

# Interim report

January–March 2024

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# The year in brief

## Q1 2024

(Q4 2023)

- Total lending increased 0.8% to SEK 521.3 billion (517.4) for the quarter. Total deposits increased 7.2% to SEK 230.7 billion (215.2).
- Operating profit grew 26.8% to SEK 805 million (635), primarily due to a more positive outcome for net income from financial transactions and increased net interest income.
- Net interest income increased to SEK 1,372 million (1,332), mainly due to increased financing from deposits and thereby lower total financing costs.
- Net credit losses amounted to SEK 23 million (loss: 31) and mainly comprised credit loss allowances. Confirmed credit losses totalled SEK 2 million (2).
- The return on equity amounted to 11.9% (8.9) and the C/I ratio was 31.2% (35.8).
- The Common Equity Tier 1 (CET1) capital ratio was 12.1% (12.3).

## Selected key metrics

	GROUP					
	2024	2023	Change	2024	2023	Change
	Q1	Q4		Jan-Mar	Jan-Mar	
Total lending, SEK bn	521.3	517.4	+0.8%	521.3	512.5	+1.7%
Total deposits, SEK bn	230.7	215.2	+7.2%	230.7	188.5	+22.4%
Net interest income, SEK mn	1,372	1,332	+3.0%	1,372	1,413	-2.9%
Net commission, SEK mn	-17	-10	-7 mn	-17	-7	-10 mn
Net result of financial transactions, SEK mn	40	-80	+120 mn	40	2	+38 mn
Expenses, SEK mn	-439	-448	-2.0%	-439	-394	+11.4%
Net credit losses, SEK mn	-23	-31	+8 mn	-23	-33	+10 mn
Imposed fees: Risk tax and resolution fee, SEK mn	-142	-139	-3 mn	-142	-141	-1 mn
Operating profit, SEK mn	805	635	+26.8%	805	853	-5.6%
Return on equity, %	11.9	8.9	+3.0 pp	11.9	13.3	-1.4 pp
C/I ratio, %	31.2	35.8	-4.6 pp	31.2	27.7	+3.5 pp
CET1 capital ratio, %	12.1	12.3	-0.2 pp	12.1	12.4	-0.3 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 8.41% on 29 February 2024, which makes us the fifth-largest residential mortgage bank in Sweden. Booli.se has Sweden's largest offering of homes for sale.

→ [Read more on page 12](#)

**SBAB!**

**hittamäklare!**  
A service by SBAB

**booli!**  
A service by SBAB

## Corporate Clients & Tenant-Owners' Associations business area

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 17.95% on 29 February 2024. At the same time, the market share for lending to tenant-owners' associations was 11.23%.

→ [Read more on page 13](#)



**SBAB assigns priority to four Sustainable Development Goals**



**Read more about our sustainability agenda in SBAB's Annual Report 2023**

# Statement from the CEO

**We are presenting a stable financial performance for the first quarter, with good profitability and low credit losses. Our lending growth remains at relatively low levels due to low market growth and continued intense competition for lending customers. We are nearing interest rate cuts from the Riksbank. This is welcome news for many customers as well as an important precondition for a broader recovery of the Swedish economy as a whole. We are pleased to note a continued strong inflow of customers who want to save and earn interest with us. This is good for customers, who receive significantly better terms from us than from many other competitors in the market. It is also good for SBAB as a bank, since a growing share of financing from deposits helps improve our long-term competitiveness.**

Inflation continued to decrease during the beginning of the year. This gives the Riksbank room to lower the all-important policy rate in the near future. We expect the policy rate to decrease to 2.75% at the end of 2024 and that the Riksbank will continue to lower it to 2.00% by the middle of 2025. This means, all else being equal, that mortgage interest rates for our customers will gradually decrease. Keeping pace with expectations of lower interest rates, in the last few months we have continuously adapted our pricing on residential mortgages to reflect prevailing market conditions.

Activity in the housing market, and therefore credit growth for lending, remains at very low levels. Many companies need to partially refinance maturing capital market financing with bank financing, which helps support credit growth in lending to property companies. We have recently noted a rising trend in the number of loan commitments and residential mortgages that we process. Other players in the housing market, such as estate agents, also agree that there are slightly more positive signals. During the quarter, our lending volumes grew 0.8% to a total of SEK 521.3 billion. The mortgage portfolio increased 0.4% and lending to corporates and associations increased 1.6%.

We believe that size and scale are important for ensuring that operations successfully create value over the long term. The Board decided on long-term strategic goals for the company that include exactly those points: higher, clearer ambitions to grow lending. SBAB holds a very strong position and provides an attractive offering. We believe that activity in the housing market will further increase in pace with interest rate cuts from the Riksbank, and we are ready to meet an increased flow of transactions in line with our long-term strategy for growth.

#### **We strive for increased transparency and competition**

The difference between listed rates and average rates for residential mortgages remains very high. Many banks start with high listed rates and apply occasional rebates or individual rate-setting after negotiations. Whether or not customers purchase other products or services by the bank is another factor. At SBAB, we strive to be straightforward, clear and transparent in our offering. Our residential mortgage interest rates are based on the current listed rates for each fixed-interest period. The customer's specific interest rate is presented as a deviation from the list rate based on the loan-to-

value ratio and the size of the loan. This model gives our customers transparent guidance regarding the determining factors in the relationship between the borrower's rate and the list rate. It is also why the difference between our list and average interest rates for residential mortgages is often significantly lower than many other banks in the market.

During the quarter, the Swedish FSA decided to make it easier for customers to receive their repayment data in order to be able to change mortgage bank. This is a decision that we at SBAB welcome and that we have pursued for a long time. Unlike many of our industry colleagues, we have offered customers the ability to easily and quickly receive their repayment data digitally for quite some time. For us, this is a matter of transparency and responsibility: our customers have full freedom to make the decisions they want. Delays or difficulties for customers in receiving their repayment data that make it difficult and more complicated to change banks limits mobility and competition in the market.

Deposits continue to show good growth. The fixed-interest account that we launched for private individuals in the fourth quarter of 2023 has been an enormous success. Our robust growth



within deposits in the last few years sends a clear signal to other players in the market that customers will no longer accept inferior terms. I also think the drivers behind this are responsibility and transparency for customers. In 2022, 2023 and also in first quarter of 2024 we continued to robustly grow our deposit volumes. Deposits increased 7.2% to SEK 230 billion during the quarter. The share of deposits in relation to lending amounted to approximately 44.3% at the end of the quarter, compared with 36.8% at the same point last year.

#### **Strong financial performance with healthy profitability and low credit losses**

The underlying earnings trend for the quarter was good and profitability remained at a stable level. Mortgage margins, meaning the difference between the lending and borrowing rates, are still at low levels. Margins this low have not been seen since the financial crisis. Since mortgage lending is often partially financed with deposits, and since deposit rates in general have been raised at a much slower pace than the policy rate, the overall interest-rate margin for banks has nonetheless been good. The same is true for SBAB, if at a somewhat lesser

extent given our financing structure and that we offer significantly better terms for deposits than many of our competitors. Our net interest income increased 3.0% over the quarter. Compared with the year-earlier period, however, net interest income decreased 2.9%. Going forward, we expect that deposit margins will decline somewhat and that mortgage margins will increase somewhat in line with historical patterns.

Our credit quality remains very good. This is clear from the figures we publish each quarter and that we published in 2022 as well as in 2023. Credit losses for the quarter amounted to SEK 23 million, representing 0.02% of our total lending. The share of non-performing loans remained at low levels, amounting to 0.16% of our total lending at the end of the quarter. As a bank and creditor, we have a long-term responsibility to ensure that our customers can make their interest and amortisation payments. Household costs have increased significantly during the last two years. We have regularly adjusted the calculation we use as a basis for granting loans to private individuals to reflect this development. During the beginning of 2024, we implemented equivalent relief to reflect higher net incomes, lower operating costs for homes and a

revised assessment of how much households need left to live on after paying housing costs (KALP). We are continuing to apply a calculation interest rate of 7% to ensure resiliency among our customers regarding higher interest rate levels in the future.

#### **Publication of new green bond framework**

In April, we published our updated framework for issuing green bonds. This is essentially based on the language and criteria applied for green buildings within the EU Taxonomy framework and replaces our previous framework from 2019. With this new green bond framework, we are continuing to drive development and the transition to more energy-efficient and climate-smart properties and homes.

I would like to take the opportunity to give my sincere thanks to all employees for performing so well during the quarter and to wish everyone a lovely spring.

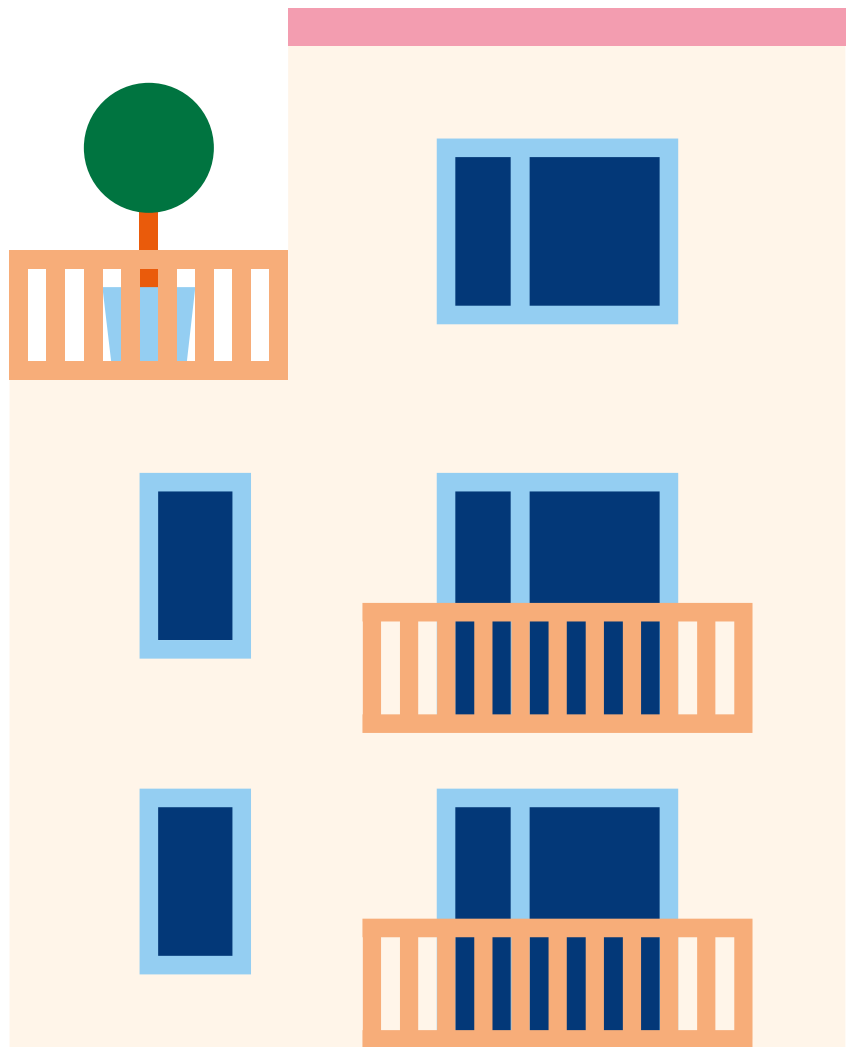
Mikael Inglander  
CEO of SBAB

# Target areas and long-term strategic goals until 2030

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 financial targets as set by the owner for profitability, capitalisation and dividends remain unchanged.

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

<sup>1)</sup> 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

The Swedish economy remains weak, though performance has improved marginally after last year's shrinking GDP. Indicators for 2024 suggest that GDP increased in January and February. The full-year forecast is for GDP to grow approximately 0.5%. In summary, the Swedish economy is expected to remain in a recession throughout year. Despite the weak economy, the situation is relatively good in terms of a high level of employment and relatively low unemployment.

Inflation has decreased dramatically after a longer period of decline. It is still somewhat higher than the Riksbank's goal, but close enough for the Riksbank to be able to lower the policy rate in the near future. A somewhat lower policy rate means that the monetary policy will remain restrictive and that inflation will be brought down. At the same time, a lower policy rate means adjusting monetary policy to bring inflation to the target level without unnecessary pressure on the economy.

During the first quarter of the year, confidence in the economy increased sharply in most sectors, though still indicating weaker conditions than normal. The exception is the construction indus-

try, where conditions worsened somewhat during the first quarter. Household confidence also increased dramatically during the first quarter, even if this indicator is still at a low level that indicates a much worse condition than normal. This low level is likely due to the very weak real salary growth among households over the past two years, persistent high residential mortgage rates and the fact that the expected policy rate cuts have not impacted actual housing costs. Read more about the forecasts for Sweden's economy in the latest edition of SBAB Bomarknadsnytt (in Swedish), available [here](#).

## Fixed-income market

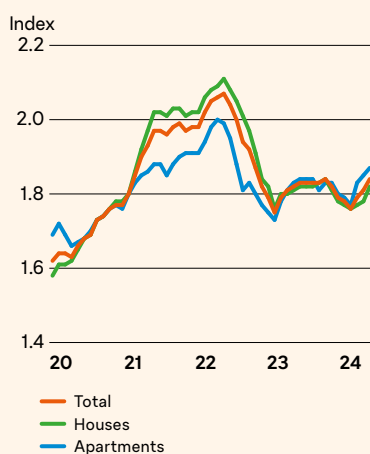
Short-term market interest rates remained relatively stable during the first quarter of 2024 as the Riksbank's policy rate remained at a constant 4%. An increase of 20–30 basis points in long-term market interest rates can be considered a recoil in the wake of the steep fall in long interest rates during the fourth quarter of 2023 and uncertainty about long-term levels. Even if everyone is forecasting normalisation of inflation as well as policy rates within a couple of years, interest rate levels are not as easy to predict.

In March 2024, the Riksbank decided to keep the policy rate at 4.00%. SBAB expects the Riksbank to start lowering the policy rate before the summer, most likely in May, in order to reach the equilibrium level of around 2%. The policy rate cuts are expected to lower short-term market interest rates. The long-term market interest rates have already decreased significantly, but interest rates with medium-term maturities are expected to decrease further.

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. Variable mortgage rates are expected to fall more sharply once the Riksbank lowers the policy rate. By summer 2025, variable residential mortgage rates are expected to drop to approximately 3.5%. The long-term level for mortgage rates in general is estimated to range close to 3.5%–4.0%, lower for variable mortgage rates and 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](#).

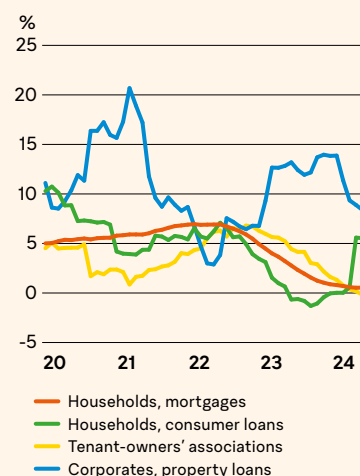
## Housing price trend

(SBAB Booli HPI, 2013.01 = 1)



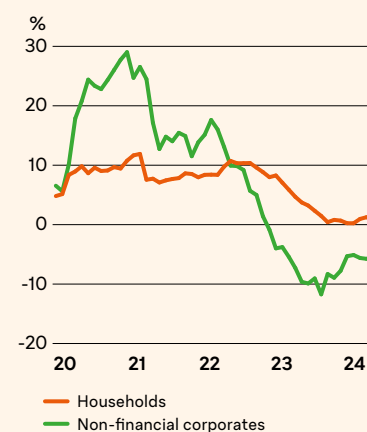
## Lending growth

(Percentage, 12-month change)



## Deposit growth

(Percentage, 12-month change)



Sources: Macrobond, Statistics Sweden, Booli and SBAB

### Housing prices

After remaining largely stable in 2023, housing prices increased in the first quarter of 2024. For houses this was an increase of 4% and for apartments the increase was 6%, exceeding the typical first-quarter increases of around 3%. SBAB's economists expect housing prices to go up around 3% for the full-year 2024, and somewhat faster during the next few years due to faster growth in household disposable incomes.

The historic housing price trend can be explained by a range of structural factors, including household incomes and mortgage rates. High inflation that hollowed out households' real incomes as well as higher expected residential mortgage rates led to dramatic decreases in housing prices in 2022. During the first quarter of 2024, households adjusted their expectations for future mortgage rates downward, which could have contributed to the higher housing prices. 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 most of 2023. For houses, however, there was a clear increase during the latter part of 2023 and in the first quarter of 2024 turnover was at a roughly normal level. On the other hand, there is nothing to indicate any real increase for apartments in 2023, though there were some bright spots in the first quarter of 2024. Nonetheless, turnover was around 20% lower than the expected normal level.

The situation in the housing market remains chilly, even if there has been some thawing. This is noticeable in trends like fewer bidders per home, lower bid premiums and a larger proportion of housing with lowered prices. 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 compared with previous years.

The market for new housing was under pressure for all of 2023 and the first quarter of 2024. Unlike the market for existing housing, there has been no real drop in prices for new housing production sold. However, sales of new housing in the first quarter of 2024 slowed significantly to around one fourth of the level in the first quarter of

2021. 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 as the second half of 2022 started. In 2023, the situation stabilised and then improved in the second half of the year. The improvement in the overall HMI figure, however, suggests that a lower rate of construction has led to a production level that is on par with the very weak demand. However, local surpluses or shortages for specific forms of housing do arise despite the overall balance.

### Market for deposits and lending

The rate of growth for residential mortgages continued to decrease during January and February 2024 compared with the fourth quarter of 2023 in terms of 12-month figures. However, in terms of the seasonally adjusted 1-month trend, the rate of growth had stabilised by the middle of 2023 and has gradually increased since then. In terms of 12-month figures, the growth rate was 0.5% in January and February, which was a new low since measurement started in 2005. This weak trend was due to higher mortgage rates and high inflation having suppressed demand for housing and pushed down housing prices. Higher interest rates and the weaker economy have also contributed to lower housing turnover and a lower rate of construction which, together with lower housing prices, also reduced demand for credit. Household consumer loans grew 0.6% in 2023. A contraction in consumer loans is relatively common in a recession and they are expected to grow again when the economy picks up. The 4.5% increase for January 2024 over December 2023, however, is related to a reclassification of unsecured loans after the end of the year and should not be viewed as changed behaviour among households. This was confirmed by a growth figure of negative 0.4% in February compared with January.

Lending to tenant-owners' associations grew at an even slower rate in 2023 and the beginning of 2024, and in February the 12-month growth rate amounted to a decrease of 0.2%. This is significantly lower growth than the average of 4.9% for 2012–2023. The weak performance 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 8.4% in February in terms of 12-month figures. This relatively high growth rate is due to the completion of many rental properties in the period as well as the difficulties property owners have had to finance its operations through means other than bank loans.

In 12-month terms, deposits from households grew 0.9% in February. This is still a very low level compared with a growth rate of over 10% in the middle of 2022, even if there was a slight increase compared with the fourth quarter of 2023. An economic slowdown and overall economic uncertainty normally lead to households increasing their savings. The now visible reversal in the trend can be attributed to the fact that many households are saving in forms other than deposit accounts, for example by paying off their mortgages. This does not affect household net saving, but decreases their liquidity and can be considered the 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 6% in 12-month terms in February 2024. 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 can be due to the fact that companies, like households, 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.

SBAB is continuously evaluating the macroeconomic situation, in recent years with particular focus on inflation, interest rates, household finances, property management, housing construction and effects linked to the operating environment, and continuously assessing the credit quality in lending by evaluating models of various economic scenarios. The rise in inflation in 2022 has led to higher market interest rates and higher mortgage rates, which has raised housing costs for households. In addition, higher prices for many goods and services in combination with a weaker labour market have put household finances under pressure. The risks associated with high inflation are deemed manageable over the long term since inflation also tends to affect households' disposable income over time, which means that mortgage debt as a share of household income declines.

Similarly, higher prices and higher interest rates have increased costs for property companies. Over time, rising costs in property management are expected to lead to higher rents and therefore revenue. However, considerable uncertainty prevails regarding the possibility of property companies being able to negotiate higher rents on the basis of higher capital costs. Uncertainty will be at its highest in the short term until the view regarding the level of long-term interest rates becomes clearer. The stability of the financial system could be impacted if many property companies were to experience rapidly rising costs, or difficulties in refinancing their operations. High interest rates, households under pressure and an uncertain outlook have also contributed to a steep downturn in

housing construction. This is deemed to lead to weaker economic growth during the next year. The direct effect on the financial sector is considered to constitute relatively small risk, but any indirect effects from a prolonged weak real economic trend may be greater.

Mortgage rates are expected to remain relatively high throughout 2024, especially in the first three quarters. Since the majority of Swedish households own their own home and due to many mortgages being subject to floating interest, the Swedish economy is sensitive to rapidly rising interest rates. A risk exists that indebted households might experience difficulty coping with ongoing loan payments on their mortgages as a result of high interest rates. However, current forecasts indicate that mortgage interest rates will remain, with a relatively good margin, under the stressed interest that banks apply in their credit assessments. Moreover, stress tests indicate low risk of payment problems even in the event of higher interest rates compared with the level at the beginning of 2024.

Rising mortgage rates led to a sharp drop in housing prices in 2022. Prices were largely stagnant during the full-year 2023, even if they rose and fell during the year. When shorter interest rates start to normalise in 2024, and when real incomes gradually increase, housing prices are expected to slowly rise again. Risks linked to high interest rates could be increased by falling housing prices and sharply rising unemployment. The risk pertains to how a downturn in prices leads to behaviour that triggers a larger price downturn, and how price uncertainty impacts housing turnover and possibilities for building new housing units.

## **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.

Above all, armed conflict leads to a great deal of human suffering. However, it also affects economic performance and the financial markets, not just locally but often globally. Russia's war with Ukraine has led to comprehensive sanctions against Russia and affected its export of gas and oil to Europe as well as the export of items like grains from Russia and Ukraine. Israel's war against the terrorist organisation Hamas has not yet had any clear economic consequences, though it risks spreading to adjacent countries and 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.

Weak economic performance in combination with high inflation is a difficult challenge and makes policies difficult to predict. Inflation has now fallen back drastically, but not yet to a level where the monetary policy will be eased. Focus is still on a restrictive monetary policy but interest rate cuts are expected by the middle of the year. 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.

For further information about risks and risk management, please refer to SBAB's 2023 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.

<p><b>SBAB!</b> <b>booli!</b> <small>A service by SBAB</small></p> <h2 style="text-align: center;">Buying</h2> <ul style="list-style-type: none"> <li>✓ Residential mortgages &amp; housing financing</li> <li>✓ Housing valuations</li> <li>✓ Housing advertisements</li> </ul> <p>Business partner services:</p> <ul style="list-style-type: none"> <li>• Home insurance</li> <li>• Life insurance</li> <li>• Legal advice</li> <li>• Electricity agreements</li> </ul> 	<p><b>booli!</b> <b>hittamäklare!</b> <small>A service by SBAB A service by SBAB</small></p> <h2 style="text-align: center;">Selling</h2> <ul style="list-style-type: none"> <li>✓ Estate agent recommendations</li> <li>✓ Housing valuations</li> <li>✓ Housing advertisements</li> </ul> <p>Business partner services:</p> <ul style="list-style-type: none"> <li>• Tax declaration help</li> </ul> 	<p><b>SBAB!</b></p> <h2 style="text-align: center;">Living</h2> <ul style="list-style-type: none"> <li>✓ Refinancing</li> <li>✓ Saving</li> <li>✓ Consumer loans</li> </ul> <p>Business partner services:</p> <ul style="list-style-type: none"> <li>• Construction advice</li> </ul> 
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## 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					
	2024	2023	2023	2024	2023	2023
	Q1	Q4	Q1	Jan-Mar	Jan-Mar	Jan-Dec
New lending for the period, SEK bn	18.3	16.0	15.9	18.3	15.9	71.1
Net change in lending for the period, SEK bn	3.9	-0.5	3.0	3.9	3.0	8.1
<b>Total lending, SEK bn</b>	<b>521.3</b>	<b>517.4</b>	<b>512.5</b>	<b>521.3</b>	<b>512.5</b>	<b>517.4</b>
No. of deposit accounts, thousand	905	795	613	905	613	795
Net change in deposits, SEK bn	15.5	15.3	6.1	15.5	6.1	32.8
<b>Total deposits, SEK bn</b>	<b>230.7</b>	<b>215.2</b>	<b>188.5</b>	<b>230.7</b>	<b>188.5</b>	<b>215.2</b>
Deposits/lending, %	44.3	41.6	36.8	44.3	36.8	41.6
<b>Retail</b>						
No. of mortgage customers, thousand	287	287	293	287	293	287
No. of mortgage objects financed, thousand	184	184	188	184	188	184
New lending, SEK bn	11.9	10.2	11.7	11.9	11.7	47.7
Net change in lending for the period, SEK bn	1.1	-3.2	1.1	1.1	1.1	-3.0
<b>Total lending, Private, SEK bn</b>	<b>349.2</b>	<b>348.1</b>	<b>352.2</b>	<b>349.2</b>	<b>352.2</b>	<b>348.1</b>
Residential mortgages, SEK bn	347.5	346.3	350.2	347.5	350.2	346.3
Consumer loans, SEK bn	1.7	1.8	2.0	1.7	2.0	1.8
Market share, Residential mortgages, % <sup>1)</sup>	8.41	8.40	8.51	8.41	8.51	8.40
Market share, Consumer loans, % <sup>1)</sup>	0.55	0.58	0.69	0.55	0.69	0.58
<b>Total deposits, Private, SEK bn</b>	<b>186.4</b>	<b>173.1</b>	<b>148.3</b>	<b>186.4</b>	<b>148.3</b>	<b>173.1</b>
No. of retail customers with savings accounts, thousand	634	602	521	634	521	602
Market share deposits, Private, % <sup>1) 2)</sup>	7.11	6.69	5.67	7.11	5.67	6.69
<b>Corporate Clients &amp; Tenant-Owners' Associations</b>						
No. of housing financing customers	3,118	3,080	2,974	3,118	2,974	3,080
New lending, SEK bn	6.4	5.8	4.2	6.4	4.2	23.4
Net change in lending for the period, SEK bn	2.8	2.7	2.0	2.8	2.0	11.1
<b>Total lending, Corp. Clients &amp; Ten.-Own. Assoc., SEK bn</b>	<b>172.1</b>	<b>169.3</b>	<b>160.3</b>	<b>172.1</b>	<b>160.3</b>	<b>169.3</b>
Lending, Corporate clients, SEK bn	103.7	100.8	92.5	103.7	92.5	100.8
Lending, Tenant-Owners' Associations, SEK bn	68.4	68.5	67.8	68.4	67.8	68.5
Market Share Corporate Clients (multi-family dwellings), % <sup>1)</sup>	17.95	17.86	16.53	17.95	16.53	17.86
Market share, Tenant-Owners' Associations, % <sup>1)</sup>	11.23	11.08	10.74	11.23	10.74	11.08
<b>Total deposits, Corp. Clients &amp; Organisations, SEK bn</b>	<b>44.3</b>	<b>42.1</b>	<b>40.2</b>	<b>44.3</b>	<b>40.2</b>	<b>42.1</b>
No. of customers with savings accounts, Corp. & Organisat.	17,100	16,300	14,400	17,100	14,400	16,300
Market share deposits, Corp. & Organisat, % <sup>1) 2)</sup>	3.22	2.94	2.79	3.22	2.79	2.94

1) Source: Statistics Sweden. The figures in the columns for Q1 2024 and Jan-Mar 2024 correspond with the market share as of 29 February 2024. The figures in the columns for Q4 2023 and Jan-Dec 2023 correspond with the market share as of 31 December 2023. The figures in the columns for Q1 2023 and Jan-Mar 2023 correspond with the market share as of 28 February 2023.

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

## Trend for Q1 2024 compared with Q4 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 high interest rates and their effects on the residential mortgage market. The policy rate was unchanged during the quarter while the 3M STIBOR reference rate declined slightly. This led to SBAB lowering variable mortgage rates during the quarter (mortgages with three-month fixed-interest periods). The market assessment is that the policy rate will be lowered several times in 2024. The share of total lending with variable interest amounted to 78.7% (74.6) 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 in the quarter amounted to SEK 11.9 billion (10.2).

Total retail lending amounted to SEK 349.2 billion (348.1) at the end of the quarter, of which SEK 347.5 billion (346.3) comprised residential mortgages and SEK 1.7 billion (1.8) consumer loans.

The number of residential mortgage customers amounted to 287,000 (287,000) across 184,000 (184,000) mortgage objects.

The market share of retail mortgages was 8.41% on 29 February 2024 (8.40% on 31 December 2023). At the same date, the market share for consumer loans was 0.55% (0.58% on 31 December 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. SBAB has increased its investments in marketing to raise the visibility of the offering in the market.

Retail deposits amounted to SEK 186.4 billion (173.1) at the end of the quarter. At the same date, approximately 634,000 (602,000) retail customers held a savings account with SBAB. There has been a great deal of interest in savings accounts with fixed-interest periods since their launch in the fourth quarter of 2023. At the end of the quarter, the share of deposits with fixed-interest periods amounted to some SEK 57 billion.

On 29 February 2024, the market share of retail deposits was 7.11% (6.69%

on 31 December 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 149 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 visits to www.sbab.se averaged around 1,400,000 (1,100,000). 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 visits to www.booli.se averaged around 6,000,000 (5,400,000). Booli's monthly property valuation email had some 850,000 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.

## 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.



# Corporate Clients & Tenant-Own. Associations

## Trend for Q1 2024 compared with Q4 2023

The Corporate Clients & Tenant-Owners' Associations business area 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)

High uncertainty due to rising market interest rates and high inflation continued to dominate the property market in 2023. Property companies had difficulty arranging funding on favourable terms in the bond market, which led to increased demand for refinancing their maturing capital market debt with bank financing.

During the first quarter of 2024, transactions volumes increased in the Swedish property market nearly 30% compared with the year-earlier period. Positive inflation data and expectations that the Riksbank will lower the policy rate in the near future have increased optimism among investors and, subsequently, improved their view of the property market. More structural transactions were introduced during the quarter and the market will likely see more purchases and mergers between companies. The capital market also demonstrated increased optimism. Several property companies issued debt during the quarter on levels

on a par with the offering from banks. The commercial banks are well capitalised and competition for the very best customers has become significantly tougher.

Activity in the new construction market remains extremely low. High prices for land and materials, falling housing prices in the secondhand market in combination with a low willingness to pay among consumers make cost calculations difficult for construction and property development companies. However, management companies are still posting strong operational results. As earlier, focus is on own management and on carrying out activities in order to adapt operations to higher interest rates. This includes selling assets, not distributing dividends or instead distributing smaller ones, conducting new issues and increased cost control.

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. SBAB once again noted a balanced inflow of new transaction volumes in the first quarter, primarily from existing customer groups. During the quarter, new lending to corporates amounted to SEK 4.6 billion (2.9). 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 extremely low.

The market for lending to tenant-owners' associations continues to be dominated by intense competition with low margins while the market as a whole shrank in

scope. SBAB's competitive ability, however, is deemed good. During the quarter, new lending to tenant-owners' associations increased to SEK 1.8 billion (2.9).

Total lending to corporates and associations increased during the quarter to SEK 172.1 billion (169.3), of which SEK 103.7 billion (100.8) comprised lending to corporates and SEK 68.4 billion (68.5) lending to tenant-owners' associations.

The market share of lending to corporates (multi-family dwellings) was 17.95% as of 29 February 2024 (17.86% on 31 December 2023). At the same date, the market share for lending to tenant-owners' associations was 11.23% (11.08% on 31 December 2023).

The number of housing financing customers was 3,118 (3,080) 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 during the quarter totalled SEK 44.3 billion (42.1). At the same time, approximately 17,100 (16,300) customers held savings accounts with SBAB. On 29 February 2024, the market share of deposits from corporate clients and organisations was 3.25% (2.94% on 31 December 2023). The share of deposits from companies and organisations that was covered by the national deposit guarantee amounted to 23.9% at the end of the quarter, corresponding to approximately SEK 10.6 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

SEK million	GROUP						
	2024	2023	2023	2023	2023	2024	2023
	Q1	Q4	Q3	Q2	Q1	Jan-Mar	Jan-Mar
Net interest income	1,372	1,332	1,315	1,386	1,413	1,372	1,413
Net commission	-17	-10	-9	-8	-7	-17	-7
Net result of financial transactions (Note 3)	40	-80	-62	45	2	40	2
Other operating income	14	11	14	12	13	14	13
<b>Total operating income</b>	<b>1,409</b>	<b>1,253</b>	<b>1,258</b>	<b>1,435</b>	<b>1,421</b>	<b>1,409</b>	<b>1,421</b>
Expenses	-439	-448	-398	-423	-394	-439	-394
<b>Profit before credit losses and imposed fees</b>	<b>970</b>	<b>805</b>	<b>860</b>	<b>1,012</b>	<b>1,027</b>	<b>970</b>	<b>1,027</b>
Net credit losses (Note 4) <sup>1)</sup>	-23	-31	-6	-23	-33	-23	-33
Imposed fees: Risk tax and resolution fee	-142	-139	-134	-127	-141	-142	-141
<b>Operating profit</b>	<b>805</b>	<b>635</b>	<b>720</b>	<b>862</b>	<b>853</b>	<b>805</b>	<b>853</b>
Tax	-173	-147	-154	-182	-179	-173	-179
<b>Net profit for the period</b>	<b>632</b>	<b>488</b>	<b>566</b>	<b>680</b>	<b>674</b>	<b>632</b>	<b>674</b>
Return on equity, % <sup>2)</sup>	11.9	8.9	10.6	13.1	13.3	11.9	13.3
Return on assets, %	0.4	0.3	0.3	0.4	0.4	0.4	0.4
C/I ratio, %	31.2	35.8	31.6	29.5	27.7	31.2	27.7
Credit loss ratio, %	-0.02	-0.02	0.00	-0.02	-0.03	-0.02	-0.03
Share of credit stage loans 3, gross, %	0.16	0.14	0.11	0.10	0.08	0.16	0.08
Net interest margin, %	0.83	0.82	0.81	0.85	0.87	0.83	0.87
Number of employees (FTEs)	957	948	917	889	864	957	864

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

2) When calculating the return on equity for Jan-Mar 2024 and Q1 2024, average equity has been adjusted for the dividend for 2023 of SEK 963 million. When calculating the return on equity for Q1 2023, Q2 2023 and Jan-Mar 2023, average equity has been adjusted for the dividend of SEK 832 million for 2022.

### Trend for Q1 2024 compared with Q4 2023

Operating profit grew to SEK 805 million (635), primarily due to a more positive outcome for net income from financial transactions and higher net interest income. The return on equity amounted to 11.9% (8.9) and the C/I ratio was 31.2% (35.8).

#### Net interest income

Net interest income increased to SEK 1,372 million (1,332), mainly due to increased financing from deposits and thereby lower total financing costs. The fee for the national deposit guarantee amounted to SEK 29 million (42).

#### Net commission

Net commission expenses were SEK 17 million (expense: 10), primarily due to higher commission expenses linked to funding operations.

#### Net result of financial transactions

The net income from financial transactions increased to SEK 40 million (loss: 80), primarily due to value changes of derivatives without hedge accounting. For more information, please refer to [Note 3](#).

#### Expenses

Expenses decreased during the quarter to SEK 439 million (448), primarily pertaining to lower costs for development consultants and reduced costs for marketing. At the end of the quarter, FTEs amounted to 957 (948).

#### Credit quality and credit losses

Total net credit losses amounted to SEK 23 million (31) for the quarter. Confirmed credit losses totalled SEK 2 million (2) and recoveries for previous confirmed credit losses amounted to SEK 1 million (1).

Total credit loss allowances increased SEK 22 million during the quarter (increase: 30). Provisions for credit stage 1 decreased SEK 19 million (increase: 11),

provisions for credit stage 2 increased SEK 5 million (decrease: 35) and provisions for credit stage 3 increased SEK 40 million (increase: 59). All of the above movements were affected by an update of the forward-looking information in the ECL model and an adjustment of scenario weights that were applied in the same model, which collectively led to a reduction in credit loss allowances during the quarter. Additionally, negative rating grade migrations in the Retail business area as well as the Corporate Clients & Tenant-Owners' Associations business area led to an increase of provisions in credit stage 2 while an increased number of customers with payment difficulties and defaults in the Retail business area led to increased provisions in credit stage 3.

Provisions for loan commitments and building credits decreased SEK 4 million (decrease: 4) primarily due to revisions of the forward-looking information in the ECL model and reduced exposure to building credits. 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 is deemed to be of good credit quality and low credit risk, despite higher interest rates.

Due to growing uncertainty in the capital market, SBAB has since previously 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 the Swedish risk tax and the resolution fee. The risk tax amounted to 0.06% of the credit institution's liabilities. Imposed fees totalled SEK 142 million (139) for the quarter, of which the risk tax amounted to SEK 90 million (94) and the resolution fee to SEK 52 million (45).

### January–March 2024 compared with January–March 2023

Operating profit decreased to SEK 805 million (853), primarily due to lower net interest income and higher costs. The return on equity amounted to 11.9% (13.3) and the C/I ratio was 31.2% (27.7).

Net interest income declined to SEK 1,372 million (1,413), mainly due to lower lending margins. An increased share of financing from deposits, along with continued healthy deposit margins, positively impacted the item. The fee for the national deposit guarantee amounted to SEK 29 million (16) for the period.

Net commission income decreased to an expense of SEK 17 million (expense: 7) due to reduced revenue from partnerships and increased expenses linked to funding operations.

The net result of financial transactions amounted to an income of SEK 40 million (income: 2), mainly due to differences in derivatives without hedge accounting. For more information, please refer to [Note 3](#).

Costs increased to SEK 439 million (394), primarily due to an increased number of employees and thereby increased personnel costs, increased costs for product development and increased costs related to marketing. The number of FTEs increased to 957 (864) during the period.

Net credit losses totalled SEK 23 million (loss: 33) and consisted primarily of credit loss allowances. Confirmed credit losses totalled SEK 2 million (loss: 2) for the period. Increased credit loss allowances for the period were primarily due to an increased inflow of loans in credit stage 3 following an increased number of customers with payment difficulties and defaults within the Retail business area. The comparative period was charged with a management overlay of credit loss allowances of SEK 20 million, which was resolved in the second quarter of 2023.

For more information on credit losses, loss allowances and credit quality, please refer to [Note 4](#) and [Note 5](#).

Imposed fees totalled SEK 142 million (141), of which the risk tax amounted to

SEK 90 million (89) and the resolution fee to SEK 52 million (52).

Other comprehensive income, recognised directly under equity, amounted to an expense of SEK 496 million (income: 451) for the period, primarily due to interest-rate-related value changes in derivatives, which stemmed from a larger increase in euro interest rates in the current period than in the year-earlier period. 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 Mar 2024	31 Dec 2023	31 Mar 2023
<b>ASSETS</b>			
Cash and balances at central banks	1,280	6,350	632
Chargeable treasury bills, etc.	32,450	36,650	52,222
Lending to credit institutions	13,142	11,807	19,312
Lending to the public (Note 5)	521,294	517,400	512,515
Bonds and other interest-bearing securities	85,461	64,945	60,709
Total other assets in the balance sheet	15,719	13,401	15,768
<b>TOTAL ASSETS</b>	<b>669,346</b>	<b>650,553</b>	<b>661,158</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Liabilities to credit institutions	8,518	5,606	9,508
Deposits from the public	230,686	215,211	188,508
Issued debt securities, etc. (funding)	379,574	382,770	411,396
Subordinated debt	1,999	1,998	1,998
Total other liabilities in the balance sheet	22,572	20,878	28,777
<b>Total liabilities</b>	<b>643,349</b>	<b>626,463</b>	<b>640,187</b>
<b>Total equity</b>	<b>25,997</b>	<b>24,090</b>	<b>20,971</b>
– of which reserves/fair value reserve	–4,233	–3,737	–6,188
– of which, Tier 1 capital instruments	7,700	5,800	5,800
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>669,346</b>	<b>650,553</b>	<b>661,158</b>
CET1 capital ratio, %	12.1	12.3	12.4
Tier 1 capital ratio, %	16.7	15.8	16.1
Total capital ratio, %	17.9	17.0	17.3
Leverage ratio, % <sup>1)</sup>	4.29	4.09	3.95
LCR, %	350	258	243
NSFR, %	137	132	132

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

## Trend for Q1 2024 compared with Q4 2023

### Balance sheet comments

During the quarter, chargeable treasury bills decreased to SEK 32.5 billion (36.6), primarily due to reduced holdings of Riksbank certificates. Cash and balances at central banks decreased to SEK 1.3 billion (6.4). Lending to credit institutions increased to SEK 13.1 billion (11.8). The increase was 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 85.5 billion (64.9), mainly due to new securities purchases within the framework of normal liquidity reserve management. Lending to the public increased to SEK 521.3 billion (517.4), of which SEK 347.5 billion comprised residential mortgages, SEK 1.7 billion consumer loans, SEK 103.7 billion lending to property companies and SEK 68.4 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 increased to SEK 8.5 billion (5.6), primarily driven by inflows of securities connected to derivatives (CSAs) and increased repo funding. The changes were within the scope of the normal short-term liquidity management. Deposits from the public increased to SEK 230.7 billion (215.2), 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 26.0 billion (24.1), mainly due to the issue of an Additional Tier 1 Capital loan (AT1) of SEK 1.9 billion, net profit for the period and the outcome for other comprehensive income. Other comprehensive

income, recognised directly under equity, amounted to an expense of SEK 496 million (income: 3,041), primarily due to interest-rate-related value changes in derivatives, which stemmed from rising euro interest rates. For more information, please refer to [page 24](#).

### Funding

The timing and scope of coming interest rate cuts from the world's central banks dominated discussion in the market during the quarter. Many central banks continue to attribute a great deal of importance to incoming data as a basis for their decision. The US central bank, the Fed – which many believed would be the first to lower interest rates – saw surprisingly strong inflation and employment statistics during the quarter, indicating that an initial cut will be delayed. In the domestic market, discussion focused on whether the Riksbank will lower interest as early as May and therefore precede cuts from the ECB, which is expected to lower interest rates in June.

Issue spreads fell overall during the quarter and the willingness to invest in the Swedish and European lending markets was high. Uncertainty in the wake of global events, including in Israel and Ukraine, did not appreciably impact the fixed-income market or risk sentiment. Unlike the situation in 2023, there is a great deal of interest in longer maturities in the European market. The Swedish market was primarily dominated by unsecured transactions.

In addition to continuous issues in the Swedish covered bond market, SBAB issued a SEK 2.5 billion public senior non-preferred bond in January to meet the future MREL requirement. In January, SCBC launched a new covered bond under the benchmark programme. The new bond matures in June 2029 amounted to SEK 6.0 billion at issue. In February, SBAB issued a SEK 1.9 billion Additional Tier 1 Capital loan (AT1). The underlying reason for the transaction included refinancing coming maturing debt and further strengthening SBAB's own funds. Demand from investors was healthy and the transaction was well-received in the market.

During the quarter as a whole, issued debt securities totalled SEK 19.4 billion (5.3). In parallel, securities were re-purchased for SEK 2.5 billion (8.5) and securities amounting to SEK 21.4 billion (6.7) matured. Alongside changes in premiums/discounts and changes in SEK exchange rates, this resulted in a decrease in issued debt securities outstanding of SEK 3.2 billion to a total of SEK 379.6 billion (382.8).

In total, the SBAB Group has issued bonds corresponding to SEK 19.4 billion in 2024 (of which SEK 13.6 billion comprised covered bond funding and SEK 5.8 billion unsecured funding), which can be compared with the total bonds maturing in 2024 of about SEK 53.7 billion. Continued good growth in deposits means that the SBAB Group's funding requirements are somewhat lower, amounting to approximately SEK 40 billion for the full-year 2024.

At the end of the quarter, unsecured funding amounted to SEK 57.6 billion (56.6), of which SEK 24.2 billion (21.5) comprised senior non-preferred bonds, SEK 30.1 billion (34.8) other unsecured bonds (senior preferred) and SEK 3.3 billion (0.3) commercial paper.

Funding through the issue of covered bonds is conducted by the wholly-owned subsidiary, SCBC. Total covered bond funding amounted to SEK 322.0 billion (326.2) at the end of the quarter, of which SEK 245.2 billion was in SEK and SEK 76.8 billion was in foreign currencies.

On 1 January 2024, the final MREL entered force. According to SBAB's internal assessment, at the end of the quarter the requirement for own funds and eligible liabilities (MREL) target level amounted to 22.24% of the total risk exposure amount (REA), corresponding to SEK 45.4 billion, including the ban on double counting. On the same date, the subordinated target level was estimated to amount to 19.74% of REA, corresponding to SEK 41.2 billion, including the ban on double counting. At the end of the quarter, SBAB's total MREL resources amounted to SEK 77.4 billion, of which SEK 51.9 billion consisted of subordinated MREL resources.

### Liquidity position

SBAB's liquidity reserve primarily comprises liquid, interest-bearing securities with high ratings<sup>1</sup>. At the end of the quarter, the market value of the assets in the liquidity reserve amounted to SEK 113.8 billion (104.3). Taking the Riksbank's and the ECB's haircuts into account, the liquidity value of the assets was SEK 110.7 billion (101.8).

SBAB measures and stress-tests liquidity risk, for example, by calculating the survival horizon. The survival horizon at the end of the quarter totalled 439 days (529), which the company deems satisfactory.

According to the European Commission's Delegated Regulation with regard to liquidity coverage requirements, on 31 March 2024, the LCR was 350% (258) in all currencies combined, which exceeds the minimum requirement of 100%. Measured in SEK, the LCR was 247% (192). The net stable funding ratio (NSFR) amounted to 136.7% (131.9) 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](#).

<sup>1</sup> 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.

### Capital position

SBAB's CET1 capital increased during the quarter to SEK 20.6 billion (20.4), primarily due to earnings for the year<sup>1</sup>. The risk exposure amount (REA) increased during the quarter to SEK 169.9 billion (166.3), due in part to rating grade migrations within corporate and household lending and in part to increased holdings of covered bonds in the liquidity portfolio. On 31 March 2024, SBAB's CET1 capital ratio amounted to 12.1% (12.3) and the total capital ratio was 17.9% (17.0).

As per 31 March 2024, the Swedish FSA's collected 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.

SBAB has already received approval for new PD models for household exposures (retail) and corporate exposures (non-retail) from the Swedish FSA. These have been implemented into operations. However, SBAB still has ongoing processes regarding new LGD models (retail and non-retail). The application process is expected to take longer. Regardless of the Swedish FSA's response to SBAB's application for new LGD models, the risk weights for the new kind of lending are

expected to decrease in conjunction with the implementation of the Basel 1 regulation (CRR3) that enters into force on 1 January 2025, primarily driven by lower standard LGD values for exposures secured by collateral in properties.

The Swedish FSA's decision on the supervisory review and evaluation process (SREP) includes Pillar 2 guidance for SBAB of 0% on the risk-weighted capital requirement and 0.5% on the leverage ratio. 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 SEK 4.29% (4.09) on 31 March 2024. The issue of Additional Tier 1 Capital (AT1) of SEK 1.9 billion in the first quarter of 2024 contributed to development of the total capital ratio as well as the leverage ratio.

For more information on SBAB's capital position, please refer to [Note 11](#) and [Note 12](#).

<sup>1</sup> 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 March 2024. 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

SEK million	CONSOLIDATED SITUATION			
	31 Mar 2024			
	Total capital	%	CET1 capital	%
<b>Internally assessed capital requirement from the Swedish FSA<sup>1</sup></b>	<b>24,421</b>	<b>14.4</b>	<b>17,081</b>	<b>10.1</b>
– of which, Pillar 1 minimum requirement	8,248	4.9	4,639	2.7
– of which, Pillar 1 risk-weight floor, Swedish mortgages (Art. 458 CRR)	5,344	3.1	3,006	1.8
– of which, Pillar 2 requirement (P2R)	3,177	1.9	1,784	1.1
– of which, Capital conservation buffer	4,247	2.5	4,247	2.5
– of which, Countercyclical buffer	3,404	2.0	3,404	2.0
– of which, Pillar 2 guidance (P2G)	0	0.0	0	0.0
<b>SBAB's capital target<sup>2</sup></b>	<b>25,440</b>	<b>15.0</b>	<b>18,780</b>	<b>11.1</b>
<b>SBAB's actual capital</b>	<b>30,342</b>	<b>17.9</b>	<b>20,638</b>	<b>12.1</b>

<sup>1</sup> Pertains to the statutory requirements including the Swedish FSA's P2R and P2G.

<sup>2</sup> The CEO has decided on a supplementary capital target for CET1 capital, which entails, under normal circumstances, SBAB maintaining a buffer equivalent to 1–3 percentage points above the Swedish FSA's communicated requirements over time. The 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. The CEO has decided on a supplementary capital target for CET1 capital, which entails, under normal circumstances, SBAB maintaining a buffer equivalent to 1–3 percentage points above the Swedish FSA's communicated requirements over time. The 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, Deniz Güler was appointed permanent Chief Risk Officer (previously acting CRO). He formally stepped into the role on 1 April 2024. At the end of the year, Executive Management consisted of the following individuals: Mikael Inglander (CEO), Sara Davidgård (Head of Business Area Private), Liv Forsström (CHRO), Marko Ivanic (CTO), Peter Svensén (CFO), Malou

Sjörin (Head of Sustainability, Marketing & Communication), Deniz Güler (acting CRO), Stefan Andersson (Head of Corporates & Associations), Robin Silfverhielm (CXO) and Carl Olsson (Head of Business Specialists).

## Launch of the Kilowatt loan

As a part of SBAB's long-term sustainability work, the new Kilowatt loan product was launched for private individuals during the quarter. This is a loan offered to customers who want to increase their existing mortgage (provided scope is available) to finance renovations in their homes that improve energy efficiency. The Kilowatt loan provides customers a reduction of 20 basis points in interest for the next ten years, starting from the date the loan is granted. For those who are unable to increase their mortgage, the Energy loan is still available. This is a consumer loan with a discount available to customers who want to make energy-saving investments in their homes.

## Events after the end of the period

### Annual General Meeting

SBAB held its Annual General Meeting (AGM) on 24 April 2024. The AGM resolved to elect the following Board members: Jan Sinclair (Chairman, re-elected), Lars Börjesson (re-elected), Jenny Lahrin (re-elected), Wenche Martinussen

(re-elected), Jane Lundgren Ericsson (re-elected), Synnöve Trygg (re-elected), Fredrik Sauter (re-elected), Inga-Lill Carlberg (re-elected) and John Sætre (newly elected).

The local trade unions appointed Karin Neville and Margareta Naumburg as employee representatives on the Board of Directors, with Therese Sandberg and David Larsson as alternates.

The AGM resolved to distribute a dividend of 40% of net profit for the year, corresponding to SEK 963 million, for 2023. The details regarding the proposed appropriation of earnings is available from SBAB's Annual Report 2023, on page 69.

## Auditors' review report

This report has not been subject to review by the Group's auditors.

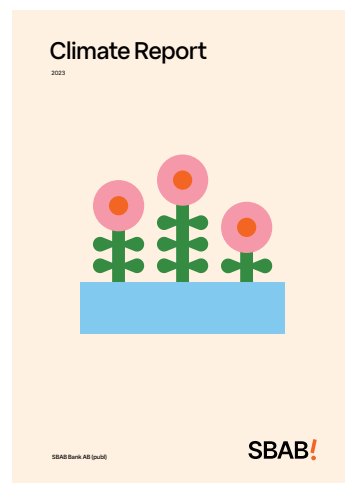
## Outcomes for owner's financial targets

	2023	2022	2021	2020	2019
Dividend, %	40 <sup>1)</sup>	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

## Long-term climate goal for 2038

At the end of 2022, SBAB adopted a climate goal to reduce the company's emissions intensity (kgCO<sub>2</sub>e per m<sup>2</sup>) 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 [2023](#)). The goal is science-based and will be validated with the help of the Science Based Targets initiative.



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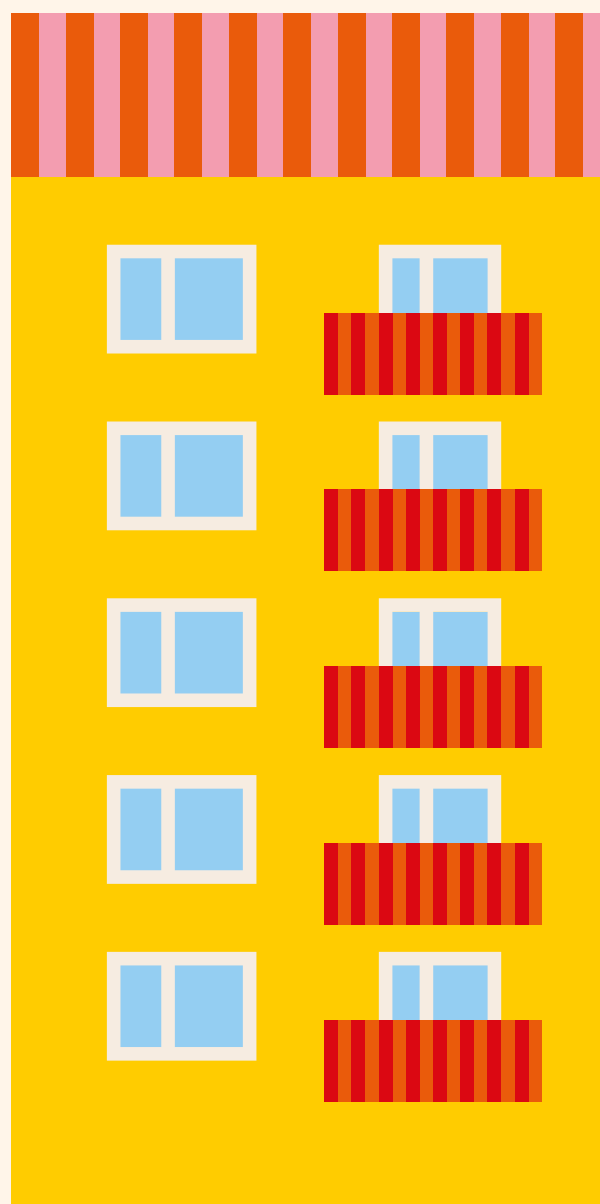
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# Condensed income statement

SEK million	GROUP					
	2024	2023	2023	2024	2023	2023
	Q1	Q4	Q1	Jan-Mar	Jan-Mar	Jan-Dec
Interest income <sup>1)</sup>	7,462	7,268	5,178	7,462	5,178	25,421
Interest expense	-6,090	-5,936	-3,765	-6,090	-3,765	-19,975
<b>Net interest income</b>	<b>1,372</b>	<b>1,332</b>	<b>1,413</b>	<b>1,372</b>	<b>1,413</b>	<b>5,446</b>
Commission income	9	9	15	9	15	48
Commission expense	-26	-19	-22	-26	-22	-82
Net result of financial transactions (Note 3)	40	-80	2	40	2	-95
Other operating income	14	11	13	14	13	50
<b>Total operating income</b>	<b>1,409</b>	<b>1,253</b>	<b>1,421</b>	<b>1,409</b>	<b>1,421</b>	<b>5,367</b>
Personnel costs	-240	-240	-211	-240	-211	-890
Other expenses	-160	-170	-148	-160	-148	-608
Depreciation, amortisation and impairment of PPE and intangible assets	-39	-38	-35	-39	-35	-165
<b>Total expenses before credit losses and imposed fees</b>	<b>-439</b>	<b>-448</b>	<b>-394</b>	<b>-439</b>	<b>-394</b>	<b>-1,663</b>
<b>Profit before credit losses and imposed fees</b>	<b>970</b>	<b>805</b>	<b>1,027</b>	<b>970</b>	<b>1,027</b>	<b>3,704</b>
Net credit losses (Note 4) <sup>2)</sup>	-23	-31	-33	-23	-33	-93
Imposed fees: Risk tax and resolution fee	-142	-139	-141	-142	-141	-541
<b>Operating profit</b>	<b>805</b>	<b>635</b>	<b>853</b>	<b>805</b>	<b>853</b>	<b>3,070</b>
Tax	-173	-147	-179	-173	-179	-662
<b>Net profit for the year/period</b>	<b>632</b>	<b>488</b>	<b>674</b>	<b>632</b>	<b>674</b>	<b>2,408</b>

<sup>1)</sup>In Q1 2024 interest income on financial assets measured at amortised cost, calculated using the effective-interest method, amounted to SEK 5,962 million and for the corresponding period the previous year to SEK 3,967 million for the Group.

<sup>2)</sup>Including impairment and reversals of impairment of financial assets.

# Condensed statement of comprehensive income

SEK million	GROUP					
	2024 Q1	2023 Q4	2023 Q1	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
<b>Net profit for the period</b>	<b>632</b>	<b>488</b>	<b>674</b>	<b>632</b>	<b>674</b>	<b>2,408</b>
<b>Other comprehensive income</b>						
<i>Components that will be reclassified to profit or loss</i>						
Financial assets measured at FVTOCI	117	33	-73	117	-73	-7
Changes related to cash-flow hedges, before tax	-738	3,802	644	-738	644	3,680
Tax attributable to components that will be reclassified to profit or loss	128	-789	-118	128	-118	-756
<i>Components that will not be reclassified to profit or loss</i>						
Revaluation effects of defined-benefit pension plans, before tax	-4	-5	-3	-4	-3	-19
Tax attributable to components that will not be reclassified to profit or loss	1	1	1	1	1	4
<b>Other comprehensive income/loss, net of tax</b>	<b>-496</b>	<b>3,041</b>	<b>451</b>	<b>-496</b>	<b>451</b>	<b>2,902</b>
<b>Total comprehensive income/loss for the period</b>	<b>136</b>	<b>3,529</b>	<b>1,125</b>	<b>136</b>	<b>1,125</b>	<b>5,310</b>

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, 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 2023 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 Mar 2024	31 Dec 2023	31 Mar 2023
<b>ASSETS</b>			
Cash and balances at central banks	1,280	6,350	632
Chargeable treasury bills, etc.	32,450	36,650	52,222
Lending to credit institutions	13,142	11,807	19,312
Lending to the public (Note 5)	521,294	517,400	512,515
Value changes of interest-rate-risk hedged items in macro hedges	-1,597	-1,565	-4,094
Bonds and other interest-bearing securities	85,461	64,945	60,709
Derivatives (Note 6)	13,002	12,241	16,093
Shares and participation in associated companies and joint ventures	5	5	5
Deferred tax assets	1,032	911	1,547
Intangible assets	478	468	450
Property, plant and equipment	253	249	262
Other assets	1,525	258	864
Prepaid expenses and accrued income	1,021	834	641
<b>TOTAL ASSETS</b>	<b>669,346</b>	<b>650,553</b>	<b>661,158</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Liabilities to credit institutions	8,518	5,606	9,508
Deposits from the public	230,686	215,211	188,508
Issued debt securities, etc.	379,574	382,770	411,396
Derivatives (Note 6)	16,029	15,695	22,520
Other liabilities	487	2,021	2,205
Accrued expenses and deferred income	6,050	3,153	4,017
Provisions	6	9	35
Subordinated debt	1,999	1,998	1,998
<b>Total liabilities</b>	<b>643,349</b>	<b>626,463</b>	<b>640,187</b>
<b>Equity</b>			
Share capital	1,958	1,958	1,958
Reserves/Fair value reserve	-4,233	-3,737	-6,188
Additional Tier 1 instruments	7,700	5,800	5,800
Retained earnings	19,940	17,661	18,727
Net profit for the period	632	2,408	674
<b>Total equity</b>	<b>25,997</b>	<b>24,090</b>	<b>20,971</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>669,346</b>	<b>650,553</b>	<b>661,158</b>

# Condensed statement of changes in equity

SEK million	GROUP				Total equity
	Share capital	Reserves	Additional Tier 1 instruments	Retained earnings and net profit for the year <sup>1)</sup>	
<b>Opening balance, 1 January 2024</b>	<b>1,958</b>	<b>-3,737</b>	<b>5,800</b>	<b>20,069</b>	<b>24,090</b>
Additional Tier 1 instruments	-	-	1,900	-	1,900
Additional Tier 1 instruments, dividend	-	-	-	-129	-129
Dividend paid	-	-	-	-	-
Other	-	-	-	-	-
Other comprehensive income, net of tax	-	-496	-	-	-496
Net profit for the period	-	-	-	632	632
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-496</b>	<b>-</b>	<b>632</b>	<b>136</b>
<b>Closing balance, 31 March 2024</b>	<b>1,958</b>	<b>-4,233</b>	<b>7,700</b>	<b>20,572</b>	<b>25,997</b>
<b>Opening balance, 1 January 2023</b>	<b>1,958</b>	<b>-6,639</b>	<b>5,800</b>	<b>18,830</b>	<b>19,949</b>
Additional Tier 1 instruments	-	-	-	-	-
Additional Tier 1 instruments, dividend	-	-	-	-103	-103
Dividend paid	-	-	-	-	-
Other	-	-	-	-	-
Other comprehensive income, net of tax	-	451	-	-	451
Net profit for the period	-	-	-	674	674
<b>Comprehensive income for the period</b>	<b>-</b>	<b>451</b>	<b>-</b>	<b>674</b>	<b>1,125</b>
<b>Closing balance, 31 March 2023</b>	<b>1,958</b>	<b>-6,188</b>	<b>5,800</b>	<b>19,401</b>	<b>20,971</b>
<b>Opening balance, 1 January 2023</b>	<b>1,958</b>	<b>-6,639</b>	<b>5,800</b>	<b>18,830</b>	<b>19,949</b>
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
<b>Comprehensive income for the period</b>	<b>-</b>	<b>2,902</b>	<b>-</b>	<b>2,408</b>	<b>5,310</b>
<b>Closing balance, 31 December 2023</b>	<b>1,958</b>	<b>-3,737</b>	<b>5,800</b>	<b>20,069</b>	<b>24,090</b>

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

# Condensed cash-flow statement

SEK million	GROUP		
	2024	2023	2023
	Jan-Mar	Jan-Dec	Jan-Mar
Opening cash and cash equivalents	18,157	23,625	23,625
<b>OPERATING ACTIVITIES</b>			
Interest and commissions paid/received	3,981	6,092	3,055
Outflows to suppliers and employees	-542	-2,039	-359
Taxes paid/refunded	-230	840	-210
Change in assets and liabilities of operating activities	-8,797	-9,324	-6,118
<b>Cash flow from operating activities</b>	<b>-5,588</b>	<b>-4,431</b>	<b>-3,632</b>
<b>INVESTING ACTIVITIES</b>			
Change in property, plant and equipment	-4	-32	-4
Change in intangible assets	-32	-131	-32
Acquisition of subsidiaries, participation in associated companies and joint ventures	-	1	-2
<b>Cash flow from investing activities</b>	<b>-36</b>	<b>-162</b>	<b>-38</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid	-	-832	-
Change in Tier 1 capital instrument	-1,900	-	-
Repayment of lease liabilities	-11	-43	-11
<b>Cash flow from financing activities</b>	<b>-1,889</b>	<b>-875</b>	<b>-11</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>-3,735</b>	<b>-5,468</b>	<b>-3,681</b>
<b>Closing cash and cash equivalents</b>	<b>14,422</b>	<b>18,157</b>	<b>19,944</b>

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

## Change in liabilities attributable to financing activities

SEK million	GROUP											
	Opening balance 1 Jan 2024	Cash flow	Non-cash items			Closing balance 31 Mar 2024	Opening balance 1 Jan 2023	Cash flow	Non-cash items			Closing balance 31 Mar 2023
			Fair value	Other					Fair value	Other		
Subordinated debt	1,998	-	-	-	1,998	1,997	-	-	1	-	1,998	
Lease liabilities	183	-11	-	14	186	192	-11	-	23	-	204	
Additional Tier 1 instruments	5,800	1,900	-	-	7,700	5,800	-	-	-	-	5,800	
<b>Total</b>	<b>7,981</b>	<b>1,889</b>	<b>-</b>	<b>14</b>	<b>9,884</b>	<b>7,989</b>	<b>-11</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>8,002</b>	

## 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.

**New and amended accounting principles that come into effect in 2024 or later**  
 Changed accounting principles with entry into force in 2024 or later are deemed to have no impact on the SBAB Group's accounting or financial reports.

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 April 24, 2024.

## Note 2 Changes in risks

### Credit risk in lending operations

During the first quarter of 2024, no significant increase in credit risk was identified in SBAB's lending. Despite the prevailing circumstances with high interest rates, only a limited increase in defaults has been observed among customers although there is an increase in payment delinquencies primarily within the Private business area. Due to increased interest costs, negative rating grade migrations have also occurred within the business area. The increased number of customers with payment difficulties and a higher number of observed defaults including individually assessed credit loss provisions have contributed to an inflow to credit stage 3. Within the Corporates & Associations business area, few rating grade migrations have occurred during the quarter where some individual customer groups with building credits migrating to poorer grades.

The forward-looking information was revised in March 2024 following continuous monitoring of the economic developments in the economic environment. The forward-looking information indicates a stabilisation of the interest rate environment in the near term, with declining rates over the longer perspective and stabilisation of housing prices. Scenario weights have been revised during the quarter, which, in combination with the updated forward-looking information, rating grade migrations, and an increase of exposures in stage 3, resulted in higher loss provisions.

Total credit loss provisions amounted to SEK 324 million for the first quarter of 2024, compared to SEK 301 million for the fourth quarter of 2023. Persisting and relatively high interest costs, slowing housing construction, and potentially declining house and condominium prices may further increase loss provisions during 2024.

The loan-to-value (LTV) ratios for individuals, property companies, and tenant-owners' associations as of the first quarter of 2024 amounted to 60%, 61%, and 32%, respectively, compared to 60%, 61%, and 33% for the fourth 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 first quarter of 2024 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 5,567 million as of Mars 31, 2024 compared to SEK 5,113 million as of December 31, 2023.

### Liquidity risk

SBAB's liquidity positions remained strong during the first quarter of 2024. LCR by end of the first quarter of 2024 increased in comparison with LCR level for the fourth quarter of 2023. The survival horizon decreased in comparison with the fourth quarter of 2023. The over collateralization level (OC-level) decreased in comparison with the fourth quarter of 2023. The deposit-to-loan ratio increased during the first quarter of 2024 as the deposit growth rate was good. NSFR has increased in comparison with the fourth 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 Mars 2024, SBAB's VaR amounted to SEK 2,188 million, compared to SEK 1,173 million at 31 December, 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 and the real economy continue to be impacted by the current geopolitical situation, as well as by the increased interest rates. The impact on SBAB's financial position is however moderate. Business risk is estimated 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.

### Concentration risk

The lending to the ten largest customer groups accounted for 7 percent of total lending volume which is unchanged compared to 31 December 2023. SBAB has a limited lending on commercial property which amounted to 2 percent of lending to the public as of 31 March 2024, which is unchanged compared to 31 December 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 see Note 12.

### Note 3 Net result of financial transactions

SEK million	GROUP					
	2024	2023	2023	2024	2023	2023
	Q1	Q4	Q1	Jan-Mar	Jan-Mar	Jan-Dec
<b>Gains/losses on interest-bearing financial instruments</b>						
- Change in value of hedged items in hedge accounting	833	-4,277	-740	833	-740	-3,190
- Derivatives in hedge accounting	-838	4,276	721	-838	721	3,138
- Other derivatives	96	-217	-8	96	-8	-47
- Interest-bearing securities, Fair Value Option	2	2	-1	2	-1	2
- Interest-bearing securities at fair value through other comprehensive income	-59	-14	0	-59	0	-213
- Interest-bearing securities at amortised cost	-22	-29	-	-22	-	-43
- Realised gain/loss from financial liabilities at amortised cost	22	180	29	22	29	301
- Loan receivables at amortised cost	4	1	0	4	0	-45
Currency translation effects	2	-2	1	2	1	2
<b>Total</b>	<b>40</b>	<b>-80</b>	<b>2</b>	<b>40</b>	<b>2</b>	<b>-95</b>

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					
	2024	2023	2023	2024	2023	2023
	Q1	Q4	Q1	Jan-Mar	Jan-Mar	Jan-Dec
<b>Lending to the public</b>						
Confirmed credit losses	-2	-2	-2	-2	-2	-9
Recoveries of previously confirmed credit losses	1	1	1	1	1	4
Adjustment of interest, written down loans	0	1	-	0	-	2
Change in provision for the period – credit stage 1	19	-11	-12	19	-12	-5
Change in provision for the period – credit stage 2	-5	35	-16	-5	-16	9
Change in provision for the period – credit stage 3	-40	-59	-1	-40	-1	-113
Guarantees <sup>1)</sup>	0	0	0	0	0	-3
<b>Net credit losses for the period – lending to the public</b>	<b>-27</b>	<b>-35</b>	<b>-30</b>	<b>-27</b>	<b>-30</b>	<b>-115</b>
<b>Loan commitments and building credits<sup>2)</sup></b>						
Change in provision for the period – credit stage 1	2	0	-4	2	-4	18
Change in provision for the period – credit stage 2	1	5	1	1	1	5
Change in provision for the period – credit stage 3	1	-1	-	1	-	-1
<b>Net credit losses for the period – loan commitments and building credits</b>	<b>4</b>	<b>4</b>	<b>-3</b>	<b>4</b>	<b>-3</b>	<b>22</b>
<b>Other financial instruments</b>						
Change in provision for the period – credit stage 1	0	0	0	0	0	0
<b>Net credit losses for the period – other financial instruments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>-23</b>	<b>-31</b>	<b>-33</b>	<b>-23</b>	<b>-33</b>	<b>-93</b>

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.

During the quarter, the total credit loss provisions increased by SEK 22 million (increase by 30). Provisions for loans in credit stage 1 decreased by SEK 19 million (increase by 11) but increased for loans in credit stage 2 by SEK 5 million (increase by 35). Loss provisions for credit stage 3 increased by SEK 40 million (increase by 59).

The change in loss provisions for loans in all stages is influenced by an update of the forward-looking information in March. The updated scenarios extend further into an expected economic recovery compared to previous forecasts, resulting in decreased credit loss provisions for stage 1 and 2. Along with the update of the forward-looking information, scenario weights were also adjusted, with scenario 2 receiving a 10% decreased weight while the weights for scenarios 3 and 4 increased by 5% each. Furthermore, decisions of new rating grades for customers within the Corporates & Associations business

area have had an impact as some customer groups migrating to poorer grades, increasing the provisions. In the Private business area, an increased number of customers with payment difficulties and defaults, including more individual assessed credit loss provisions, have contributed to an inflow to stage 3, leading to increased credit loss provisions. The revision of the forward-looking information combined with changes in credit risk resulted in an increase in credit loss allowances during the quarter.

Loss provisions for loan commitments and building credits decreased by SEK 4 million (decrease by 4) for the first quarter of 2024, primarily driven by updated forward-looking information and decreased exposure towards building credits. Guarantee amounts that can be utilised to cover credit losses remained unchanged (unchanged) during the quarter.

## Sensitivity analysis of forward-looking information

### Lending to the public and loan commitments

Factors	Scenario 1 (40%)			Scenario 2 (10%)			Scenario 3 (25%)			Scenario 4 (25%)		
	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
GDP <sup>1)</sup> , 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%	2.9%	2.3%	2.4%	3.4%	2.6%	2.5%	4.1%	3.3%	3.2%
Unemployment	8.4%	8.0%	7.5%	8.1%	7.0%	6.3%	9.9%	11.2%	9.7%	9.0%	10.1%	10.3%
House prices, Δ	+3.0%	+2.2%	+3.3%	+7.2%	-0.5%	+2.9%	-4.2%	-5.5%	+0.8%	-7.3%	-14.7%	-8.5%
Prices of tenant-owners' rights, Δ	+1.3%	+6.8%	+6.8%	+5.9%	+3.3%	+6.2%	-9.3%	-6.9%	+1.6%	-10.0%	-12.5%	-3.4%
Property prices, Δ	-3.7%	-1.7%	-0.2%	-1.6%	-1.1%	-2.6%	-9.9%	-13.5%	-9.4%	-10.4%	-16.9%	-14.3%
<b>ECL</b>	<b>SEK 160 million</b>			<b>SEK 145 million</b>			<b>SEK 376 million</b>			<b>SEK 604 million</b>		
<b>Weighted ECL<sup>2)</sup></b>	<b>SEK 324 million</b>											

1) Not included in the ECL calculation

2) Of which, SEK 318 million was attributable to lending to the public and SEK 6 million to off-balance-sheet items linked to loan commitments and building credits

### Impairment model and credit loss provisions

During the first quarter of 2024, SBAB closely evaluated the macroeconomic environment against the backdrop of continued high interest rates and the sharp slowdown in housing construction. Updated macroeconomic forecasts were ordered from SBAB's Chief Economist to revise the forward-looking information applied in the impairment model for calculating expected credit losses (ECL model) and thereby credit loss allowances. The updates in the macroeconomic forecasts are based on a continued negative outlook of the global situation and economic development, with a high interest rate environment, but reflect an expected recovery in the coming years. The Swedish economy is still expected to be affected by the high interest rate environment due to recent years' inflation and increased economic uncertainty in the global environment.

In light of the slowdown in the rate of inflation and stabilisation of the interest rate environment, all scenarios in the forward-looking information account for slightly lower interest rates in the coming years, with a peak interest rate already occurring in the positive scenarios. As the interest rate situation evolves, unemployment rate is expected to decrease in the coming years, except for the negative scenarios where further interest rate increases are expected during 2024 which affect the Swedish economy and unemployment. Swedish house and condominium prices are expected to rise with decreasing interest rates in the more positive scenarios but remain negative in the two negative scenarios. However, all scenarios continue to be negative in terms of property price developments due to highly leveraged real estate companies in the Swedish market, and an expected lagging effect.

In connection with the revision of the macroeconomic factors in the forward-looking information, scenario weights have also been adjusted, with 10% moved from scenario 2 to scenarios 3 and 4. This reflects the perception that

there is continued uncertainty regarding the near-term economic development, despite expectations of decreased credit losses in the future. The effect of the revised forward-looking information combined with new scenario weights contributes to a decrease in credit loss provisions of SEK 20 million.

As of March 31, 2024, the total credit loss allowances amount to SEK 324 million, compared to SEK 301 million as of December 31, 2023. In both business areas Private and Corporates & Associations, ECL and thus loss provisions increased during the quarter, despite the updated macroeconomic forecasts. For Private, provisions increased due to high interest costs that have resulted in negative rating grade migrations and an increased share of customers in default. For Corporates & Associations, provisions increased due to new rating grade decisions that have resulted in migrations to poorer grades for some individual customer groups.

The table above depicts the forward-looking information, consisting of a weighting of the four scenarios with forecasts of the macroeconomic factors applied in the ECL model. The underlying credit risk models for calculating ECL, which largely depend on customers' payment behaviour and the market values of collateral, have only shown a limited increase in credit risk. It cannot be ruled out that persisting and high interest costs, slowing housing construction, and falling house and condominium prices may further increase credit loss allowances in 2024.

SBAB is currently comfortable with the size of the credit loss provisions totalling SEK 324 million as of March 31, 2024.

## Note 4 Net credit losses, Cont.

### Overall credit quality

The credit quality in SBAB's lending remains strong despite the prevailing circumstances, and the credit risk in lending to individuals is low. The lending within the Private business area is based on a sound credit approval process that determines whether customers have the financial capacity required to meet their obligations. The Swedish Financial Supervisory Authority's (FSA) annual mortgage survey, with data from 2023, shows that new customers still have good margins to meet their payments obligations despite the deteriorating economic situation. At the end of the first quarter 2024, the average loan-to-value (LTV) ratio<sup>3)</sup> in the mortgage portfolio at the end of the quarter was 60% (60), and the average mortgage at the same time was SEK 1.9 million (1.9). The LTV in new lending during the quarter was 67% (68), and the Debt-to-Income ratio was 3.3 (3.4). During the first quarter of 2024, more individually assessed loss provisions within Private contributed to an increase by SEK 2 million.

The credit quality in SBAB's lending to real estate companies, property developers, and tenant-owners' associations is also assessed to remain good. The average LTV for property companies and tenant-owners' associations at the end of the quarter was 61% (61) and 32% (33) respectively. In the business area

Corporates & Associations, the granting of loans is based on an assessment of the customers' ability to generate stable cash flows over time and whether adequate collateral can be provided. With the economic development of high inflation followed by rising interest rates, proactive efforts have been made to identify customers who are or may become particularly financially vulnerable.

SBAB has increased the frequency of monitoring customers with market financing to be refinanced in both the short and long term, as well as those with building credits related to housing production, which are particularly affected by rising interest rates and increasing prices of inputs and building materials. Furthermore, there is a more frequent evaluation of customers' rating grades using expert assessment. No individually assessed credit loss provisions within the business area have been deemed necessary during the fourth 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

SEK million	GROUP		
	31 Mar 2024	31 Dec 2023	31 Mar 2023
Opening balance, per year	517,400	509,492	509,492
New lending for the period	18,348	71,068	15,872
Amortisation, repayments	-14,426	-63,042	-12,818
Confirmed credit losses	-2	-9	-2
Change in provision for expected credit losses <sup>1)</sup>	-26	-109	-29
<b>Closing balance, per year/period</b>	<b>521,294</b>	<b>517,400</b>	<b>512,515</b>

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

SEK million	GROUP		
	31 Mar 2024	31 Dec 2023	31 Mar 2023
Lending, Residential mortgages	347,493	346,314	350,161
Lending, Corporate Clients & Tenant-Owners' Associations	172,070	169,321	160,305
Lending, Consumer loans	1,731	1,765	2,049
<b>Total</b>	<b>521,294</b>	<b>517,400</b>	<b>512,515</b>

### Geographical composition

	GROUP			
	Lending, Residential mortgages %		Lending, Corporate Clients & Tenant-Owners' Associations %	
	2024	2023	2024	2023
	Q1	Q4	Q1	Q4
Stockholm area	63.1	63.2	49.5	50.2
Öresund region	9.2	9.2	19.0	17.9
University cities and growth regions	10.7	10.8	16.2	16.7
Gothenburg area	10.9	10.9	8.3	8.7
Other regions	6.2	5.9	7.0	6.6

## Note 5 Lending to the public, Cont.

### Lending to the public by credit stage

SEK million	GROUP		
	31 Mar 2024	31 Dec 2023	31 Mar 2023
<b>Credit stage 1</b>			
Gross lending	469,724	466,456	478,178
Provision	-47	-66	-73
<b>Total</b>	<b>469,677</b>	<b>466,390</b>	<b>478,105</b>
<b>Credit stage 2</b>			
Gross lending	51,075	50,501	34,126
Provision	-86	-81	-106
<b>Total</b>	<b>50,989</b>	<b>50,420</b>	<b>34,020</b>
<b>Credit stage 3</b>			
Gross lending	813	735	423
Provision	-185	-145	-33
<b>Total</b>	<b>628</b>	<b>590</b>	<b>390</b>
<b>Total gross lending</b>	<b>521,612</b>	<b>517,692</b>	<b>512,727</b>
<b>Total provisions</b>	<b>-318</b>	<b>-292</b>	<b>-212</b>
<b>Total</b>	<b>521,294</b>	<b>517,400</b>	<b>512,515</b>

### Lending to the public and provisions

SEK million	GROUP									
	Credit stage 1		Credit stage 2		Credit stage 3		Capital		Provision	
Capital	Capital	Provision	Capital	Provision	Capital	Provision	Capital	Provision	Capital	Provision
<b>Opening balance, 1 January 2024</b>	<b>466,456</b>	<b>-66</b>	<b>50,501</b>	<b>-81</b>	<b>735</b>	<b>-145</b>	<b>517,692</b>	<b>-292</b>		
Moved to credit stage 1	4,405	-5	-4,398	4	-7	1	0	0		
Moved to credit stage 2	-7,750	3	7,845	-12	-95	9	0	0		
Moved to credit stage 3	-46	0	-202	2	248	-2	0	0		
Volume change*	6,389	-1	-2,325	5	-60	4	4,003	9		
Revaluation**	270	22	-346	-4	-6	-54	-82	-36		
Confirmed credit losses	-	-	-	-	-2	2	-2	2		
<b>Closing balance, 31 March 2024</b>	<b>469,724</b>	<b>-47</b>	<b>51,075</b>	<b>-86</b>	<b>813</b>	<b>-185</b>	<b>521,612</b>	<b>-318</b>		

\*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									
	Credit stage 1		Credit stage 2		Credit stage 3		Capital		Provision	
Capital	Capital	Provision	Capital	Provision	Capital	Provision	Capital	Provision	Capital	Provision
<b>Opening balance, 1 January 2023</b>	<b>478,737</b>	<b>-62</b>	<b>30,567</b>	<b>-90</b>	<b>371</b>	<b>-31</b>	<b>509,675</b>	<b>-183</b>		
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		
<b>Closing balance, 31 December 2023</b>	<b>466,456</b>	<b>-66</b>	<b>50,501</b>	<b>-81</b>	<b>735</b>	<b>-145</b>	<b>517,692</b>	<b>-292</b>		

\*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

SEK million	GROUP					
	31 Mar 2024			31 Dec 2023		
	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	5,124	15,990	515,909	5,390	14,946	497,610
Currency-related	7,878	39	86,532	6,851	749	95,549
<b>Total</b>	<b>13,002</b>	<b>16,029</b>	<b>602,441</b>	<b>12,241</b>	<b>15,695</b>	<b>593,159</b>

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

## Note 7 Operating segments

SEK million	GROUP					
	Jan-Mar 2024					
	Follow-up of operations			Reconciliation against the statutory income statement		
	Retail	Corporate Clients & Tenant-Owners' Associations	Total	Administrative consultants	IFRS 16 Leasing <sup>1)</sup>	Statutory profit
Net interest income	819	553	1,372	-	-	1,372
Commission income	9	0	9	-	-	9
Commission expense	-18	-8	-26	-	-	-26
Net result of financial transactions	24	16	40	-	-	40
Other operating income	14	0	14	-	-	14
<b>Total operating income</b>	<b>848</b>	<b>561</b>	<b>1,409</b>	<b>-</b>	<b>-</b>	<b>1,409</b>
Salaries and remuneration	-109	-42	-151	-	-	-151
Other personnel costs	-69	-28	-97	8	-	-89
Other expenses	-125	-38	-163	-8	11	-160
Depreciation, amortisation and impairment of PPE and intangible assets	-18	-10	-28	-	-11	-39
Net credit losses	-21	-2	-23	-	-	-23
Imposed fees: Risk tax and resolution fee	-96	-46	-142	-	-	-142
<b>Operating profit</b>	<b>410</b>	<b>395</b>	<b>805</b>	<b>0</b>	<b>0</b>	<b>805</b>
Tax	-87	-86	-173	-	-	-173
<b>Profit after standardised tax</b>	<b>323</b>	<b>309</b>	<b>632</b>	<b>0</b>	<b>0</b>	<b>632</b>
Return on equity, %	9.9	14.8	11.9	-	-	11.9

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

## Note 7 Operating segments, Cont.

SEK million	GROUP					
	Jan-Mar 2023					
	Follow-up of operations			Reconciliation against the statutory income statement		
	Retail	Corporate Clients & Tenant-Owners' Associations	Total	Administrative consultants	IFRS 16 Leasing	Statutory profit
Net interest income	898	515	1,413	-	-	1,413
Commission income	15	0	15	-	-	15
Commission expense	-16	-6	-22	-	-	-22
Net result of financial transactions	1	1	2	-	-	2
Other operating income	13	0	13	-	-	13
<b>Total operating income</b>	<b>911</b>	<b>510</b>	<b>1,421</b>	<b>-</b>	<b>-</b>	<b>1,421</b>
Salaries and remuneration	-96	-37	-133	-	-	-133
Other personnel costs	-62	-27	-89	11	-	-78
Other expenses	-112	-35	-147	-11	10	-148
Depreciation, amortisation and impairment of PPE and intangible assets	-15	-10	-25	-	-10	-35
Net credit loss	-17	-16	-33	-	-	-33
Imposed fees: Risk tax and resolution fee	-92	-49	-141	-	-	-141
<b>Operating profit</b>	<b>517</b>	<b>336</b>	<b>853</b>	<b>0</b>	<b>0</b>	<b>853</b>
Tax	-108	-71	-179	-	-	-179
<b>Profit after standardised tax</b>	<b>409</b>	<b>265</b>	<b>674</b>	<b>0</b>	<b>0</b>	<b>674</b>
Return on equity, %	11.9	16.5	13.3	-	-	13.3

All expenses 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 -8 million (-11) 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 2023 Annual Report.

## Note 8 Classification of financial instruments

### Financial assets

SEK million	GROUP						
	31 Mar 2024						
	Financial assets measured at FVTPL			Financial assets measured at FVTOCI	Financial assets measured at amortised cost	Total	Total fair value
Fair value option	Derivatives in hedge accounting	Other (Obligatory) classification					
Cash and balances at central banks	-	-	-	-	1,280	1,280	1,280
Chargeable treasury bills, etc.	461	-	-	31,989	-	32,450	32,450
Lending to credit institutions	-	-	-	-	13,142	13,142	13,142
Lending to the public	-	-	-	-	521,294	521,294	518,484
Value changes of interest-rate-risk hedged items in macro hedges	-	-	-	-	-1,597	-1,597	-
Bonds and other interest-bearing securities	-	-	-	75,677	9,784	85,461	85,463
Derivatives	-	12,369	632	-	-	13,002	13,002
Other assets	-	-	-	-	1,525	1,525	1,525
Prepaid expenses and accrued income	9	-	-	527	396	932	932
<b>Total financial assets</b>	<b>470</b>	<b>12,369</b>	<b>632</b>	<b>108,193</b>	<b>545,824</b>	<b>667,489</b>	<b>666,277</b>

### Financial liabilities

SEK million	GROUP				
	31 Mar 2024				
	Financial liabilities measured at FVTPL		Financial liabilities measured at amortised cost	Total	Total fair value
Derivatives in hedge accounting	Held for trading				
Liabilities to credit institutions	-	-	8,518	8,518	8,518
Deposits from the public	-	-	230,686	230,686	230,686
Issued debt securities, etc.	-	-	379,574	379,574	371,151
Derivatives	15,502	527	-	16,029	16,029
Other liabilities	-	-	344	344	344
Accrued expenses and deferred income	-	-	5,929	5,929	5,929
Subordinated debt	-	-	1,999	1,999	1,976
<b>Total financial liabilities</b>	<b>15,502</b>	<b>527</b>	<b>627,050</b>	<b>643,079</b>	<b>634,633</b>

## Note 8 Classification of financial instruments, Cont.

### Financial assets

SEK million	GROUP						
	31 Dec 2023						
	Financial assets measured at FVTPL			Financial assets measured at FVTOCI	Financial assets measured at amortised cost	Total	Total fair value
Fair value option	Derivatives in hedge accounting	Other (Obligatory) classification					
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
<b>Total financial assets</b>	<b>448</b>	<b>11,794</b>	<b>447</b>	<b>91,230</b>	<b>544,918</b>	<b>648,837</b>	<b>648,247</b>

### Financial liabilities

SEK million	GROUP				
	31 Dec 2023				
	Financial liabilities measured at FVTPL		Held for trading	Financial liabilities measured at amortised cost	Total
Derivatives in hedge accounting					
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
<b>Total financial liabilities</b>	<b>14,815</b>	<b>880</b>	<b>609,064</b>	<b>624,759</b>	<b>616,705</b>

#### Fair value measurement of financial instruments

The measurement policies for financial instruments recognised at fair value in the balance sheet are provided in [Note G 1](#) (Accounting Policies) in SBAB's 2023 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

SEK million	GROUP							
	31 Mar 2024				31 Dec 2023			
	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	Total	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	Total
<b>Assets</b>								
Chargeable treasury bills, etc.	461	31,989	–	32,450	662	35,988	–	36,650
Bonds and other interest-bearing securities	75,677	–	–	75,677	54,670	–	–	54,670
Derivatives	–	13,002	–	13,002	–	12,241	–	12,241
Prepaid expenses and accrued income	536	–	–	536	357	–	–	357
<b>Total</b>	<b>76,674</b>	<b>44,991</b>	<b>–</b>	<b>121,665</b>	<b>55,689</b>	<b>48,229</b>	<b>–</b>	<b>103,918</b>
<b>Liabilities</b>								
Derivatives	–	16,029	–	16,029	–	15,695	–	15,695
<b>Total</b>	<b>–</b>	<b>16,029</b>	<b>–</b>	<b>16,029</b>	<b>–</b>	<b>15,695</b>	<b>–</b>	<b>15,695</b>

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 2023 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 2023 or 2024.

### 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 439 days at 31 March 2024 (529 days at 31 December 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 March 2024, the LCR was 350% (258% as of 31 December 2023) in all currencies at the consolidated level. The significant currencies for the bank are SEK and EUR, where LCR was 247% (192%) in SEK and 6,693% (10,023%) in EUR.

The net stable funding ratio (NSFR), amounted to 136.7% (131.9%) according to of Regulation (EU)2019/876 of the European Parliament and the Council.

SEK billion		CONSOLIDATED SITUATION									
		31 Mar 2024					31 Dec 2023				
		Total	Distribution by currency				Total	Distribution by currency			
		SEK	EUR	USD	Other		SEK	EUR	USD	Other	
	<b>Level 1 assets</b>	<b>108.1</b>	<b>90.3</b>	<b>16.7</b>	<b>1.1</b>	<b>-</b>	<b>100.8</b>	<b>84.1</b>	<b>15.7</b>	<b>1.0</b>	<b>-</b>
	Cash and balances with central banks <sup>1)</sup>	6.4	6.4	-	-	-	9.9	9.9	-	-	-
<b>Level 1</b>	Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	42.9	40.0	2.9	-	-	42.4	40.0	2.4	-	-
	Securities issued by municipalites and public sector entities	15.3	10.1	4.1	1.1	-	12.0	6.9	4.1	1.0	-
	Extremely high quality covered bonds	43.5	33.8	9.7	-	-	36.5	27.3	9.2	-	-
	Other assets	-	-	-	-	-	-	-	-	-	-
	<b>Level 2 assets</b>	<b>5.9</b>	<b>5.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.5</b>	<b>2.5</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Level 2A assets</b>	<b>5.9</b>	<b>5.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.5</b>	<b>2.5</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Securities issued or guaranteed by sovereigns, central banks, municipalities and public sector entities	-	-	-	-	-	-	-	-	-	-
	High quality covered bonds	5.9	5.9	-	-	-	2.5	2.5	-	-	-
<b>Level 2</b>	Corporate debt securities (lowest rating AA-)	-	-	-	-	-	-	-	-	-	-
	Other assets	-	-	-	-	-	-	-	-	-	-
	<b>Level 2B assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Asset-backed securities	-	-	-	-	-	-	-	-	-	-
	High quality covered bonds	-	-	-	-	-	-	-	-	-	-
	Corporate debt securities (rated A+ to BBB-)	-	-	-	-	-	-	-	-	-	-
	Shares (major stock index)	-	-	-	-	-	-	-	-	-	-
	Other assets	-	-	-	-	-	-	-	-	-	-
	<b>Liquidity reserve</b>	<b>114.0</b>	<b>96.2</b>	<b>16.7</b>	<b>1.1</b>	<b>-</b>	<b>103.3</b>	<b>86.6</b>	<b>15.7</b>	<b>1.0</b>	<b>-</b>

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 March 2024. The Swedish FSA has announced in the first quarter that the countercyclical buffert rate is left unchanged. The countercyclical buffer rates for Denmark and Norway are unchanged at 2.5% as of 31 March, 2024.

## Capital adequacy

SEK million	CONSOLIDATED SITUATION				
	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
<b>Available own funds (amounts)</b>					
Common Equity Tier 1 (CET1) capital	20,638	20,414	20,173	19,903	19,734
Tier 1 capital	28,338	26,214	25,973	25,703	25,534
Total capital	30,342	28,209	27,968	27,698	27,529
<b>Risk-weighted exposure amounts</b>					
Total risk exposure amount	169,898	166,294	173,220	167,274	158,738
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>					
Common Equity Tier 1 ratio (%)	12.1	12.3	11.6	11.9	12.4
Tier 1 ratio (%)	16.7	15.8	15.0	15.4	16.1
Total capital ratio (%)	17.9	17.0	16.1	16.6	17.3
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.9	1.9	1.9 <sup>2)</sup>	2.4 <sup>1)</sup>	3.4
of which: to be made up of CET1 capital (percentage points)	1.1	1.1	1.1	1.5	2.2
of which: to be made up of Tier 1 capital (percentage points)	1.4	1.4	1.4	1.8	2.5
Total SREP own funds requirements (%)	9.9	9.9	9.9	10.4	11.4
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>					
Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	1.0
Systemic risk buffer (%)	-	-	-	-	-
Global Systemically Important Institution buffer (%)	-	-	-	-	-
Other Systemically Important Institution buffer (%)	-	-	-	-	-
Combined buffer requirement (%)	4.5	4.5	4.5	4.5	3.5
Overall capital requirements (%)	14.4	14.4	14.4	14.9	14.9
CET1 available after meeting the total SREP own funds requirements (%)	6.6	6.7	6.1	5.9	5.7

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

SEK million	CONSOLIDATED SITUATION				
	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
<b>Leverage ratio</b>					
Total exposure measure	661,207	640,914	634,379	628,347	645,980
Leverage ratio (%)	4.3	4.1	4.1	4.1	4.0
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>					
Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>					
Leverage ratio buffer requirement (%)	-	-	-	-	-
Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
<b>Liquidity Coverage Ratio</b>					
Total high-quality liquid assets (HQLA) (Weighted value -average)	100,021	97,063	93,420	91,472	86,003
Cash outflows - Total weighted value	59,392	55,684	53,174	51,414	46,718
Cash inflows - Total weighted value	19,495	17,018	15,266	13,773	9,651
Total net cash outflows (adjusted value)	39,897	38,666	37,908	37,641	37,067
Liquidity coverage ratio (%)	250.7	251.0	246.4	243.0	232.0
<b>Net Stable Funding Ratio</b>					
Total available stable funding	573,250	547,015	543,289	551,262	541,352
Total required stable funding	419,475	414,762	416,469	411,992	411,477
NSFR ratio (%)	136.7	131.9	130.5	133.8	131.6

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

SEK million	GROUP		
	31 Mar 2024	31 Dec 2023	31 Mar 2023
<b>Common Equity Tier 1 (CET1) capital : Instruments and reserves</b>			
Capital instruments and the related share premium accounts	1,958	1,958	1,958
Retained earnings	18,947	17,635	17,892
Accumulated other comprehensive income (and other reserves)	-4,233	-3,737	-6,187
Independently reviewed interim profits net of any foreseeable charge or dividend <sup>1)</sup>	386	1,441	412
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>17,059</b>	<b>17,297</b>	<b>14,074</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
Additional value adjustments (negative amount)	-139	-121	-133
Intangible assets (net of related tax liability) (negative amount)	-208	-173	-171
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	4,343	3,758	6,168
Negative amounts resulting from the calculation of expected loss amounts	-394	-330	-160
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-	-
Other regulatory adjustments <sup>2)</sup>	-22	-16	-45
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>3,580</b>	<b>3,118</b>	<b>5,659</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>20,638</b>	<b>20,414</b>	<b>19,734</b>
<b>Additional Tier 1 (AT1) capital: Instrument</b>			
Capital instruments and the related share premium accounts	7,700	5,800	5,800
– of which, classified as equity under applicable accounting standards	7,700	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	-	-	-
<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>7,700</b>	<b>5,800</b>	<b>5,800</b>
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>			
<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional Tier 1 capital (AT1) capital</b>	<b>7,700</b>	<b>5,800</b>	<b>5,800</b>
<b>Tier 1 capital (T1=CET1+AT1)</b>	<b>28,338</b>	<b>26,214</b>	<b>25,534</b>
<b>Tier 2 (T2) capital : instruments</b>			
Capital instruments and the related share premium accounts	1,995	1,995	1,995
Credit risk adjustments	9	-	-
<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>2,004</b>	<b>1,995</b>	<b>1,995</b>
<b>Tier 2 capital: regulatory adjustments</b>			
<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 2 (T2) capital</b>	<b>2,004</b>	<b>1,995</b>	<b>1,995</b>
<b>Total capital (TC=T1+T2)</b>	<b>30,342</b>	<b>28,209</b>	<b>27,529</b>
<b>Total risk-exposure amount</b>	<b>169,898</b>	<b>166,294</b>	<b>158,738</b>

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

SEK million	GROUP		
	31 Mar 2024	31 Dec 2023	31 Mar 2023
<b>Capital ratios and requirements including buffers %</b>			
Common Equity Tier 1 capital	12.1	12.3	12.4
Tier 1 capital	16.7	15.8	16.1
Total capital	17.9	17.0	17.3
Institution-CET1 overall capital requirements	10.1	10.1	10.2
– of which, capital conservation buffer requirement	2.5	2.5	2.5
– of which, countercyclical buffer requirement	2.0	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	1.1 <sup>3)</sup>	2.2
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	6.6	6.7	5.7

1) Net profit for the period was reduced by the expected dividend of SEK 253million. 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

SEK million	CONSOLIDATED SITUATION					
	31 Mar 2024		31 Dec 2023		31 Mar 2023	
	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement
<b>Credit risk recognised in accordance with IRB approach</b>						
Exposures to corporates	62,147	4,972	61,670	4,934	32,236	2,579
Retail exposures	22,492	1,799	21,268	1,701	22,593	1,807
– of which, exposures to SMEs	–	–	–	–	1,100	88
– of which, retail exposures secured by immovable property	22,492	1,799	21,268	1,701	21,494	1,720
<b>Total exposures recognised with the IRB approach</b>	<b>84,639</b>	<b>6,771</b>	<b>82,938</b>	<b>6,635</b>	<b>54,830</b>	<b>4,386</b>
<b>Credit risk recognised with the standardised approach</b>						
Exposures to governments and central banks	0	0	0	0	0	0
Exposures to regional governments or local authorities or agencies	0	0	0	0	0	0
Exposures to multilateral development banks	0	0	0	0	0	0
Exposures to international organisations	0	0	0	0	0	0
Exposures to institutions <sup>1)</sup>	1,014	81	1,025	82	5,078	406
– of which, derivatives according to CRR, Appendix 2	949	76	1,025	82	5,073	406
– of which, repos	65	5	–	–	5	0
– of which, other	0	0	0	0	0	0
Retail exposures	1,834	147	1,785	143	2,001	160
Exposures in default	6	1	6	0	8	1
Exposures in the form of covered bonds	5,443	435	4,381	350	4,496	360
Exposures to institutions and corporates with a short-term credit rating	36	3	12	1	384	31
Equity exposures	106	9	106	9	156	13
Other items	493	39	526	42	520	42
<b>Total exposures recognised with standardised approach</b>	<b>8,932</b>	<b>715</b>	<b>7,841</b>	<b>627</b>	<b>12,642</b>	<b>1,011</b>
<b>Market risk</b>	<b>295</b>	<b>24</b>	<b>257</b>	<b>21</b>	<b>369</b>	<b>30</b>
– of which, position risk	–	–	–	–	–	–
– of which, currency risk	295	24	257	21	369	30
<b>Operational risk</b>	<b>7,603</b>	<b>608</b>	<b>6,669</b>	<b>534</b>	<b>6,669</b>	<b>534</b>
– of which, standardised approach	7,603	608	6,669	534	6,669	534
<b>Credit valuation adjustment risk (CVA risk)</b>	<b>1,626</b>	<b>130</b>	<b>1,704</b>	<b>136</b>	<b>1,397</b>	<b>112</b>
<b>Additional requirements under Article 458 of the CRR</b>	<b>66,803</b>	<b>5,344</b>	<b>66,885</b>	<b>5,351</b>	<b>82,830</b>	<b>6,626</b>
<b>Total risk exposure amount and minimum capital requirements</b>	<b>169,898</b>	<b>13,592</b>	<b>166,294</b>	<b>13,304</b>	<b>158,738</b>	<b>12,699</b>
<b>Capital requirements for capital conservation buffer</b>		<b>4,247</b>		<b>4,157</b>		<b>3,968</b>
<b>Capital requirements for countercyclical buffer</b>		<b>3,404</b>		<b>3,330</b>		<b>1,620</b>
<b>Total capital requirements</b>		<b>21,243</b>		<b>20,791</b>		<b>18,288</b>

1) The risk-weighted amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 1,014 million (1,025).

## 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 11,938 million (SEK 11,632 million at 31 December 2023). 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 assumptions and methodologies. SBAB estimates that the Swedish FSA's expected total capital requirement as of 31 March 2024 amounted to SEK 24,421 million, of which SEK 3,177 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 Mar 2024	31 Dec 2023
	<b>Internally assessed capital requirement</b>	
	mnkr	mnkr
Credit risk	7,995	7,262
Market risk	1,468	2,070
Operational risk	608	534
Concentration risk	1,631	1,565
Sovereign risk	106	65
CVA	130	136
Other risks <sup>1)</sup>	0	0
<b>Total</b>	<b>11,938</b>	<b>11,632</b>
<b>Total Own funds</b>	<b>30,342</b>	<b>28,209</b>

<sup>1)</sup> This includes pension and business risk

# Parent Company

## Trend for January–March 2024 compared with January–March 2023

Profit before credit losses and imposed fees decreased to SEK 293 million (399), mainly attributable to lower net interest income. Net interest income decreased during the period and amounted to SEK 367 million (417), mainly due to lower lending margins, partly offset by an increased share of deposits in the funding mix. Net commission income decreased and amounted to SEK 1 million (9), mainly due to reduced revenue from insurance brokerage and increased expenses linked to funding operations. The net result of financial transactions amounted to an income of SEK 21 million (14). The difference was mainly attributable to differ-

ences in value changes in hedging instruments and hedged items. Other operating income decreased to SEK 335 million (347) and mainly comprised fees from SCBC for administrative services in line with the applicable outsourcing agreements. Expenses increased to SEK 431 million (388), mainly due to higher costs for staff together with higher activity and costs for marketing. Credit losses amounted to SEK -2 million (-9). Fees imposed amounted to SEK 51 million (46). Lending to the public amounted to SEK 23.3 billion (25.7) and deposits from the public to SEK 230.7 billion (188.5). The CET1 capital ratio amounted to 29.3% (22.3%) and the total capital ratio was 49.9% (40.7%). The internally assessed capital requirement was SEK 5 796 million (7,306).

## Consolidated income statement

SEK million	PARENT COMPANY					
	2024	2023	2023	2024	2023	2023
	Q1	Q4	Q1	Jan–Mar	Jan–Mar	Jan–Dec
Interest income	3,340	3,119	2,016	3,340	2,016	10,331
Interest expense	-2,973	-2,785	-1,599	-2,973	-1,599	-8,924
<b>Net interest income</b>	<b>367</b>	<b>334</b>	<b>417</b>	<b>367</b>	<b>417</b>	<b>1,407</b>
Dividends received	-	5,000	-	-	-	5,000
Commission income	16	14	21	16	21	71
Commission expense	-15	-14	-12	-15	-12	-49
Net result of financial transactions	21	-74	14	21	14	-68
Other operating income	335	403	347	335	347	1,455
<b>Total operating income</b>	<b>724</b>	<b>5,663</b>	<b>787</b>	<b>724</b>	<b>787</b>	<b>7,816</b>
Personnel costs	-244	-245	-217	-244	-217	-910
Other expenses	-180	-195	-164	-180	-164	-679
Depreciation, amortisation and impairment of PPE and intangible assets	-7	-7	-7	-7	-7	-28
<b>Total expenses before credit losses and imposed fees</b>	<b>-431</b>	<b>-447</b>	<b>-388</b>	<b>-431</b>	<b>-388</b>	<b>-1,617</b>
<b>Profit/loss before credit losses and imposed fees</b>	<b>293</b>	<b>5,216</b>	<b>399</b>	<b>293</b>	<b>399</b>	<b>6,199</b>
Net credit losses	-2	11	-9	-2	-9	-19
Imposed fees; Risk tax and resolution fee	-51	-57	-46	-51	-46	-194
Impairment of financial assets	-	-5	-	-	-	-60
<b>Operating profit</b>	<b>240</b>	<b>5,165</b>	<b>344</b>	<b>240</b>	<b>344</b>	<b>5,926</b>
Tax	-55	-41	-74	-55	-74	-223
<b>Net profit for the period</b>	<b>185</b>	<b>5,124</b>	<b>270</b>	<b>185</b>	<b>270</b>	<b>5,703</b>

# Consolidated statement of comprehensive income

SEK million	PARENT COMPANY					
	2024 Q1	2023 Q4	2023 Q1	2024 Jan-Mar	2023 Jan-Mar	2023 Jan-Dec
<b>Net profit/loss for the period</b>	<b>185</b>	<b>5,124</b>	<b>270</b>	<b>185</b>	<b>270</b>	<b>5,703</b>
<b>Other comprehensive income</b>						
<i>Components that will be reclassified to profit or loss</i>						
Financial assets measured at FVTOCI	117	33	-73	117	-73	-7
Changes related to cash-flow hedges	-10	54	37	-10	37	124
Tax attributable to components that will be reclassified to profit or loss	-22	-18	7	-22	7	-24
<b>Other comprehensive income/loss, net of tax</b>	<b>85</b>	<b>69</b>	<b>-29</b>	<b>85</b>	<b>-29</b>	<b>93</b>
<b>Total comprehensive income for the period</b>	<b>270</b>	<b>5,193</b>	<b>241</b>	<b>270</b>	<b>241</b>	<b>5,796</b>

# Consolidated balance sheet

SEK million	PARENT COMPANY		
	31 Mar 2024	31 Dec 2023	31 Mar 2023
<b>ASSETS</b>			
Cash and balances at central banks	1,280	6,350	632
Chargeable treasury bills, etc.	32,450	36,650	52,222
Lending to credit institutions (Note 13)	165,016	154,568	136,312
Lending to the public	23,334	24,180	26,659
Bonds and other interest-bearing securities	85,461	64,945	60,709
Derivatives	26,311	24,618	35,710
Shares and participations in associated companies and joint ventures	5	5	5
Shares and participations in Group companies	17,201	17,201	10,452
Deferred tax assets	3	27	45
Intangible assets	14	15	12
Property, plant and equipment	57	59	48
Other assets	123	75	78
Prepaid expenses and accrued income	1,394	1,280	754
<b>TOTAL ASSETS</b>	<b>352,649</b>	<b>329,973</b>	<b>322,638</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Liabilities to credit institutions	9,916	6,980	10,465
Deposits from the public	230,686	215,211	188,508
Issued debt securities, etc.	57,592	56,593	66,384
Derivatives	26,563	25,813	35,430
Other liabilities	175	1,604	1,890
Accrued expenses and deferred income	2,794	888	1,542
Provisions	6	9	34
Subordinated debt	1,999	1,998	1,997
<b>Total liabilities</b>	<b>329,731</b>	<b>309,096</b>	<b>306,250</b>
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital	1,958	1,958	1,958
Statutory reserve	392	392	392
<b>Total restricted equity</b>	<b>2,350</b>	<b>2,350</b>	<b>2,350</b>
<b>Unrestricted equity</b>			
Fair value reserve	26	-59	-181
Additional Tier 1 instruments	7,700	5,800	5,800
Retained earnings	12,657	7,083	8,149
Net profit for the period	185	5,703	270
<b>Total unrestricted equity</b>	<b>20,568</b>	<b>18,527</b>	<b>14,038</b>
<b>Total equity</b>	<b>22,918</b>	<b>20,877</b>	<b>16,388</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>352,649</b>	<b>329,973</b>	<b>322,638</b>

## Note 13 Lending to credit institutions

Of the Parent Company's lending to credit institutions at 31 March, 2024, SEK 151,932 million relates to a receivable from the wholly owned subsidiary AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation, SCBC), compared with SEK 142,789 million at the end of 2023. 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 30,000 million (24,000) comprises of internal Group debt instruments (senior non-preferred notes), issued by the subsidiary SCBC for the purpose of meeting the minimum requirement for 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 March 2024. The Swedish FSA announced in the first quarter that the countercyclical buffer rate is left unchanged. The countercyclical buffer rates for Denmark and Norway are unchanged at 2.5% as of 31 March 2024.

## Capital adequacy

SEK million	PARENT COMPANY				
	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
<b>Available own funds (amounts)</b>					
Common Equity Tier 1 (CET1) capital	13,849	13,996	9,097	9,230	9,426
Tier 1 capital	21,549	19,796	14,897	15,030	15,226
Total capital	23,545	21,791	16,892	17,025	17,222
<b>Risk-weighted exposure amounts</b>					
Total risk exposure amount	47,196	46,154	49,479	46,548	42,341
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>					
Common Equity Tier 1 ratio (%)	29.3	30.3	18.4	19.8	22.3
Tier 1 ratio (%)	45.7	42.9	30.1	32.3	36.0
Total capital ratio (%)	49.9	47.2	34.1	36.6	40.7
<b>Additional own funds requirement to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>					
Additional own funds requirement to address risks other than the risk of excessive leverage (%)	3.3	3.3	3.3 <sup>2)</sup>	4.5 <sup>1)</sup>	4.6
of which: to be made up of CET1 capital (percentage points)	1.9	1.9	1.9	2.6	2.7
of which: to be made up of Tier 1 capital (percentage points)	2.5	2.5	2.5	3.3	3.5
Total SREP own funds requirement (%)	11.3	11.3	11.3	12.5	12.6



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

SEK million	PARENT COMPANY				
	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>					
Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	1.0
Systemic risk buffer (%)	-	-	-	-	-
Global Systemically Important Institution buffer (%)	-	-	-	-	-
Other Systemically Important Institution buffer (%)	-	-	-	-	-
Combined buffer requirement (%)	4.5	4.5	4.5	4.5	3.5
Overall capital requirements (%)	15.8	15.8	15.8	17.0	16.2
CET1 available after meeting the total SREP own funds requirements (%)	23.0	24.0	12.0	12.7	15.0
<b>Leverage ratio</b>					
Total exposure measure	189,574	168,952	156,237	176,258	167,405
Leverage ratio (%)	11.4	11.7	9.5	8.5	9.1
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>					
Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>					
Leverage ratio buffer requirement (%)	-	-	-	-	-
Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
<b>Liquidity Coverage Ratio<sup>3)</sup></b>					
Total high-quality liquid assets (HQLA) (Weighted value -average)					
Cash outflows - Total weighted value					
Cash inflows - Total weighted value					
Total net cash outflows (adjusted value)					
Liquidity coverage ratio (%)					
<b>Net Stable Funding Ratio<sup>3)</sup></b>					
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

SEK million	PARENT COMPANY		
	31 Mar 2024	31 Dec 2023	31 Mar 2023
<b>Common Equity Tier 1 (CET1) capital instruments: Instruments and reserves</b>			
Capital instruments and the related share premium accounts	1,958	1,958	1,958
Retained earnings	12,086	7,475	7,708
Accumulated other comprehensive income (and other reserves)	26	-59	-181
Independently reviewed interim profits net of any foreseeable charge or dividend <sup>1)</sup>	0	4,740	0
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>14,070</b>	<b>14,114</b>	<b>9,486</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
Additional value adjustments (negative amount)	-178	-159	-172
Intangible assets (net of related tax liability) (negative amount)	-3	-3	-2
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	96	88	157
Negative amounts resulting from the calculation of expected loss amounts	-46	-29	-
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-	-
Other regulatory adjustments <sup>2)</sup>	-22	-15	-44
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>-153</b>	<b>-118</b>	<b>-60</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>13,849</b>	<b>13,996</b>	<b>9,426</b>
<b>Additional Tier 1 (AT1) capital: Instrument</b>			
Capital instruments and the related share premium accounts	7,700	5,800	5,800
– of which, classified as equity under applicable accounting standards	7,700	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	-	-	-
<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>7,700</b>	<b>5,800</b>	<b>5,800</b>
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>			
<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional Tier 1 (AT1) capital</b>	<b>7,700</b>	<b>5,800</b>	<b>5,800</b>
<b>Tier 1 capital (T1= CET1+AT1)</b>	<b>21,549</b>	<b>19,796</b>	<b>15,226</b>
<b>Tier 2 (T2) capital: Instruments</b>			
Capital instruments and the related share premium accounts	1,995	1,995	1,995
Credit risk adjustments	1	-	1
<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>1,996</b>	<b>1,995</b>	<b>1,996</b>
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 2 (T2) capital</b>	<b>1,996</b>	<b>1,995</b>	<b>1,996</b>
<b>Total capital (TC= T1+T2)</b>	<b>23,545</b>	<b>21,791</b>	<b>17,222</b>
<b>Total risk-exposure amount</b>	<b>47,196</b>	<b>46,154</b>	<b>42,341</b>

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

SEK million	PARENT COMPANY		
	31 Mar 2024	31 Dec 2023	31 Mar 2023
<b>Capital ratio and requirements including buffers, %</b>			
Common Equity Tier 1 capital	29.3	30.3	22.3
Tier 1 capital	45.7	42.9	36.0
Total capital	49.9	47.2	40.7
Institution CET1 overall capital requirements	10.9	10.9	10.8
– of which, capital conservation buffer requirement	2.5	2.5	2.5
– of which, countercyclical buffer requirement	2.0	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	1.9 <sup>3)</sup>	2.7
Common Equity Tier 1 capital ( as a percentage of risk exposure amount) available after meeting the minimum capital requirements	23.0	24.0	15.0

1) Net profit for the year was reduced by the expected dividend of SEK 253 million. The results have been verified by Deloitte AB pursuant to Article 26, Point 2a of the Capital Requirements Regulation.

2) A minor amount generated 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

SEK million	PARENT COMPANY					
	31 Mar 2024		31 Dec 2023		31 Mar 2023	
	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement
<b>Credit risk recognised in accordance with IRB approach</b>						
Exposures to corporates	13,477	1,078	14,709	1,176	12,069	966
Retail exposures	1,174	94	832	67	1,438	115
– of which, exposures to SMEs	–	–	–	–	89	7
– of which, retail exposures secured by immovable property	1,174	94	832	67	1,349	108
<b>Total exposures recognised with the IRB approach</b>	<b>14,651</b>	<b>1,172</b>	<b>15,541</b>	<b>1,243</b>	<b>13,507</b>	<b>1,081</b>
<b>Credit risk recognised with the standardised approach</b>						
Exposures to governments and central banks <sup>1)</sup>	0	0	10	1	12	1
Exposures to regional governments or local authorities or agencies	0	0	0	0	0	0
Exposures to multilateral development banks	0	0	0	0	0	0
Exposures to international organisations	0	0	0	0	0	0
Exposures to institutions <sup>2)</sup>	972	77	1,056	85	5,022	402
– of which, derivatives according to CRR, Appendix 2	827	66	902	72	4,952	396
– of which, repos	6	0	–	–	–	–
– of which, other	139	11	154	12	70	6
Retail exposures	1,834	147	1,785	143	2,001	160
Exposures in default	6	1	6	0	8	1
Exposures in the form of covered bonds	5,443	435	4,381	350	4,496	360
Exposures to institutions and corporates with a short-term credit rating	34	3	11	1	103	8
Equity exposures	17,206	1,377	17,206	1,377	10,456	837
Other items	182	14	175	13	150	12
<b>Total exposures recognised with standardised approach</b>	<b>25,677</b>	<b>2,054</b>	<b>24,630</b>	<b>1,970</b>	<b>22,247</b>	<b>1,780</b>
<b>Market risk</b>	<b>47</b>	<b>4</b>	<b>35</b>	<b>3</b>	<b>83</b>	<b>7</b>
– of which, position risk	–	–	–	–	–	–
– of which, currency risk	47	4	35	3	83	7
<b>Operational risk</b>	<b>3,835</b>	<b>307</b>	<b>3,292</b>	<b>263</b>	<b>3,292</b>	<b>263</b>
– of which, standardised approach	3,835	307	3,292	263	3,292	263
<b>Credit valuation adjustment risk (CVA risk)</b>	<b>1,165</b>	<b>93</b>	<b>1,225</b>	<b>98</b>	<b>833</b>	<b>67</b>
<b>Additional requirements under Article 458 of the CRR</b>	<b>1,821</b>	<b>146</b>	<b>1,431</b>	<b>115</b>	<b>2,379</b>	<b>190</b>
<b>Total risk exposure amount and minimum capital requirements</b>	<b>47,196</b>	<b>3,776</b>	<b>46,154</b>	<b>3,692</b>	<b>42,341</b>	<b>3,387</b>
<b>Capital requirements for capital conservation buffer</b>		<b>1,180</b>		<b>1,154</b>		<b>1,059</b>
<b>Capital requirements for countercyclical buffer</b>		<b>948</b>		<b>926</b>		<b>441</b>
<b>Total capital requirements</b>		<b>5,904</b>		<b>5,772</b>		<b>4,887</b>

1) Risk-weighted amount for governments and central banks amounts to SEK 0 million (SEK 10 million as of 31 December 2023) 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 833 million (902).

# 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.

SEK million	GROUP		
	31 Mar 2024	31 March 2023	31 Dec 2023
Deposits from the public	230,686	188,508	215,211
Lending to the public	521,294	512,515	517,400
<b>Deposits/lending, %</b>	<b>44.3</b>	<b>36.8</b>	<b>41.6</b>

## 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.

SEK million	GROUP		
	2024	2023	2023
	Jan-Mar	Jan-Mar	Jan-Dec
Expenses	-439	-394	-1,663
Operating income	1,409	1,420	5,367
<b>C/I ratio, %</b>	<b>31.2</b>	<b>27.7</b>	<b>31.0</b>

## 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.

SEK million	GROUP		
	2024	2023	2023
	Jan-Mar	Jan-Mar	Jan-Dec
Expenses	-439	-394	-1,663
<i>Annualised expenses</i>	-1,756	-1,576	-1,663
Aver. lending to the public	519,347	511,004	513,446
<b>C/L ratio, %</b>	<b>0.34</b>	<b>0.31</b>	<b>0.32</b>

## 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.

SEK million	GROUP		
	2024	2023	2023
	Jan-Mar	Jan-Mar	Jan-Dec
Operating profit after tax	632	674	2,408
<i>Annualised op. profit after tax</i>	2,528	2,696	2,408
Average equity	21,314 <sup>1)</sup>	20,241 <sup>2)</sup>	20,991 <sup>2)</sup>
<b>Return on equity, %</b>	<b>11.9</b>	<b>13.3</b>	<b>11.5</b>

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.

## 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.

SEK million	GROUP		
	2024	2023	2023
	Jan-Mar	Jan-Mar	Jan-Dec
Net interest income	1,372	1,413	5,446
<i>Annualised net interest income</i>	5,488	5,652	5,446
Average balance sheet total	659,947	647,821	642,519
<b>Net interest margin, %</b>	<b>0.83</b>	<b>0.87</b>	<b>0.85</b>

## 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.

SEK million	GROUP		
	2024	2023	2023
	Jan-Mar	Jan-Mar	Jan-Dec
Credit losses	-23	-33	-93
<i>Annualised credit losses</i>	-92	-132	-93
Lending to the public	521,294	512,515	517,400
<b>Credit loss ratio, %</b>	<b>-0.02</b>	<b>-0.03</b>	<b>-0.02</b>

## 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.

SEK million	GROUP		
	31 Mar 2024	31 March 2023	31 Dec 2023
Gross lending credit stage 3	813	423	735
Lending to the public	521,294	512,515	517,400
<b>Share of Stage 3 loans, %</b>	<b>0.16</b>	<b>0.08</b>	<b>0.14</b>

## 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.

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## Definitions of other key performance indicators

<b>Number of employees (FTEs)</b>	Number of employees expressed as full-time equivalents (FTEs), adjusted for sick leave and leave of absence
<b>Return on assets</b>	Net profit in relation to balance sheet total
<b>CET1 capital ratio</b>	CET1 capital in relation to risk-weighted assets
<b>Total capital ratio</b>	Own funds in relation to risk-weighted assets
<b>Tier 1 capital ratio</b>	Tier 1 capital in relation to risk-weighted assets
<b>Leverage ratio</b>	Tier 1 capital in relation to total assets and off-balance sheet exposures restated with the application of credit conversion factors
<b>Liquidity coverage ratio, LCR</b>	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
<b>Survival horizon</b>	The number of days that the need for liquidity can be met in a stress scenario before new liquidity is needed
<b>Net stable funding ratio, NSFR</b>	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

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, 24 april 2024

Mikael Inghander  
CEO

## Financial calendar

Interim Report Jan–Jun 2024	17 July 2024
Interim Report Jan–Sep 2024	25 October 2024
Year-end Report 2024	31 January 2025

*The date for publication of the Year-end Report 2024 has been changed from 31 January 2025 to 7 February 2025.*

## 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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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.