Year-end report

January–December 2023

SBAB Bank AB (publ)

The year in brief

Q4 2023

(Q3 2023)

- Total lending decreased 0.1% to SEK 517.4 billion (517.9) for the quarter. Total deposits increased 7.7% to SEK 215.2 billion (199.9).
- Operating profit decreased 11.8% to SEK 635 million (720), primarily due to a more negative outcome for net income from financial transactions, increased costs and higher credit losses.
- Net interest income increased to SEK 1,332 million (1,315), mainly due to somewhat higher mortgage lending margins. This trend was partly offset by increased fees for national deposit guarantees and by somewhat lower deposit margins.
- Net credit losses increased to SEK 31 million (6), primarily due to adjustments in the impairment model and subsequent increases in credit loss allowances. Confirmed credit losses totalled SEK 2 million (2).
- The return on equity amounted to 8.9% (10.6) and the C/I ratio was 35.8% (31.6).
- The Common Equity Tier 1 (CET1) capital ratio was 12.3% (11.6).
- According to Swedish Quality Index (Svenskt Kvalitetsindex, SKI), SBAB had the most satisfied customers in Sweden in terms of residential mortgages to private individuals and property loans to corporates and tenant-owners' associations for the fifth and sixth consecutive years, respectively.

January–December 2023

(January–December 2022)

- Total lending increased 1.6% during the year to SEK 517.4 billion (509.5) Total deposits increased 18.0% to SEK 215.2 billion (182.4).
- Operating profit grew 17.0% to SEK 3,070 million (2,639), primarily due to strong net interest income trend.
- Net interest income rose to SEK 5,446 million (4,655), primarily due to an increased share of financing from deposits and continued healthy deposit margins. Decreased lending margins for mortgages had a negative impact on the item.
- Net credit losses totalled SEK 93 million (68), the majority of which consisted of credit loss allowances. Confirmed credit losses totalled SEK 9 million (7).
- Imposed fees for the full year 2023 totalled SEK 541 million (445), of which the risk tax amounted to SEK 359 million (261) and the resolution fee to SEK 182 million (184).
- The return on equity amounted to 11.5% (10.5) and the C/I ratio was 31.0% (32.7).
- The Common Equity Tier 1 (CET1) capital ratio was 12.3% (12.8).
- The basis for the Board regarding appropriation of profits for 2023 is to propose a dividend of SEK 963 million, representing 40% of the Group's net profit for the year after tax, in accordance with SBAB's dividend policy.

Selected key metrics

	GROUP					
	2023	2023		2023	2022	
	Q4	Q3	Change	Jan–Dec	Jan–Dec	Change
Total lending, SEK bn	517.4	517.9	–0.1%	517.4	509.5	+1.6%
Total deposits, SEK bn	215.2	199.9	7.7%	215.2	182.4	+18.0%
Net interest income, SEK mn	1,332	1,315	1.3%	5,446	4,655	+17.0%
Net commission, SEK mn	–10	–9	–1 mn	–34	12	–46 mn
Net result of financial transactions, SEK mn	–80	–62	–18 mn	–95	–35	–60 mn
Expenses, SEK mn	–448	–398	+12.6%	–1,663	–1,529	+8.8%
Net credit losses, SEK mn	–31	–6	+25 mn	–93	–68	+25 mn
Imposed fees: Risk tax and resolution fee, SEK mn	–139	–134	+5 mn	–541	–445	+96 mn
Operating profit, SEK mn	635	720	–11.8%	3,070	2,639	+16.3%
Return on equity, %	8.9	10.6	–1.7 pp	11.5	10.5	+1.0 pp
C/I ratio, %	35.8	31.6	+4.2 pp	31.0	32.7	–1.7 pp
CET1 capital ratio, %	12.3	11.6	+0.7 pp	12.3	12.8	–0.5 pp

This is SBAB

Our business idea is to be innovative and considerate in our offering of loans and savings products and other services for better housing and household finances to private individuals, tenant-owners' associations and property companies in Sweden.

Vision
To enable tomorrow's homes and housing

Mission
The considerate bank with the best offering in housing and household finances

Retail business area
The Retail business area offers services within housing and household finances, such as savings and loan products, insurance mediation, and housing search and real estate agent services. The core product is residential mortgages complemented with savings accounts. Activities are operated under the SBAB, Booli and HittaMäklare brands. We meet our customers and users digitally or by telephone. Our market share in terms of residential mortgages amounted to 8.40% on 31 December 2023, which makes us the fifth-largest residential mortgage bank in Sweden. Booli.se has Sweden's largest offering of homes for sale.

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SBAB! hittamäklare! A service by SBAB booli! A service by SBAB

Business Area Corporate Clients & Tenant-Owners' Associations
Business Area Corporate Clients & Tenant-Owners' Associations offers savings and property financing solutions to property companies, housing developers and tenant-owners' associations as well as savings to companies and organisations. We finance multi-family dwellings, existing as well as new buildings. We offer personal service to our customers, who are concentrated in growth regions surrounding our offices in Stockholm, Gothenburg and Malmö. The market share for lending to companies (multi-family dwellings) was 17.86% on 31 December 2023. At the same time, the market share for lending to tenant-owners' associations was 11.08%.

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SBAB assigns priority to four Sustainable Development Goals

Read more about our sustainability agenda in SBAB's Annual Report 2022

Statement from the CEO

Despite a challenging operating environment, we are once again putting a successful year behind us. We continue to attract new customers and grow our business volumes, not least within deposits, and we continue to have the highest levels of customer satisfaction in the industry. Our responsible approach to conducting our operations, together with our ability to adapt to changing conditions, comprise key factors behind this solid performance.

First and foremost – it was a tough year for many households and companies. War and other tumultuous events led to significant uncertainty and made the future both difficult to predict and tricky to navigate. During the last two years, inflation has climbed to levels not seen in several decades, leading to a series of policy rate hikes from the Riksbank. The pace and scope of the recent rate hikes were likely a surprise to many, and measures from the Riksbank had wide-ranging effects on the economy and society. Rising interest rates and increasing costs have eroded purchasing power and squeezed financial margins.

Even if some amount of uncertainty prevails regarding future economic trends, the resilience of the majority of households and businesses, and their ability to adapt, appear to be healthy. Despite market developments, at SBAB we have not noted any significant overall changes in the credit quality of our lending portfolio. This is proof that we run a stable, responsible business and that the assets in our balance sheet are of high quality. Credit losses totalled SEK 93 million for the full year, the majority of which consisted of credit loss allowances. Confirmed credit losses totalled SEK 9 million.

Sights set on interest rate cuts in 2024

The most recent economic trends and falling inflation point to interest rate cuts in 2024. We believe that the Riksbank will start to lower the interest rate starting from the summer. This means, all else being equal, that conditions for our customers will improve. It is also a positive sign that many property companies are continuing to act in order to adapt their operations and debt structure to a new interest rate environment. This includes lowering or postponing dividends, conducting new issues and selling assets.

High interest rates are expected to hold back demand for housing in 2024. Since their peak in spring 2022, housing prices have dipped around 16%, according to statistics from Booli. Prices for apartments have dropped nearly 12% and house prices approximately 18%. The decrease for the full-year 2023 hovered around a moderate 0.8%, primarily because of a relatively strong performance during the first half of the year.

Sweden's most satisfied customers

Even if the business environment appears somewhat more challenging, at SBAB we continue to focus on being a growth-oriented and responsible player in the market. We continue to grow and we are proud that so many customers are turning to us to finance their homes or to manage and get a return on their savings. I am pleased and grateful that we have Sweden's most satisfied residential mortgage customers according to Swedish Quality Index (Svenskt Kvalitetsindex, SKI) for the fifth consecutive year. According to the same survey, we also have Sweden's most satisfied customers within property loans to tenant-owners' associations and property companies. Fantastic!

Our lending grew 1.6% to a total of SEK 517.4 billion during the year. This is significantly lower growth than previous years, primarily due to the weaker housing market. Annual market growth for mortgages in November 2023 amounted to 0.7%, compared with 4.0% one year ago. We will likely continue to see relatively low market growth in 2024 before activity in the housing market recovers. Demand from property companies for bank financing has increased in pace with growing limitations in access to the bond market, which is expected to maintain credit growth in this segment.

Market transparency moving in the wrong direction

Our ambition is to offer our customers simple and competitive terms. This is how we help create a better, more functional market. Offering simple and competitive terms is also important for our ability to grow operations through attracting new customers and to retain our high level of customer satisfaction.

Our strategy for pricing involves ensuring a balance between mortgage rates and borrowing costs. Simply put – being transparent. This also applies to our terms for our savings accounts. The difference between listed rates and what customers ultimately pay for their mort-

gages, actual mortgage interest rates, increased for the industry as a whole in 2023. This is an unfortunate development which means that customers that are not actively negotiating their terms risk paying far too much for their mortgages. You can see the same pattern in the market for deposits: many players, not least the major, more established banks, continue to offer their customers far too little in terms of interest on savings. This is where we want to challenge and make a difference.

Long-term market interest rates have fallen sharply recently. This, in turn, means a decrease in SBAB's borrowing costs. That is why during the quarter we chose, on several occasions, to lower our mortgage rates for longer maturities. Likewise, during the year we adjusted interest rates upwards for our savings accounts in pace with the policy rate hikes from the Riksbank.

A strong full-year performance and exceptional growth in deposits

We posted a strong financial performance and continued good profitability for the full year. Return on equity in 2023 amounted to 11.5%. Our net interest income continues to post a healthy trend. Net interest income increased 17.0% to SEK 5,446 million in 2023, despite very low residential mortgage margins. As borrowing costs rose through mortgage bonds, deposits have come to play an increasingly important role as a source of funding for our financial performance as well as our ability to offer competitive terms to our customers. As previously announced during the year, we continued to invest a great deal of time and resources to refine and develop our savings offering. During the fourth quarter we launched a fixed-interest account for retail customers, which was immediately successfully and highly appreciated by our customers. Deposits grew a full SEK 33 billion during the year, corresponding to 18.0%. This was an excellent performance that we are extremely proud of. That so many customers are choosing to save money with SBAB highlights the appeal of our offering and the strength of our brand. It is also a signal to other players in the market that many customers will no longer accept inferior terms.

Our service model, where the majority of customers meet us digitally or over the phone, allows for relatively efficient operations. At the same time, banking operations are becoming increasingly complex and demanding. This is due in part to increased digitalisation and changing customer needs but also in part to regulatory developments. We continued to invest in operations and costs increased 8.8% during the year to a total of SEK 1,663 million. The C/I ratio was 31.0%.

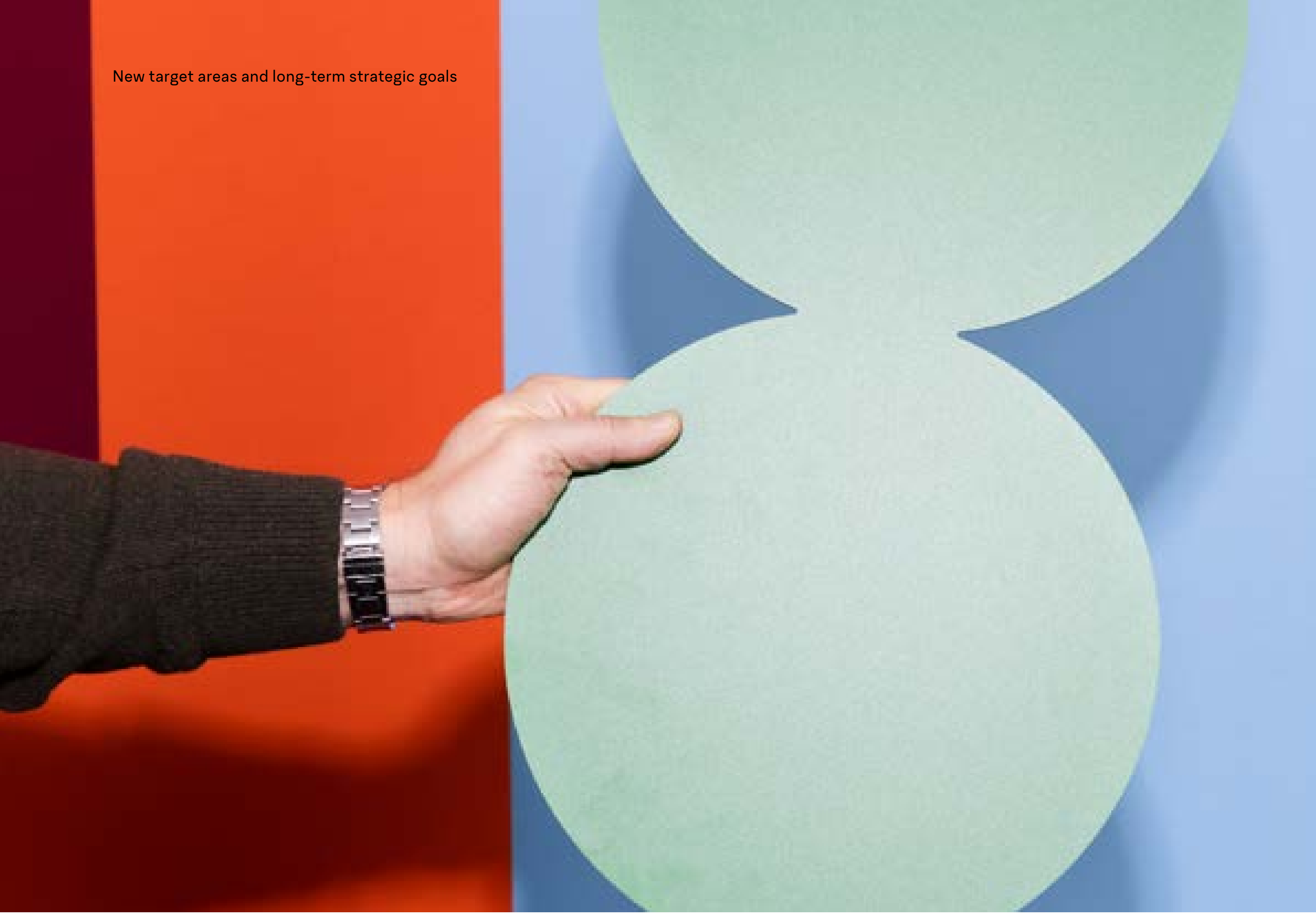
In 2021, SBAB decided to acquire Boappa in order to supplement and expand our existing offering of services within housing and household finances for tenant-owners' associations. The company's services are no doubt appreciated by its users, but the company has not grown or developed at the rate we had hoped for. Nor have we managed to integrate Boappa as a value-generating part of our customer offering and as a natural part of SBAB's business. Our assessment is that it would require significant investment and resources from SBAB to turn this trend around. That is why we divested the company during the fourth quarter. We will continue to develop value-generating services to help our customers within the framework of our existing brands.

Now we look forward to an exciting 2024

I would like to take this opportunity to extend my sincere appreciation to all of our employees at SBAB for your dedication and efforts in 2023. I'm proud to lead an organisation with such skilled, driven and considerate individuals. Together, we make a difference.

Now we look forward to an exciting and eventful 2024.

Mikael Inglander
CEO of SBAB



New target areas and long-term strategic goals until 2030

In 2022, SBAB identified a need to clarify certain components of its overall strategy to factor in major trends and the overall development in the market. The work included a rethink of the company's existing target structure and long-term strategic business goals. At the end of 2022, SBAB decided on five new target areas and seven long-term strategic goals extending to 2030. Together, these are expected to help SBAB conduct sustainable operations that generate long-term value for the company's stakeholders and that respond to the changes and challenges the company has identified in its operating environment. The new target areas replace SBAB's previous target areas (Responsibility & Transparency, Attractive Workplace and Sound Finances) from and including 2023. The financial targets as set by the owner for profitability, capitalisation and dividends remain unchanged.

Target areas		2030 goals
Long-term value creation	Return on equity	**≥10%**
Sustainable Society	Reduced emissions	**–50% (by 2038)**[1]
Customer satisfaction	Market share Residential mortgages	**10%**
	Market share Corporate clients	**20%**
	Market share Tenant-owners' associations	**15%**
Efficient Operations	C/I ratio	**<30%**
Attractive Workplace	Engagement Index (scale from 1 to 5)	**≥4**

[1] By 2038, emissions from SBAB's lending portfolio and its own emissions from operations will be aligned with the Paris Agreement's 1.5°C goal, which entails 50% lower emissions compared with 2022. Calculation bases may evolve over time where the target level expressed as a percentage may be adjusted.

Market overview

Swedish economy
Economic conditions continued to deteriorate during the year. In the third quarter, adjusted for seasonal effects, GDP decreased 0.3% quarter-on-quarter. Adjusted for the number of working days, GDP decreased 1.4% year-on-year. While the GDP indicator improved slightly in October and November, the overall consensus is that the Swedish economy is in a recession. For the full year 2023, the Swedish economy is expected to shrink a maximum of 1%. Despite the weak economy, the situation is relatively good in terms of a high level of employment and low unemployment.

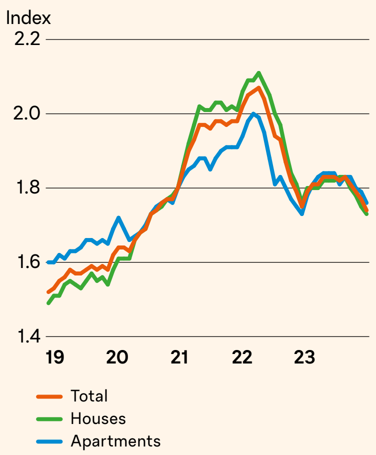
Inflation is continuing to decline markedly and has been doing so for quite some time. It is still higher than the Riksbank's goal, but close enough to have sparked lively debate about coming relief in terms of monetary policy. The Riksbank's earlier policy rate hikes have contributed to higher mortgage rates that have suppressed household demand, which has in turn helped control inflation. Now focus has shifted to adjusting monetary policy to bring inflation to the target level and to remove unnecessary pressure from the economy.

Confidence in the economy remained low through the last quarter of the year, among businesses as well as households. Industry indicators are close to levels typical for a recession. For households, however, confidence indicators are unusually low despite a clear uptick since the beginning of 2023. This low level is likely due to rapidly increasing prices for food and energy as well as significantly higher interest on residential mortgages. Read more about the forecasts for Sweden's economy in the latest edition of SBAB Bomarknadsnytt (in Swedish), available here.

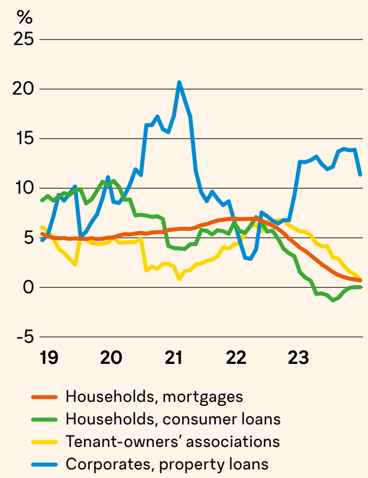
Fixed-income market
Short-term market interest rates stabilised during the fourth quarter because the Riksbank's key interest rate remained unchanged during the period. Long-term market interest rates also increased around one percentage point and are now on a par with the levels noted from the end of 2022. There are, of course, slight differences between various instruments and differing maturities. The overall pattern can be described as a fixed-income market that is expecting relief in monetary policy to come in 2024 and inflation that is returning to the target level. In November 2023, the Riksbank decided to keep the policy rate at 4.00%. It currently appears that interest rates have peaked and that monetary policy will successfully lower inflation to the target level. SBAB expects the policy rate to remain at 4.00% during the winter and spring before beginning to fall toward the equilibrium level of around 2% before summer. The policy rate cuts are expected to lower short-term market interest rates. The long-term market interest rates have already decreased significantly, but are expected to decrease further, especially in the medium term.

The changed situation for market interest rates during the fourth quarter and the beginning of 2024 led to lower mortgage interest rates, primarily for longer fixed-interest periods. This trend is expected to continue in the near future, though there could be additional downward adjustments. Mortgage rates are expected to fall more sharply once the Riksbank starts to lower the policy rate. During the coming years, mortgage rates are expected to fall to 3.5%. The long-term level for mortgage rates in general is estimated to range close to 3.5%–4.0%, somewhat lower for variable mortgage rates and somewhat higher for longer fixed-interest rates. Read about forecasts of the mortgage rate trends in the latest edition of SBAB Boräntenytt (in Swedish), available here.

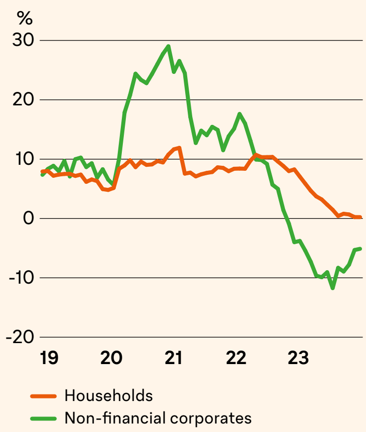
Housing price trend
(SBAB Booli HPI, 2013.01 = 1)



Lending growth
(Percentage, 12-month change)



Deposit growth
(Percentage, 12-month change)



Sources: Macrobond, Statistics Sweden, Booli and SBAB
Data until and including Dec. 2023 for housing price trends and Nov. 2023 for lending and deposit growth

Housing prices

After a strong recovery during the first quarter of 2023, housing prices more or less stagnated in the second quarter, fell slightly during the third quarter and then more persistently during the fourth quarter. Housing prices fell only marginally for the full year, but compared with spring 2022 they fell an average of 16% for the country as a whole, more for houses than for apartments. The relatively weaker trend for houses could partially be explained by the fact that house prices developed strongly during the coronavirus pandemic. SBAB's economists expect housing prices to fall somewhat in the beginning of 2024, but that they still develop positively for the year as a whole.

The long-term housing price trend can be explained by a range of structural factors, including household incomes and mortgage rates. Higher housing expenses due to higher mortgage rates led to a rapid downturn in the housing market in 2022. The Riksbank's about-face with its monetary policy in spring 2022, and the record fast hikes to the policy rate in the autumn, changed household expectations regarding future mortgage rates and suppressed housing prices. For quite some time, the Riksbank has signalled that the policy rate could remain high for at least another year. However, SBAB's economists expect a rapid turn and for falling interest rates to bring up housing prices by the end of 2024. Read more projections of housing price trends in the latest issues of SBAB Boprisindikator (in Swedish), available here, and SBAB Bomarknadsnytt (in Swedish), available here.

Housing market

Housing turnover for existing homes was at a record low from the fourth quarter of 2022 and throughout all of 2023. Turnover was also very low during the fourth quarter of 2023, well under a level that could be considered normal from a historical perspective, particularly for apartments. Moreover, housing turnover is well below the level normally associated with a recession. In October and November 2023, 9,000 houses and 16,500 apartments were sold. This is 14% and 29% lower than for the corresponding months in 2021, respectively. After an intense period in the housing market in the wake of the coronavirus pandemic, market conditions have reversed. This is noticeable in trends like fewer bidders per home, lower bid premiums and a larger proportion of housing with lowered prices. However, opening prices can generally be considered high since, in many cases, they are still at the previous year's levels, while at the same time selling prices are significantly lower.

The market for new housing production has come under increasing strain since autumn 2022. Unlike the market for existing housing, there has been no real drop in prices for new housing production. However, sales of new housing have slowed very significantly, from around 1,800 verified sales per month in autumn 2021 to fewer than 400 homes per month in autumn 2023. Advertising periods more than doubled in length compared with last year. For Sweden as a whole, the SBAB Booli Housing Market Index (HMI, available here) indicates that conditions for building housing worsened quickly in the second half of 2022 and the first quarter of 2023. Conditions stabilised during the second quarter of 2023 and improved during the third quarter. The improvement in the overall HMI figure, however, suggests that a lower rate of construction has led to a production level that is far from a surplus. Note that local surpluses or deficits for specific forms of housing are already possible. The most recent trend toward an overall surplus is largely due to rapidly declining demand for housing as a result of rising housing expenses in the wake of rising residential mortgage rates.

Market for deposits and lending

The rate of growth for household loans continued to decrease during the third and fourth quarters of 2023 in terms of 12-month figures. However, in terms of the seasonally adjusted 1-month trend, the rate of growth has stabilised since the third quarter. In terms of 12-month figures, the growth rate was 0.4% in November, which was a new low since measurement started in 2005. The rapid deceleration was primarily due to a lower growth rate for housing loans, which was 0.7% in November. The mortgage growth rate is expected to increase slightly in 2024. This weak trend is due to higher mortgage rates having suppressed demand for housing and pushed down housing prices. Higher interest rates and the weaker economy have also contributed to lower housing turnover which, together with lower housing prices, also reduced demand for credit. Household interest in consumer loans declined rapidly in 2022 but has somewhat recovered since mid-2023. Consumer loans in November 2023 were at the same level as in November 2022.

Lending to tenant-owners' associations continued to grow at an even slower rate than in the fourth quarter of 2023, and in November the 12-month growth rate amounted to only 0.8%. This is significantly lower growth than the 5.6% posted at the beginning of the year. The decrease can be attributed to pressure on tenant-owners' associations from higher interest rates, leading them to delay certain investments. However, the growth rate remained high for lending to rental property owners, which increased to 11.4% in November in terms of 12-month figures. This relatively high growth rate is due to the completion of many rental properties in 2023 as well as the difficulties property owners have had to finance operations through means other than bank loans.

In 12-month terms, deposits from households grew 0.2% in November. There has thus been a very rapid decline from a growth rate of over 10% in the middle of spring 2022. An economic slowdown and overall economic uncertainty normally lead to households increasing their savings. The current reversal could be because many households want to reduce their balance sheet as a result of the higher interest rates. This means reducing liabilities by paying off residential mortgages, for example, while simultaneously reducing assets in deposit accounts. This does not affect household net saving, but decreases their liquidity and is a result of an increased price of liquidity as a result of higher interest rates. Growth in corporate deposits has also plummeted. Since early 2022, it has gone from increasing by nearly 20% in 12-month terms, to decreasing almost 5% in 12-month terms in November 2023. Negative deposit growth from corporate clients is not entirely unusual under certain circumstances. This was the case, for example, temporarily in 2008 and in a large portion of 2011. However, the current trend is unusual and could be due to the fact that companies have reviewed their balance sheets as a result of higher interest rates, and that it has become more difficult and expensive for companies to finance their operations in the capital market.

Risks and uncertainties

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 SBAB's future earnings capacity, and the quality of our assets is mainly exposed to credit risks 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 a strong demand for housing and a housing shortage. Despite a high rate of construction for the past few years, the housing shortage remains significant. The high rate of construction in combination with a growing proportion of home owners and rising housing prices have led to higher levels of private indebtedness, including some highly indebted households. Housing costs as a percentage of household income are generally low, especially among homeowning households, which is attributable to relatively higher incomes. However, higher interest rates have led to higher housing costs for many of these households.

Previous high inflation means that a large part of household consumption is now significantly more expensive, which suppresses household savings. By the end of 2023, the Riksbank's restrictive monetary policy brought inflation under control, though it is not yet at the target level. The pressure on household finances nonetheless will remain until interest rates decline somewhat and lost purchasing power is restored through higher incomes.

High housing costs a burden on households

Rising policy rates and market interest rates drove up mortgage interest rates throughout 2023. The trend is expected to reverse in 2024, but interest rates are nonetheless expected to curb demand during the year. Since the majority of households own their own home and due to many mortgages being subject to variable interest, the Swedish economy is sensitive to interest rate movements. While this is positive for the monetary policy's impact, there is a risk of indebted households with tight margins experiencing temporary difficulty coping with ongoing payments on their mortgages as a result of interest rates. However, stress tests indicate that this risk is low when interest rates are moderate.

Together with price increases, higher interest rates have increased housing costs and cost ratios for households. However, the long-term risks associated with high inflation are deemed low as inflation also drives increases in households' disposable income over time, thereby resulting in a decline in mortgage debt as a share of household income. Even if real interest rates remain unaffected by inflation, higher inflation will result in a cash strain on households.

Rising mortgage rates led to lower housing prices. Calculated based on the beginning of 2022, prices for houses fell 17% and prices for apartments fell 11%. Continued high mortgage rates, weak income trends, rising unemployment and a large housing offering are expected to put further pressure on housing prices before they start a slow increase in late 2024. 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 and building new housing units.

High interest rates a burden on property companies

Many property companies have loans, and higher interest rates reduce their profits and the value of their properties. Higher interest rates can also put pressure on property companies with tight margins. This includes problems maintaining a sufficiently high cash flow to meet current interest expenses or refinancing maturing bonds.

Risks 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 SBAB 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, changes in the monetary policies of central banks or extraordinary events such as pandemics, wars and acts of terrorism. Widening credit spreads on interest-bearing assets and stock market volatility are other factors.

Prevailing interest rate levels and future trends are important variables for SBAB, since they impact strongly on net interest income and operating profit. Volatility and increased interest rate movements in the financial markets can impact the carrying amount of the financial instruments and holdings that SBAB uses to manage interest-rate and currency risks in the Group's assets and liabilities. This, in turn, can affect net income from financial transactions in the income statement and other comprehensive income reported under equity in the balance sheet.

Geopolitical uncertainty and armed conflicts

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 military invasion of Ukraine has led to extensive sanctions on Russia, who in turn cut off deliveries of gas to Europe and blocked the export of grains from Ukraine. Israel's war against the terrorist organisation Hamas has not yet had any clear economic consequences, though it risks leading to higher oil prices. Although SBAB 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, uncertainty about the future and volatility in the financial markets.

For further information about risks and risk management, please refer to SBAB's 2022 Annual Report.

Mortgages and household finances without the hassle

We want to enable and facilitate every phase of home-owner life – be it buying, selling or living in a home – with our services within housing and household finances.

SBAB! booli!

Buying

- Residential mortgages & housing financing
- Housing valuations
- Housing advertisements

Business partner services:

- Home insurance
- Life insurance
- Legal advice
- Electricity agreements

booli! hittamäklare!

Selling

- Estate agent recommendations
- Housing valuations
- Housing advertisements

Business partner services:

- Tax declaration help

SBAB!

Living

- Refinancing
- Saving
- Consumer loans

Business partner services:

- Construction advice

Building blocks for our offering

Financial capital & lending
We receive our financial capital from three different sources: equity from owners, funding via the capital market and deposits from the public. In return, we pay interest and dividends. We convert this financial capital to different types of loans and financing for our customers.

Data
In our operations, we collect and process large amounts of information and data about housing and household finances, which we transparently and responsibly convert to knowledge and services for improving the customer offering and experience.

Business development

Volume trends

	GROUP				
	2023 Q4	2023 Q3	2022 Q4	2023 Jan–Dec	2022 Jan–Dec
New lending for the period, SEK bn	16.0	18.0	25.3	71.1	105.4
Net change in lending for the period, SEK bn	–0.5	3.8	10.9	8.1	42.5
Total lending, SEK bn	**517.4**	**517.9**	**509.5**	**517.4**	**509.5**
No. of deposit accounts, thousand	795	680	568	795	568
Net change in deposits, SEK bn	15.3	6.9	11.4	32.8	37.5
Total deposits, SEK bn	**215.2**	**199.9**	**182.4**	**215.2**	**182.4**
Deposits/lending, %	41.6	38.6	35.8	41.6	35.8
Retail business area					
No. of mortgage customers, thousand	287	288	292	287	292
No. of mortgage objects financed, thousand	184	185	187	184	187
New lending, SEK bn	10.2	11.2	13.0	47.7	67.0
Net change in lending for the period, SEK bn	–3.2	–0.2	1.3	–3.0	14.0
Total lending, Retail, SEK bn	**348.1**	**351.3**	**351.1**	**348.1**	**351.1**
Residential mortgages, SEK bn	346.3	349.4	349.0	346.3	349.0
Consumer loans, SEK bn	1.8	1.9	2.1	1.8	2.1
Market share, Residential mortgages, %[1]	8.40	8.49	8.51	8.40	8.51
Market share, Consumer loans, %[1]	0.58	0.62	0.70	0.58	0.70
Total deposits, Retail, SEK bn	**173.1**	**159.3**	**140.7**	**173.1**	**140.7**
No. of retail customers with savings accounts, thousand	602	571	485	602	485
Market share deposits, Retail, %[1][2]	6.69	6.08	5.49	6.69	5.49
Corporate Clients & Tenant-Owners' Associations business area					
No. of housing financing customers	3,080	3,009	2,942	3,080	2,942
New lending, SEK bn	5.8	6.8	12.3	23.4	38.4
Net change in lending for the period, SEK bn	2.7	4.0	9.5	11.1	28.5
Total lending, Corp. clients & Tenant-owners' Associations , SEK bn	**169.3**	**166.6**	**158.4**	**169.3**	**158.4**
Lending, Corporate clients, SEK bn	100.8	99.1	90.7	100.8	90.7
Lending, Tenant-owners' associations, SEK bn	68.5	67.5	67.7	68.5	67.7
Market share, Corporate clients (multi-family dwellings), %[1]	17.86	17.75	17.38	17.86	17.38
Market share, Tenant-owners' associations, %[1]	11.08	10.62	10.69	11.08	10.69
Total deposits, Corp. clients & Tenant-owners' Associations, SEK bn	**42.1**	**40.6**	**41.8**	**42.1**	**41.8**
No. of customers with savings accounts, Corp. clients & Tenant-own. assoc.	16,300	15,500	13,700	16,300	13,700
Market share deposits, Corp. clients & Tenant-own. assoc., %[1][2]	2.94	2.84	2.71	2.94	2.71

1) Source: Statistics Sweden. The figures in the columns for Q4 2023 and Jan–Dec 2023 correspond with the market shares as of 31 December 2023. The Q3 2023 column corresponds with the market share as of 31 August 2023. The figures in the columns for Q4 2022 and Jan–Dec 2022 correspond with the market shares as of 31 December 2022.

2) The definition for calculating market share for deposits was revised as of the second quarter of 2023. The comparative figures in the table have been adjusted for comparability.

Retail business area

Trend for Q4 2023 compared with Q3 2023

The Retail business area offers services within housing and household finances, such as savings and loan products, insurance mediation, and housing search and real estate agent services. The core product is residential mortgages complemented with savings accounts. Activities are operated under the SBAB, Booli and HittaMäklare brands. We meet our customers and users digitally or by telephone.

Lending

Activity in the residential mortgage market and the growth rate of mortgage lending in Sweden remain at low levels, primarily due to rising interest rates and their effects on the housing market.

During the fourth quarter, long-term market interest rates began to fall in pace with expectations about future rate cuts from the Riksbank. SBAB and other players in the market therefore lowered the interest rates for mortgages with longer fixed-interest periods. Interest rate cuts for mortgages with floating interest (three-month fixed-interest period) can be expected after actual policy rate cuts from the Riksbank. The share of total lending with a three-month fixed-interest period amounted to 74.6% (68.5) at the end of the quarter.

SBAB offers simple and straightforward terms and conditions, transparent mortgage rates, high availability through digital services and telephone, and mindful service. New lending totalled SEK 10.2 billion (11.2). Total retail lending amounted to SEK 348.1 billion (351.3) at the end of the quarter, of which SEK 346.3 billion (349.4) comprised residential mortgages and SEK 1.8 billion (1.9) consumer loans.

The number of residential mortgage customers amounted to 287,000 (288,000) across 184,000 (185,000) mortgage objects financed at the end of 2023. The market share of retail mortgages was 8.40% on 31 December 2023 (8.49% on 31 August 2023). At the same date, the market share for consumer loans was 0.58% (0.62% on 31 August 2023).

For more information on credit losses and credit quality, please refer to pages 15–16 and Note 4 and Note 5.

Savings accounts (deposit)

SBAB's retail savings accounts are characterised by competitive savings rates and simple product terms and conditions. Recently, SBAB has been regularly adjusting the interest rate for savings accounts for retail customers to reflect the prevailing market conditions. In addition, SBAB increased its investments in marketing to raise the visibility of the offering in the market. Fixed-interest accounts with fixed-interest periods between three months and five years were launched during the quarter. The product category was well received by customers.

Retail deposits continued to increase and amounted to SEK 173.1 billion (159.3) at the end of the year. At the same date, approximately 602,000 (571,000) retail customers held savings accounts with SBAB. On 31 December 2023, the market share of retail deposits was 6.69% (6.08% on 31 August 2023). The share of retail deposits that was covered by the national deposit guarantee amounted to 80% at the end of the quarter, corresponding to approximately SEK 139 billion.

User trends

Every month, many people visit SBAB's, Booli's and HittaMäklare's websites and apps to manage mortgages and savings or to find inspiration about housing and household finances. The number of unique visitors per month to www.sbab.se averaged around 445,000 (402,000). The average number of unique users of the SBAB app per month totalled around 251,000 (235,000) for the same period. Booli is a popular platform for finding information about supply, demand and price trends for housing. Booli.se offers services including housing searches and valuations. The number of unique visitors per month to www.booli.se averaged around 1,400,000 (1,400,000) during the quarter. Booli's monthly property valuation email had some 840,000 subscribers at the end of the quarter. The real estate agent service HittaMäklare is part of Booli. HittaMäklare's service for locating estate agents has been used at some time by about 93% of the registered estate agents in Sweden.

SBAB
MOST SATISFIED PRIVATE CUSTOMERS
MORTGAGES
2023
SKI SVENSKT KVALITETSINDEX

Sweden's most satisfied residential mortgage customers

In 2023, for the fifth consecutive year, SBAB had Sweden's most satisfied residential mortgage customers according to Swedish Quality Index (Swe: Svenskt Kvalitetsindex (SKI)), which measures customer satisfaction in the banking and finance sector each year. SBAB received a customer satisfaction score of 73.8 out of 100, compared with the industry average of 65.5. We received particularly good results in the survey in areas such as simplicity, reliability and product quality.

Business Area Corporate Clients & Tenant-Owners' Associations

Trend for Q4 2023 compared with Q3 2023

Business Area Corporate Clients & Tenant-Owners' Associations offers savings and property financing solutions to property companies, housing developers and tenant-owners' associations as well as savings to companies and organisations. We finance multi-family dwellings, existing as well as new buildings. We offer personal service to our customers, who are concentrated in growth regions surrounding our offices in Stockholm, Gothenburg and Malmö.

Housing financing (lending)

Uncertainty due to rising market interest rates and high inflation dominated the property market during the year. Players have been cautious in anticipation of a more stable future outlook, and activity and transaction volumes were therefore at lower levels than the average of the last few years. Many property companies are having difficulty arranging funding on favourable terms in the bond market, which has led to increased demand for refinancing parts of their maturing capital market debt with bank financing. Many property companies also conducted activities to reduce their debt and strengthen their balance sheets and cash flows in order to adapt their operations to the new interest rate environment. This includes selling assets, not distributing dividends or instead distributing smaller ones, conducting new issues and lowering costs overall. This overall trend continued during the quarter, with some shift in sentiment following expectations of lower interest rates in 2024 and subsequent increased interest in properties. SBAB noted a balanced inflow of new transaction volumes, primarily from existing customer groups. SBAB's business focuses on lending to residential properties with good collateral in areas with strong demand. In general, we focus on larger corporate customers with diversified revenue streams and good liquidity. The credit portfolio for financing new production performed largely as forecast, with planned projects being completed according to previously agreed-upon financing, but where demand for new building credits remained very low. Many corporate clients, primarily housing developers, express greater doubt regarding new construction projects as a result of higher interest rates, persistently high prices for land and falling housing prices in the secondary market. During the quarter, new lending to corporates amounted to SEK 2.9 billion (5.5).

The market for lending to tenant-owners' associations continues to be dominated by intense competition with low margins. SBAB's competitive strength is deemed to have improved somewhat during the fourth quarter. During the quarter, new lending to tenant-owners' associations increased to SEK 2.9 billion (1.3).

Total lending to corporates and tenant-owners' associations increased to SEK 169.3 billion (166.6), of which SEK 100.8 billion (99.1) comprised lending to corporates and SEK 68.5 billion (67.5) lending to tenant-owners' associations. The market share of lending to corporates (multi-family dwellings) was 17.86% on 31 December 2023 (17.75% on 31 August 2023). At the same date, the market share for lending to tenant-owners' associations was 11.08% (10.62% on 31 August 2023). The number of housing financing customers was 3,080 (3,009) at the end of the quarter.

For more information on credit losses and credit quality, please refer to pages 15–16 and Note 4 and Note 5.

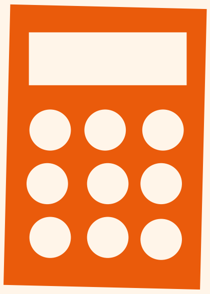
Savings accounts (deposit)

Deposits from corporates and organisations increased during the quarter and totalled SEK 42.1 billion (40.6). At the same time, approximately 16,300 (15,500) customers held savings accounts with SBAB. On 31 December 2023, the market share of deposits from corporate clients and organisations was 2.94% (2.84% on 31 August 2023). The share of deposits from companies and organisations that was covered by the national deposit guarantee amounted to 24% at the end of the quarter, corresponding to approximately SEK 10 billion.

Sweden's most satisfied corporate customers

In 2023, for the sixth consecutive year, SBAB had Sweden's most satisfied property loan customers according to SKI. SBAB received a customer satisfaction score of 73.5 out of 100, compared with the industry average of 68.7. SBAB's results were particularly strong within areas such as customer service, product quality and loyalty.

Financial performance



Income statement overview

	GROUP						
	2023	2023	2023	2023	2022	2023	2022
SEK million	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Jan–Dec**	**Jan–Dec**
Net interest income	1,332	1,315	1,386	1,413	1,328	5,446	4,655
Net commission	–10	–9	–8	–7	–7	–34	12
Net result of financial transactions (Note 3)	–80	–62	45	2	–79	–95	–35
Other operating income	11	14	12	13	12	50	49
Total operating income	**1,253**	**1,258**	**1,435**	**1,421**	**1,254**	**5,367**	**4,681**
Expenses	–448	–398	–423	–394	–437	–1,663	–1,529
Profit before credit losses and imposed fees	**805**	**860**	**1,012**	**1,027**	**817**	**3,704**	**3,152**
Net credit losses (Note 4)[1]	–31	–6	–23	–33	–19	–93	–68
Imposed fees: Risk tax and resolution fee	–139	–134	–127	–141	–112	–541	–445
Operating profit	**635**	**720**	**862**	**853**	**686**	**3,070**	**2,639**
Tax	–147	–154	–182	–179	–147	–662	–558
Net profit for the period	**488**	**566**	**680**	**674**	**539**	**2,408**	**2,081**
Return on equity, %[2]	8.9	10.6	13.1	13.3	10.5	11.5	10.5
Return on assets, %	0.3	0.3	0.4	0.4	0.3	0.4	0.3
C/I ratio, %	35.8	31.6	29.5	27.7	34.8	31.0	32.7
Credit loss ratio, %	–0.02	0.00	–0.02	–0.03	–0.01	–0.02	–0.01
Share of credit stage loans 3, gross, %	0.14	0.11	0.10	0.08	0.07	0.14	0.07
Net interest margin, %	0.82	0.81	0.85	0.87	0.85	0.85	0.78
Number of employees (FTEs)	948	917	889	864	863	948	863

1) Including impairment and reversals of impairment of financial assets.

2) When calculating the return on equity for Jan–Dec 2022, average equity has been adjusted for the dividend of SEK 832 million disbursed in 2021. When calculating the return on equity for "Q1 2023," "Q2 2023" and "Jan–Dec 2023," average equity has been adjusted for the dividend of SEK 832 million for 2022.

Trend for Q4 2023 compared with Q3 2023

Operating profit decreased to SEK 635 million (720), primarily due to a more negative outcome for net income from financial transactions, increased costs and higher credit losses. The return on equity amounted to 8.9% (10.6) and the C/I ratio was 35.8% (31.6).

Net interest income
Net interest income increased to SEK 1,332 million (1,315), mainly due to somewhat higher mortgage lending margins. This trend was offset by increased fees for national deposit guarantees amounting to SEK 42 million (16) for the period and by somewhat lower deposit margins.

Net commission
Net commission income amounted to an expense of SEK 10 million (expense: 9), primarily due to somewhat lower commission income related to insurance mediation during the quarter.

Net result of financial transactions
The net result of financial transactions decreased to an expense of SEK 80 million (expense: 62), mainly due to the revaluation of credit risk in derivatives (CVA/DVA). For more information, please refer to Note 3.

Expenses
Costs increased during the quarter to SEK 448 million (398), primarily due to an increased number of employees and thereby increased personnel costs, increased costs for development consultants and greater visibility in the media during the quarter. At the end of the quarter, FTEs amounted to 948 (917).

Credit quality and credit losses
Total net credit losses amounted to SEK 31 million (6). Confirmed credit losses totalled SEK 2 million (2) and recoveries for previous confirmed credit losses amounted to SEK 1 million (1).

During the quarter, total credit loss allowances increased SEK 30 million (increase: 4), primarily due to calibrating the new impairment model used for calculating expected credit losses (the ECL model) that began to apply on 30 September 2023 in combination with revising the forward-looking information applied in the same model. Provisions for credit stage 1 increased SEK 11 million (decrease: 15), provisions for credit stage 2 decreased SEK 35 million (increase: 6) and provisions for credit stage 3 increased SEK 59 million (increase: 52). In brief, the ECL model calibration entails less sensitivity to migrations to credit stage 2 and an increase in the macroeconomic effects of PD and LGD in the credit loss allowances. As a result, provisions increased for loans in credit stages 1 and 3 during the quarter, while they decreased for loans in credit stage 2. In addition, new rating grade decisions for customers in the Corporate Clients & Tenant-Owners' Associations business area resulted in increased provisions for credit stage 1 and lower provisions for credit stage 2, as individual large customer groups with building credits migrated to better rating grades. Within the Retail business area, an increased number of customers with payment difficulties or in default, together with several individual provisions led to an increased inflow to credit stage 3, which resulted in increased total credit loss allowances.

Provisions for loan commitments and building credits decreased SEK 4 million (decrease: 39), primarily due to improved rating grades for individual customer groups within the Corporate Clients & Tenant-Owners' Associations business area.

Guarantees that can be utilised was unchanged (decrease: 1) for the quarter.

For more information on credit loss allowances and changes in the forward-looking information in the ECL model, please refer to Note 4.

SBAB's granting of credit to retail customers, tenant-owners' associations and property companies is based on a sound credit approval process that determines whether customers have the financial capacities required to meet their commitments. The overall credit quality in lending in each business area (Retail and Corporate Clients & Tenant-Owners' Associations) is deemed to have good credit quality and low credit risk, despite higher interest rates.

Due to growing uncertainty in the capital market, SBAB has increased the rate of follow up with those customers in the Corporate Clients & Tenant-Owners' Associations business area who have a high share of market financing and who require refinancing over the short and long term. SBAB continues to follow up customers with building credits for housing production, which could be negatively impacted by rising interest rates as well as increased prices of input goods and construction material.

Imposed fees
Imposed fees includes Sweden's new risk tax and the resolution fee. The risk tax amounted to 0.06% of the credit institution's liabilities for 2023 compared with 0.05% of liabilities for 2022. Imposed fees totalled SEK 139 million (134) for the quarter, of which the risk tax amounted to SEK 94 million (89) and the resolution fee to SEK 45 million (45).

January–December 2023 compared with January–December 2022

Operating profit rose to SEK 3,070 million (2,639), mainly due to higher net interest income. The return on equity amounted to 11.5% (10.5) and the C/I ratio was 31.0% (32.7).

Net interest income rose to SEK 5,446 million (4,655), primarily due to an increased share of financing from deposits and continued healthy deposit margins. Decreased lending margins for mortgages had a negative impact. The fee for the national deposit guarantee amounted to SEK 89 million (49) for the period.

Net commission income decreased to an expense of SEK 34 million (income: 12), mainly due to updated calculation models for amortised cost, where arrangement fees linked to corporate lending are accrued over the term of the loans in net interest income from the third quarter of 2022.

The net result of financial transactions decreased to an expense of SEK 95 million (expense: 35), mainly due to differences in value changes in hedging instruments and hedged items. For more information, please refer to Note 3.

Expenses increased to SEK 1,663 million (1,529), mainlydriven byhigher personnel costs, increased costs for development and IT-related licenses and increased investment in marketing. The number of FTEs increased to 948 (863) during the period.

Net credit losses totalled SEK 93 million (68) and consisted primarily of provisions for future credit loss allowances. The increase in credit loss allowances was mainly attributable to negative risk class migrations in the Retail business area due to increased interest expenses for households, as well as negative risk class migrations in the Corporate Clients & Tenant-Owners' Associations business area, due to manual adjustments of risk classes for some larger customer following expert assessment. Revisions of the forward-looking information applied in the ECL model also contributed to increased credit loss allowances during the year, largely due to higher interest rates. A new ECL model was implemented at the end of September 2023 to calculate expected credit losses and credit loss allowances. Simultaneously, new decisions were made regarding rating grades for all customers within the Corporate Clients & Tenant-Owners' Associations business area in conjunction with the roll out of new PD models within the framework of the IRB system. The new ECL model was calibrated during the last quarter through raised thresholds for migration to credit stage 2 and greater sensitivity to macroeconomic effects in PD and LGD. In total, the calibration led to increased provisions for credit stages 1 and 3 but lower provisions for credit stage 2. Confirmed credit losses totalled SEK 9 million (7) for the period. For more information on credit losses, loss allowances and credit quality, please refer to Note 4 and Note 5.

Imposed fees totalled SEK 541 million (445), of which the risk tax amounted to SEK 359 million (261) and the resolution fee to SEK 182 million (184).

Other comprehensive income, recognised directly under equity, amounted to SEK 2,902 million (expense: 7,558) for the period, primarily due to interest-rate-related value changes in derivatives, which stemmed from a smaller increase in euro interest rates in 2023 than in 2022. For more information, please see below and refer to page 24.

Other comprehensive income

The Group's financial position and development is reflected primarily in the income statement and balance sheet. Moreover, the applied accounting policies give certain revaluation effects, among other effects, which are recognised in other comprehensive income. Other comprehensive income is recognised directly under equity in the balance sheet.

Other comprehensive income includes changes in cash-flow hedges that consist of unrealised value changes from derivatives used for hedging cash flows in the Group's funding in foreign currencies. Underlying funding 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 significant volatility during the term, even if the effect of the interest rates movements over time is marginal. The line item is normally affected positively by a decline in market interest rates and negatively by a rise in market interest rates.

Financial assets measured at FVTOCI consist of unrealised value changes in securities (classified according to certain principles) in the liquidity reserve. The line item is primarily affected by changes in credit spreads in bond holdings.

The item revaluation effects of defined-benefit pension plans includes actuarial gains and losses where changes in the discount rate is the assumption that has the strongest impact on the item.

For more information, refer to page 24.

Net result of financial transactions

Net result of financial transactions, recognised in profit or loss, mainly arises through SBAB's application of financial instruments, for example derivatives used to manage interest and currency risks in the Group's assets and liabilities.

Within the framework for applying financial instruments, certain accounting temporary ("unrealised") valuation effects arise, which are driven primarily by external market fluctuations. Changes in market interest rates affect, for example, the value of derivatives and interest-rate risk hedged assets and liabilities. The largest items in the net result of financial transactions consist of these types of effects. Over time, market fluctuations and associated valuation effects typically amount to zero for the instruments that remain on the balance sheet until maturity. The majority of SBAB's current financial instruments are held until maturity. Periods with negative earnings are therefore often followed by periods with positive earnings, and vice versa.

Otherwise, the net result of financial transactions is primarily affected by realised gains and losses on divestments and repurchases of financial instruments and by interest compensation.

For more information, please refer to Note 3.

Balance sheet overview

SEK million	GROUP 31 Dec 2023	30 Sep 2023	31 Dec 2022
ASSETS			
Cash and balances at central banks	6,350	2,087	3,534
Chargeable treasury bills, etc.	36,650	30,648	29,886
Lending to credit institutions	11,807	26,131	20,091
Lending to the public (Note 5)	517,400	517,896	509,492
Bonds and other interest-bearing securities	64,945	59,224	57,490
Total other assets in the balance sheet	13,401	17,443	13,992
TOTAL ASSETS	**650,553**	**653,429**	**634,485**
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	5,606	10,131	8,237
Deposits from the public	215,211	199,871	182,443
Issued debt securities, etc. (funding)	382,770	389,381	393,885
Subordinated debt	1,998	1,998	1,997
Total other liabilities in the balance sheet	20,878	31,402	27,974
Total liabilities	**626,463**	**632,783**	**614,536**
Total equity	**24,090**	**20,646**	**19,949**
– of which reserves/fair value reserve	*–3,737*	*–6,778*	*–6,639*
– of which, Tier 1 capital instruments	*5,800*	*5,800*	*5,800*
TOTAL LIABILITIES AND EQUITY	**650,553**	**653,429**	**634,485**
CET1 capital ratio, %	12.3	11.6	12.8
Tier 1 capital ratio, %	15.8	15.0	16.5
Total capital ratio, %	17.0	16.1	17.8
Leverage ratio, %[1]	4.09	4.09	4.12
Liquidity coverage ratio (LCR), %	258	248	250
Net Stable Funding Ratio (NSFR), %	132	130	128

1) Calculated pursuant to Article 429 in Regulation (EU) No. 575/2013 of the European Parliament and of the Council.

Trend for Q4 2023 compared with Q3 2023

Balance sheet comments

During the quarter, chargeable treasury bills increased to SEK 36.6 billion (30.6), primarily due to increased holdings of Riksbank certificates. Cash and balances at central banks increased to SEK 6.4 billion (2.0). Lending to credit institutions decreased to SEK 11.8 billion (26.1), primarily attributable to inflows of securities linked to derivatives (CSAs), which are mainly impacted by changes in interest and exchange rates. The above changes were within the scope of the normal short-term liquidity management. Bonds and other interest-bearing securities increased to SEK 64.9 billion (59.2), primarily driven by new purchases within the framework of normal liquidity reserve management. Lending to the public decreased to SEK 517.4 billion (517.9), of which SEK 346.3 billion comprised residential mortgages, SEK 1.8 billion consumer loans, SEK 100.8 billion lending to property companies and SEK 68.5 billion lending to tenant-owners' associations. For more information on lending to the public, please refer to pages 11–13 and Note 5.

Liabilities to credit institutions decreased to SEK 5.6 billion (10.1), primarily driven by outflows of securities connected to derivatives (CSAs). The changes were within the scope of the normal short-term liquidity management. Deposits from the public increased to SEK 215.2 billion (199.9), of which 89% comprised retail deposits and the remainder non-operational deposits pursuant to the liquidity coverage regulation (EU 2015/61). For more information on deposits from the public, please refer to pages 11–13. For information about issued debt securities, please refer to the "Funding" section. At the end of the quarter, subordinated debt remained unchanged and amounted to SEK 2.0 billion (2.0). Equity increased to SEK 24.1 billion (20.6), primarily due to net profit for the period and other comprehensive income. Other comprehensive income, recognised directly under equity, increased to SEK 3,041 million (expense: 262), primarily due to interest-rate-related value changes in derivatives, which stemmed from falling euro interest rates. For more information, please refer to page 24.

Funding

During the fourth quarter there was once again a shift in sentiment, rhetoric and pricing in the fixed-income market due to the market's changing perspective on the policy rate trend. At the end of the quarter, the market priced in several interest rate cuts for 2024, running counter to the "higher for longer" narrative that prevailed during the third quarter. As a result there were significant decreases in interest rates during the fourth quarter in the US as well as in Europe. These were the result of positive economic data and, according to the interpretation of the market, more positive rhetoric from central banks.

At its last meeting of the year, the Fed chose to hold the policy rate within 5.25% to 5.50% while indicating lower rates going forward. During the quarter, the US yield curve fell approximately 80 basis points while the market expects the Fed to lower the policy rate approximately 150 basis points in 2024. While the ECB tried to signal a certain amount of caution about the future in its most recent interest statement in December, by the end of the year the market priced in an interest rate cut as early as April 2024 and total interest rate cuts of approximately 150 basis points for 2024. In Sweden, the Riksbank chose to leave the policy rate unchanged at 4.00% after its most recent meeting in November, due to surprisingly positive inflation data. Swedish interest rates fell drastically during the quarter and the market expects the first policy rate cut during the first half of 2024. The Riksbank will increase the frequency of ordinary monetary policy meetings in 2024, from five meetings to eight, and at the end of the year the market priced in interest rate cuts totalling approximately 150 basis points for 2024.

Willingness to invest remained healthy during the fourth quarter and there was some level of activity in the international funding market, even though financing needs are somewhat lower during this period of the year. Activity in the domestic covered bonds market was seasonally low. Credit spreads remained relatively stable during the period, although the curve in Swedish covered bonds was somewhat flatter, with the long-term portion of the curve converging more than the short-term.

Following relatively high funding activity in the first and second quarters, SBAB's issuance pace during the quarter, like in the previous quarter, was relatively low. In addition to continuous issues in the Swedish covered bond market, SBAB issued a SEK 1.5 billion public senior non-preferred bond in October to meet the future MREL requirement.

During the quarter as a whole, issued debt securities totalled SEK 5.3 billion (4.2). In parallel, securities were repurchased for SEK 8.5 billion (1.5) and securities amounting to SEK 6.7 billion (2.6) matured. Alongside changes in premiums/discounts and changes in SEK exchange rates, this resulted in a decrease in issued debt securities outstanding of SEK 6.6 billion to a total of SEK 382.8 billion (389.4). In total, the SBAB Group has issued bonds corresponding to SEK 55.7 billion in 2023 (of which SEK 39.5 billion comprised covered bond funding and SEK 16.3 billion unsecured funding), which can be compared with the total bonds maturing in 2023 of about SEK 57.6 billion.

At the end of the quarter, unsecured funding amounted to SEK 56.6 billion (60.7), of which SEK 21.5 billion (22.1) comprised senior non-preferred bonds, SEK 34.8 billion (36.5) other unsecured bonds (senior preferred) and SEK 0.3 billion (2.2) commercial paper. Funding through the issue of covered bonds is conducted by the wholly-owned subsidiary, SCBC. Total covered bond funding amounted to SEK 326.2 billion (328.6) at the end of the quarter, of which SEK 241.0 billion was in SEK and SEK 85.2 billion was in foreign currencies.

According to SBAB's internal assessment, the minimum requirement for own funds and eligible liabilities (MREL) target level amounted to 27.2% of the total risk exposure amount (REA), corresponding to SEK 45.2 billion, as of 31 December 2023. On the same date, the subordinated target level was estimated to amount to 19.3% of REA, corresponding to SEK 32.0 billion. At the end of 2023, SBAB's total MREL resources amounted to SEK 69.5 billion, of which SEK 47.0 billion consisted of subordinated MREL resources. On 1 January 2024, the final MREL entered force. As of this date, the total requirement for SBAB amounted to 26.75% of REA (incl. the ban on double counting), corresponding to SEK 44.5 billion. On the same date, the subordinated requirement amounted to 24.2% of REA, corresponding to SEK 40.2 billion.

Liquidity position

SBAB's liquidity reserve primarily comprises liquid, interest-bearing securities with high ratings[1]. At the end of the quarter, the market value of the assets in the liquidity reserve amounted to SEK 104.3 billion (95.8). Taking the Riksbank's and the ECB's haircuts into account, the liquidity value of the assets was SEK 101.8 billion (93.1).

SBAB measures and stress-tests liquidity risk, for example, by calculating the survival horizon. The survival horizon at the end of the quarter totalled 529 days (319), which the company deems satisfactory.

According to the European Commission's Delegated Regulation with regard to liquidity coverage requirements, on 31 December 2023, the LCR was 258% (248) in all currencies combined, which exceeds the minimum requirement of 100%. Measured in SEK, the LCR was 192% (161). The net stable funding ratio (NSFR) amounted to 131.9% (130.5) according to Regulation (EU) 2019/876 of the European Parliament and the Council.

For more information on SBAB's liquidity, please refer to Note 10.

Capital position

SBAB's CET1 capital increased during the quarter to SEK 20.4 billion (20.2), primarily due to earnings for the year[2]. REA decreased during the quarter to SEK 166.3 billion (173.2), due in part to lower institutional exposure stemming from changes in risk weight from 50% to 2% for centrally cleared counterparties. The decrease was also due to positive net migrations in PD for corporate exposures during the quarter. On 31 December 2023, SBAB's CET1 capital ratio amounted to 12.3% (11.6) and the total capital ratio was 17.0% (16.1). This exceeds internal targets and external regulatory requirements. As per 31 December 2023, the Swedish FSA's capital requirements are estimated to correspond to a CET1 capital ratio of 10.1% and a total capital ratio of 14.4%. SBAB's capital targets are thus expected to correspond to a CET1 capital ratio of not less than 11.1% and a total capital ratio of not less than 15.0% as of the same date.

Work continues to implement new IRB models. In November 2022, SBAB's application to use a new PD model for household exposure was approved by the Swedish FSA. In January 2023, SBAB received approval to use new PD models for corporate exposures. Application of the new PD models for households started in the first quarter of 2023. In parallel, the new PD models for corporate exposures started to apply from the third quarter of 2023. Among other things, this has led to specific Pillar 2 surcharges previously imposed on SBAB for deficiencies in internal models (a total of 1.2% of CET1 capital) being removed in their entirety as of the third quarter. SBAB is in dialogue with the Swedish FSA about its application for new LGD models for households and corporate exposures. Approval of the LGD model for corporate exposures is expected to lead to lower capital requirements. Should a delay arise in the approval process for the LGD models for corporate exposures, risk weights for such lending are expected to go down when CRR3 is implemented at year-end 2024/2025, primarily driven by lower standard LGD values for exposures secured by collateral in properties.

On 29 September, the Swedish FSA announced its decision regarding the supervisory review and evaluation process (SREP) that applies as of the same date. The decision includes Pillar 2 guidance for SBAB of 0% on the risk-weighted capital requirement and 0.5% on the leverage ratio, compared with the previous requirements of 0% on the risk-weighted capital requirement and 0.3% on the leverage ratio. The increase in the latter is due to an updated method of the stress test that the Swedish FSA applies as a basis for deciding on the requirement. The total leverage ratio requirement includes this requirement and the minimum requirement of 3% of the exposure amount, regulated in the Capital Requirements Regulation, which results in a total leverage ratio requirement of 3.50%. The leverage ratio amounted to 4.09% (4.09) as of 31 December 2023.

For more information on SBAB's capital position, please refer to Note 11 and Note 12.

1) Also encompasses non-HQLA (high quality liquid assets) classified assets included in the Riksbank's or the ECB's lists of assets eligible as collateral.

2) In a decision by the Swedish FSA, subject to the company's auditors being able to confirm the surplus and that deductions for any dividends and foreseeable costs have been conducted pursuant to the Regulation on Prudential Requirements for Credit Institutions and Investment Firms and that these calculations have been conducted in compliance with the Commission Delegated Regulation (EU) No 241/2014, SBAB received approval for using the full-year surplus in own-funds calculations. Deloitte AB conducted the above review for 31 December 2023. This means that net profit for the year has been included in own funds and that expected dividends have reduced own funds.

Components of the capital target

	CONSOLIDATED SITUATION			
	31 Dec 2023			
SEK million	Total capital	%	CET1 capital	%
Internally assessed capital requirement from the Swedish FSA[1]	**23,901**	**14.4**	**16,717**	**10.1**
– of which, Pillar 1 minimum requirement	*7,953*	*4.8*	*4,474*	*2.7*
– of which, Pillar 1 risk-weight floor, Swedish mortgages (Art. 458 CRR)	*5,351*	*3.2*	*3,010*	*1.8*
– of which, Pillar 2 requirement (P2R)	*3,110*	*1.9*	*1,746*	*1.1*
– of which, Capital conservation buffer	*4,157*	*2.5*	*4,157*	*2.5*
– of which, Countercyclical buffer	*3,330*	*2.0*	*3,330*	*2.0*
– of which, Pillar 2 guidance (P2G)	–	–	–	–
SBAB's capital target	**24,899**	**15.0**	**18,380–21,706[2]**	**11.1–13.1[2]**
SBAB's actual capital	**28,209**	**17.0**	**20,414**	**12.3**

1) Pertains to the statutory requirements including the Swedish FSA's P2R and P2G.

2) In January 2022, the CEO decided to introduce a supplementary capital target for CET1 capital. The target has applied since 28 February 2022 and entails, under normal circumstances, SBAB maintaining a buffer equivalent to 1–3 percentage points above the Swedish FSA's communicated requirements over time. The new target is a complement to the lower limit of 0.6 percentage points decided by the Board. For more information, please refer to page 20.

Other information

SBAB's financial targets from the owner

- **Profitability:** A return on equity of no less than 10% over a business cycle.
- **Capitalisation:** The CET1 capital ratio and total capital ratio should be at least 0.6 percentage points higher than the requirements communicated by the Swedish FSA. In January 2022, the CEO decided to introduce a supplementary capital target for CET1 capital. The target has applied since 28 February 2022 and entails, under normal circumstances, SBAB maintaining a buffer equivalent to 1–3 percentage points above the Swedish FSA's communicated requirements over time. The new target is a complement to the lower limit of 0.6 percentage points decided by the Board.
- **Dividend:** Ordinary dividend of at least 40% of profit for the year after tax, taking the Group's capital structure into account.

Changes in Executive Management

During the quarter, Johan Prom, Head of the Retail Business Area, announced that he will leave his position in the beginning of 2024. He was replaced on 1 December 2023 by Sara Davidgård, who previously served as CRO. In connection with this, Deniz Güler, Head of Market and Liquidity Risk, took over as acting CRO.

At the end of the year, Executive Management consisted of the following individuals: Mikael Inglander (CEO), Sara Davidgård (Head of the Retail Business Area), Liv Forsström (CHRO), Marko Ivanic (CTO), Peter Svensén (CFO), Malou Sjörin (Head of Sustainability, Marketing & Communication), Deniz Güler (acting CRO), Stefan Andersson (Head of the Corporate Clients & Tenant-Owners' Associations Business Area), Robin Silfverhielm (CXO) and Carl Olsson (Head of Business Specialists).

Bankinitiativet Hållbar Byggbransch

During the fourth quarter of 2023, SBAB and a number of other banks launched an initiative to combat and reduce the risk of financial crime in the construction industry. Read more about the initiative here.

Sale of Boappa

During the quarter, all shares in Boappa were sold to OurLiving for an undisclosed purchase price. The transaction was completed on 26 October and the operations were transferred to the new owners on 30 November 2023.

Dividend

The basis for the Board regarding appropriation of profits for 2023 is to propose to the AGM a dividend of SEK 963 million, representing 40% of the Group's net profit for the year after tax, in accordance with SBAB's dividend policy.

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.

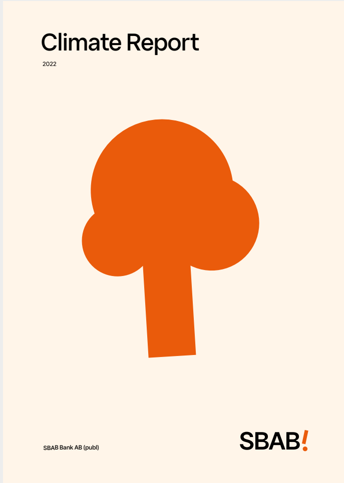
Outcomes for owner's financial targets

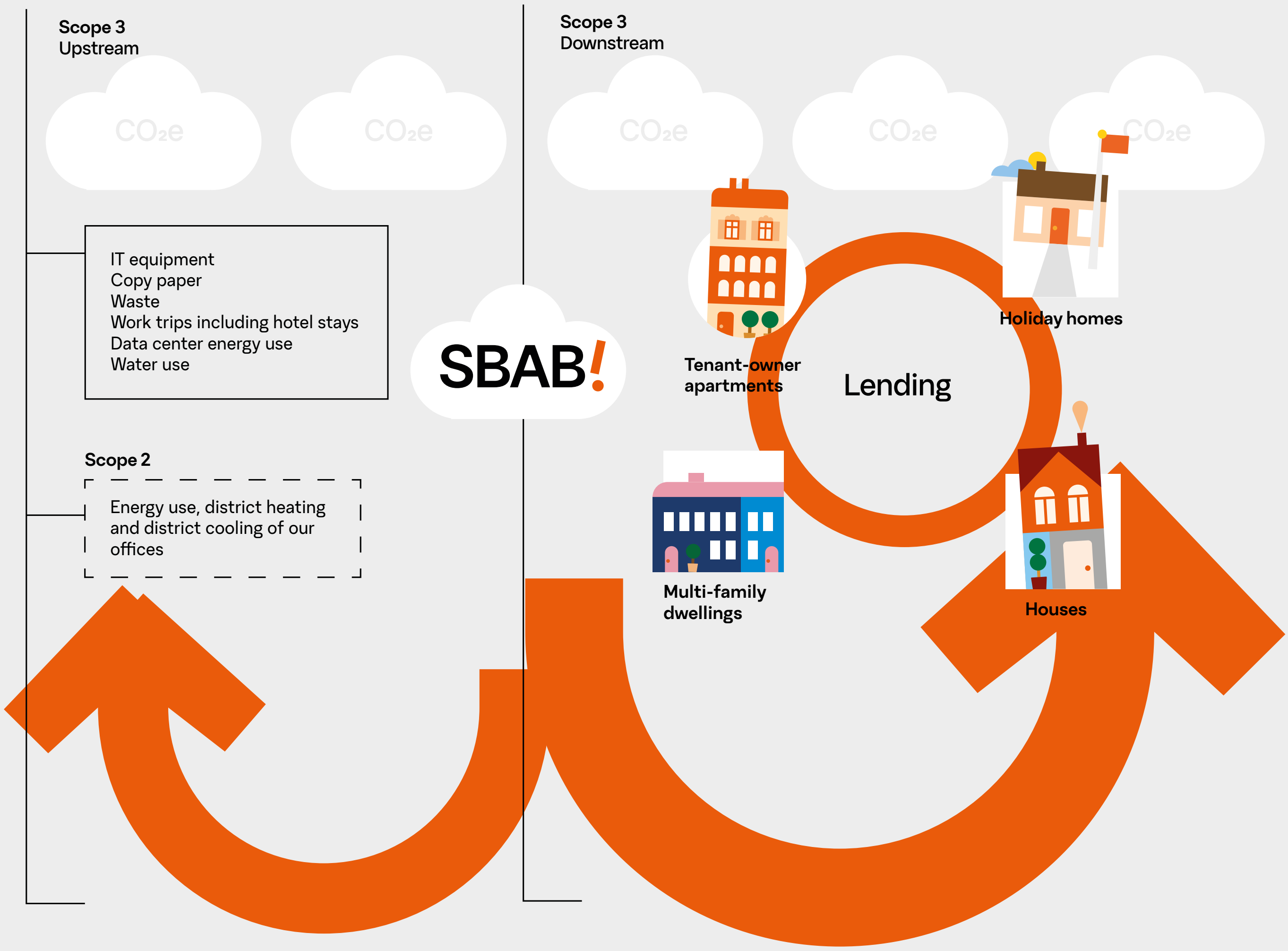
	2023	2022	2021	2020	2019
Dividend, %	40[1]	40	40	0	0
Return on equity, %	11.5	10.5	11.1	10.8	11.7
CET1 capital ratio, above Swedish FSA requirement, %	2.2	2.6	4.3	5.4	2.4
Total capital ratio, above Swedish FSA requirement, %	2.6	3.0	4.2	5.4	5.2

1) Dividend proposed by the Board

New long-term climate goal for 2038

At the end of 2022, SBAB adopted a climate goal to reduce the company's emissions intensity (kgCO2e per m2) 50% by 2038. This pertains to the direct emissions from our own operations as well as the indirect emissions related to our lending portfolio. The climate goal is a major and important step for SBAB in driving the green transition. The goal is aligned with the Paris Agreement's goal of limiting the global temperature increase to 1.5°C and is reported each year in a climate report (available here for 2022). The goal is science-based and will be validated with the help of the Science Based Targets initiative.





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Condensed financial statements

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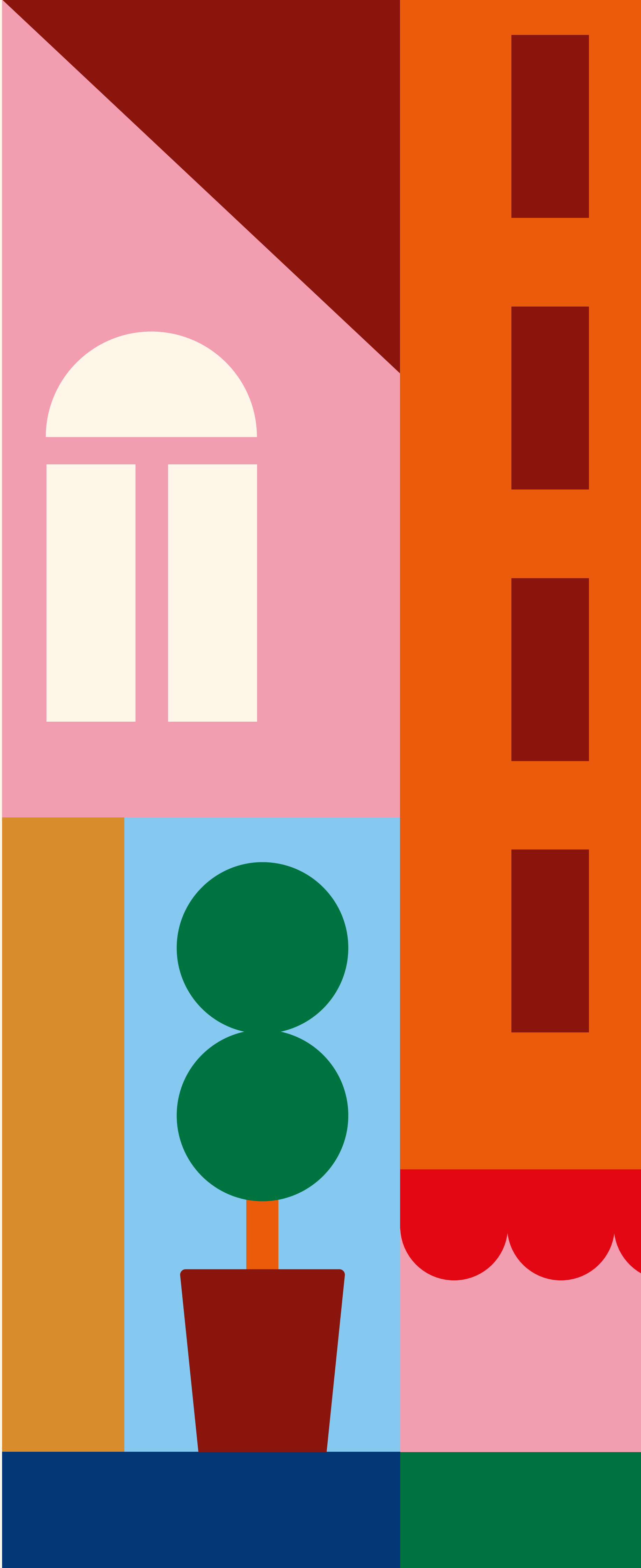
Parent Company



Condensed income statement

	GROUP				
	2023	2023	2022	2023	2022
SEK million	Q4	Q3	Q4	Jan–Dec	Jan–Dec
Interest income[1]	7,268	6,812	3,949	25,421	9,853
Interest expense	–5,936	–5,497	–2,621	–19,975	–5,198
Net interest income	**1,332**	**1,315**	**1,328**	**5,446**	**4,655**
Commission income	9	10	14	48	91
Commission expense	–19	–19	–21	–82	–79
Net result of financial transactions (Note 3)	–80	–62	–79	–95	–35
Other operating income	11	14	12	50	49
Total operating income	**1,253**	**1,258**	**1,254**	**5,367**	**4,681**
Personnel costs	–240	–221	–208	–890	–823
Other expenses	–170	–137	–156	–608	–530
Depreciation, amortisation and impairment of PPE and intangible assets	–38	–40	–73	–165	–176
Total expenses before credit losses and imposed fees	**–448**	**–398**	**–437**	**–1,663**	**–1,529**
Profit before credit losses and imposed fees	**805**	**860**	**817**	**3,704**	**3,152**
Net credit losses (Note 4)[2]	–31	–6	–19	–93	–68
Imposed fees: Risk tax and resolution fee	–139	–134	–112	–541	–445
Operating profit	**635**	**720**	**686**	**3,070**	**2,639**
Tax	–147	–154	–147	–662	–558
Net profit for the year/period	**488**	**566**	**539**	**2,408**	**2,081**

[1] In Q4 2023 interest income on financial assets measured at amortised cost, calculated using the effective-interest method, amounted to SEK 5,662 million and for the corresponding period the previous year to SEK 3,097 milliion for the Group.

[2] Including impairment and reversals of impairment of financial assets.

Condensed statement of comprehensive income

	GROUP				
	2023	2023	2022	2023	2022
SEK million	Q4	Q3	Q4	Jan–Dec	Jan–Dec
Net profit for the period	**488**	**566**	**539**	**2,408**	**2,081**
Other comprehensive income					
Components that will be reclassified to profit or loss					
Financial assets measured at FVTOCI	33	36	150	–7	–133
Changes related to cash-flow hedges, before tax	3,802	–363	–671	3,680	–9,505
Tax attributable to components that will be reclassified to profit or loss	–789	67	108	–756	–1,986
Components that will not be reclassified to profit or loss					
Revaluation effects of defined-benefit pension plans, before tax	–5	–4	21	–19	119
Tax attributable to components that will not be reclassified to profit or loss	1	1	–5	4	–25
Other comprehensive income/loss, net of tax	**3,041**	**–262**	**–397**	**2,902**	**–7,558**
Total comprehensive income/loss for the period	**3,529**	**304**	**142**	**5,310**	**–5,477**

The Group'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 Group's funding in foreign currencies. Underlying funding 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 long-term result is zero. The line item is normally affected positively by a decline in interest rates and negatively by a rise in interest rates.

Financial assets measured at FVTOCI consist of unrealised value changes in securities (classified according to certain principles) in the liquidity reserve. The line item is primarily affected by changes in credit spreads in bond holdings.

The item revaluation effects of defined-benefit pension plans includes actuarial gains and losses where changes in the discount rate and inflation are the assumptions that have the strongest impact on the item.

For further information, refer to SBAB's 2022 Annual Report, Note G 1. See also the Financial development section for comments on the outcome of the period.

Condensed balance sheet

SEK million	GROUP 31 Dec 2023	31 Dec 2022
ASSETS		
Cash and balances at central banks	6,350	3,534
Chargeable treasury bills, etc.	36,650	29,886
Lending to credit institutions	11,807	20,091
Lending to the public (Note 5)	517,400	509,492
Value changes of interest-rate-risk hedged items in macro hedges	–1,565	–4,944
Bonds and other interest-bearing securities	64,945	57,490
Derivatives (Note 6)	12,241	15,943
Shares and participation in associated companies and joint ventures	5	3
Deffered tax assets	911	1,664
Intangible assets	468	438
Property, plant and equipment	249	249
Other assets	258	110
Prepaid expenses and accrued income	834	529
TOTAL ASSETS	**650,553**	**634,485**
LIABILITIES AND EQUITY		
Liabilities		
Liabilities to credit institutions	5,606	8,237
Deposits from the public	215,211	182,443
Issued debt securities, etc.	382,770	393,885
Derivatives (Note 6)	15,695	24,934
Other liabilities	2,021	781
Accrued expenses and deferred income	3,153	2,228
Deferred tax liabilities	–	–
Provisions	9	31
Subordinated debt	1,998	1,997
Total liabilities	**626,463**	**614,536**
Equity		
Share capital	1,958	1,958
Reserves/Fair value reserve	–3,737	–6,639
Additional Tier 1 instruments	5,800	5,800
Retained earnings	17,661	16,749
Net profit for the period	2,408	2,081
Total equity	**24,090**	**19,949**
TOTAL LIABILITIES AND EQUITY	**650,553**	**634,485**

Condensed statement of changes in equity

	GROUP				
SEK million	**Share capital**	**Reserves**	**Additional Tier 1 instruments**	**Retained earnings and net profit for the year[1)]**	**Total equity**
Opening balance, 1 January 2023	**1,958**	**–6,639**	**5,800**	**18,830**	**19,949**
Additional Tier 1 instruments	–	–	–	–	–
Additional Tier 1 instruments, dividend	–	–	–	–340	–340
Dividend paid	–	–	–	–832	–832
Other	–	–	–	3	3
Other comprehensive income, net of tax	–	2,902	–	–	2,902
Net profit for the period	–	–	–	2,408	2,408
Comprehensive income for the period	**–**	**2,902**	**–**	**2,408**	**5,310**
Closing balance, 31 December 2023	**1,958**	**–3,737**	**5,800**	**20,069**	**24,090**
Opening balance, 1 January 2022	**1,958**	**919**	**4,300**	**17,768**	**24,945**
Additional Tier 1 instruments	–	–	1,500	–	1,500
Additional Tier 1 instruments, dividend	–	–	–	–187	–187
Dividend paid	–	–	–	–832	–832
Other comprehensive income, net of tax	–	–7,558	–	–	–7,558
Net profit for the year	–	–	–	2,081	2,081
Comprehensive income for the year	**–**	**–7,558**	**–**	**2,081**	**–5,477**
Closing balance, 31 December 2022	**1,958**	**–6,639**	**5,800**	**18,830**	**19,949**

1) Retained earnings includes the Parent Company's statutory reserve, which is not distributable.

Condensed cash-flow statement

SEK million	GROUP 2023 Jan–Dec	2022 Jan–Dec
Opening cash and cash equivalents	**23,625**	**10,742**
OPERATING ACTIVITIES		
Interest and commissions paid/received	6,092	4,893
Outflows to suppliers and employees	–2,039	–1,797
Taxes paid/refunded	840	–838
Change in assets and liabilities of operating activities	–9,324	10,067
Cash flow from operating activities	**-4,431**	**12,325**
INVESTING ACTIVITIES		
Change in property, plant and equipment	–32	–12
Change in intangible assets	–131	–57
Acquisition of subsidiaries, participation in associated companies and joint ventures	1	–3
Cash flow from investing activities	**–162**	**–72**
FINANCING ACTIVITIES		
Dividend paid	–832	–832
Change in Tier 1 capital instrument	–	1,500
Change in subordinated loan	–	–
Repayment of lease liabilities	–43	–38
Cash flow from financing activities	**–875**	**630**
Increase/decrease in cash and cash equivalents	**–5,468**	**12,883**
Closing cash and cash equivalents	**18,157**	**23,625**

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

Change in liabilities attributable to financing activities

	GROUP									
			Non-cash items					Non-cash items		
SEK million	Opening balance 1 Jan 2023	Cash flow	Fair value	Other	Closing balance 31 Dec 2023	Opening balance 1 Jan 2022	Cash flow	Fair value	Other	Closing balance 31 Dec 2022
Subordinated debt	1,997	–	–	1	1,998	1,996	–	–	1	1,997
Lease liabilities	192	–43	–	34	183	208	–38	–	22	192
Additional Tier 1 instruments	5,800	–	–	–	5,800	4,300	1,500	–	–	5,800
Total	**7,989**	**–43**	**–**	**35**	**7,981**	**6,504**	**1,462**	**–**	**23**	**7,989**

Note 1 Accounting policies

The SBAB Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. In addition to these accounting standards, Finansinspektionen's (the Swedish FSA) regulations and general guidelines on annual accounts for credit institutions and securities companies (FFFS 2008:25), the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups were taken into consideration. The Group's interim report fulfils the requirements stipulated under IAS 34, Interim Financial Reporting.

Statutory IFRS is applied for the Parent Company, 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, the Swedish FSA'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.

Introduction of new and changed accounting standards 2023

Amendments to IAS 1 Design of financial reports (information on accounting principles)
As of January 2023, the requirement in IAS 1 has been changed regarding information about significant accounting principles and replaced with a requirement for information about material information about accounting principles. The EU has approved the changes. SBAB has reviewed the accounting principles and adapted them to the new requirements according to IAS1.

The financial reports in summary are prepared based on an assumption about the company's survival. The summary financial statements were approved by the board for publication on February 1, 2024.

Note 2 Changes in risks

Credit risk in lending operations
During the fourth quarter of 2023, there has been no significant increase in realized credit risk within SBAB's lending operations. Despite the continuing high interest rate levels, increases in payment delinquencies have been limited, primarily occurring within the business area Retail. Due to rising interest costs, negative rating grade migrations have occurred within the same business area, which is a trend that is expected to continue as customers' interest rates are renegotiated. Within the business area Corporate Clients & Tenant-Owners' Associations, rating grade migrations have in general been negative, with exception for certain counterparties with building credits which migrated to better rating grades. Before the year-end, SBAB recalibrated the new model for expected credit losses (ECL model), which was implemented in September 2023, with raised threshold levels for credit stage 2 and a better application of macroeconomic effects in PD and LGD.

The forward-looking information was revised in December 2023 following continuous monitoring of global economic developments. The forward-looking information indicates stabilization of the interest rate environment in the short term, with declining interest rates and potential price increases for homes and real estate over the long term. The updated forward-looking information in combination with the recalibrated ECL model resulted in an increase in loss provisions.

Total loss provisions for the fourth quarter of 2023 amounted to SEK 301 million, compared to SEK 270 million for the third quarter of 2023. Increasing interest costs, a slowdown in residential construction, and falling home and real estate prices may lead to further increases in loss provisions during the first quarter of 2024.

The loan-to-value (LTV) ratios for individuals, property companies, and tenant-owners' associations as of the fourth quarter of 2023 amounted to 60%, 61%, and 33%, respectively, compared to 60%, 61%, and 33% for the third quarter of 2023. For more information on credit losses, loss provisions, and credit quality, please refer to Note 4.

Since SBAB's business model is exclusively based on financing housing, flood risk within sustainability is identified as one of the primary climate risks in the lending operations. Climate risk within the lending portfolio is measured by a key risk indicator (KRI) that is defined as a value that indicate a change in climate risk profile. The KRI covers the acute physical risks regarding floods and monitors the share of capital linked to houses in zones with an elevated risk of flooding. During the fourth quarter the results from the KRI does not indicate any changes in risk.

Counterparty credit risk in treasury operations
SBAB models counterparty credit risk according to CRR II Standardised Approach (SA-CCR). Total usage of SBAB's limits to transactional counterparties increased to SEK 5,113 million as of December 31, 2023 compared to SEK 4,271 million as of September 30, 2023.

Liquidity risk
SBAB's liquidity positions remained strong during the fourth quarter of 2023. LCR by end of the fourth quarter of 2023 increased slightly in comparison with LCR level for the third quarter of 2023. The survival horizon increased in comparison with the third quarter of 2023. The over collateralization level (OC-level) increased in comparison with the third quarter of 2023. The deposit-to-loan ratio increased during the fourth quarter of 2023 as the deposit growth rate was good. NSFR has increased slightly in comparison with the third quarter of 2023. See Note 10 and Balance sheet for more information.

Market risk
SBAB uses Value at Risk (VaR) to quantify market risk. VaR is a comprehensive portfolio measurement expressing the potential loss that could occur given a certain level of probability and holding period. SBAB's model is a historical model and applies percentiles in historical market data from the past two years. At 31 December 2023, SBAB's VaR amounted to SEK 1,173 million, compared to SEK 1,080 million at 30 September, 2023.

Operational risk
The change of SBAB's core IKT-system, with end date in the first quarter of 2025, 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, as well as by rising interest rates. The impact on SBAB'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 last quarter and SBAB has not entered any new, or exited any existing, markets or segments. During the year, SBAB has divested its subsidiary Boappa. Given Boappa's size, this is not estimated to make a notable difference to the group's level of business risk.

Concentration risk
The lending to the ten largest customer groups accounted for 7 percent of total lending volume, which is unchanged compared to September 30, 2023. SBAB has a limited lending on commercial property which amounted to 2 percent of lending to the public as of December 31, 2023, which is unchanged compared to September 30, 2023. For more information on the geographical distribution of the lending portfolio, please refer to Note 5. SBAB also evaluates the capital requirement for concentration risk on a regular basis and quantifies the risk with economic capital risk for credit risk exposures. For more information, please refer to Note 12.

Note 3 Net result of financial transactions

SEK million	GROUP 2023 Q4	2023 Q3	2022 Q4	2023 Jan–Dec	2022 Jan–Dec
Gains/losses on interest-bearing financial instruments					
– Change in value of hedged items in hedge accounting	–4,277	211	–116	–3,190	8,823
– Derivatives in hedge accounting	4,276	–265	102	3,138	–8,842
– Other derivatives	–217	–34	–75	–47	–12
– Interest-bearing securities,Fair Value Option	2	1	–7	2	–41
– Interest-bearing securities at fair value through other comprehensive income	–14	–3	0	–213	2
– Interest-bearing securities at amortised cost	–29	–14	0	–43	0
– Realised gain/loss from financial liabilities at amortised cost	180	39	14	301	11
– Loan receivables at amortised cost	1	1	4	–45	26
Currency translation effects	–2	2	–1	2	–2
Total	**–80**	**–62**	**–79**	**–95**	**–35**

SBAB uses derivatives to manage interest-rate and currency risk in the Group's assets and liabilities. Derivatives are recognised at fair value in the balance sheet. SBAB'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	GROUP 2023 Q4	2023 Q3	2022 Q4	2023 Jan–Dec	2022 Jan–Dec
Lending to the public					
Confirmed credit losses	–2	–2	–3	–9	–7
Recoveries of previously confirmed credit losses	1	1	1	4	4
Adjustment of interest, written down loans	1	1	0	2	0
Change in provision for the period – credit stage 1	–11	15	2	–5	–17
Change in provision for the period – credit stage 2	35	–6	–18	9	–27
Change in provision for the period – credit stage 3	–59	–52	–3	–113	–1
Guarantees[1]	0	–2	0	–3	0
Net credit losses for the period – lending to the public	**–35**	**–45**	**–21**	**–115**	**–48**
Loan commitments and building credits[2]					
Change in provision for the period – credit stage 1	0	14	7	18	–13
Change in provision for the period – credit stage 2	5	25	–5	5	–7
Change in provision for the period – credit stage 3	–1	–	–	–1	–
Net credit losses for the period – loan commitments and building credits	**4**	**39**	**2**	**22**	**–20**
Other financial instruments					
Change in provision for the period – credit stage 1	0	0	0	0	0
Net credit losses for the period – other financial instruments	**0**	**0**	**0**	**0**	**0**
Total	**–31**	**–6**	**–19**	**–93**	**–68**

1) The item includes guarantees for loan commitments.
2) Credit provisions for loan commitments and building credits are included in the "Provisions" item in the balance sheet

Note 4 Net credit losses, Cont.

Total loss provisions increased by SEK 30 million (increase by 4) during the fourth quarter of 2023. Loss provisions for loans in credit stage 1 increased by SEK 11 million (decrease by 15) and decreased by SEK 35 million (increase by 6) for loans in credit stage 2. Loss provisions for loans in credit stage 3 increased by SEK 60 million (increase by 52).

The changes in loss provisions for loans across all credit stages are influenced by a calibration of the new impairment model for calculating expected credit losses (ECL model), which was implemented on September 30, 2023. The calibration of the ECL model raises the threshold for movements to credit stage 2 and increases the macroeconomic effects in PD and LGD. This has resulted in increased loss provisions for loans in credit stages 1 and 3, and decreased loss provisions for loans in credit stage 2. Furthermore, new decisions on rating grades for customers within the business area Corporate Clients & Tenant-Owners' Associations have also impacted loss provisions, resulting in increased loss provisions in credit stage 1 and decreased loss provisions in credit stage 2. Within the business area Retail, an increased number of customers facing payment difficulties and defaults, as well as more customers with individually assessed provisions, have contributed to an inflow to credit stage 3 and thus increased loss provisions. The revision of forward-looking information, combined with the calibration of the ECL model, resulted in an increase in loss provisions during the quarter.

Provisions for loan commitments and building credits decreased by SEK 4 million (decrease by 39) for the fourth quarter, primarily driven by positive rating grade migrations for relevant customer groups.

Guarantee amounts that can be utilised to cover credit losses were unchanged (decrease by 1) during the quarter.

Sensitivity analysis of forward-looking information

Lending to the public and loan commitments

	Scenario 1 (40%)			Scenario 2 (20%)			Scenario 3 (20%)			Scenario 4 (20%)		
Factors	**2024**	**2025**	**2026**	**2024**	**2025**	**2026**	**2024**	**2025**	**2026**	**2024**	**2025**	**2026**
GDP[1], Δ	–0.6%	+2.7%	+3.0%	+0.5%	+4.4%	+3.8%	–9.4%	+6.3%	+3.9%	–5.6%	–1.6%	+3.0%
Repo rate	3.2%	2.2%	2.2%	3.0%	2.4%	2.4%	3.5%	2.6%	2.5%	4.2%	3.3%	3.2%
Unemployment	8.4%	8.0%	7.5%	7.9%	6.9%	6.4%	11.4%	10.8%	9.6%	9.4%	10.3%	10.4%
House prices, Δ	+2.5%	+4.0%	+4.3%	+6.4%	+0.6%	+4.8%	–6.7%	–3.3%	+3.4%	–12.4%	–13.8%	–3.3%
Prices of tenant-owners' rights, Δ	+1.0%	+7.8%	+7.2%	+5.2%	+3.5%	+7.8%	–12.5%	–5.3%	+4.5%	–14.5%	–10.9%	–0.3%
Property prices, Δ	–3.7%	–1.7%	–0.2%	–1.2%	–2.5%	–1.5%	–11.6%	–14.7%	–7.1%	–12.4%	–18.9%	–11.8%
ECL	**SEK 156 million**			**SEK 137 million**			**SEK 391 million**			**SEK 666 million**		
Weighted ECL[2]	**SEK 301 million**											

1) Not included in the ECL calculation

2) Of which, SEK 292 million was attributable to lending to the public and SEK 9 million to off-balance-sheet items linked to loan commitments and building credits

Impairment model and credit loss provisions

During the fourth quarter of 2023, SBAB has continuously monitored the macroeconomic situation considering the continued high interest rates levels and slowdown in residential construction. Updated macroeconomic forecasts were provided by the Chief Economist during the quarter for the purpose of revising the forward-looking information applied in the impairment model used to calculate expected credit losses (ECL model) and loss provisions. The updates to the macroeconomic forecasts were based on a persisting negative outlook on the global economic situation and development, characterized by a high-interest rate environment and risks of significant price drops in homes and real estate. The high interest rate environment, due to recent years of high inflation and global economic uncertainty, is assessed to continue affecting the Swedish economy during the coming years.

Given the slowdown in inflation and stabilization of interest rates, all scenarios in the forward-looking information consider somewhat lower interest rates over the coming years, with an interest rate peak that has already occurred or is expected to be reached in 2024. In connection with the development of interest rates, the unemployment rate is expected to decrease over the coming years, excluding negative scenarios where further interest rate hikes during 2024 impact the Swedish economy and unemployment rate. Home and real estate prices are expected to rise with declining interest rates or fall in scenarios where interest rates continue to rise in 2024. However, all scenarios remain negative on the development of residential and commercial real estate prices due to highly leveraged property companies in the Swedish market.

The update of the macroeconomic factors in the forward-looking information, combined with the calibration of the ECL model, contributed to an increase in loss provisions of SEK 50 million. This is driven by a high-interest rate environment expected to persist in the coming years, which is anticipated to continue affecting default rates among customers and housing prices.

Within Retail, loss provisions decreased in credit stage 2, while they increased in credit stage 1 and 3, resulting in a total increase of SEK 36 million. The change in loss provisions for the business area is primarily explained by the calibration of the ECL model, which led to an inflow of exposures to credit stage 1 from credit stage 2, reducing loss provisions, and increased sensitivity to macroeconomic factors in both PD and LGD, increasing loss provisions. Loss provisions for credit stage 3 increased due to a net inflow of exposures resulting from an increase in payment delinquencies, defaults and individually assessed loss provisions.

Within Corporate Clients & Tenant-Owners' Associations, loss provisions decreased in credit stage 2 and increased in credit stage 1 and 3 resulting in a decrease of total loss provisions by SEK 5 million. The change in loss provisions for the business area is primarily explained by improved rating grades for specific customer groups with building credits. An individually assessed loss provision attributed to a specific customer within the business area increased loss provisions in credit stage 3.

The table above presents the forward-looking information, comprising a composite of the four scenarios with forecasts of the macroeconomic factors applied in the ECL model. The underlying credit risk models used to calculate ECL, largely based on customers' payment behaviour and market values of the collaterals, have shown only limited signs of increased credit risk. It cannot be ruled out that rising interest costs, a slowdown in residential construction and falling prices for homes and real estate properties may further increase loss provisions throughout 2024. As of December 31, 2023, SBAB is currently comfortable with the size of the loss provisions, totalling SEK 301 million.

Note 4 Net credit losses, Cont.

Overall credit quality
The credit quality of SBAB's lending portfolio remains strong and the risks associated with lending to private individuals within Retail are low despite the prevailing economic circumstances. Granting of loans is based on a sound credit approval process that determines whether customers have the financial capacity required to meet their obligations. The Swedish FSA's annual mortgage market survey, based on data from 2022, found that overall, new residential mortgage customers continue to have healthy margins to manage repayment of their mortgages despite the worsened economic landscape. At the end of the fourth quarter 2023, the average loan-to-value (LTV) ratio[3] in the mortgage portfolio was 60% (60), and the average residential mortgage loan to customers amounted to SEK 1.9 million (1.9). LTV for new lending was, at the end of the quarter, 68% (69) and the debt-to-income ratio was 3.4 (3.4).

The credit quality of SBAB's lending to property companies, property developers and tenant-owners' associations is also considered strong. The average LTV for property companies and tenant-owners' associations at the end of the quarter was 61% (61) and 33% (33) respectively.

Within Corporate Clients & Tenant-Owners' Associations, the granting of loans is based on an assessment of customers' ability to generate stable cash flows over time and on whether adequate collateral can be provided. Due to the economic development with high inflation resulting in rising interest rates, SBAB is working proactively to identify customers who are or could become particularly financially affected. SBAB has also increased the frequency of follow-up of customers which are more dependent on market funding that needs refinancing both in the short and long term, as well as customers with building credits, which can be particularly affected by increased interest rates and raised costs for building materials. Additionally, there is a more frequent evaluation of customer rating grades through expert judgment. An individually assessed loss provision attributed to a specific customer with building credit has been made during the quarter.

3) 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 exposure weighted average. Where applicable, the calculation takes into consideration contributory factors such as guarantees and the collateral's lien priority. SBAB verifies the market values on a regular basis. For residential properties and tenant-owners' rights, the market value is verified at least every third year.

Note 5 Lending to the public

	GROUP	
SEK million	**31 Dec 2023**	**31 Dec 2022**
Opening balance, per year	**509,492**	**467,041**
New lending for the period	71,068	105,404
Amortisation, repayments	–63,042	–62,901
Confirmed credit losses	–9	–7
Change in provision for expected credit losses[1]	–109	–45
Closing balance, per year/period	**517,400**	**509,492**

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

Distribution of lending, including provisions

	GROUP	
SEK million	**31 Dec 2023**	**31 Dec 2022**
Lending, Residential mortgages	346,314	348,980
Lending, Corporate Clients & Tenant-Owners' Associations	169,321	158,362
Lending, Consumer loans	1,765	2,150
Total	**517,400**	**509,492**

Geographical composition

	GROUP			
	Lending, Residential mortgages %		**Lending, Corporate Clients & Tenant-Owners' Associations %**	
	2023	**2022**	**2023**	**2022**
	Q4	**Q4**	**Q4**	**Q4**
Stockholm area	63.2	62.6	50.2	49.2
Öresund region	9.2	10.1	17.9	18.3
University cities and growth regions	10.8	10.5	16.7	16.9
Gothenburg area	10.9	10.7	8.7	8.6
Other regions	5.9	6.1	6.6	7.0

Note 5 Lending to the public, Cont.

Lending to the public by credit stage

SEK million	GROUP 31 Dec 2023	GROUP 31 Dec 2022
Credit stage 1		
Gross lending	466,456	478,737
Provision	–66	–62
Total	**466,390**	**478,675**
Credit stage 2		
Gross lending	50,501	30,567
Provision	–81	–90
Total	**50,420**	**30,477**
Credit stage 3		
Gross lending	735	371
Provision	–145	–31
Total	**590**	**340**
Total gross lending	**517,692**	**509,675**
Total provisions	**–292**	**–183**
Total	**517,400**	**509,492**

Lending to the public and provisions

SEK million	GROUP							
Capital	Credit stage 1 Capital	Provision	Credit stage 2 Capital	Provision	Credit stage 3 Capital	Provision	Capital	Provision
Opening balance, 1 January 2023	**478,737**	**–62**	**30,567**	**–90**	**371**	**–31**	**509,675**	**–183**
Moved to credit stage 1	17,860	–45	–17,830	43	–30	2	0	0
Moved to credit stage 2	–43,899	9	43,966	–11	–67	2	0	0
Moved to credit stage 3	–218	0	–374	5	592	–5	0	0
Volume change*	12,787	–10	–5,749	3	–115	–9	6,923	–16
Revaluation**	1,189	42	–78	–31	–8	–110	1,103	–99
Confirmed credit losses	–	–	–1	–	–8	6	–9	6
Closing balance, 31 December 2023	**466,456**	**–66**	**50,501**	**–81**	**735**	**–145**	**517,692**	**–292**

*Refers to new lending, amortizations, redemptions and loan transfers between SBAB and SCBC.
**Refers to revaluation of ECL as well as changes in transaction and modification costs. For further information on changes in provision for the period – credit stages 1, 2 and 3, please refer to Note 4.

SEK million	GROUP							
Capital	Credit stage 1 Capital	Provision	Credit stage 2 Capital	Provision	Credit stage 3 Capital	Provision	Capital	Provision
Opening balance, 1 January 2022	**446,264**	**–45**	**20,684**	**–62**	**231**	**–31**	**467,179**	**–138**
Moved to credit stage 1	12,268	–29	–12,232	27	–36	2	0	0
Moved to credit stage 2	–15,228	3	15,259	–5	–31	2	0	0
Moved to credit stage 3	–90	0	–198	3	288	–3	0	0
Volume change*	35,940	–22	6,990	–21	–67	2	42,863	–41
Revaluation**	–417	31	64	–32	–7	–7	–360	–8
Confirmed credit losses	–	–	–	–	–7	4	–7	4
Closing balance, 31 December 2022	**478,737**	**–62**	**30,567**	**–90**	**371**	**–31**	**509,675**	**–183**

*Refers to new lending, amortizations, redemptions and loan transfers between SBAB and SCBC.
**Refers to revaluation of ECL as well as changes in transaction and modification costs.For further information on changes in provision for the period – credit stages 1, 2 and 3, please refer to Note 4.

Note 6 Derivatives

	GROUP					
	31 Dec 2023			31 Dec 2022		
SEK million	Assets measured at fair value	Liabilities measured at fair value	Total nominal value	Assets measured at fair value	Liabilities measured at fair value	Total nominal value
Interest-rate-related	5,390	14,946	497,610	7,815	24,810	519,705
Currency-related	6,851	749	95,549	8,128	124	86,643
Total	**12,241**	**15,695**	**593,159**	**15,943**	**24,934**	**606,348**

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

Note 7 Operating segments

	GROUP					
	Jan–Dec 2023					
	Follow-up of operations			Reconciliation against the statutory income statement		
SEK million	Retail	Corporate Clients & Tenant-Owners' Associations	Total	Administrative consultants	IFRS 16 Leasing [1]	Statutory profit
Net interest income	3,336	2,110	5,446	–	–	5,446
Commission income	47	1	48	–	–	48
Commission expense	–60	–22	–82	–	–	–82
Net result of financial transactions	–70	–25	–95	–	–	–95
Other operating income	49	1	50	–	–	50
Total operating income	**3,302**	**2,065**	**5,367**	**–**	–	**5,367**
Salaries and remuneration	–400	–158	–558	–	–	–558
Other personnel costs	–259	–113	–372	40		–332
Other expenses	–463	–146	–609	–40	41	–608
Depreciation, amortisation and impairment of PPE and intangible assets	–73	–51	–124	–	–41	–165
Net credit losses	–22	–71	–93	–	–	–93
Imposed fees: Risk tax and resolution fee	–353	–188	–541	–	–	–541
Operating profit	**1,732**	**1,338**	**3,070**	**0**	**0**	**3,070**
Tax	–372	–290	–662	–	–	–662
Profit after standardised tax	**1,360**	**1,048**	**2,408**	**0**	**0**	**2,408**
Return on equity, %	10.0	14.1	–	–	–	11.5

1) Depreciation charge for right-of-use assets of office premises.

Note 7 Operating segments, Cont.

SEK million	GROUP Jan–Dec 2022 Follow-up of operations: Retail	Corporate Clients & Tenant-Owners' Associations	Total	Reconciliation against the statutory income statement: Administrative consultants	IFRS 16 Leasing	Statutory profit
Net interest income	3,424	1,231	4,655	–	–	4,655
Commission income	54	37	91	–	–	91
Commission expense	–64	–15	–79	–	–	–79
Net result of financial transactions	–46	11	–35	–	–	–35
Other operating income	47	2	49	–	–	49
Total operating income	**3,415**	**1,266**	**4,681**	**–**	**–**	**4,681**
Salaries and remuneration	–407	–105	–512	–	–	–512
Other personnel costs	–266	–75	–341	30	–	–311
Other expenses	–452	–86	–538	–30	38	–530
Depreciation, amortisation and impairment of PPE and intangible assets	–108	–30	–138	–	–38	–176
Net credit loss	–44	–24	–68	–	–	–68
Imposed fees: Risk tax and resolution fee	–360	–85	–445	–	–	–445
Operating profit	**1,778**	**861**	**2,639**	**0**	**0**	**2,639**
Tax	–376	–182	–558	–	–	–558
Profit after standardised tax	**1 402**	**679**	**2,081**	**0**	**0**	**2,081**
Return on equity, %	9.9%	11.8%	10.5%	–	–	10.5%

All expences and revenues are fully allocated to the segments Retail and Corporate Clients & Tenant-Owners' Associations. In relation to the statutory income statement, an expense of SEK 40 million (–30) was transferred between the rows "Other expenses" and "Other personnel costs."

The cost refers to administrative consultants, which pertain to "Other personnel costs" in the internal monitoring. IFRS 16 is not taken into account in the follow-up of operations. All expenses identified in IFRS 16, with the exception of the interest component, are to be considered as costs for premises. The effect of IFRS 16 on the Group is recognised in the reconciliation against the statutory income statement. For more information on IFRS 16, please refer to Note G 1 in SBAB`s 2022 Annual Report.

Note 8 Classification of financial instruments

Financial assets

SEK million	GROUP 31 Dec 2023 Financial assets measured at FVTPL: Fair value option	Derivatives in hedge accounting	Other (Obligatory) classification	Financial assets measured at FVTOCI	Financial assets measured at amortised cost	Total	Total fair value
Cash and balances at central banks	–	–	–	–	6,350	6,350	6,350
Chargeable treasury bills, etc.	442	–	–	36,208	0	36,650	36,650
Lending to credit institutions	–	–	–	–	11,807	11,807	11,807
Lending to the public	–	–	–	–	517,400	517,400	515,257
Value changes of interest-rate-risk hedged items in macro hedges	–	–	–	–	–1,565	–1,565	–
Bonds and other interest-bearing securities	0	–	–	54,671	10,274	64,945	64,933
Derivatives	–	11,794	447	–	–	12,241	12,241
Other assets	–	–	–	–	262	262	262
Prepaid expenses and accrued income	6	–	–	351	390	747	747
Total financial assets	**448**	**11,794**	**447**	**91,230**	**544,918**	**648,837**	**648,247**

Financial liabilities

SEK million	GROUP 31 Dec 2023 Financial liabilities measured at FVTPL: Derivatives in hedge accounting	Held for trading	Financial liabilities measured at amortised cost	Total	Total fair value
Liabilities to credit institutions	–	–	5,606	5,606	5,606
Deposits from the public	–	–	215,211	215,211	215,211
Issued debt securities, etc.	–	–	382,770	382,770	374,741
Derivatives	14,815	880	–	15,695	15,695
Other liabilities	–	–	382	382	382
Accrued expenses and deferred income	–	–	3,097	3,097	3,097
Subordinated debt	–	–	1,998	1,998	1,973
Total financial liabilities	**14,815**	**880**	**609,064**	**624,759**	**616,705**

Note 8 Classification of financial instruments, Cont.

Financial assets

SEK million	GROUP 31 Dec 2022 Financial assets measured at FVTPL: Fair value option	Derivatives in hedge accounting	Other (Obligatory) classification	Financial assets measured at FVTOCI	Financial assets measured at amortised cost	Total	Total fair value
Cash and balances at central banks	–	–	–	–	3,534	3,534	3,534
Chargeable treasury bills, etc.	441	–	–	26,886	2,559	29,886	29,885
Lending to credit institutions	–	–	–	–	20,091	20,091	20,091
Lending to the public	–	–	–	–	509,492	509,492	499,092
Value changes of interest-rate-risk hedged items in macro hedges	–	–	–	–	–4,944	–4,944	–
Bonds and other interest-bearing securities	221	–	–	35,070	22,199	57,490	57,529
Derivatives	–	15,523	420	–	–	15,943	15,943
Other assets	–	–	–	–	109	109	109
Prepaid expenses and accrued income	8	–	–	133	336	477	477
Total financial assets	**670**	**15,523**	**420**	**62,089**	**553,376**	**632,078**	**626,660**

Financial liabilities

SEK million	GROUP 31 Dec 2022 Financial liabilities measured at FVTPL: Derivatives in hedge accounting	Held for trading	Financial liabilities measured at amortised cost	Total	Total fair value
Liabilities to credit institutions	–	–	8,237	8,237	8,237
Deposits from the public	–	–	182,443	182,443	182,443
Issued debt securities, etc.	–	–	393,885	393,885	380,056
Derivatives	24,512	422	–	24,934	24,934
Other liabilities	–	–	983	983	983
Accrued expenses and deferred income	–	–	2,175	2,175	2,175
Subordinated debt	–	–	1,997	1,997	1,952
Total financial liabilities	**24,512**	**422**	**589,720**	**614,654**	**600,780**

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 SBAB's 2022 Annual Report. 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 have been assessed as equal to their fair values. Investments at amortised cost were measured at quoted prices, Level 1.

For Lending to the public, Issued debt securities and Subordinated debt, fair value is established based on generally accepted valuation techniques. As far as possible, calculations made in conjunction with measurement are based on observable market data. Mainly, the models used are based on discounted cash flows.

Issued debt securities and subordinated debt are measured at the Group's current borrowing rate, Level 2. 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 stipulated date of expiry is applied to set the discount rate, Level 3.

Note 9 Fair value disclosures

	GROUP							
	31 Dec 2023				31 Dec 2022			
SEK million	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobser-vable market data (Level 3)	Total	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobser-vable market data (Level 3)	Total
Assets								
Chargeable treasury bills, etc.	662	35,988	–	36,650	1,202	26,125	–	27,327
Bonds and other interest-bearing securities	54,670	–	–	54,670	35,921	–	–	35,921
Derivatives	–	12,241	–	12,241	–	15,943	–	15,943
Prepaid expenses and accrued income	357	–	–	357	141	–	–	141
Total	**55,689**	**48,229**	–	**103,918**	**36,634**	**42,068**	–	**78,702**
Liabilities								
Derivatives	–	15,695	–	15,695	–	24,934	–	24,934
Total	–	**15,695**	–	**15,695**	–	**24,934**	–	**24,934**

The measurement policies for financial instruments recognised at fair value in the balance sheet are provided in Note G 1 (Accounting Policies) in SBAB's 2022 Annual Report. 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 2022 or 2023.

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. The measurement method is used for holdings of quoted interest-bearing securities and for publicly quoted derivatives, primarily interest-rate futures.

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 and certificates.

Measurement based in part on 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 10 Liquidity reserve and liquidity risk

The assets in SBAB's liquidity reserve comprises liquid, interest-bearing securities with high ratings and form an integrated part of the Group's liquidity risk management. Securities holdings are limited by asset class and by country, respectively, and must have at least an AA-rating (as stated by Moody's Investors Service's ratings system) on acquisition. In addition to these collective limits, limits for individual issuers may also be set. The following table is reported according to the Swedish Bankers' Association's template for liquidity reserve disclosures and is based on the European Commission's Delegated Regulation EU (2015/61) with regard to liquidity coverage requirements.

Calculation of survival horizon

SBAB measures and stress tests liquidity risk by calculating the survival horizon, which is an internal metric used to identify how long SBAB will be able to meet its payment obligations without access to capital market funding, and includes outflows from deposits under a stressed scenario. The survival horizon has been limited to a minimum of 180 days at the consolidated level at any given time.

The survival horizon is calculated by totalling the maximum need of liquidity for each coming day and comparing this to the size of the liquidity portfolio after applicable haircuts. The calculations are based on a crisis scenario in which all loans are assumed to be extended on maturity, meaning that no liquidity is added through loan redemption, and where no funding is available and deposits decline. Accordingly, the maximum need for liquidity can be identified for every given future period, and the necessary liquidity reserve can be established. SBAB's survival horizon amounted to 529 days at 31 December 2023 (319 days at 30 September 2023).

Regulatory measures

The liquidity coverage ratio (LCR) is defined in accordance with the European Commission Delegated Regulation with regard to liquidity coverage requirements and calculates the degree to which a bank's liquid assets cover its net cash flows for the coming 30 days in a stressed scenario. Net cash flows comprise contractual inflows and outflows, and theoretical flows based on historical data, for example, withdrawals of the bank's deposits. At 31 December 2023, the LCR was 258% (248% as of 30 September 2023) in all currencies at the consolidated level. The significant currencies for the bank are SEK and EUR, where LCR was 192% (161%) in SEK and 10,023% (10,953%) in EUR.

The net stable funding ratio (NSFR), amounted to 131.9% (130.5%) according to of Regulation (EU)2019/876 of the European Parliament and the Council.

		CONSOLIDATED SITUATION									
		31 Dec 2023					31 Dec 2022				
			Distribution by currency					Distribution by currency			
SEK billion		Total	SEK	EUR	USD	Other	Total	SEK	EUR	USD	Other
Level 1	**Level 1 assets**	**100.8**	**84.1**	**15.7**	**1.0**	–	**84.4**	**66.4**	**15.9**	**2.1**	–
	Cash and balances with central banks[1]	9.9	9.9	–	–	–	4.7	4.7	–	–	–
	Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	42.4	40.0	2.4	–	–	33.7	27.9	5.2	0.6	–
	Securities issued by municipalites and public sector entities	12.0	6.9	4.1	1.0	–	11.5	4.0	6.0	1.5	–
	Extremely high quality covered bonds	36.5	27.3	9.2	–	–	34.5	29.8	4.7	–	–
	Other assets	–	–	–	–	–	–	–	–	–	–
Level 2	**Level 2 assets**	**2.5**	**2.5**	–	–	–	**3.5**	**3.2**	**0.3**	–	–
	Level 2A assets	**2.5**	**2.5**	–	–	–	**3.5**	**3.2**	**0.3**	–	–
	Securities issued or guaranteed by sovereigns, central banks, municipalities and public sector entities	–	–	–	–	–	–	–	–	–	–
	High quality covered bonds	2.5	2.5	–	–	–	3.5	3.2	0.3	–	–
	Corporate debt securities (lowest rating AA-)	–	–	–	–	–	–	–	–	–	–
	Other assets	–	–	–	–	–	–	–	–	–	–
	Level 2B assets	–	–	–	–	–	–	–	–	–	–
	Asset-backed securities	–	–	–	–	–	–	–	–	–	–
	High quality covered bonds	–	–	–	–	–	–	–	–	–	–
	Corporate debt securities (rated A+ to BBB-)	–	–	–	–	–	–	–	–	–	–
	Shares (major stock index)	–	–	–	–	–	–	–	–	–	–
	Other assets	–	–	–	–	–	–	–	–	–	–
	Liquidity reserve	**103.3**	**86.6**	**15.7**	**1.0**	–	**87.9**	**69.6**	**16.2**	**2.1**	–

1) Includes central bank facilities.

Note 11 Capital adequacy, own funds and capital requirements

Amendments to the Banking Package
The capital adequacy is based on the consolidated version of the Capital Requirements Regulation and the Capital Requirements Directive which have been adapted to the Banking Package adopted on 7 June 2019. Information in this note refers to the minimum capital requirements according to Pillar 1 and corresponds to the disclosure requirements in the Capital Requirements Regulation, part eight and the Swedish FSA regulation FFFS 2014:12.

During the fourth quarter 2021 the EU Commission published the finalization of Basel 3 regulation. The proposal contains amendments that improve the comparability of risk-based capital measures between the banks in the EU banking sector. This will reduce the scope for unjustified differences. The proposal 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. The EU Commission's proposal is to be introduced with a transitional period during 2025 - 2030.

In December 2023, the EU approved the European Commission's proposal and the EU Parliament is also expected to approve the proposal shortly. The changes in CRR and CRD are expected to be published in the Official Journal during the first half of 2024, and will be applicable from 1 January 2025.

Buffer requirements
The countercyclical buffer rate for Swedish exposures amounts to 2% as of 31 December 2023. The Swedish FSA has not announced any change to the countercyclical buffer value.

The Government of Denmark and Bank of Norway respectively have decided to keep the countercyclical buffer rates unchanged at 2.5% as of 31 December, 2023.

Capital adequacy

	CONSOLIDATED SITUATION				
SEK million	**31 Dec 2023**	**30 Sep 2023**	**30 Jun 2023**	**31 Mar 2023**	**31 Dec 2022**
Available own funds (amounts)					
Common Equity Tier 1 (CET1) capital	20,414	20,173	19,903	19,734	19,689
Tier 1 capital	26,214	25,973	25,703	25,534	25,489
Total capital	28,209	27,968	27,698	27,529	27,484
Risk-weighted exposure amounts					
Total risk exposure amount	166,294	173,220	167,274	158,738	154,151
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%)	12.3	11.6	11.9	12.4	12.8
Tier 1 ratio (%)	15.8	15.0	15.4	16.1	16.5
Total capital ratio (%)	17.0	16.1	16.6	17.3	17.8
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.9	1.9[2)]	2.4[1)]	3.4	3.4
of which: to be made up of CET1 capital (percentage points)	1.1	1.1	1.5	2.2	2.2
of which: to be made up of Tier 1 capital (percentage points)	1.4	1.4	1.8	2.5	2.5
Total SREP own funds requirements (%)	9.9	9.9	10.4	11.4	11.4
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
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	1.0	1.0
Systemic risk buffer (%)	–	–	–	–	–
Global Systemically Important Institution buffer (%)	–	–	–	–	–
Other Systemically Important Institution buffer (%)	–	–	–	–	–
Combined buffer requirement (%)	4.5	4.5	4.5	3.5	3.5
Overall capital requirements (%)	14.4	14.4	14.9	14.9	14.9
CET1 available after meeting the total SREP own funds requirements (%)	6.7	6.1	5.9	5.7	6.1

Note 11 Capital adequacy, own funds and capital requirements, Cont.

	CONSOLIDATED SITUATION				
SEK million	**31 Dec 2023**	**30 Sep 2023**	**30 Jun 2023**	**31 Mar 2023**	**31 Dec 2022**
Leverage ratio					
Total exposure measure	640,914	634,379	628,347	645,980	618,926
Leverage ratio (%)	4.1	4.1	4.1	4.0	4.1
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
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
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
Leverage ratio buffer requirement (%)	–	–	–	–	–
Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
Liquidity Coverage Ratio					
Total high-quality liquid assets (HQLA) (Weighted value -average)	97,063	93,420	91,472	86,003	81,220
Cash outflows - Total weighted value	55,684	53,174	51,414	46,718	45,867
Cash inflows - Total weighted value	17,018	15,266	13,773	9,651	8,783
Total net cash outflows (adjusted value)	38,666	37,908	37,641	37,067	37,084
Liquidity coverage ratio (%)	251.0	246.4	243.0	232.0	219.0
Net Stable Funding Ratio					
Total available stable funding	547,015	543,289	551,262	541,352	521,568
Total required stable funding	414,762	416,469	411,992	411,477	407,665
NSFR ratio (%)	131.9	130.5	133.8	131.6	127.9

1)The Swedish FSA (Finansinspektionen) communicated during the second quarter 2023 a change of decision that includes a reduction of the Pillar 2 requirement imposed on SBAB Bank Publ (group) for deficiencies in IRB models.

2)The Swedish FSA (Finansinspektionen) decided, during the third quarter of 2023, in connection with its review and evaluation of SBAB Bank Publ (group), to reduce the Pillar 2 requirements.

Note 11 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

	CONSOLIDATED SITUATION	
SEK million	31 Dec 2023	31 Dec 2022
Common Equity Tier 1 (CET1) capital : Instruments and reserves		
Capital instruments and the related share premium accounts	1,958	1,958
Retained earnings	17,635	16,713
Accumulated other comprehensive income (and other reserves)	–3,737	–6,639
Independently reviewed interim profits net of any foreseeable charge or dividend[1]	1,441	1,282
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**17,297**	**13,314**
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)	–121	–101
Intangible assets (net of related tax liability) (negative amount)	–173	–137
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	3,758	6,680
Negative amounts resulting from the calculation of expected loss amounts	–330	–19
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	–	–
Other regulatory adjustsments[2]	–16	–48
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**3,118**	**6,375**
Common Equity Tier 1 (CET1) capital	**20,414**	**19,689**
Additional Tier 1 (AT1) capital: Instrument		
Capital instruments and the related share premium accounts	5,800	5,800
– of which, classified as equity under applicable accounting standards	*5,800*	*5,800*
– of which, classified as liabilities under applicable accounting standards	–	–
Amount of qualifying items referred to in Article 484(4) CRR and the related share premium accounts subject to phase out from AT1	–	–
Additional Tier 1 (AT1) capital before regulatory adjustments	**5,800**	**5,800**
Additional Tier 1 (AT1) capital: regulatory adjustments		
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**–**	**–**
Additional Tier 1 capital (AT1) capital	**5,800**	**5,800**
Tier 1 capital (T1=CET1+AT1)	**26,214**	**25,489**
Tier 2 (T2) capital : instruments		
Capital instruments and the related share premium accounts	1,995	1,995
Credit risk adjustments	–	–
Tier 2 (T2) capital before regulatory adjustments	**1,995**	**1,995**
Tier 2 capital: regulatory adjustments		
Total regulatory adjustments to Tier 2 (T2) capital	**–**	**–**
Tier 2 (T2) capital	**1,995**	**1,995**
Total capital (TC=T1+T2)	**28,209**	**27,484**
Total risk-exposure amount	**166,294**	**154,151**

Note 11 Capital adequacy, own funds and capital requirements, Cont.

SEK million	CONSOLIDATED SITUATION 31 Dec 2023	31 Dec 2022
Capital ratios and requirements including buffers %		
Common Equity Tier 1 capital	12.3	12.8
Tier 1 capital	15.8	16.5
Total capital	17.0	17.8
Institution-CET1 overall capital requirements	10.1	10.2
– of which, capital conservation buffer requirement	*2.5*	*2.5*
– of which, countercyclical buffer requirement	*2.0*	*1.0*
– 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	*1.1*[3)]	*2.2*
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	6.7	6.1

1) Net profit for the year was reduced by the expected dividend of SEK 963 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.
3) Outcome according to the Supervisory Review and Evaluation Process from the Swedish FSA, communicated and applied from September 2023.

Note 11 Capital adequacy, own funds and capital requirements, Cont.

Risk exposure amounts and capital requirements

	CONSOLIDATED SITUATION			
	31 Dec 2023		31 Dec 2022	
SEK million	Risk exposure amount	Capital require-ment	Risk exposure amount	Capital require-ment
Credit risk recognised in accordance with IRB approach				
Exposures to corporates	61,670	4,934	30,158	2,413
Retail exposures	21,268	1,701	14,877	1,190
– of which, exposures to SMEs	*–*	*–*	*1,066*	*85*
– of which, retail exposures secured by immovable property	*21,268*	*1,701*	*13,811*	*1,105*
Total exposures recognised with the IRB approach	**82,938**	**6,635**	**45,035**	**3,603**
Credit risk recognised with the standardised approach				
Exposures to governments and central banks	0	0	0	0
Exposures to regional governments or local authorities or agencies	0	0	0	0
Exposures to multilateral development banks	0	0	0	0
Exposures to international organisations	0	0	0	0
Exposures to institutions[1]	1,025	82	4,747	380
– of which, derivatives according to CRR, Appendix 2	*1,025*	*82*	*4,734*	*379*
– of which, repos	*–*	*–*	*13*	*1*
– of which, other	*0*	*0*	*0*	*0*
Retail exposures	1,785	143	2,112	169
Exposures in default	6	0	6	0
Exposures in the form of covered bonds	4,381	350	4,061	325
Exposures to institutions and corporates with a short-term credit rating	12	1	7	1
Equity exposures	106	9	154	12
Other items	526	42	525	42
Total exposures recognised with standardised approach	**7,841**	**627**	**11,612**	**929**
Market risk	**257**	**21**	**390**	**31**
– of which, position risk	*–*	*–*	*–*	*–*
– of which, currency risk	*257*	*21*	*390*	*31*
Operational risk	**6,669**	**534**	**6,035**	**483**
– of which, standardised approach	*6,669*	*534*	*6,035*	*483*
Credit valuation adjustment risk (CVA risk)	**1,704**	**136**	**1,429**	**114**
Additional requirements under Article 458 of the CRR	**66,885**	**5,351**	**89,650**	**7,172**
Total risk exposure amount and minimum capital requirements	**166,294**	**13,304**	**154,151**	**12,332**
Capital requirements for capital conservation buffer		**4,157**		**3,854**
Capital requirements for countercyclical buffer		**3,330**		**1,564**
Total capital requirements		**20,791**		**17,750**

1) The risk-weighted amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 1,025 million (4,747).

Note 12 Internally assessed capital requirement

The internal capital adequacy assessment aims to ensure that SBAB has adequate capital to deal with any financial problems that arise. The internally assessed capital requirement for the Group amounted to SEK 11,632 million (SEK 10,088 million at 31 December 2022). The internal capital requirement is assessed using SBAB's internal models for economic capital and is not fully comparable to the estimated capital published by the Swedish FSA (Finansinspektionen) due to differences in assumtions and methodologies. SBAB estimates that the Swedish FSA's expected total capital requirement as of 31 December 2023 amounted to SEK 23,901 million, of which SEK 3,110 million comprised capital requirement in Pillar 2. SBAB quantifies the capital requirement for its risks using a model for economic capital within the scope of the internal capital adequacy assessment process (ICAAP). Economic capital is defined as the amount of capital needed to ensure solvency over a one-year period. The internal capital requirement is defined as the higher of economic capital and the regulatory requirements for each type of risk. During the third quarter in 2023, SBAB assessed the method to the Internally assessed capital and made changes to better reflect SBAB:s risk.

	CONSOLIDATED SITUATION	
	31 Dec 2023	31 Dec 2022
	Internally assessed capital requirement	
	mnkr	mnkr
Credit risk	7,262	6,418
Market risk	2,070	1,766
Operational risk	534	534
Concentration risk	1,565	1,179
Sovereign risk	65	77
CVA	136	114
Other risks[1]	0	0
Total	**11,632**	**10,088**
Total Own funds	**28,209**	**27,484**

1) This includes pension and business risk

Parent Company

Trend for January–December 2023 compared with January–December 2022

Profit before credit losses and imposed fees increased to SEK 6 199 million (872), mainly attributale to anticipated dividend from the subsidiary AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation — SCBC) amounting to SEK 5 000 million. Net interest income increased during the period and amounted to SEK 1 407 million (870), mainly due to increased deposit volume in combination with increased deposit margins. Net commission income decreased and amounted to SEK 22 million (52), mainly due to updated calculation models for amortised cost, where arrangement fees linked to corporate lending are accrued over the term of the loans in net interest income from the third quarter of 2022. The net result of financial transactions amounted to an income of SEK -68 million (57). The difference was mainly attributable to differences in value changes in hedging instruments and hedged items. Other operating income increased to SEK 1 455 million (1 330) and mainly comprised fees from SCBC for administrative services in line with the applicable outsourcing agreements. Expenses increased to SEK 1 617 million (1 437), mainly due to higher costs for staff and consultants together with higher activity and costs for marketing. Credit losses amounted to SEK 19 million (29). Fees imposed amounted to SEK 194 million (144). Impairment of financial assets increased and amounted to SEK 60 million (9). Lending to the public amounted to SEK 24.2 billion (25.8) and deposits from the public to SEK 215.2 billion (182.4). During Q2 and Q4 2023, shareholder's contribution from the parent company of SEK 2.5 billion and SEK 4.3 billion, respectively, was paid to SCBC. The CET1 capital ratio amounted to 30.3% (24.1%) and the total capital ratio was 47.2% (43.6%). The internally assessed capital requirement was SEK 5,679 million (5,536). During Q3 2023, SBAB reviewed the method to determine the internally assessed capital and made changes to better reflect SBAB's risk.

Consolidated income statement

	PARENT COMPANY				
	2023	2023	2022	2023	2022
SEK million	Q4	Q3	Q4	Jan–Dec	Jan–Dec
Interest income	3,119	2,787	1,473	10,331	3,185
Interest expense	–2,785	–2,507	–1,118	–8,924	–2,315
Net interest income	**334**	**280**	**355**	**1,407**	**870**
Dividends received	5,000	–	–	5,000	–
Commission income	14	17	18	71	96
Commission expense	–14	–12	–13	–49	–44
Net result of financial transactions	–74	–47	–21	–68	57
Other operating income	403	350	378	1,455	1,330
Total operating income	**5,663**	**588**	**717**	**7,816**	**2,309**
Personnel costs	–245	–224	–210	–910	–817
Other expenses	–195	–149	–173	–679	–594
Depreciation, amortisation and impairment of PPE and intangible assets	–7	–7	–7	–28	–26
Total expenses before credit losses and imposed fees	**–447**	**–380**	**–390**	**–1,617**	**–1,437**
Profit/loss before credit losses and imposed fees	**5,216**	**208**	**327**	**6,199**	**872**
Net credit losses	11	–9	1	–19	–29
Imposed fees; Risk tax and resolution fee	–57	–46	–35	–194	–144
Impairment of financial assets	–5	–	–9	–60	–9
Operating profit	**5,165**	**153**	**284**	**5,926**	**690**
Tax	–41	–37	–64	–223	–157
Net profit for the period	**5,124**	**116**	**220**	**5,703**	**533**

Consolidated statement of comprehensive income

	PARENT COMPANY				
	2023	2023	2022	2023	2022
SEK million	Q4	Q3	Q4	Jan–Dec	Jan–Dec
Net profit/loss for the period	**5,124**	**116**	**220**	**5,703**	**533**
Other comprehensive income					
Components that will be reclassified to profit or loss					
Financial assets measured at FVTOCI	33	36	150	–7	–133
Changes related to cash-flow hedges	54	12	–7	124	–266
Tax attributable to components that will be reclassified to profit or loss	–18	–10	–30	–24	82
Other comprehensive income/loss, net of tax	**69**	**38**	**113**	**93**	**–317**
Total comprehensive income for the period	**5,193**	**154**	**333**	**5,796**	**216**

Consolidated balance sheet

SEK million	PARENT COMPANY 31 Dec 2023	31 Dec 2022
ASSETS		
Cash and balances at central banks	6,350	3,534
Chargeable treasury bills, etc.	36,650	29,886
Lending to credit institutions (Note 13)	154,568	147,568
Lending to the public	24,180	25,754
Bonds and other interest-bearing securities	64,945	57,490
Derivatives	24,618	37,712
Shares and participations in associated companies and joint ventures	5	3
Shares and participations in Group companies	17,201	10,452
Deferred tax assets	27	38
Intangible assets	15	14
Property, plant and equipment	59	49
Other assets	75	107
Prepaid expenses and accrued income	1,280	684
TOTAL ASSETS	**329,973**	**313,291**
LIABILITIES AND EQUITY		
Liabilities		
Liabilities to credit institutions	6,980	9,215
Deposits from the public	215,211	182,443
Issued debt securities, etc.	56,593	65,004
Derivatives	25,813	37,430
Other liabilities	1,604	484
Accrued expenses and deferred income	888	437
Deferred tax liabilities	–	–
Provisions	9	31
Subordinated debt	1,998	1,997
Total liabilities	**309,096**	**297,041**
Equity		
Restricted equity		
Share capital	1,958	1,958
Statutory reserve	392	392
Total restricted equity	**2,350**	**2,350**
Unrestricted equity		
Fair value reserve	–59	–152
Additional Tier 1 instruments	5,800	5,800
Retained earnings	7,083	7,719
Net profit for the period	5,703	533
Total unrestricted equity	**18,527**	**13,900**
Total equity	**20,877**	**16,250**
TOTAL LIABILITIES AND EQUITY	**329,973**	**313,291**

Note 13 Lending to credit institutions

Of the Parent Company's lending to credit institutions at 31 December, 2023, SEK 142,789 million relates to a receivable from the wholly owned subsidiary AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation, SCBC), compared with SEK 127,506 million at the end of 2022. This receivable is subordinated in the event of receivership or liquidation, which means that payment is received only after other creditors of the subsidiary have been paid. Of the total receivable, SEK 24,000 million (17,000) comprises of internal Group debt instruments (senior non-preferred notes), issued by the subsidiary SCBC for the purpose of meeting the minimum requirement för own funds and eligible liabilities (MREL) announced by the Swedish National Debt Office.

Note 14 Capital adequacy, own funds and capital requirements – Parent Company

Amendments to the Banking Package
The capital adequacy is based on the version of the Capital Requirements Regulation and the Capital Requirements Directive which have been adapted to the Banking Package adopted on 7 June 2019.

Information in this note refers to the minimum capital requirements according to Pillar 1 and corresponds to the disclosure requirements in the Capital Requirements Regulation, part eight and the Swedish FSA regulation FFFS 2014:12 on supervisory requirements and capital buffers.

During the fourth quarter 2021 the EU Commission published the finalization of Basel 3 regulation. The proposal contains amendments that improve the comparability of risk-based capital measures between the banks in the EU banking sector. This will reduce the scope for unjustified differences. The proposal 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. The EU Commission's proposal is to be introduced with a transitional period during 2025 - 2030.

In December 2023, the EU approved the European Commission's proposal and the EU Parliament is also expected to approve the proposal shortly. The changes in the CRR and CRD are expected to be published in the Official Journal during the first half of 2024, and will be applicable from 1 January 2025.

Buffer requirements
The countercyclical buffer rate for Swedish exposures amounts to 2% as of 31 December 2023. The Swedish FSA has not announced any change to the countercyclical buffer value. The Government of Denmark and Bank of Norway respectively have decided to keep the countercyclical buffer rates unchanged at 2.5% as of 31 December 2023.

Capital adequacy

	PARENT COMPANY				
SEK million	**31 Dec 2023**	**30 Sep 2023**	**30 Jun 2023**	**31 Mar 2023**	**31 Dec 2022**
Available own funds (amounts)					
Common Equity Tier 1 (CET1) capital	13,996	9,097	9,230	9,426	9,615
Tier 1 capital	19,796	14,897	15,030	15,226	15,415
Total capital	21,791	16,892	17,025	17,222	17,416
Risk-weighted exposure amounts					
Total risk exposure amount	46,154	49,479	46,548	42,341	39,963
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%)	30.3	18.4	19.8	22.3	24.1
Tier 1 ratio (%)	42.9	30.1	32.3	36.0	38.6
Total capital ratio (%)	47.2	34.1	36.6	40.7	43.6
Additional own funds requirement to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirement to address risks other than the risk of excessive leverage (%)	3.3	3.3[2]	4.5[1]	4.6	4.6
of which: to be made up of CET1 capital (percentage points)	1.9	1.9	2.6	2.7	2.7
of which: to be made up of Tier 1 capital (percentage points)	2.5	2.5	3.3	3.5	3.5
Total SREP own funds requirement (%)	11.3	11.3	12.5	12.6	12.6

Note 14 Capital adequacy, own funds and capital requirements – Parent Company, Cont.

	PARENT COMPANY				
SEK million	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
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	1.0	1.0
Systemic risk buffer (%)	–	–	–	–	–
Global Systemically Important Institution buffer (%)	–	–	–	–	–
Other Systemically Important Institution buffer (%)	–	–	–	–	–
Combined buffer requirement (%)	4.5	4.5	4.5	3.5	3.5
Overall capital requirements (%)	15.8	15.8	17.0	16.2	16.2
CET1 available after meeting the total SREP own funds requirements (%)	24.0	12.0	12.7	15.0	16.8
Leverage ratio					
Total exposure measure	168,952	156,237	176,258	167,405	143,087
Leverage ratio (%)	11.7	9.5	8.5	9.1	10.8
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
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
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
Leverage ratio buffer requirement (%)	–	–	–	–	–
Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
Liquidity Coverage Ratio[3]					
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 (%)					
Net Stable Funding Ratio[3]					
Total available stable funding					
Total required stable funding					
NSFR ratio (%)					

1) The Swedish FSA (Finansinspektionen) communicated during the second quarter a change of decision that includes a reduction of the Pillar 2 requirement imposed on SBAB Bank AB for deficiencies in IRB models.

2) The Swedish FSA (Finansinspektionen) decided, during the third quarter of 2023, in connection with its review and evaluation of SBAB Bank AB, to reduce the Pillar 2 requirements.

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

Note 14 Capital adequacy, own funds and capital requirements – Parent Company, Cont.

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

Own funds

	PARENT COMPANY	
SEK million	**31 Dec 2023**	**31 Dec 2022**
Common Equity Tier 1 (CET1) capital instruments: Instruments and reserves		
Capital instruments and the related share premium accounts	1,958	1,958
Retained earnings	7,475	8,110
Accumulated other comprehensive income (and other reserves)	–59	–152
Independently reviewed interim profits net of any foreseeable charge or dividend[1)]	4,740	–299
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**14,114**	**9,618**
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)	–159	–141
Intangible assets (net of related tax liability) (negative amount)	–3	–1
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	88	187
Negative amounts resulting from the calculation of expected loss amounts	–29	–
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	–	–
Other regulatory adjustments[2)]	–15	–48
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**–118**	**–3**
Common Equity Tier 1 (CET1) capital	**13,996**	**9,615**
Additional Tier 1 (AT1) capital: Instrument		
Capital instruments and the related share premium accounts	5,800	5,800
– of which, classified as equity under applicable accounting standards	*5,800*	*5,800*
– of which, classified as liabilities under applicable accounting standards	–	–
Amount of qualifying items referred to in Article 484(4) CRR and the related share premium accounts subject to phase out from AT1	–	–
Additional Tier 1 capital before regulatory adjustments	**5,800**	**5,800**
Additional Tier 1 (AT1) capital: regulatory adjustments		**–**
Total regulatory adjustments to Additional Tier 1 (AT1) capital	**–**	**–**
Additional Tier 1 (AT1) capital	**5,800**	**5,800**
Tier 1 capital (T1= CET1+AT1)	**19,796**	**15,415**
Tier 2 (T2) capital: Instruments		
Capital instruments and the related share premium accounts	1,995	1,995
Credit risk adjustments	–	6
Tier 2 (T2) capital before regulatory adjustments	**1,995**	**2,001**
Tier 2 (T2)capital: regulatory adjustments		
Total regulatory adjustments to Tier 2 (T2) capital	**–**	**–**
Tier 2 (T2) capital	**1,995**	**2,001**
Total capital (TC= T1+T2)	**21,791**	**17,416**
Total risk-exposure amount	**46,154**	**39,963**

Note 14 Capital adequacy, own funds and capital requirements – Parent Company, Cont.

SEK million	PARENT COMPANY 31 Dec 2023	31 Dec 2022
Capital ratio and requirements including buffers, %		
Common Equity Tier 1 capital	30.3	24.1
Tier 1 capital	42.9	38.6
Total capital	47.2	43.6
Institution CET1 overall capital requirements	10.9	10.7
– of which, capital conservation buffer requirement	*2.5*	*2.5*
– of which, countercyclical buffer requirement	*2.0*	*1.0*
– 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	*1.9*[3)]	*2.7*
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	24.0	16.9

1) Net profit for the year was reduced by the expected dividend of SEK 963 million. The results have been verified by Deloitte AB pursuant to Article 26, Point 2a of the Capital Requirements Regulation.
2) There are no results that generate a deduction of NPL backstop, pursuant to Article 36, Point 1m of the Capital Requirements Regulation.
3) Outcome according to the Supervisory Review and Evaluation Process from the Swedish FSA, communicated and applied from September 2023.

Note 14 Capital adequacy, own funds and capital requirements – Parent Company, Cont.

Risk exposure amounts and capital requirements

	PARENT COMPANY			
	31 Dec 2023		31 Dec 2022	
SEK million	**Risk exposure amount**	**Capital require-ment**	**Risk exposure amount**	**Capital require-ment**
Credit risk recognised in accordance with IRB approach				
Exposures to corporates	14,709	1,176	11,148	892
Retail exposures	832	67	699	56
– of which, exposures to SMEs	–	–	*91*	*7*
– of which, retail exposures secured by immovable property	*832*	*67*	*607*	*49*
Total exposures recognised with the IRB approach	**15,541**	**1,243**	**11,847**	**948**
Credit risk recognised with the standardised approach				
Exposures to governments and central banks[1]	10	1	0	0
Exposures to regional governments or local authorities or agencies	0	0	0	0
Exposures to multilateral development banks	0	0	0	0
Exposures to international organisations	0	0	0	0
Exposures to institutions[2]	1,056	85	4,688	375
– of which, derivatives according to CRR, Appendix 2	*902*	*72*	*4,613*	*369*
– of which, repos	–	–	*0*	*0*
– of which, other	*154*	*12*	*75*	*6*
Retail exposures	1,785	143	2,112	169
Exposures in default	6	0	6	0
Exposures in the form of covered bonds	4,381	350	4,061	325
Exposures to institutions and corporates with a short-term credit rating	11	1	6	0
Equity exposures	17,206	1,377	10,454	836
Other items	175	13	136	11
Total exposures recognised with standardised approach	**24,630**	**1,970**	**21,463**	**1,717**
Market risk	**35**	**3**	**84**	**7**
– of which, position risk	–	–	–	–
– of which, currency risk	*35*	*3*	*84*	*7*
Operational risk	**3,292**	**263**	**2,982**	**239**
– of which, standardised approach	*3,292*	*263*	*2,982*	*239*
Credit valuation adjustment risk (CVA risk)	**1,225**	**98**	**852**	**68**
Additional requirements under Article 458 of the CRR	**1,431**	**115**	**2,736**	**219**
Total risk exposure amount and minimum capital requirements	**46,154**	**3,692**	**39,963**	**3,197**
Capital requirements for capital conservation buffer		**1,154**		**999**
Capital requirements for countercyclical buffer		**926**		**410**
Total capital requirements		**5,772**		**4,607**

1) Risk-weighted amount for governments and central banks amounts to SEK 10 million (SEK 0 million as of 31 December 2022) due to deferred tax according to CRR Article 48(4).
2) The risk-weighted amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 902 million (4,613).

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).

SBAB uses APMs when these are relevant for the presentation and follow-up of the Group's financial position and when these metrics are deemed to provide additional valuable information to readers of the financial reports. SBAB 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, SBAB's metrics are not directly comparable with similar metrics presented by other companies.

Deposits/lending

Definition: Ratio of total deposits to total lending (closing balances).

The APM aims to provide the reader with further information regarding the relative ratio of deposits to lending.

	GROUP	
SEK million	31 Dec 2023	31 Dec 2022
Deposits from the public	215,211	182,443
Lending to the public	517,400	509,492
Deposits/lending, %	**41.6**	**35.8**

C/I ratio

Definition: Total expenses before credit losses for the period in relation to total operating income for the period.

The APM aims to provide the reader with further information regarding the Group's cost-efficiency.

	GROUP	
	2023	2022
SEK million	Jan–Dec	Jan–Dec
Expenses	–1,663	–1,529
Operating income	5,367	4,681
C/I ratio, %	**31.0**	**32.7**

C/I ratio excl. move of resolution fee

Definition: Total expenses before credit losses for the period in relation to total operating income for the period, adjusted for the move of the resolution fee from net interest income to imposed fees during 2022.

The APM aims to provide the reader with further information regarding the Group's cost-efficiency.

	GROUP	
	2023	2022
SEK million	Jan–Dec	Jan–Dec
Expenses	–1,663	–1,529
Operating income excl. move of resolution fee	5,185	4,497
C/I ratio exl. move of resolution fee, %	**32.1**	**34.0**

C/L ratio

Definition: Expenses for the period (annualised) before credit losses in relation to lending to the public (calculated using the opening and closing balances for the period).

The APM aims to provide the reader with further information regarding the Group's cost-efficiency.

	GROUP	
	2023	2022
SEK million	Jan–Dec	Jan–Dec
Expenses	–1,663	–1,529
Aver. lending to the public	513,446	488,267
C/L ratrio, %	**0.32**	**0.31**

Return on equity

Definition: Profit after tax 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 Group's profitability in relation to unrestricted equity.

	GROUP	
	2023	2022
SEK million	Jan–Dec	Jan–Dec
Operating profit after tax	2,408	2,081
Average equity	20,991[1]	19,841[2]
Return on equity, %	**11.5**	**10.5**

1) Average equity has been adjusted for dividend of SEK 832 million for 2022.
2) Average equity has been adjusted for dividend of SEK 832 million for 2021.

Return on equity, excl. risk tax

Definition: Profit after tax 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, value changes in financial assets recognised in equity, and the per 2022 implemented risk tax.

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

	GROUP	
	2023	2022
SEK million	Jan–Dec	Jan–Dec
Operating profit after tax	2,692	2,287
Average equity	21,133	19,943
Return on equity excl. risk tax, % [1 2]	**12.7**	**11.5**

1) The risk tax amounted to SEK 359 million for Jan–Dec 2023 and SEK 261 million for Jan–Dec 2022.
2) Average equity for the period "Jan–Dec 2023" has been adjusted for dividend of SEK 832 million for 2022. Average equity for the period "Jan–Dec 2022" has been adjusted for dividend of SEK 832 million for 2021.

Net interest margin

Definition: Net interest income for the period (annualised) in relation to average (calculated using the opening and closing balances for the reporting period) total balance sheet.

The APM aims to provide the reader with further information regarding the Group's profitability.

	GROUP	
	2023	2022
SEK million	Jan–Dec	Jan–Dec
Net interest income	5,446	4,655
Average balance sheet total	642,519	596,411
Net interest margin, %	**0.85**	**0.78**

Credit loss ratio

Definition: Credit losses for the period (annualised) in relation to total lending (closing balance).

The APM aims to provide the reader with further information regarding the relative ratio of credit losses to total lending.

	GROUP	
	2023	2022
SEK million	Jan–Dec	Jan–Dec
Credit losses	–93	–68
Lending to the public	517,400	509,492
Credit loss ratio, %	**–0.02**	**–0.01**

Share of Stage 3 loans, gross, %

Definition: Gross lending in credit stage 3 (closing balance) in relation to total lending to the public (closing balance).

The APM aims to provide the reader with further information regarding the proportion of non-performing loans pursuant to accepted accounting standards relative to the total loan portfolio.

	GROUP	
SEK million	**31 Dec 2023**	**31 Dec 2022**
Gross lending credit stage 3	735	371
Lending to the public	517,400	509,492
Share of Stage 3 loans, %	**0.14**	**0.07**

New lending

Definition: Gross lending for the period.

The APM aims to provide the reader with an image of the inflow of new business during the reporting period.

Definitions of other key performance indicators

Number of employees (FTEs)	Number of employees expressed as full-time equivalents (FTEs), adjusted for sick leave and leave of absence
Return on assets	Net profit in relation to balance sheet total
CET1 capital ratio	CET1 capital in relation to risk-weighted assets
Total capital ratio	Own funds in relation to risk-weighted assets
Tier 1 capital ratio	Tier 1 capital in relation to risk-weighted assets
Leverage ratio	Tier 1 capital in relation to total assets and off-balance sheet exposures restated with the application of credit conversion factors
Liquidity coverage ratio, LCR	Liquid assets in relation to net cash outflows over a 30-day stress scenario in accordance with the European Commission’s Delegated Regulation EU (2015/61) with regard to liquidity coverage requirements
Survival horizon	The number of days that the need for liquidity can be met in a stress scenario before new liquidity is needed
Net stable funding ratio, NSFR	A liquidity risk metric of a structural nature that demonstrates the stability of the Group’s funding in relation to its assets. From 30 September 2019, NSFR is calculated pursuant to Regulation (EU) 2019/876 of the European Parliament and the Council

Auditors' review report

Introduction
We have reviewed the year-end report for SBAB Bank AB (publ) for the period 1 January–30 December 2023. The Board of Directors and the CEO are responsible for the preparation and presentation of this year-end 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 year-end 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 year-end report for the Group is not, in all material aspects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies and as regards the parent company in accordance the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm 1 February, 2024

Deloitte AB

Signature on Swedish original

Malin Lüning
Authorised Public Accountant

The CEO affirms that this interim report provides an accurate overview of the operations, financial position and performance of the Parent Company and the Group, and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Solna, 1 February 2024

Mikael Inglander
CEO

Financial calendar

Annual Report 2023	20 March 2024
Green Bonds Impact Report 2023	20 March 2024
Interim Report Jan–Mar 2024	25 April 2024
Interim Report Jan–Jun 2024	17 July 2024
Interim Report Jan–Sep 2024	25 October 2024
Year-end Report 2024	31 January 2025

The Annual Review Meeting will be held in Solna 24 April 2024.

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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This information was submitted for publication on 2 February 2024 at 08:00 (CET).

SBAB Bank AB (publ)
Corp. Reg. No.: 556253-7513

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.