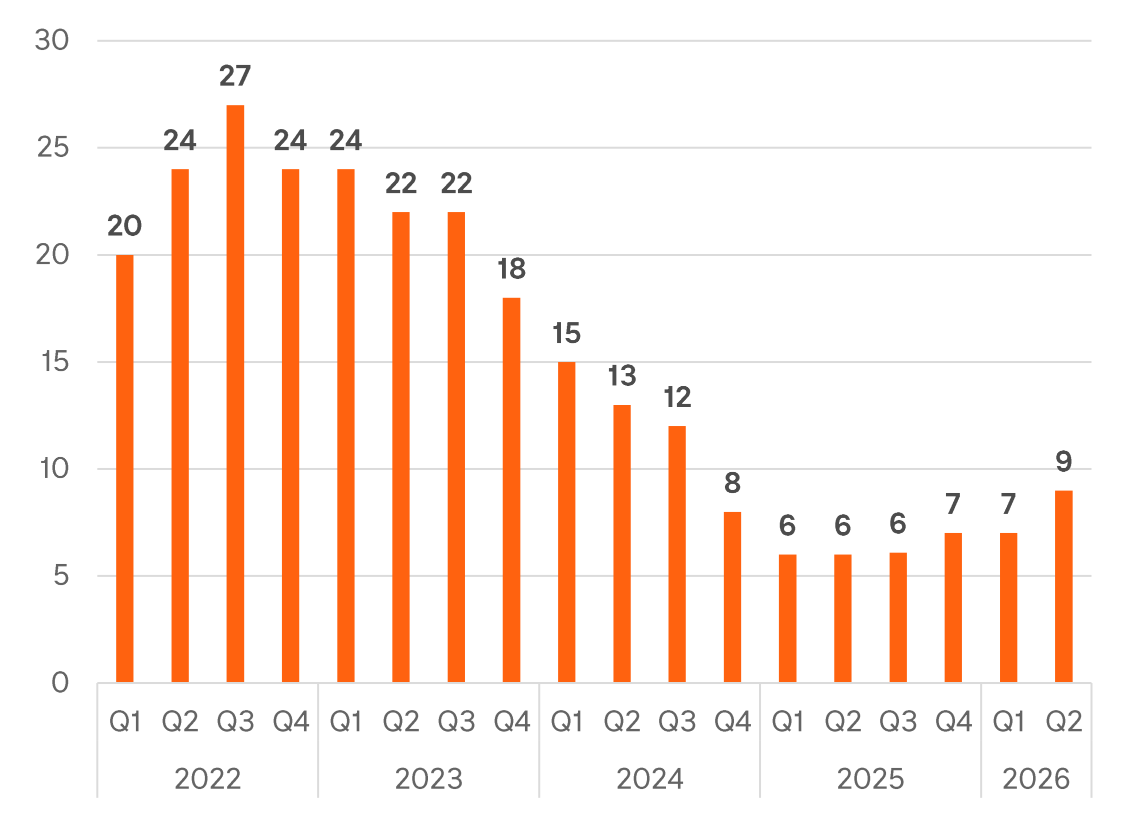
**31%**
**Average LTV (ToA)**

# Construction loans

## Comments

- Rapid fall in new construction (i.e. existing projects being finalised but low inflow of new projects)
- Approved outstanding construction loans totalling SEK 8.8 billion (of which SEK 3.9 billion disbursed)
- Focus on major residential developers and existing relationships with solid track records
- Most of the construction loans are to companies with diversified revenue streams (i.e not only from real estate development, but from rental apartments, infrastructure projects and real estate management)
- Prudent acceptance levels for smaller residential developers, e.g., higher levels of equity, number of sales agreements
- Analysis of the construction loan portfolio carried out on an ongoing basis

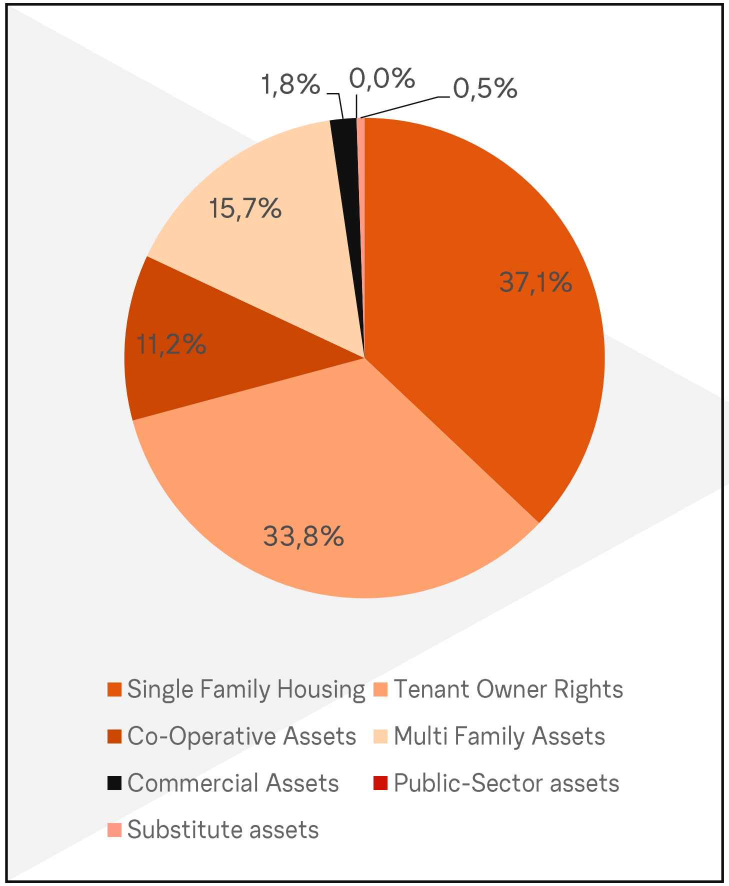
## Construction loan portfolio (SEK bn) (approved loans)



# Cover Pool composition

SCBC!
Covered bonds of SBAB

## Asset types in cover pool



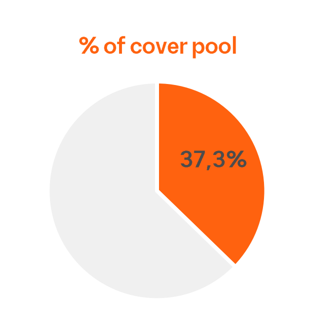

## Cover Pool Information - Single Family Housing

Asset balance (SEK bn)
**141.4**

# of loans
**211,394**

Average loan (SEK)
**668,697**

WA indexed LTV
**54.8%**



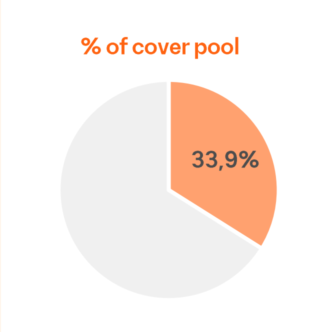

## Cover Pool Information - Tenant Owner Rights

Asset balance (SEK bn)
**128.8**

# of loans
**178,342**

Average loan (SEK)
**722,088**

WA indexed LTV
**58,1%**



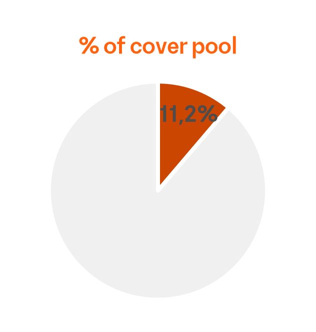

## Cover Pool Information - Co-Operative Assets

Asset balance (SEK bn)
**42,6**

# of loans
**4,488**

Average loan (SEK)
**9,488,172**

WA indexed LTV
**30.8%**



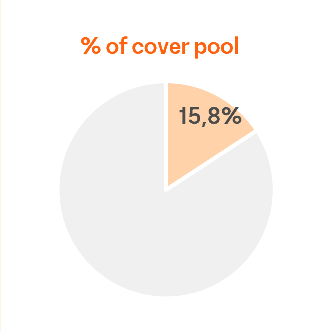

## Cover Pool Information - Multi Family Assets

Asset balance (SEK bn)
**59.9**

# of loans
**465**

Average loan (SEK)
**128,849,976**

WA indexed LTV
**58.3%**

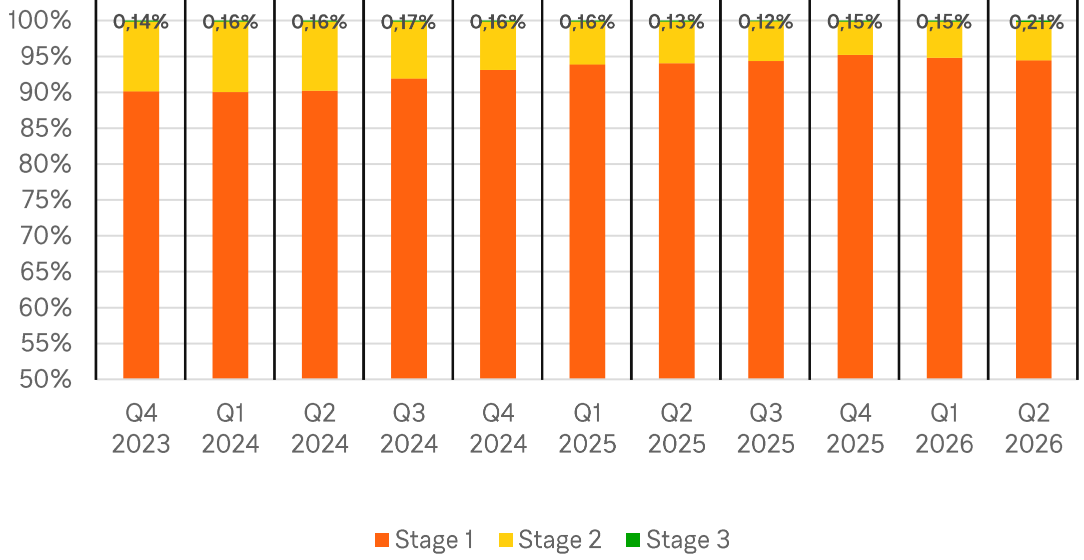



*Percentage of loan portfolio in the cover pool (not including substitute assets and public-sector assets)*

# Development of provisions

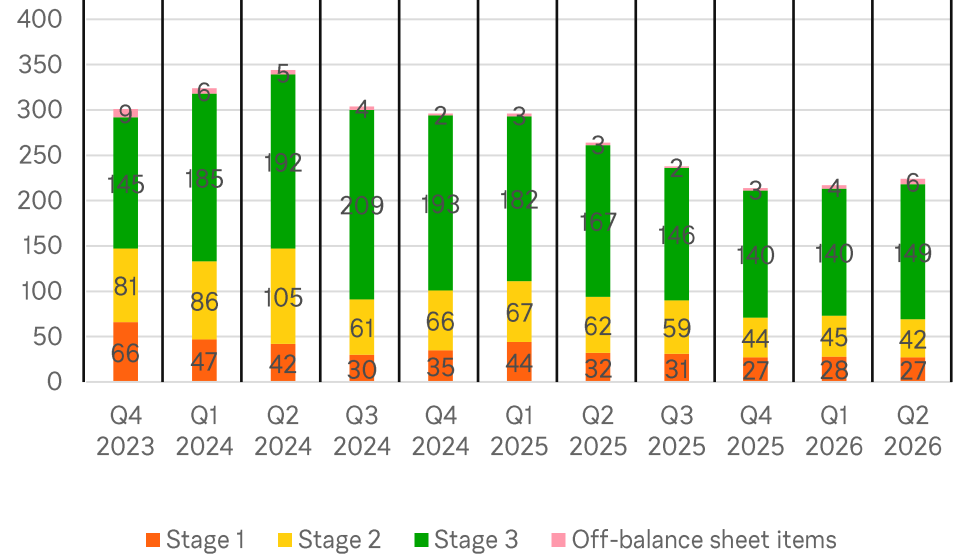
## Lending to the public by credit stage (gross)

| Gross lending | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 | Q1 2026 | Q2 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *Stage 1* | 466,456 | 469,724 | 476,611 | 492,008 | 501,116 | 507,418 | 508,897 | 514,084 | 518,999 | 516,220 | 517,293 |
| *Stage 2* | 50,501 | 51,075 | 50,867 | 42,401 | 36,157 | 32,396 | 31,561 | 30,025 | 25,320 | 27,429 | 29,259 |
| *Stage 3* | 735 | 813 | 832 | 891 | 857 | 839 | 723 | 652 | 803 | 797 | 1,150 |
| **Total** | **517,692** | **521,612** | **528,310** | **535,300** | **538,130** | **540,653** | **541,181** | **544,761** | **545,122** | **544,446** | **547,702** |



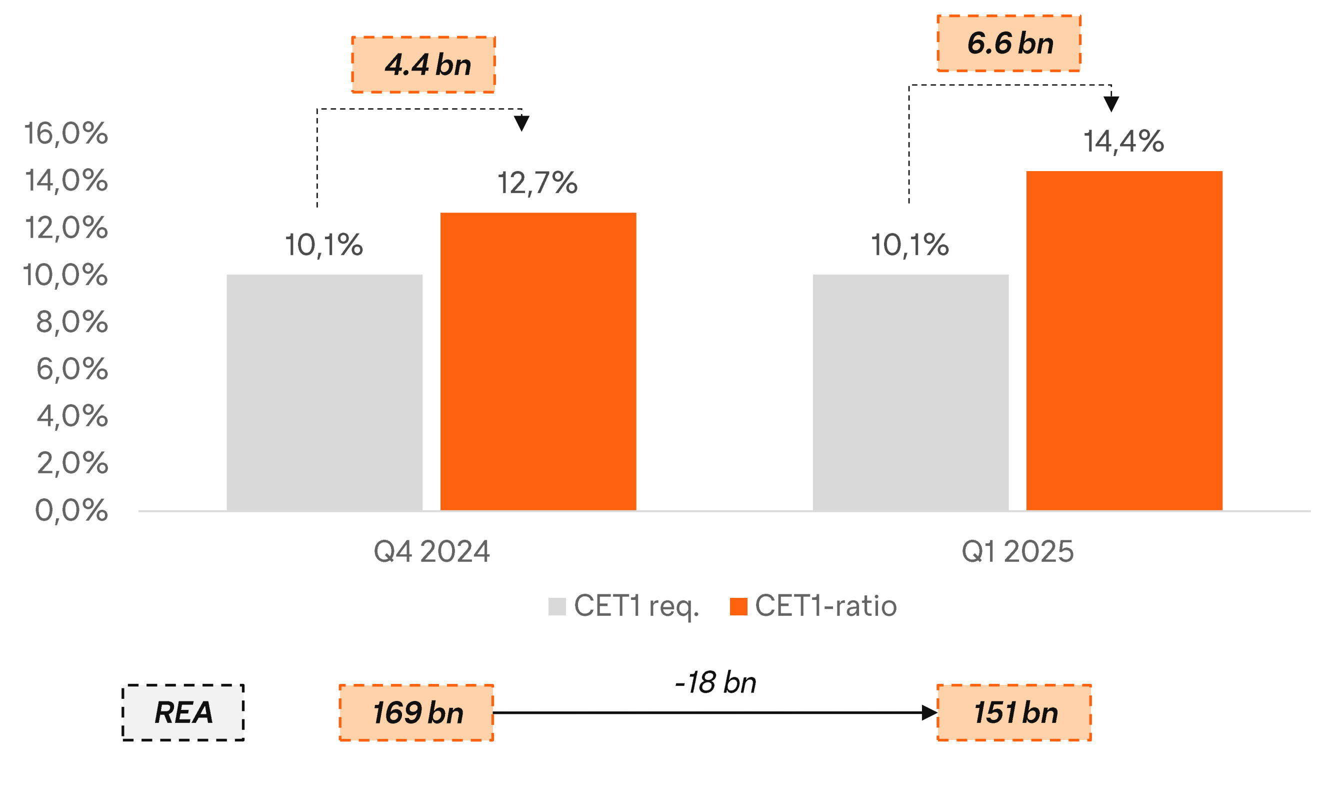

## Development on provisions

| Provisions | Q4 2023 | Q1 2024 | Q2 2024 | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 | Q1 2026 | Q2 2026 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *Stage 1* | 66 | 47 | 42 | 30 | 35 | 44 | 32 | 31 | 27 | 28 | 27 |
| *Stage 2* | 81 | 86 | 105 | 61 | 66 | 67 | 62 | 59 | 44 | 45 | 42 |
| *Stage 3* | 145 | 185 | 192 | 209 | 193 | 182 | 167 | 146 | 140 | 140 | 149 |
| *Off-balance-sheet* | 9 | 6 | 5 | 4 | 2 | 3 | 3 | 2 | 3 | 4 | 6 |
| **Total** | **301** | **324** | **344** | **304** | **296** | **296** | **264** | **238** | **214** | **217** | **224** |



# CRR 3 effects on capital position

## Impact on REA and CET1 capital ratio




## Comments

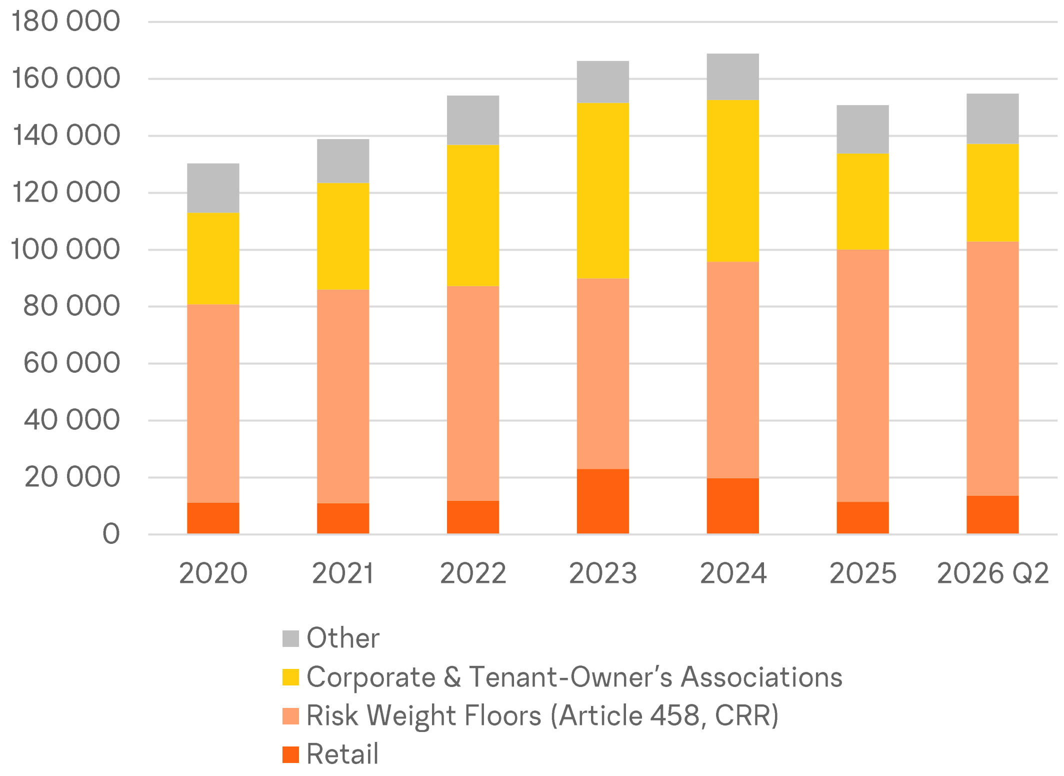
- Changes in the standardised values for loss given default (LGD) in CRR 3 significantly improve SBAB's risk weights for corporates and tenant-owners' associations, owing primarily to lower standardised LGD values for exposures secured by immovable property
- In Q1 2025, compared with Q4 2024, REA decreased by SEK 17.6 bn
- SBAB is not bound by the aggregated output floor, due to the current risk weight floors in Sweden (Article 458)
- In summary, the above has resulted in a significant improvement in margin to CET1 requirement (approx. 1.7 percentage points or SEK 2.2 bn) Q1 2025 vs Q4 2024
- Due to the relief in REA from CRR 3, leverage ratio will be the requirement with the lowest CET1 headroom going forward

# Development of REA

## Comments

- True risk weights (internally calculated) far lower than mandatory risk weight floor applied by the Swedish FSA of 25% for Swedish residential mortgages (article 458). Mortgage portfolio, representing ~70% of total lending, thus contributes to stability in REA
- Decrease in REA 2025 vs. 2024 mainly attributable to the implementation of the Banking Package, resulting in lower standardised LGD values for corporates and tenant-owners' associations
- In connection with the implementation of the Banking Package, REA for retail exposures (excluding the mortgage risk-weight floor) declined due to a lower LGD floor. However, this effect was fully offset by a corresponding increase in REA arising from the mortgage floor
- Other regulatory changes in CRR 3 had a minor impact on REA
- Slight increase in REA during first half of 2026 mainly attributable to growth in mortgage volume

## Development and composition of REA (SEK mn)



# Overview of funding

**Deposits**

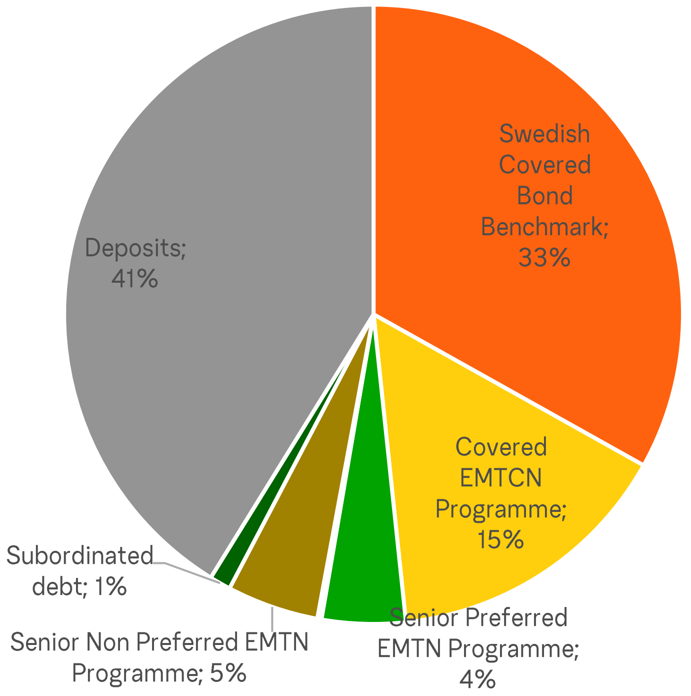
**Unsecured funding**

SBAB!

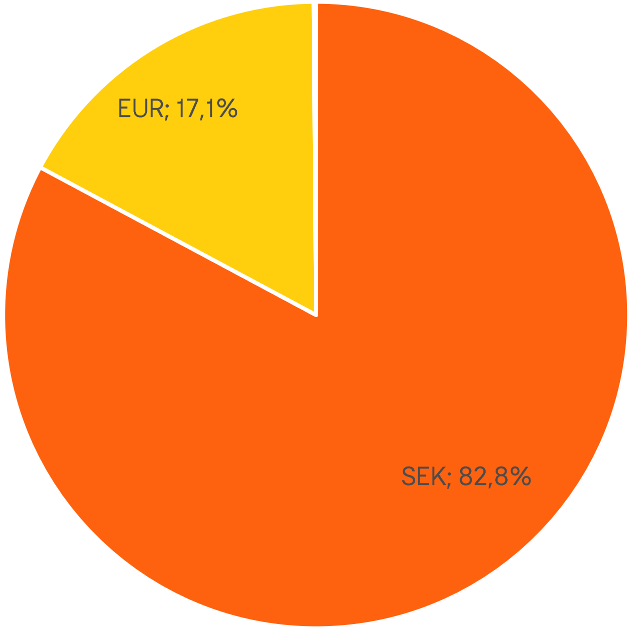
**Covered bonds**

SCBC!
Covered bonds of SBAB

## Funding sources



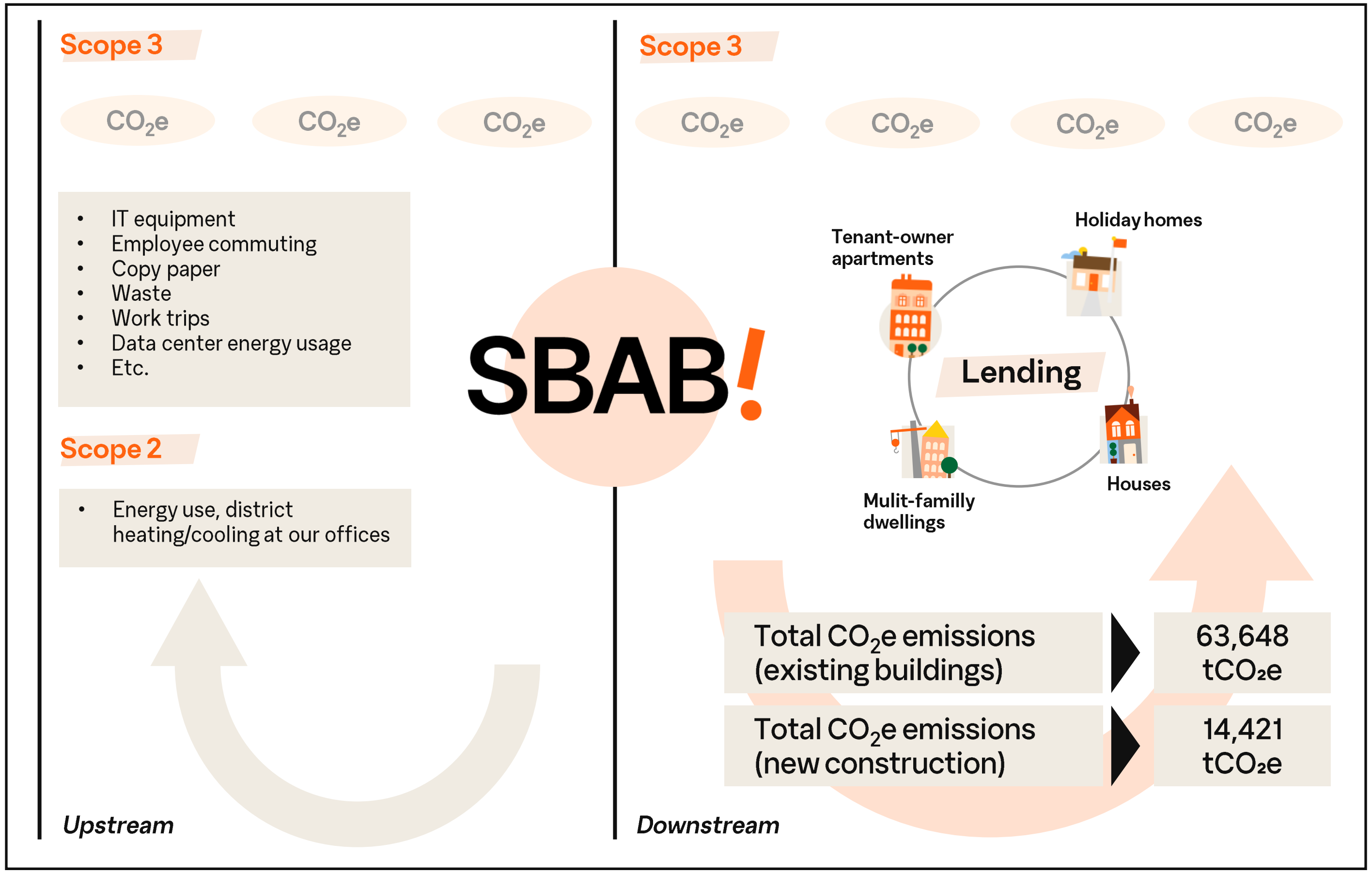

## Funding currencies



# Long-term climate goal

- In 2024, SBAB adopted a target of reducing financed emissions intensity ($kgCO_2e/m^2$) from lending against collateral in immovable property 50% by 2030, compared with the base year 2022
- The target is not validated by an external party but is based on the SBTi's methodologies[1)]
- 100% of SBAB's lending secured by immovable real estate is covered by the target, corresponding to 99% of total lending and 79% of SBAB's total emissions
- To support the long-term emissions reduction pathway, SBAB has adopted a complementary activity-based target to measure progress: "Contributing to the climate transition of properties"

| Target 2030 vs. base year 2022 | Outcome 2025 vs. base year 2022 | Outcome 2025 (financed kgCO2e/m2) | Outcome base year 2022 (financed kgCO2e/m2) |
|---|---|---|---|
| –50% | –2,2% | 3.85 | 3.93 |




1) Based on SBTi's *Financial Institutions' Near-term Criteria, version 2.0 from May 2024* and draws on the Sectoral Decarbonization Approach (SDA) for the real estate sector, which is based on the Carbon Risk Real Estate Monitor (CRREM). SBAB's target is derived from a volume-weighted consolidation of the decarbonization pathways for single-family houses, multi-family dwellings and commercial properties.

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