

# Interim report

January–September 2024

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# The period in brief

## Q3 2024

(Q2 2024)

- SBAB continues to post general growth in business volumes and increased its market shares in the quarter. The market share for residential mortgages increased to 8.63% (8.49) in parallel with the market share for retail deposits rising to 7.52% (7.41). For more information on business development, please refer to [pages 11–13](#).
- Total lending increased 1.3% to SEK 535.0 billion (528.0) for the quarter.
- Total deposits increased 2.8% in the quarter to SEK 248.1 billion (241.3).
- Operating profit decreased 14.7% to SEK 628 million (736), primarily due to lower net interest income and a negative outcome for net income from financial transactions. This trend was partially offset by lower costs and lower credit losses.
- Net interest income fell to SEK 1,223 million (1,354), primarily driven by shrinking deposit margins, which are negatively impacted by declining market interest rates. This was partly offset by increased business volumes both for lending and for deposits.
- As a result of a larger unwinding of loss provisions, net credit losses amounted to a recovery of SEK 39 million (loss: 21) for the quarter. Confirmed credit losses totalled SEK 4 million (4).
- The return on equity for the quarter amounted to 8.9% (10.7) and the C/I ratio was 38.2% (34.3).
- The Common Equity Tier 1 (CET1) capital ratio was 12.4% (12.1).

## Selected key metrics

	GROUP					
	2024	2024	Change	2024	2023	Change
	Q3	Q2		Jan-Sep	Jan-Sep	
Total lending, SEK bn	535.0	528.0	+1.3%	535.0	517.9	+3.3%
Total deposits, SEK bn	248.1	241.3	+2.8%	248.1	199.9	+24.1%
Net interest income, SEK mn	1,223	1,354	-9.7%	3,949	4,114	-4.0%
Net commission, SEK mn	-10	-14	+4 mn	-41	-24	-17 mn
Net result of financial transactions, SEK mn	-43	16	-59 mn	13	-15	+28 mn
Expenses, SEK mn	-453	-470	-3.6%	-1,362	-1,215	+12.1%
Net credit losses, SEK mn	39	-21	+60 mn	-5	-62	+57 mn
Imposed fees: Risk tax and resolution fee, SEK mn	-143	-142	-1 mn	-427	-402	-25 mn
Operating profit, SEK mn	628	736	-14.7%	2,169	2,435	-10.9%
Return on equity, %	8.9	10.7	-1.8 pp	10.5	12.3	-1.8 pp
C/I ratio, %	38.2	34.3	+3.9 pp	34.4	29.5	+4.9 pp
CET1 capital ratio, %	12.4	12.1	+0.3 pp	12.4	11.6	+0.8 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

## Business Area Private

Business Area Private 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 8.63% on 31 August 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



SBAB assigns priority to four Sustainable Development Goals

## Business Area Corporates & Associations

Business Area Corporates & Associations (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 corporate clients (multi-family dwellings) was 18.13% on 31 August 2024. At the same time, the market share for lending to tenant-owners' associations was 11.24%.

→ [Read more on page 13](#)



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

# Statement from the CEO

**We have posted a stable financial performance for the third quarter together with healthy growth in business volumes. Despite intense price competition in the market, growth was particularly strong in mortgages. Deposits have grown strongly in recent years, particularly from private individuals. It is gratifying to note that a corresponding positive development in corporate deposits is now also emerging, which is a sign that our efforts in this area are producing results. Two policy rate cuts were made by the Riksbank during the quarter and the improved inflation data creates scope for further rate cuts by the Riksbank.**

## **Decreasing mortgage interest rates**

In the third quarter, the Riksbank delivered two further rate cuts of 25 basis points each, welcome news for many stressed households and businesses. The fight with inflation is over and the policy rate will be lowered. The Riksbank's policy rate path from the September meeting indicates further cuts in conjunction with the year's two remaining meetings. Our economists forecast cuts in the policy rate to 2.50% by year end and further cuts down to 2.00% towards next summer. All else being equal, a lower policy rate means lower borrowing costs for banks and, therefore, possibilities for lowering mortgage rates. We want to be straightforward, transparent and attractive in our pricing and, accordingly, we have reduced our mortgage rates several times during the quarter.

## **Transition, adaptation and gradual recovery**

Our customers have shown strong resilience to the recent challenges and trials. This applies both for private individuals and for corporates and tenant-owners' associations. During the period, many have strengthened their balance sheets by amortising loans and reviewing their

overheads. Our customers' strengthening of their financial positions amounts to a healthy trend and, in combination with more favourable interest rates, helps to reduce the risk of future credit losses. This is reflected in SBAB's financial performance, where we reported third quarter recoveries of SEK 39 million due to a larger unwinding of loss provisions.

The outlook for new housing production remains bleak despite the gradual improvement to the conditions and outlook. Instead, market players are focusing on completing already commenced housing production rather than starting new projects. A weak new production market together with increased amortisation lead to a downturn in total credit volumes in the market and lower credit growth. Rising costs in recent years and prevailing interest rates mean that we expect some tenant-owners' associations will need to increase their fees to cover increased operating and interest expenses. Nevertheless, our overall assessment is that conditions for our loan customers will improve as interest rates decline.

## **SBAB has clear growth targets**

SBAB has established and communicated goals for strategic growth that extend

to 2030. Growth is important for us as a company for several reasons. Higher volumes increase the scalability and efficiency of operations. This makes us even more competitive and enables us to further challenge our industry peers. Moreover, I am convinced that by increasing in size, we will be better equipped as an organisation to meet future demands on us as a bank.

We continue to note intense pressure in almost all customer channels. Our recently implemented interest rate cuts and the media attention that accompanied them have contributed to this development. While this is naturally very gratifying, it also places certain demands on us as an organisation. We need robust, efficient and scalable processes to make the customer experience as positive and easy as possible. We constantly try to challenge ourselves to keep improving and to ensure that, over time, we are able to meet our ambitious goals. During the year, we worked on future-proofing our values-driven way of working. I am convinced that SBAB's corporate culture and values comprise central components in succeeding with our growth agenda.



### **We continue to grow deposits**

Of late, we have captured a large share of the total net growth in the lending market. Our mortgage market share has grown 0.14 percentage points over the past year to 8.63%. The corresponding market share for lending to property companies and tenant-owners' associations increased 0.38 and 0.62 percentage points to 18.13% and 11.24%, respectively. Growth is mainly driven by capturing volumes from other banks. This helps increase competition in the market generally, which is positive. At SBAB, we always promote increased competition and transparency, and we encourage all customers to compare interest rates both for their loans and for their savings.

We continue to grow our deposit volumes and market share. Successful marketing and communication have enabled us to reach many more people, thereby making them aware of SBAB as a safe and competitive alternative for savings. There is also considerable potential for further growth. The major banks have almost 80% of the total corporate deposit market – an area where, in many cases, SBAB can offer better terms. We can and want to make a difference and are therefore adding new resources to grow further in

this segment. One key element entails creating a strong digital offering. We recently launched the first step toward a fully digital savings account application for our corporate customers, thereby making it even easier to open a savings account with SBAB. We look forward to welcoming many more companies to safe and easy savings with favourable terms and conditions. And without having to engage in complex negotiations or other requirements.

We are now entering an autumn packed with new and exciting challenges. I look forward confidently to addressing these successfully together with my colleagues.

We can achieve great things when we all pull together. Together, we make a difference.

Have a wonderful autumn.

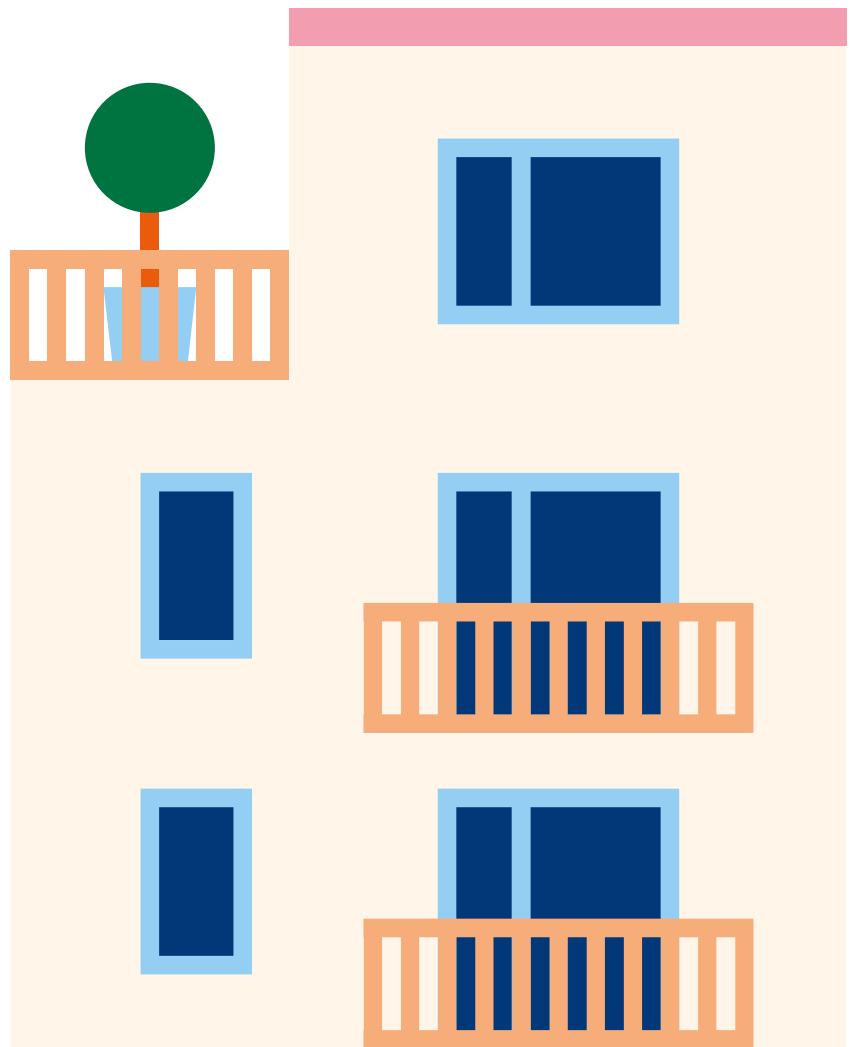
Mikael Inglander  
CEO of SBAB

# 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 economic decline has probably bottomed out and conditions are now such where we expect growth to accelerate over time. In the second quarter, the economy shrank 0.3% on a seasonally adjusted and quarter-on-quarter basis. For the year as a whole, we expect slow GDP growth of around 0.6%. From a big-picture perspective, the Swedish economy will remain in a downturn until the end of the year and throughout all of 2025. However, the downturn is expected to be relatively mild with a moderate decline in employment.

Inflation has fallen back substantially, and the 12-month outcomes for CPIF for June, July and August averaged 1.4%. The Riksbank's assessment in September was that inflationary pressures are now compatible with inflation of around 2%. The Riksbank followed up the May and August policy rate cuts with a further cut in September, which means that the policy rate is now 3.25%. Monetary policy remains restrictive, which could mean that inflation will be brought down in one to two years. Therefore, we expect the Riksbank to continue to cut the policy rate this year and next, to reach around 2% by mid-2025.

Overall business sentiment has been relatively stable since April this year. Conditions remain gloomier than normal. However, conditions in the retail sector are better than normal, but much gloomier than normal in the construction sector. The household confidence indicator has risen for twelve consecutive months and now indicates a normal level of sentiment. Households' expectations for the future, both for their own finances and for the macroeconomy, are behind the uptick in recent months. However, household optimism in terms of the current conditions are more negative than usual. It is likely that the policy rate cuts have yet to significantly impact 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 moved steeply downwards in the third quarter of 2024, which can be attributed, inter alia, to the Riksbank's 25 basis point cuts in the policy rate in August and September. The underlying drivers comprised the low inflation outcomes since June, and weak

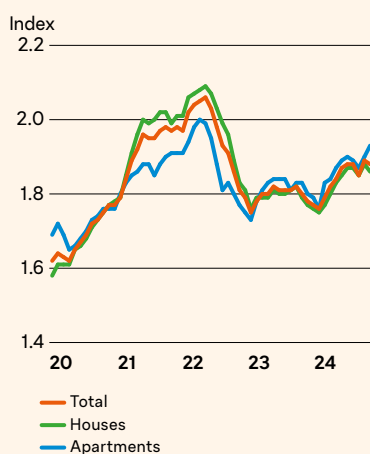
real economic development with low underlying inflationary pressures. Long-term market interest rates fell steeply as early as in the fourth quarter of 2023 and continued their downward trend in the third quarter, even though they were already around one percentage point below short-term rates to start with. The gap had narrowed to around 0.8 percentage points at the end of the period.

At present, the inflation threat appears much diminished compared with earlier in the year, and the threat of excessively weak real economic development will need to be considered more clearly in future monetary policy decisions. Accordingly, we do not rule out larger cuts in the policy rate by the Riksbank in the future. The policy rate cuts are expected to lower short-term market interest rates. Long-term market interest rates have already decreased considerably and, except for medium-term interest rates, further declines in the near future are not expected.

Changed conditions for market interest rates in the third quarter led to lower mortgage interest rates, primarily for short-term mortgage rates. An even clearer decline in variable mortgage rates is expected when the Riksbank continues

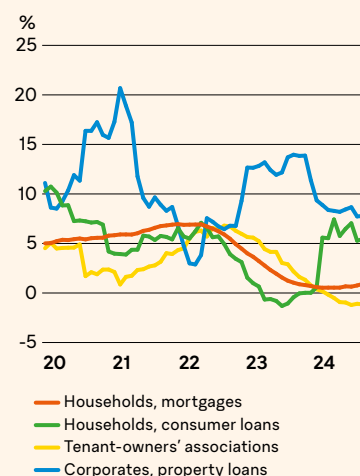
## Housing price trend

(SBAB Booli HPI, 2013.01 = 1)



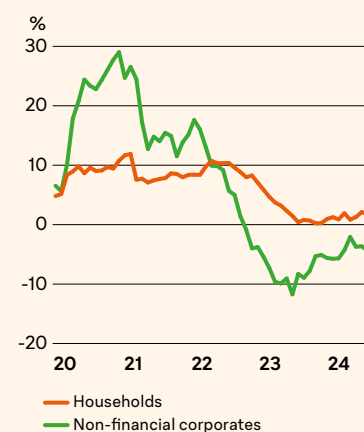
## Lending growth

(Percentage, 12-month change)



## Deposit growth

(Percentage, 12-month change)



Sources: Macrobond, Statistics Sweden, Booli and SBAB

to lower the policy rate. Until summer 2025, variable residential mortgage rates are expected to drop to approximately 3.2%. The long-term level for mortgage rates in general is estimated to range close to 3.0%–4.0%.

Read about forecasts of the mortgage rate trends in the latest edition of SBAB Boräntnytt (in Swedish), available [here](#).

### Housing prices

After remaining largely stagnant in 2023, down slightly for houses and up a couple of per cent for apartments, housing prices rose in the first three quarters of 2024. For houses this was an increase of 6% and for apartments the increase was 9%, which exceeded the typical seasonal increases, and amounted to about 3 percentage points for the first three quarters. SBAB's economists expect housing prices to increase about 5% for the full-year 2024, or marginally more, and almost as much again during each of the next two years driven by faster growth in household disposable income.

High inflation that hollowed out households' real scope for consumption as well as higher housing costs due to higher residential mortgage rates led to housing prices declining rapidly in 2022. The Riksbank's rapid increases in the policy rate in autumn 2022 and the announcement later in 2023 of high interest rates for a long time to come affected households' expectations of future mortgage interest rate levels and applied downward pressure on housing prices. To date in 2024, households adjusted their expectations for future mortgage rates downward, which could have contributed to the increase in housing prices.

Read more about housing price trends in the latest edition of SBAB Bomarknadsnytt (in Swedish), available [here](#).

### Housing market

The turnover of existing homes was at a record low in the beginning of 2023. Housing turnover increased from the second half of 2023, and in the third quarter of 2024 turnover can be considered broadly normal. The situation is different for apartments. There is nothing to indicate any real increase for apartments in 2023. A clear recovery took place in the first quarter of 2024, which has been less evident in the second and third quarters. In the third quarter, turnover was around 10% lower than the expected normal level. In the third quarter of 2024, an es-

timated 14,700 houses and 25,100 apartments were sold.

In the wake of the fall in house prices in 2022 and the current higher mortgage rates, the housing market remains cool, although there has been a significant thaw. Among other things, the current situation is dominated by a large supply and relatively many republished housing advertisements.

The market for new housing was under severe pressure in 2023 and remained under pressure for the first three quarters 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 have slowed very significantly, from around 5,300 verified sales in the third quarter of 2021 to 1,600 homes sold in the third quarter of 2024. 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 were in balance for Sweden as a whole during the second quarter of 2024. However, the improvement compared with the preceding quarters was due to a much lower rate of construction resulting in a production level in line with the very weak demand in the wake of high inflation and rising mortgage rates. However, local surpluses or shortages for specific forms of housing do arise.

### Market for deposits and lending

The growth rate for residential mortgages continued to increase in the third quarter compared with the beginning of the year. The average year-on-year rate of increase in July and August was 0.8%, compared with 0.6% in the second quarter. However, in terms of the seasonally adjusted 1-month trend, the growth rate was at its lowest in mid-2023, before a slow upturn which has continued thereafter. This low growth rate was due to weak growth of household purchasing power and high mortgage rates having suppressed demand for housing and pushed down housing prices. Higher interest rates and a 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 seasonally adjusted 1-month figures show a moderate uptick in the growth rate of consumer loans since the start of the year.

Lending to tenant-owners' associations grew at an even slower rate in 2023 and thus far in 2024, and in August the 12-month growth rate amounted to a decrease of 1.2%. 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 renovations. However, the growth rate remained high for lending to rental property owners, which increased 7.8% in August in terms of 12-month figures, and was due in part to the completion of many rental properties.

In 12-month terms, deposits from households grew 1.9% in August. This remains very low compared with a growth rate of over 10% in the middle of 2022, for example. However, a slight upward trend has been noted since the latter part of 2023. 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 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, deposits have gone from increasing by nearly 20% in 12-month terms, to decreasing almost 5% in 12-month terms in August 2024. Negative deposit growth from corporate clients is not entirely unusual under certain circumstances, for example periodically in 2008 and 2011. However, the current trend is unusual and can be due to the fact that companies have reviewed their balance sheets as a result of higher interest rates, and that it has become more difficult and expensive for companies to finance their operations in the capital market.



# Risks and uncertainties

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

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 ups and downs in the inflation rate in recent years have led to higher current market interest rates and mortgage rates than in previous years. This has increased housing costs for households. In addition, higher prices for many goods and services in combination with a weaker labour market have contributed to a negative real income trend for households for the past couple of years. Even if the trend reversed in 2024, purchasing power remains lower than in 2021, for example. The risks associated with high inflation are deemed manageable over the long term since growing productivity increases households' disposable income and purchasing power over time, which means that mortgage debt as a share of household income declines.

Similarly as for households, 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 fully negotiate higher rents on the basis of higher capital costs. 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 over the next few years. The direct effect on the financial sector is considered to constitute relatively small risk, but any indirect effects from a weaker real economic trend may be somewhat greater.

The mortgage rates paid by households are expected to remain relatively high throughout essentially all of 2024. 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 some indebted households might experience difficulty coping with ongoing loan payments on their mortgages as a result of high interest rates. Fortunately, mortgage interest rates have remained, with a relatively good margin, below the stressed interest that banks apply in their credit assessments. In addition, stress tests indicate low risk of payment problems even in the event of higher interest rates compared with the level in the first half of 2024.

Rising mortgage rates led to a sharp drop in housing prices in 2022. Prices were largely stagnant for all of 2023, but have moved upward by about 7% in 2024. In pace with the continued normalisation of shorter interest rates in 2024 and 2025, and when real incomes gradually increase, housing prices are expected to continue rising slowly. 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 Hamas and Hezbollah has yet to have any clear economic consequences, though it risks escalating 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 and is essentially on target, leading to relief in terms of monetary policy. Nonetheless, monetary policy remains tight, but further interest rate cuts are expected in the autumn and next 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! booli!</b> <small>En tjänst från SBAB</small></p> <h2>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! hittamäklare!</b> <small>En tjänst från SBAB En tjänst från SBAB</small></p> <h2>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>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	2024	2023	2024	2023	2023
	Q3	Q2	Q3	Jan-Sep	Jan-Sep	Jan-Dec
New lending for the period, SEK bn	23.1	21.1	18.0	62.5	55.0	71.1
Net change in lending for the period, SEK bn	7.0	6.7	3.8	17.6	8.4	8.1
<b>Total lending, SEK bn</b>	<b>535.0</b>	<b>528.0</b>	<b>517.9</b>	<b>535.0</b>	<b>517.9</b>	<b>517.4</b>
No. of deposit accounts, thousand	995	961	680	995	680	795
Net change in deposits, SEK bn	6.7	10.7	6.9	32.9	17.5	32.8
<b>Total deposits, SEK bn</b>	<b>248.1</b>	<b>241.3</b>	<b>199.9</b>	<b>248.1</b>	<b>199.9</b>	<b>215.2</b>
Deposits/lending, %	46.3	45.7	38.6	46.3	38.6	41.6
<b>Business Area Private</b>						
No. of mortgage customers, thousand	295	291	288	295	288	287
No. of mortgage objects financed, thousand	190	187	185	190	185	184
New lending, SEK bn	20.3	17.3	11.2	49.5	37.5	47.7
Net change in lending for the period, SEK bn	7.1	6.0	-0.2	14.2	0.2	-3.0
<b>Total lending, Private, SEK bn</b>	<b>362.3</b>	<b>355.2</b>	<b>351.3</b>	<b>362.3</b>	<b>351.3</b>	<b>348.1</b>
Residential mortgages, SEK bn	360.6	353.5	349.4	360.6	349.4	346.3
Consumer loans, SEK bn	1.7	1.7	1.9	1.7	1.9	1.8
Market share, Residential mortgages, % <sup>1)</sup>	8.63	8.49	8.49	8.63	8.49	8.40
Market share, Consumer loans, % <sup>1)</sup>	0.53	0.53	0.62	0.53	0.62	0.58
<b>Total deposits, Private, SEK bn</b>	<b>198.0</b>	<b>194.4</b>	<b>159.3</b>	<b>198.0</b>	<b>159.3</b>	<b>173.1</b>
No. of retail customers with savings accounts, thousand	669	652	571	669	571	602
Market share deposits, Private, % <sup>1)</sup>	7.52	7.41	6.08	7.52	6.08	6.69
<b>Business Area Corporates &amp; Associations</b>						
No. of housing financing customers	3,116	3,119	3,009	3,116	3,009	3,080
New lending, SEK bn	2.8	3.8	6.8	13.0	17.6	23.4
Net change in lending for the period, SEK bn	-0.1	0.7	4.0	3.4	8.2	11.1
<b>Total lending, Corporates &amp; Associations, SEK bn</b>	<b>172.7</b>	<b>172.8</b>	<b>166.6</b>	<b>172.7</b>	<b>166.6</b>	<b>169.3</b>
Lending, Corporate clients, SEK bn	105.2	104.7	99.1	105.4	99.1	100.8
Lending, Tenant-owners' associations, SEK bn	67.5	68.1	67.5	67.5	67.5	68.5
Market Share Corporate Clients (multi-family dwellings), % <sup>1)</sup>	18.13	17.97	17.75	18.13	17.75	17.86
Market share, Tenant-owners' associations, % <sup>1)</sup>	11.24	11.28	10.62	11.24	10.62	11.08
<b>Total deposits, Corporates &amp; Associations, SEK bn</b>	<b>50.1</b>	<b>46.9</b>	<b>40.6</b>	<b>50.1</b>	<b>40.6</b>	<b>42.1</b>
No. of customers with savings accounts, Corp. & Assoc.	18,100	17,700	15,500	18,100	15,500	16,300
Market share deposits, Corp. & Assoc., % <sup>1)</sup>	3.72	3.46	2.84	3.72	2.84	2.94

<sup>1)</sup> Source: Statistics Sweden. The figures in the columns for Q3 2024 and Jan-Sep 2024 correspond with the market shares as of 31 August 2024. The figures in the column for Q2 2024 correspond with the market shares as of 31 May 2024. The figures in the columns for Q3 2023 and Jan-Sep 2023 correspond with the market shares as of 31 August 2023. The figures in the column for Jan-Dec 2023 correspond with the market share as of 31 December 2023.

# Business Area Private

## Trend for Q3 2024 compared with Q2 2024

Business Area Private 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

Growth in the residential mortgage market remains low from a historical perspective, albeit up slightly in the third quarter of the year. During the quarter, the Riksbank lowered the policy rate by 0.25 percentage points on two occasions. The policy rate was 3.25% at the end of the quarter. The Riksbank's interest rate cuts led to SBAB lowering variable mortgage rates during the quarter (mortgages with three-month fixed-interest periods) on three occasions. The market expects further cuts in the policy rate by the Riksbank at its remaining two monetary policy meetings in 2024. The share of SBAB's total lending with variable mortgage rates amounted to 83.3% (81.6) 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. Despite low market

growth, new lending remained healthy and totalled SEK 20.3 billion (17.3) for the quarter.

Total lending to private individuals amounted to SEK 362.3 billion (355.2) at the end of the quarter, of which SEK 360.6 billion (353.5) comprised residential mortgages and SEK 1.7 billion (1.7) consumer loans.

At the end of the quarter, the number of residential mortgage customers amounted to 295,000 (291,000) across 190,000 (187,000) mortgage objects.

The market share of residential mortgages was 8.63% on 31 August 2024 (8.49% on 31 May 2024). At the same date, the market share for consumer loans was 0.53% (0.53% on 31 May 2024).

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. Over an extended period, SBAB has increased its investments in marketing to raise the visibility of the offering in the market.

Retail deposits amounted to SEK 198.0 billion (194.4) at the end of the quarter. At the same date, approximately 669,000 (652,000) 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 about 35%.

The market share of retail deposits was 7.52% on 31 August 2024 (7.41% on 31 May 2024). The share of retail deposits that was covered by the national deposit guarantee amounted to 79% at the end of the quarter, corresponding to approximately SEK 156 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](http://www.sbab.se) averaged around 1,725,000 (1,500,000). 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 monthly visits to [www.booli.se](http://www.booli.se) averaged around 10,200,000 (9,500,000). Booli's monthly property valuation email had some 780,000 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 97% 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.



# Business Area Corporates & Associations

## Trend for Q3 2024 compared with Q2 2024

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

## Housing financing (lending)

Market participants remained highly optimistic in the third quarter, mainly due to expectations of lower future interest rates. Credit volumes increased in the market generally, while the number of completed transactions continued to trend positively. The commercial banks are well capitalised and competition for the very best customers has intensified. Moreover, the bond market once again presents an attractive financing alternative for an increasing number of property companies, which further intensifies competition for customer volumes.

Activity in the new production market remained low during the quarter. 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, property management companies contin-

ue to post healthy operational results. As earlier, focus is on own property management and on conducting activities aimed at adapting 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 on residential properties with good collateral in areas with strong demand. In general, SBAB focuses on larger corporate customers with diversified revenue streams and good liquidity. A continued slight decline was noted in the inflow of new business volumes in the third quarter. During the quarter, new lending to corporates amounted to SEK 1.6 billion (2.0). 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 is 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 is still deemed good. During the quarter, new lending to tenant-owners' associations increased to SEK 1.2 billion (1.8).

Total lending to corporates and tenant-owners' associations increased slightly in the quarter to SEK 172.7 billion (172.8), of which SEK 105.2 billion (104.7) comprised lending to corporates and SEK 67.5 billion (68.1) lending to tenant-owners' associations.

The market share of lending to property companies (multi-family dwellings) was 18.13% on 31 May 2024 (17.97% on 31 May 2024). At the same date, the market share for lending to tenant-owners' associations was 11.24% (11.28% on 31 May 2024).

The number of housing financing customers was 3,116 (3,119) 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 corporate clients and organisations increased and totalled SEK 50.1 billion (46.9) at the end of the quarter. At the same time, approximately 18,100 (17,700) customers held savings accounts with SBAB. On 31 August 2024, the market share of deposits from corporate clients and organisations was 3.72% (3.46% on 31 May 2024). The share of deposits from companies and organisations that was covered by the national deposit guarantee amounted to 22.2% at the end of the quarter, corresponding to approximately SEK 11.1 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 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Net interest income	1,223	1,354	1,372	1,332	1,315	3,949	4,114	5,446
Net commission	-10	-14	-17	-10	-9	-41	-24	-34
Net result of financial transactions (Note 3)	-43	16	40	-80	-62	13	-15	-95
Other operating income	15	13	14	11	14	42	39	50
<b>Total operating income</b>	<b>1,185</b>	<b>1,369</b>	<b>1,409</b>	<b>1,253</b>	<b>1,258</b>	<b>3,963</b>	<b>4,114</b>	<b>5,367</b>
Expenses	-453	-470	-439	-448	-398	-1,362	-1,215	-1,663
<b>Profit before credit losses and imposed fees</b>	<b>732</b>	<b>899</b>	<b>970</b>	<b>805</b>	<b>860</b>	<b>2,601</b>	<b>2,899</b>	<b>3,704</b>
Net credit losses (Note 4) <sup>1)</sup>	39	-21	-23	-31	-6	-5	-62	-93
Imposed fees: Risk tax and resolution fee	-143	-142	-142	-139	-134	-427	-402	-541
<b>Operating profit</b>	<b>628</b>	<b>736</b>	<b>805</b>	<b>635</b>	<b>720</b>	<b>2,169</b>	<b>2,435</b>	<b>3,070</b>
Tax	-134	-155	-173	-147	-154	-462	-515	-662
<b>Net profit for the period</b>	<b>494</b>	<b>581</b>	<b>632</b>	<b>488</b>	<b>566</b>	<b>1,707</b>	<b>1,920</b>	<b>2,408</b>
Return on equity, % <sup>2)</sup>	8.9	10.7	11.9	8.9	10.6	10.5	12.3	11.5
Return on assets, %	0.3	0.4	0.4	0.3	0.3	0.3	0.4	0.4
C/I ratio, %	38.2	34.3	31.2	35.8	31.6	34.4	29.5	31.0
Credit loss ratio, %	0.03	-0.02	-0.02	-0.02	0.00	0.00	-0.02	-0.02
Share of credit stage loans 3, gross, %	0.17	0.16	0.16	0.14	0.11	0.17	0.11	0.14
Net interest margin, %	0.74	0.81	0.83	0.82	0.81	0.80	0.85	0.85
Number of employees (FTEs)	1,033	1,008	957	948	917	1,033	917	948

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

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

### Trend for Q3 2024 compared with Q2 2024

Operating profit decreased to SEK 628 million (736), primarily due to lower net interest income and lower income from the net result of financial transactions. The return on equity amounted to 8.9% (10.7) and the C/I ratio was 38.2% (34.3).

#### Net interest income

Net interest income declined marginally to SEK 1,223 million (1,354), primarily due to lower deposit margins. This was partly offset by increased business volumes both for lending and for deposits. The fee for the national deposit guarantee amounted to SEK 29 million (29).

#### Net commission

Net commission expenses increased to SEK 10 million (expense: 14) due to increased revenue from insurance mediation.

#### Net result of financial transactions

The net result of financial transactions decreased to an expense of SEK 43 million (income: 16), mainly due to differences in value changes in hedging instruments and hedged items. For more information, please refer to [Note 3](#).

#### Expenses

Expenses decreased during the quarter to SEK 453 million (470), primarily pertaining to lower costs for development consultants and lower marketing costs. The trend was partially offset by slightly higher personnel-related costs as a result of an increase in the number of FTEs. At the end of the quarter, FTEs amounted to 1,033 (1,008).

#### Credit quality and credit losses

Net credit losses amounted to recoveries of SEK 39 million (recoveries: 21) for the third quarter of 2024. Confirmed credit losses totalled SEK 4 million (4) and recoveries for previous confirmed credit

losses amounted to SEK 1 million (1). Total credit loss allowances decreased SEK 40 million during the quarter (increase: 18). Provisions for credit stages 1 and 2 decreased SEK 13 million (decrease: 5) and SEK 43 million (increase: 18) respectively, while provisions for credit stage 3 rose SEK 17 million (increase: 7). The change in provisions for credit stage 1 and 2 loans were primarily attributable to revisions of the forward-looking information applied in the impairment model in the form of updated macroeconomic scenarios indicating a slowdown in interest rate developments. In combination with increased default frequencies over the past year, this has resulted in a milder impact on credit loss allowances, prompting an unwinding of credit loss provisions. During the quarter, positive rating grade migrations were also noted, particularly in the Corporates & Associations business area, which also contributed to reducing the total loss provisions. However, Business Area Private noted an increased number of customers with payment difficulties and, therefore, increased inflows to credit stage 3, which has resulted in increased loss provisions. The above resulted in an overall decrease in total loss provisions.

Provisions for loan commitments and undrawn building credits decreased SEK 1 million (decrease: 1). Guarantees that can be utilised to cover credit losses remained unchanged (unchanged) in 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. Lending in each business area is deemed to be of good credit quality and low credit risk, despite higher interest rates that have led to an increase in defaults.

Due to growing uncertainty in the capital market, SBAB has increased the rate of follow up with those customers in the Corporates & 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 have been 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 143 million (142) for the quarter, of which the risk tax amounted to SEK 90 million (90) and the resolution fee to SEK 52 million (52).

### January–September 2024 compared with January–September 2023

Operating profit decreased to SEK 2,169 million (2,435), primarily due to lower net interest income and higher costs. The return on equity amounted to 10.5% (12.3) and the C/I ratio was 34.4% (29.5).

Net interest income declined to SEK 3,949 million (4,114), mainly due to lower deposit and lending margins. An increased share of financing from deposits (at a lower cost than other borrowing) positively impacted the item. The fee for the national deposit guarantee amounted to SEK 87 million (47) for the period.

Net commission income decreased to an expense of SEK 41 million (expense: 24) due to reduced revenue from partnerships.

Net income from financial transactions amounted to SEK 13 million (expense: 15) as a result of the revaluation of

derivatives not encompassed by hedge accounting. For more information, please refer to [Note 3](#).

Costs increased to SEK 1,362 million (1,215) mainly as a result of increases in personnel and consequently increased personnel-related costs. Costs also increased for product development and marketing. The number of FTEs increased to 1,033 (917) during the period.

Net credit losses decreased to SEK 5 million (62), mainly due to overall stabilisation in the number of rating grade migrations and revisions of forward-looking information applied in the impairment model (adjustment of, inter alia, interest rates and housing and real estate prices). The latter contributed to a larger unwinding of loss provisions during the period. Business Area Private noted an increase in the number of customers with payment difficulties, which contributed to increased inflows to credit stage 3, and

negatively impacted the item. Confirmed credit losses totalled SEK 10 million (7) for the period. For more information on credit losses, loss allowances and credit quality, please refer to [Note 4](#) and [Note 5](#).

Imposed fees totalled SEK 427 million (402), of which the risk tax amounted to SEK 271 million (266) and the resolution fee to SEK 156 million (136).

Other comprehensive income, recognised directly under equity, amounted to income of SEK 840 million (expense: 139) for the period, primarily due to interest-rate-related value changes, whereby net profit for the period was positively impacted by a negative change in euro interest rates. 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			
	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023
<b>ASSETS</b>				
Cash and balances at central banks	260	2,300	6,350	2,087
Chargeable treasury bills, etc.	7,999	6,998	36,650	30,648
Lending to credit institutions	10,619	14,573	11,807	26,131
Lending to the public (Note 5)	535,000	527,971	517,400	517,896
Bonds and other interest-bearing securities	96,268	94,734	64,945	59,224
Total other assets in the balance sheet	13,695	13,439	13,401	17,443
<b>TOTAL ASSETS</b>	<b>663,841</b>	<b>660,015</b>	<b>650,553</b>	<b>653,429</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Liabilities to credit institutions	5,645	7,325	5,606	10,131
Deposits from the public	248,080	241,340	215,211	199,871
Issued debt securities, etc. (funding)	361,445	362,122	382,770	389,381
Subordinated debt	1,999	1,999	1,998	1,998
Total other liabilities in the balance sheet	21,045	21,896	20,878	31,402
<b>Total liabilities</b>	<b>638,214</b>	<b>634,682</b>	<b>626,463</b>	<b>623,783</b>
<b>Total equity</b>	<b>25,627</b>	<b>25,333</b>	<b>24,090</b>	<b>20,646</b>
– of which reserves/fair value reserve	-2,897	-4,402	-3,737	-6,778
– of which, Tier 1 capital instruments	6,100	7,700	5,800	5,800
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>663,841</b>	<b>660,015</b>	<b>650,553</b>	<b>653,429</b>
CET1 capital ratio, %	12.4	12.1	12.3	11.6
Tier 1 capital ratio, %	15.9	16.6	15.8	15.0
Total capital ratio, %	17.1	17.7	17.0	16.1
Leverage ratio, % <sup>1)</sup>	4.13	4.39	4.09	4.09
LCR, %	258	265	258	248
NSFR, %	134	133	132	130

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

### Trend for Q3 2024 compared with Q2 2024

#### Balance sheet comments

Chargeable treasury bills increased to SEK 8.0 billion (7.0), primarily due to increased holdings of Riksbank certificates. Cash and balances at central banks decreased to SEK 0.3 billion (2.3). Lending to credit institutions decreased to SEK 10.6 billion (14.6), primarily attributable to outflows 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 96.3 billion (94.7), primarily driven by new securities purchases within the framework of normal liquidity reserve management. Lending to the public increased to SEK 535.0 billion (528), of which SEK 360.6 billion comprised residential mortgages, SEK 1.7 billion consumer loans, SEK 105.2 billion lending to property companies and SEK 67.5 billion lending to tenant-owners' associations. For more information on lending to the public, please refer to pages 12–13 and Note 5.

Liabilities to credit institutions decreased to SEK 5.6 billion (7.3), primarily driven by outflows of securities connected to derivatives (CSAs) and reduced repo funding within the framework of ongoing short-term liquidity reserve management. Deposits from the public increased to SEK 248.1 billion (241.3), of which 87% 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 12–13. For information about issued debt securities, please refer to the "Funding" section. Subordinated debt totalled SEK 2.0 billion (2.0). Equity increased to SEK 25.6 billion (25.5), primarily due to net profit for the period and the outcome for other comprehensive income. Other comprehensive income, which is recognised under equity, amounted to SEK 1.5 billion (expense: 0.2), primarily due to value changes linked to cash-flow hedges. For more information on this item, please refer to

page 24. During the quarter, Additional Tier 1 (AT1) capital loans totalling SEK 1.6 billion were settled early, which affected equity by a corresponding amount.

#### Funding

In late July and early August, the capital markets experienced significant turbulence as Japanese yen positions were rapidly unwound following the Bank of Japan's decision to raise the policy rate. In conjunction with the above, the Bank of Japan signalled that further hikes are to be expected. During the same period, US economic data was published that showed sharp falls in manufacturing and lower job growth, which gave rise to questions about the prospects of a soft landing for the US economy. This uncertainty contributed to sharply falling stock markets and increased market volatility. Despite these developments, credit spreads remained relatively stable and funding markets have since recovered.

In August, the Riksbank cut the policy rate to 3.50%, which was followed by a further cut to 3.25% in September. Both cuts were in line with expectations and were already reflected in fixed-income market pricing. The Riksbank has signalled that more cuts are coming in line with market expectations. In the USA, the Federal Reserve (Fed) decided to cut the federal funds rate by 50 basis points in September, marking the start of an expected rate-cutting cycle. In Europe, the ECB cut its deposit facility rate by an expected 25 basis points to 3.50%, while downgrading its growth forecasts for next year.

Funding markets continue to function satisfactorily and activity both in the Swedish and in the European primary markets has been high during the year. Swedish banks have been able to benefit from pricing equivalence between the SEK and the EUR, which has led many domestic players to issue unsecured debt in the EUR market. However, covered bond activity in the Swedish market set a record low in August, and noted the lowest issue volume for many years.

Recent strong growth in deposits means that the SBAB Group's funding requirements for 2024 are assessed as somewhat lower than previous years,

amounting to approximately SEK 35 billion. In addition to continuous issues in the Swedish covered bond market, SBAB issued a SEK 1.5 billion green senior non-preferred bond in the third quarter, which comprised the first transaction under the new green bond framework that was published earlier in 2024. During the quarter as a whole, issued debt securities totalled SEK 7.7 billion (6.5). In parallel, securities were repurchased for SEK 3.6 billion (5.8) and securities amounting to SEK 8.7 billion (18.7) matured. Alongside changes in premiums/discounts and changes in SEK exchange rates, this resulted in a decrease in issued debt securities outstanding of SEK 0.7 billion to a total of SEK 361.4 billion (362.1). In total, the SBAB Group has issued bonds corresponding to SEK 33.5 billion in 2024 (of which SEK 21 billion comprised covered bond funding and SEK 12.5 billion unsecured funding), which can be compared with the total bonds maturing in 2024 of about SEK 53.2 billion.

At the end of the quarter, unsecured funding amounted to SEK 50.6 billion (53.6), of which SEK 19.8 billion (21.1) comprised senior non-preferred bonds, SEK 26.9 billion (29.6) other unsecured bonds (senior preferred) and SEK 4 billion (2.9) commercial paper.

Funding through the issue of covered bonds is conducted by the wholly-owned subsidiary, SCBC. Total covered bond funding amounted to SEK 310.8 billion (308.5) at the end of the quarter, of which SEK 235.4 billion was in SEK and SEK 75.4 billion was in foreign currencies.

### 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 101.1 billion (100.1). Taking the Riksbank's and the ECB's haircuts into account, the liquidity value of the assets was SEK 97.8 billion (96.8).

SBAB measures and stress-tests liquidity risk, for example, by calculating the survival horizon. The survival horizon at the end of the quarter totalled 253 days (347), which the company deems satisfactory.

According to the European Commission's Delegated Regulation with regard to liquidity coverage requirements, on 30 September 2024, the LCR was 258% (265) in all currencies combined, which exceeds the minimum requirement of 100%. Measured in SEK, the LCR was 180% (197). The net stable funding ratio (NSFR) amounted to 133.6% (132.9) 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](#).

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

### Capital position

SBAB's CET1 capital increased during the quarter to SEK 21.2 billion (21.0), primarily due to earnings for the year<sup>1)</sup>. The risk exposure amount (REA) decreased during the quarter to SEK 171.5 billion (172.9), primarily attributable to rating grade migrations in the lending portfolio within Corporates & Associations business area. On 30 September 2024, SBAB's CET1 capital ratio amounted to 12.4% (12.1) and the total capital ratio was 17.1% (17.7).

As per 30 September 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 and corporate exposures from the Swedish FSA, which have been implemented in operations since 2023. In autumn 2024, SBAB intends to apply for a new LGD model for household exposures. The risk weights for corporate exposures are expected to decrease in conjunction with the implementation of the new Banking Package (the Basel IV frame-

work), which enters force on 1 January 2025, and comprises lower standardised 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, which results in a total leverage ratio requirement of 3.50%. The leverage ratio amounted to SEK 4.13% (4.39) on 30 September 2024.

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

1) 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 30 September 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			
	30 Sep 2024			
	Total capital	%	CET1 capital	%
<b>Internally assessed capital requirement from the Swedish FSA<sup>1)</sup></b>	<b>24,650</b>	<b>14.4</b>	<b>17,242</b>	<b>10.1</b>
– of which, Pillar 1 minimum requirement	7,859	4.6	4,420	2.6
– of which, Pillar 1 risk-weight floor, Swedish mortgages (Art. 458 CRR)	5,860	3.4	3,297	1.9
– of which, Pillar 2 requirement (P2R)	3,207	1.9	1,801	1.1
– of which, Capital conservation buffer	4,287	2.5	4,287	2.5
– of which, Countercyclical buffer	3,437	2.0	3,437	2.0
– of which, Pillar 2 guidance (P2G)	–	–	–	–
<b>SBAB's capital target<sup>2)</sup></b>	<b>25,679</b>	<b>15.0</b>	<b>18,956–22,386</b>	<b>11.1–13.1</b>
<b>SBAB's actual capital</b>	<b>29,312</b>	<b>17.1</b>	<b>21,193</b>	<b>12.4</b>

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

2) 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.

## Events after the end of the period

### *The Swedish FSA investigates SBAB*

On 8 October, the Swedish FSA announced that it was conducting an investigation into how the bank's credit risk management meets the requirements for governance, risk management and control. The investigation is being conducted due to SBAB's significance as a player in Sweden's commercial residential property segment and due to its significant growth in recent years.

## Auditors' review report

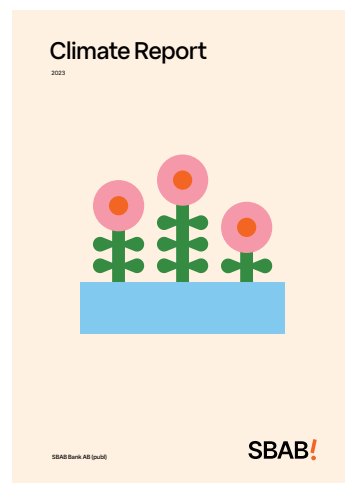
This report has not been subject to review by the Group's auditors.

## Outcomes for owner's financial targets

	2023	2022	2021	2020	2019
Dividend, %	40	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

## 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>) for its lending portfolio 50% by 2038, including a milestone of 30% by 2030. This pertains to indirect emissions related to our lending portfolio, which accounts for approximately 99% of SBAB's total emissions. The climate goal is a major and important step for SBAB in driving the green transition together with our customers. 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](#)).



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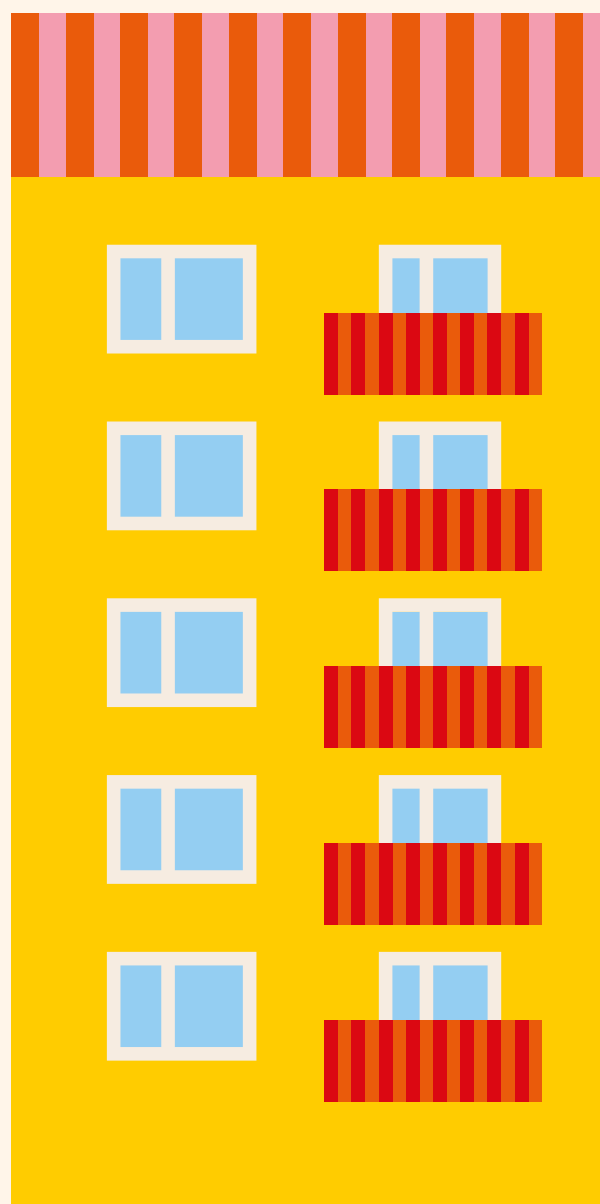
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# Condensed income statement

SEK million	GROUP					
	2024 Q3	2024 Q2	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
Interest income <sup>1)</sup>	6,972	7,422	6,812	21,856	18,153	25,421
Interest expense	-5,749	-6,068	-5,497	-17,907	-14,039	-19,975
<b>Net interest income</b>	<b>1,223</b>	<b>1,354</b>	<b>1,315</b>	<b>3,949</b>	<b>4,114</b>	<b>5,446</b>
Commission income	11	8	10	28	39	48
Commission expense	-21	-22	-19	-69	-63	-82
Net result of financial transactions (Note 3)	-43	16	-62	13	-15	-95
Other operating income	15	13	14	42	39	50
<b>Total operating income</b>	<b>1,185</b>	<b>1,369</b>	<b>1,258</b>	<b>3,963</b>	<b>4,114</b>	<b>5,367</b>
Personnel costs	-259	-252	-221	-751	-650	-890
Other expenses	-156	-179	-137	-495	-438	-608
Depreciation, amortisation and impairment of PPE and intangible assets	-38	-39	-40	-116	-127	-165
<b>Total expenses before credit losses and imposed fees</b>	<b>-453</b>	<b>-470</b>	<b>-398</b>	<b>-1,362</b>	<b>-1,215</b>	<b>-1,663</b>
<b>Profit before credit losses and imposed fees</b>	<b>732</b>	<b>899</b>	<b>860</b>	<b>2,601</b>	<b>2,899</b>	<b>3,704</b>
Net credit losses (Note 4) <sup>2)</sup>	39	-21	-6	-5	-62	-93
Imposed fees: Risk tax and resolution fee	-143	-142	-134	-427	-402	-541
<b>Operating profit</b>	<b>628</b>	<b>736</b>	<b>720</b>	<b>2,169</b>	<b>2,435</b>	<b>3,070</b>
Tax	-134	-155	-154	-462	-515	-662
<b>Net profit for the year/period</b>	<b>494</b>	<b>581</b>	<b>566</b>	<b>1,707</b>	<b>1,920</b>	<b>2,408</b>

<sup>1)</sup>In Q3 2024 interest income on financial assets measured at amortised cost, calculated using the effective-interest method, amounted to SEK 5,559 million and for the corresponding period the previous year to SEK 5,129 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 Q3	2024 Q2	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
<b>Net profit for the period</b>	<b>494</b>	<b>581</b>	<b>566</b>	<b>1,707</b>	<b>1,920</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	4	145	36	266	-40	-7
Changes related to cash-flow hedges	1,901	-349	-363	814	-122	3,680
Tax attributable to components that will be reclassified to profit or loss	-392	42	67	-222	33	-756
<i>Components that will not be reclassified to profit or loss</i>						
Revaluation effects of defined-benefit pension plans	-10	-8	-4	-22	-14	-19
Tax attributable to components that will not be reclassified to profit or loss	2	1	1	4	3	4
<b>Other comprehensive income/loss</b>	<b>1,505</b>	<b>-169</b>	<b>-262</b>	<b>840</b>	<b>-139</b>	<b>2,902</b>
<b>Total comprehensive income/loss for the period</b>	<b>1,999</b>	<b>412</b>	<b>304</b>	<b>2,547</b>	<b>1,781</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		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
<b>ASSETS</b>			
Cash and balances at central banks	260	6,350	2,087
Chargeable treasury bills, etc.	7,999	36,650	30,648
Lending to credit institutions	10,619	11,807	26,131
Lending to the public (Note 5)	535,000	517,400	517,896
Value changes of interest-rate-risk hedged items in macro hedges	79	-1,565	-3,233
Bonds and other interest-bearing securities	96,268	64,945	59,224
Derivatives (Note 6)	10,567	12,241	16,036
Shares and participation in associated companies and joint ventures	6	5	5
Deferred tax assets	691	911	1,706
Intangible assets	496	468	446
Property, plant and equipment	231	249	260
Other assets	314	258	1,318
Prepaid expenses and accrued income	1,311	834	905
<b>TOTAL ASSETS</b>	<b>663,841</b>	<b>650,553</b>	<b>653,429</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Liabilities to credit institutions	5,645	5,606	10,131
Deposits from the public	248,080	215,211	199,871
Issued debt securities, etc.	361,445	382,770	389,381
Derivatives (Note 6)	12,498	15,695	24,568
Other liabilities	1,018	2,021	767
Accrued expenses and deferred income	7,519	3,153	6,054
Provisions	10	9	13
Subordinated debt	1,999	1,998	1,998
<b>Total liabilities</b>	<b>638,214</b>	<b>626,463</b>	<b>632,783</b>
<b>Equity</b>			
Share capital	1,958	1,958	1,958
Reserves/Fair value reserve	-2,897	-3,737	-6,778
Additional Tier 1 instruments	6,100	5,800	5,800
Retained earnings	18,759	17,661	17,746
Net profit for the period	1,707	2,408	1,920
<b>Total equity</b>	<b>25,627</b>	<b>24,090</b>	<b>20,646</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>663,841</b>	<b>650,553</b>	<b>653,429</b>

# Condensed statement of changes in equity

SEK million	GROUP				
	Share capital	Reserves	Additional Tier 1 instruments	Retained earnings and net profit for the year <sup>1)</sup>	Total equity
<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	-	-	300	-	300
Additional Tier 1 instruments, dividend	-	-	-	-347	-347
Dividend paid	-	-	-	-963	-963
Other	-	-	-	-	-
Other comprehensive income	-	840	-	-	840
Net profit for the period	-	-	-	1,707	1,707
<b>Comprehensive income for the period</b>	<b>-</b>	<b>840</b>	<b>-</b>	<b>1,707</b>	<b>2,547</b>
<b>Closing balance, 30 September 2024</b>	<b>1,958</b>	<b>-2,897</b>	<b>6,100</b>	<b>20,466</b>	<b>25,627</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	-	-	-	-256	-256
Dividend paid	-	-	-	-832	-832
Other	-	-	-	4	4
Other comprehensive income	-	-139	-	-	-139
Net profit for the period	-	-	-	1,920	1,920
<b>Comprehensive income for the period</b>	<b>-</b>	<b>-139</b>	<b>-</b>	<b>1,920</b>	<b>1,781</b>
<b>Closing balance, 30 September 2023</b>	<b>1,958</b>	<b>-6,778</b>	<b>5,800</b>	<b>19,666</b>	<b>20,646</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	-	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-Sep	Jan-Sep	Jan-Dec
<b>Opening cash and cash equivalents</b>	<b>18,157</b>	<b>23,625</b>	<b>23,625</b>
<b>OPERATING ACTIVITIES</b>			
Interest and commissions paid/received	7,708	7,578	6,092
Outflows to suppliers and employees	-1,673	-1,490	-2,039
Taxes paid/refunded	-712	-631	840
Change in assets and liabilities of operating activities	-11,795	112	-9,324
<b>Cash flow from operating activities</b>	<b>-6,472</b>	<b>5,569</b>	<b>-4,431</b>
<b>INVESTING ACTIVITIES</b>			
Change in property, plant and equipment	-15	-26	-32
Change in intangible assets	-92	-88	-131
Acquisition of subsidiaries, participation in associated companies and joint ventures	-1	2	1
<b>Cash flow from investing activities</b>	<b>-108</b>	<b>-112</b>	<b>-162</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid	-963	-832	-832
Change in Tier 1 capital instrument	300	-	-
Change in subordinated loan	-	-	-
Repayment of lease liabilities	-35	-32	-43
<b>Cash flow from financing activities</b>	<b>-698</b>	<b>-864</b>	<b>-875</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>-7,278</b>	<b>4,593</b>	<b>-5,468</b>
<b>Closing cash and cash equivalents</b>	<b>10,879</b>	<b>28,218</b>	<b>18,157</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 30 Sep 2024	Opening balance 1 Jan 2023	Cash flow	Non-cash items		Closing balance 30 Sep 2023
			Fair value	Other				Fair value	Other	
Subordinated debt	1,998	-	-	1	1,999	1,997	-	-	1	1,998
Lease liabilities	183	-35	-	17	165	192	-32	-	32	192
Additional Tier 1 instruments	5,800	300	-	-	6,100	5,800	-	-	-	5,800
<b>Total</b>	<b>7,981</b>	<b>265</b>	<b>-</b>	<b>18</b>	<b>8,264</b>	<b>7,989</b>	<b>-32</b>	<b>-</b>	<b>33</b>	<b>7,990</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**  
IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Reports. The new standard will be effective for fiscal years beginning on or after Januari 1, 2027. Analysis is underway of the effect the new standard will have on the SBAB Group's financial report.

Other changed accounting principles with entry into force in 2024 or later are deemed to have no significant 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 October 24, 2024.

## Note 2 Changes in risks

### Credit risk in lending operations

During the third quarter of 2024, no significant increase in credit risk was identified in SBAB's lending. The proportion of customers experiencing payment difficulties remains low and the higher interest rates have thus far only contributed to a minor increase in credit risk among customers in both business areas. Within the Private business area, customers with payment difficulties have however continued to increase, which has led to an inflow to credit stage 3 and increased loss provisions. Rating grade migrations within both business areas have been positive and have thus resulted in decreased loss provisions for stage 1 and 2. Overall, loss provisions have decreased during the third quarter.

The forward-looking information was revised in September 2024 as a result of continuous monitoring of the global economic development. The forward-looking information indicates a stabilisation of the interest rate environment in the near term with declining interest rates over the long term and less severe price drops for houses and properties. The updated forward-looking information have contributed to less severe effects due to a flatter interest rate curve combined with increased default frequencies during the year, and has therefore resulted in decreased loss provisions in credit stage 1 and 2. Overall, an increased proportion of exposures in credit stage 3 within the Private business area, positive rating grade migrations within both business areas as well as the improved macroeconomic forecasts have lowered total loss provisions.

Total loss provisions amounted to SEK 304 million per September 30, 2024, compared to SEK 344 million per June 30, 2024.

The Loan-to-Value (LTV) ratio for private individuals, real estate companies, and tenant-owners' associations amounted to 59%, 61%, and 32% respectively per 30 September 2024, compared to 59%, 60%, and 32% respectively per 30 June 2024. For more information on credit losses, loss allowances, and credit quality, see [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 third 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 5,735 million as of September 30, 2024 compared to SEK 5,378 million as of June 30, 2024.

### Liquidity risk

SBAB's liquidity positions remained strong during the third quarter of 2024. LCR by end of the third quarter of 2024 decreased in comparison with LCR level for the second quarter of 2024. The survival horizon decreased in comparison with the second quarter of 2024. The over collateralization level (OC-level) decreased in comparison with the second quarter of 2024. The deposit-to-loan ratio increased during the third quarter of 2024 as the deposit growth rate was good. NSFR has increased in comparison with the second quarter of 2024. 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 30 September 2024, SBAB's VaR amounted to SEK 1,443 million, compared to SEK 1,631 million at 30 June, 2024.

### Operational risk

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

### Business risk

Financial markets and the real economy continue to be impacted by the current geopolitical situation, as well as by the falling 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 30 June 2024. SBAB has a limited lending on commercial property which amounted to 2 percent of lending to the public as of 30 September 2024, which is unchanged compared to 30 June 2024. 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	2024	2023	2024	2023	2023
	Q3	Q2	Q3	Jan-Sep	Jan-Sep	Jan-Dec
<b>Gains/losses on interest-bearing financial instruments</b>						
- Change in value of hedged items in hedge accounting	-1,958	-849	211	-1,974	1,087	-3,190
- Derivatives in hedge accounting	1,895	865	-265	1,922	-1,138	3,138
- Other derivatives	-51	31	-34	76	170	-47
- Interest-bearing securities, Fair Value Option	-	0	1	2	0	2
- Interest-bearing securities at fair value through other comprehensive income	15	-29	-3	-73	-199	-213
- Interest-bearing securities at amortised cost	-22	-30	-14	-74	-14	-43
- Realised gain/loss from financial liabilities at amortised cost	73	19	39	114	121	301
- Loan receivables at amortised cost	5	7	1	16	-46	-45
Currency translation effects	0	2	2	4	4	2
<b>Total</b>	<b>-43</b>	<b>16</b>	<b>-62</b>	<b>13</b>	<b>-15</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	2024	2023	2024	2023	2023
	Q3	Q2	Q3	Jan-Sep	Jan-Sep	Jan-Dec
<b>Lending to the public</b>						
Confirmed credit losses	-4	-4	-2	-10	-7	-9
Recoveries of previously confirmed credit losses	1	1	1	3	3	4
Adjustment of interest, written down loans	2	2	1	4	1	2
Change in provision for the period – credit stage 1	13	5	15	37	6	-5
Change in provision for the period – credit stage 2	43	-19	-6	19	-26	9
Change in provision for the period – credit stage 3	-17	-7	-52	-64	-54	-113
Guarantees <sup>1)</sup>	0	0	-2	0	-3	-3
<b>Net credit losses for the period – lending to the public</b>	<b>38</b>	<b>-22</b>	<b>-45</b>	<b>-11</b>	<b>-80</b>	<b>-115</b>
<b>Loan commitments and building credits<sup>2)</sup></b>						
Change in provision for the period – credit stage 1	1	0	14	3	18	18
Change in provision for the period – credit stage 2	0	1	25	2	0	5
Change in provision for the period – credit stage 3	0	0	-	1	-	-1
<b>Net credit losses for the period – loan commitments and building credits</b>	<b>1</b>	<b>1</b>	<b>39</b>	<b>6</b>	<b>18</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>39</b>	<b>-21</b>	<b>-6</b>	<b>-5</b>	<b>-62</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 loss provisions decreased by SEK 40 million (increased by 18). Loss provisions for loans in credit stage 1 decreased by SEK 13 million (decreased by 5) and for loans in credit stage 2 by SEK 43 million (increased 18) but increased for loans in credit stage 3 by SEK 17 million (increased by 7).

The change in loss provisions for loans in credit stage 1 and 2 is affected by an update in the forward-looking information with new macroeconomic scenarios that indicate a stabilisation of the interest rate environment, which in combination with increased default frequencies during the current year, result in milder effects and decreased loss provisions. During the quarter, positive rating grade migrations have been observed, mainly within the Corporates

& Associations business area, which has also contributed to decreased loss provisions. However, within the Private business area the number of customers with payment difficulties have increased which has led to an inflow of exposures to credit stage 3, which has had the opposite effect and increased loss provisions. In total the effects mentioned above have resulted in a decrease of total loss provisions.

Loss provisions for loan commitments and building credit decreased by SEK 1 million (decreased by 1) for the third quarter of 2024. 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	+2.1%	+3.1%	+2.0%	+3.2%	+4.7%	+2.8%	-5.9%	+2.9%	+4.5%	-3.0%	-0.7%	+1.5%
Repo rate	3.0%	2.2%	2.2%	3.0%	2.1%	2.4%	3.2%	2.6%	2.5%	3.3%	3.2%	3.2%
Unemployment	8.3%	8.0%	7.6%	8.2%	7.3%	6.4%	8.3%	11.2%	10.2%	8.3%	9.4%	10.1%
House prices, Δ	+6.3%	+3.4%	+2.3%	+6.5%	+6.7%	-0.5%	+4.8%	-6.6%	-3.5%	+3.5%	-12.9%	-14.8%
Prices of tenant-owners' rights, Δ	+6.4%	+5.8%	+5.5%	+6.6%	+9.3%	+2.1%	+3.3%	-8.8%	-6.5%	+2.6%	-11.8%	-10.9%
Property prices, Δ	+0.7%	+0.1%	+1.8%	+0.9%	+2.9%	+1.1%	-2.2%	-7.0%	-6.4%	-2.9%	-7.8%	-9.0%
<b>ECL</b>	<b>SEK 164 million</b>			<b>SEK 155 million</b>			<b>SEK 337 million</b>			<b>SEK 553 million</b>		
<b>Weighted ECL<sup>2)</sup></b>	<b>SEK 304 million</b>											

1) Not included in the ECL calculation

2) Of which, SEK 300 million was attributable to lending to the public and SEK 4 million to off-balance-sheet items linked to loan commitments and building credits

### Impairment model and credit loss provisions

SBAB has evaluated the macroeconomic development during the third quarter of 2024 and received updated macroeconomic forecasts from SBAB's Chief Economist to revise the forward-looking information applied in the impairment model for calculating expected credit losses (ECL model) and thereby credit loss allowances. The updates in the macroeconomic forecasts reflect milder price drops for houses and properties than previously expected as well as a stabilisation of the interest rate environment. The Swedish economy is still expected to be affected by the high interest rate level due to the inflation of recent years and the 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 forthcoming years, with a peak interest rate already reached in the positive scenarios. As the interest rate situation evolves, the unemployment rate is expected to decrease, except in the negative scenarios where the prevailing high interest rates affect the Swedish economy and unemployment rates. Swedish property, house and condominium prices are expected to rise with decreasing interest rates in the positive scenarios whereas in the two negative and adverse scenarios they are expected to decline.

As of September 30, 2024, the total loss provisions amount to SEK 304 million, compared to SEK 344 million as of June 30, 2024. In both business areas, Private and Corporates & Associations, ECL and thus loss provisions decreased during the quarter, mainly due to the forward-looking information which have contributed to less severe effects on the PD-estimates in the ECL model due to a flatter interest rate curve combined with increased default frequencies which have been observed during the year. This has resulted in decreased loss provision by SEK 23 million in credit stages 1 and 2. Moreover, positive rating grade migrations, within both business areas have resulted in decreased loss provisions by SEK 35 million, of which SEK 30 million are contributed to the

Corporates & Associations business area. On the contrary, an inflow of exposures in credit stage 3 within the Private business area resulted in increased loss provisions by SEK 19 million while an outflow of exposures in credit stage 3 within the Corporates & Associations business area resulted in decreased the loss provisions by SEK 2 million.

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.

SBAB is currently comfortable with the size of the credit loss provisions totalling SEK 304 million as of September 30, 2024.

### Overall credit quality

The credit quality in SBAB's lending remains strong despite the prevailing economic circumstances, and the credit risk in lending to private 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 prevailing economic situation. The average Loan-to-Value ratio<sup>3)</sup> (LTV) in the mortgage portfolio at the end of the quarter was 59% (59), 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% (66), and the Debt-to-Income ratio was 3.4 (3.4). During the third quarter of 2024, more individually assessed loss provisions within the Private business area contributed to an increase of SEK 2 million.

The credit quality in SBAB's lending to real estate companies, property developers, and tenant-owners' associations also remains strong. For real estate companies and tenant-owners' associations, the average LTV at the

## Note 4 Net credit losses, Cont.

end of the quarter was 61% (60) and 32% (32), respectively. In the Corporates & Associations business area, 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 loss provisions within the business area have been deemed necessary during the third quarter of 2024.

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		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
Opening balance, per year	517,400	509,492	509,492
New lending for the period	62,494	71,068	55,044
Amortisation, repayments	-44,876	-63,042	-46,559
Confirmed credit losses	-10	-9	-7
Change in provision for expected credit losses <sup>1)</sup>	-8	-109	-74
<b>Closing balance, per year/period</b>	<b>535,000</b>	<b>517,400</b>	<b>517,896</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		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
Lending, Residential mortgages	360,582	346,314	349,420
Lending, Corporate Clients & Tenant-Owners' Associations	172,737	169,321	166,608
Lending, Consumer loans	1,681	1,765	1,868
<b>Total</b>	<b>535,000</b>	<b>517,400</b>	<b>517,896</b>

### Geographical composition

	GROUP			
	Lending, Residential mortgages %		Lending, Corporate Clients & Tenant-Owners' Associations %	
	2024	2023	2024	2023
	Q3	Q3	Q3	Q3
Stockholm area	62.6	63.3	49.2	50.2
Öresund region	9.3	9.2	18.8	17.9
University cities and growth regions	10.9	10.8	16.4	16.6
Gothenburg area	10.9	10.9	8.7	8.7
Other regions	6.3	5.9	6.9	6.6

## Note 5 Lending to the public, Cont.

### Lending to the public by credit stage

SEK million	GROUP		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
<b>Credit stage 1</b>			
Gross lending	492,008	466,456	441,865
Provision	-30	-66	-56
<b>Total</b>	<b>491,978</b>	<b>466,390</b>	<b>441,809</b>
<b>Credit stage 2</b>			
Gross lending	42,401	50,501	75,717
Provision	-61	-81	-116
<b>Total</b>	<b>42,340</b>	<b>50,420</b>	<b>75,601</b>
<b>Credit stage 3</b>			
Gross lending	891	735	571
Provision	-209	-145	-85
<b>Total</b>	<b>682</b>	<b>590</b>	<b>486</b>
<b>Total gross lending</b>	<b>535,300</b>	<b>517,692</b>	<b>518,153</b>
<b>Total provisions</b>	<b>-300</b>	<b>-292</b>	<b>-257</b>
<b>Total</b>	<b>535,000</b>	<b>517,400</b>	<b>517,896</b>

### Lending to the public and provisions

SEK million	GROUP							
	Credit stage 1		Credit stage 2		Credit stage 3		Capital	
Capital	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	18,495	-33	-18,473	29	-22	3	0	0
Moved to credit stage 2	-17,546	6	17,669	-18	-123	12	0	0
Moved to credit stage 3	-162	0	-308	2	470	-3	0	0
Volume change*	24,055	5	-5,566	6	-141	15	18,349	25
Revaluation**	711	58	-1,422	1	-20	-98	-732	-40
Confirmed credit losses	-1	-	-	-	-8	7	-9	7
<b>Closing balance, 30 September 2024</b>	<b>492,008</b>	<b>-30</b>	<b>42,401</b>	<b>-61</b>	<b>891</b>	<b>-209</b>	<b>535,300</b>	<b>-300</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	
Capital	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					
	30 Sep 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	4,457	12,279	484,036	5,390	14,946	497,610
Currency-related	6,110	219	90,052	6,851	749	95,549
<b>Total</b>	<b>10,567</b>	<b>12,498</b>	<b>574,088</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-Sep 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	2,321	1,628	3,949	-	-	3,949
Commission income	28	0	28	-	-	28
Commission expense	-48	-22	-70	-	-	-70
Net result of financial transactions	4	9	13	-	-	13
Other operating income	42	1	43	-	-	43
<b>Total operating income</b>	<b>2,347</b>	<b>1,616</b>	<b>3,963</b>	<b>-</b>	<b>-</b>	<b>3,963</b>
Salaries and remuneration	-344	-128	-472	-	-	-472
Other personnel costs	-216	-86	-302	24	-	-278
Other expenses	-388	-117	-505	-24	33	-496
Depreciation, amortisation and impairment of PPE and intangible assets	-56	-27	-83	-	-33	-116
Net credit losses	-42	37	-5	-	-	-5
Imposed fees: Risk tax and resolution fee	-283	-144	-427	-	-	-427
<b>Operating profit</b>	<b>1,018</b>	<b>1,151</b>	<b>2,169</b>	<b>0</b>	<b>0</b>	<b>2,169</b>
Tax	-216	-246	-462	-	-	-462
<b>Profit after standardised tax</b>	<b>802</b>	<b>905</b>	<b>1,707</b>	<b>0</b>	<b>0</b>	<b>1,707</b>
Return on equity, %	8.1	14.1	10.5	-	-	10.5

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

## Note 7 Operating segments, Cont.

SEK million	GROUP					
	Jan-Sep 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	2,517	1,597	4,114	-	-	4,114
Commission income	39	0	39	-	-	39
Commission expense	-46	-17	-63	-	-	-63
Net result of financial transactions	-13	-2	-15	-	-	-15
Other operating income	38	1	39	-	-	39
<b>Total operating income</b>	<b>2,535</b>	<b>1,579</b>	<b>4,114</b>	<b>-</b>	<b>-</b>	<b>4,114</b>
Salaries and remuneration	-294	-115	-409	-	-	-409
Other personnel costs	-190	-82	-272	31	-	-241
Other expenses	-334	-105	-439	-31	32	-438
Depreciation, amortisation and impairment of PPE and intangible assets	-54	-41	-95	-	-32	-127
Net credit loss	14	-76	-62	-	-	-62
Imposed fees: Risk tax and resolution fee	-262	-140	-402	-	-	-402
<b>Operating profit</b>	<b>1,415</b>	<b>1,020</b>	<b>2,435</b>	<b>0</b>	<b>0</b>	<b>2,435</b>
Tax	-299	-216	-515	-	-	-515
<b>Profit after standardised tax</b>	<b>1,116</b>	<b>804</b>	<b>1,920</b>	<b>0</b>	<b>0</b>	<b>1,920</b>
Return on equity, %	11.1	14.6	12.3	-	-	12.3

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 -24 million (-31) 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						
	30 Sep 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	-	-	-	-	260	260	260
Chargeable treasury bills, etc.	-	-	-	7,999	0	7,999	7,999
Lending to credit institutions	-	-	-	-	10,619	10,619	10,619
Lending to the public	-	-	-	-	535,000	535,000	534 334
Value changes of interest-rate-risk hedged items in macro hedges	-	-	-	-	79	79	-
Bonds and other interest-bearing securities	-	-	-	90,253	6,015	96,268	95,892
Derivatives	-	10,245	322	-	-	10,567	10,567
Other assets	-	-	-	-	308	308	308
Prepaid expenses and accrued income	-	-	-	772	418	1,189	1,189
<b>Total financial assets</b>	<b>-</b>	<b>10,245</b>	<b>322</b>	<b>99,024</b>	<b>552,699</b>	<b>662,289</b>	<b>661,168</b>

### Financial liabilities

SEK million	GROUP				
	30 Sep 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	-	-	5,645	5,645	5,645
Deposits from the public	-	-	248,080	248,080	248,080
Issued debt securities, etc.	-	-	361,445	361,445	358,033
Derivatives	11,700	798	-	12,498	12,498
Other liabilities	-	-	846	846	846
Accrued expenses and deferred income	-	-	7,378	7,378	7,378
Subordinated debt	-	-	1,999	1,999	1,990
<b>Total financial liabilities</b>	<b>11,700</b>	<b>798</b>	<b>625,393</b>	<b>637,891</b>	<b>634,470</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	Total fair value
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							
	30 Sep 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.	-	7,999	-	7,999	662	35,988	-	36,650
Bonds and other interest-bearing securities	90,253	-	-	90,253	54,670	-	-	54,670
Derivatives	-	10,567	-	10,567	-	12,241	-	12,241
Prepaid expenses and accrued income	772	-	-	772	357	-	-	357
<b>Total</b>	<b>91,025</b>	<b>18,566</b>	<b>-</b>	<b>109,590</b>	<b>55,689</b>	<b>48,229</b>	<b>-</b>	<b>103,918</b>
<b>Liabilities</b>								
Derivatives	-	12,498	-	12,498	-	15,695	-	15,695
<b>Total</b>	<b>-</b>	<b>12,498</b>	<b>-</b>	<b>12,498</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 253 days at 30 September 2024 (347 days at 30 June 2024).

### 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 30 September 2024, the LCR was 258% (265% as of 30 June 2024) in all currencies at the consolidated level. The significant currencies for the bank are SEK and EUR, where LCR was 180% (197%) in SEK and 5,517% (9,885%) in EUR.

The net stable funding ratio (NSFR), amounted to 133,6% (132,9%) according to of Regulation (EU)2019/876 of the European Parliament and the Council.

SEK billion		CONSOLIDATED SITUATION									
		30 Sep 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>95.8</b>	<b>80.4</b>	<b>14.5</b>	<b>0.9</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>	7.6	7.6	-	-	-	9.9	9.9	-	-	-	
Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	20.2	17.7	2.5	-	-	42.4	40.0	2.4	-	-	
Securities issued by municipalities and public sector entities	18.9	15.7	2.3	0.9	-	12.0	6.9	4.1	1.0	-	
Extremely high quality covered bonds	49.1	39.4	9.7	-	-	36.5	27.3	9.2	-	-	
Other assets	-	-	-	-	-	-	-	-	-	-	
<b>Level 2 assets</b>	<b>6.8</b>	<b>6.8</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>6.8</b>	<b>6.8</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	6.8	6.8	-	-	-	2.5	2.5	-	-	-	
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>102.6</b>	<b>87.2</b>	<b>14.5</b>	<b>0.9</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 (CRR) and the Capital Requirements Directive (CRD) 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 CRR, part eight and the Swedish FSA regulation FFFS 2014:12.

In June 2024 changes in CRR and CRD were published in the Official Journal, which means that the last parts of the Basel 3 regulations have been completed (so called Basel IV). The regulations contain amendments that improve the comparability of risk-based capital measures between banks within EU. This will reduce the scope for unjustified differences. The regulation includes changes to the standardised approach and the internal rating-based

(IRB) approach used to calculate capital requirements for credit risk. For the calculation of capital requirement according to IRB a floor is introduced, where risk-weighted exposure amounts (REA) must not be less than 72.5% of what the standardised approach measures, with a transitional period during 2025 - 2030. The regulations are mainly to be applied from 1 January 2025, but for several years transitional rules will apply.

### Buffer requirements

The countercyclical buffer rate for Swedish exposures amounts to 2% as of 30 September 2024. The Swedish FSA has announced in the third quarter 2024 that the countercyclical buffer rate is left unchanged. The countercyclical buffer rates for Denmark and Norway are unchanged at 2.5% as of 30 September 2024.

## Capital adequacy

SEK million	CONSOLIDATED SITUATION				
	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
<b>Available own funds (amounts)</b>					
Common Equity Tier 1 (CET1) capital	21,193	20,954	20,638	20,414	20,173
Tier 1 capital	27,293	28,654	28,338	26,214	25,973
Total capital	29,312	30,657	30,342	28,209	27,968
<b>Risk-weighted exposure amounts</b>					
Total risk exposure amount	171,486	172,860	169,898	166,294	173,220
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>					
Common Equity Tier 1 ratio (%)	12.4	12.1	12.1	12.3	11.6
Tier 1 ratio (%)	15.9	16.6	16.7	15.8	15.0
Total capital ratio (%)	17.1	17.7	17.9	17.0	16.1
<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	1.9	1.9
of which: to be made up of CET1 capital (percentage points)	1.1	1.1	1.1	1.1	1.1
of which: to be made up of Tier 1 capital (percentage points)	1.4	1.4	1.4	1.4	1.4
Total SREP own funds requirements (%)	9.9	9.9	9.9	9.9	9.9
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>					
Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0
Systemic risk buffer (%)	-	-	-	-	-
Global Systemically Important Institution buffer (%)	-	-	-	-	-
Other Systemically Important Institution buffer (%)	-	-	-	-	-
Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
Overall capital requirements (%)	14.4	14.4	14.4	14.4	14.4
CET1 available after meeting the total SREP own funds requirements (%)	6.8	6.6	6.6	6.7	6.1

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

SEK million	CONSOLIDATED SITUATION				
	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
<b>Leverage ratio</b>					
Total exposure measure	661,432	653,330	661,207	640,914	634,379
Leverage ratio (%)	4.1	4.4	4.3	4.1	4.1
<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</b>					
Total high-quality liquid assets (HQLA) (Weighted value -average)	104,421	101,830	100,021	97,063	93,420
Cash outflows - Total weighted value	56,787	56,246	59,392	55,684	53,174
Cash inflows - Total weighted value	16,551	16,957	19,495	17,018	15,266
Total net cash outflows (adjusted value)	40,236	39,289	39,897	38,666	37,908
Liquidity coverage ratio (%)	259.5	259.2	250.7	251.0	246.4
<b>Net Stable Funding Ratio</b>					
Total available stable funding	558,876	551,168	573,250	547,015	543,289
Total required stable funding	418,267	414,806	419,475	414,762	416,469
NSFR ratio (%)	133.6	132.9	136.7	131.9	130.5



## 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		
	30 Sep 2024	31 Dec 2023	30 Sep 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	18,730	17,635	17,743
Accumulated other comprehensive income (and other reserves)	-2,897	-3,737	-6,778
Independently reviewed interim profits net of any foreseeable charge or dividend <sup>1)</sup>	1,038	1,441	1,135
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>18,829</b>	<b>17,297</b>	<b>14,058</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
Additional value adjustments (negative amount)	-122	-121	-120
Intangible assets (net of related tax liability) (negative amount)	-196	-173	-133
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	3,112	3,758	6,776
Negative amounts resulting from the calculation of expected loss amounts	-416	-330	-369
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-	-
Other regulatory adjustments <sup>2)</sup>	-14	-16	40
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>2,364</b>	<b>3,118</b>	<b>6,114</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>21,193</b>	<b>20,414</b>	<b>20,173</b>
<b>Additional Tier 1 (AT1) capital: Instrument</b>			
Capital instruments and the related share premium accounts	6,100	5,800	5,800
– of which, classified as equity under applicable accounting standards	6,100	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>6,100</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>6,100</b>	<b>5,800</b>	<b>5,800</b>
<b>Tier 1 capital (T1=CET1+AT1)</b>	<b>27,293</b>	<b>26,214</b>	<b>25,973</b>
<b>Tier 2 (T2) capital : instruments</b>			
Capital instruments and the related share premium accounts	2,009	1,995	1,995
Credit risk adjustments	10	-	-
<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>2,019</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>2,019</b>	<b>1,995</b>	<b>1,995</b>
<b>Total capital (TC=T1+T2)</b>	<b>29,312</b>	<b>28,209</b>	<b>27,968</b>
<b>Total risk-exposure amount</b>	<b>171,486</b>	<b>166,294</b>	<b>173,220</b>

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

SEK million	GROUP		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
<b>Capital ratios and requirements including buffers %</b>			
Common Equity Tier 1 capital	12.4	12.3	11.6
Tier 1 capital	15.9	15.8	15.0
Total capital	17.1	17.0	16.1
Institution-CET1 overall capital requirements	10.1	10.1	10.1
– of which, capital conservation buffer requirement	2.5	2.5	2.5
– of which, countercyclical buffer requirement	2.0	2.0	2.0
– of which, systemic risk buffer requirement	–	–	–
– of which, G-SII buffer and O-SII buffer	–	–	–
– of which, additional own funds requirements to address the risk other than the risk of excessive leverage	1.1	1.1	1.1
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	6.8	6.7	6.1

1) Net profit for the period was reduced by the expected dividend of SEK 683 million. The results have been verified by Deloitte AB pursuant to Article 26, Point 2a of the Capital Requirements Regulation.

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

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

### Risk exposure amounts and capital requirements

SEK million	CONSOLIDATED SITUATION					
	30 Sep 2024		31 Dec 2023		30 Sep 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	59,593	4,767	61,670	4,934	63,030	5,042
Retail exposures	19,496	1,560	21,268	1,701	21,783	1,743
– of which, exposures to SMEs	–	–	–	–	–	–
– of which, retail exposures secured by immovable property	19,496	1,560	21,268	1,701	21,783	61,743
<b>Total exposures recognised with the IRB approach</b>	<b>79,089</b>	<b>6,327</b>	<b>82,938</b>	<b>6,635</b>	<b>84,813</b>	<b>6,785</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>	910	73	1,025	82	5,279	422
– of which, derivatives according to CRR, Appendix 2	869	70	1,025	82	5,262	421
– of which, repos	41	3	–	–	16	1
– of which, other	0	0	0	0	0	0
Retail exposures	1,995	160	1,785	143	1,929	154
Exposures in default	8	1	6	0	5	0
Exposures in the form of covered bonds	6,162	493	4,381	350	4,400	352
Exposures to institutions and corporates with a short-term credit rating	34	3	12	1	16	1
Equity exposures	107	9	106	9	106	8
Other items	603	48	526	42	590	47
<b>Total exposures recognised with standardised approach</b>	<b>9,819</b>	<b>787</b>	<b>7,841</b>	<b>627</b>	<b>12,326</b>	<b>986</b>
<b>Market risk</b>	<b>290</b>	<b>23</b>	<b>257</b>	<b>21</b>	<b>282</b>	<b>23</b>
– of which, position risk	–	–	–	–	–	–
– of which, currency risk	290	23	257	21	282	23
<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>1,429</b>	<b>114</b>	<b>1,704</b>	<b>136</b>	<b>1,447</b>	<b>116</b>
<b>Additional requirements under Article 458 of the CRR</b>	<b>73,256</b>	<b>5,860</b>	<b>66,885</b>	<b>5,351</b>	<b>67,683</b>	<b>5,415</b>
<b>Total risk exposure amount and minimum capital requirements</b>	<b>171,486</b>	<b>13,719</b>	<b>166,294</b>	<b>13,304</b>	<b>173,220</b>	<b>13,858</b>
<b>Capital requirements for capital conservation buffer</b>		<b>4,287</b>		<b>4,157</b>		<b>4,330</b>
<b>Capital requirements for countercyclical buffer</b>		<b>3,437</b>		<b>3,330</b>		<b>3,469</b>
<b>Total capital requirements</b>		<b>21,443</b>		<b>20,791</b>		<b>21,657</b>

1) The risk-weighted amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 869 million (1,025).

## Note 12 Internally assessed capital requirement

The internal capital adequacy assessment aims to ensure that SBAB has sufficient capital to withstand a financial crisis. The internally assessed capital requirement for the SBAB Group amounted to SEK 11,254 million (SEK 11,632 million per 31 December 2023). The internal capital requirement is assessed using internal models for economic capital and is not fully comparable to the estimated capital requirement published by the Swedish FSA due to differences in both assumptions and methodologies. SBAB estimates that total capital requirement as of 30 September 2024 according to Swedish FSA amount to

SEK 24,650 million, of which SEK 3,207 million comprise capital requirement in Pillar 2. SBAB quantifies the internal capital requirement within the scope of the internal capital adequacy assessment process (ICAAP). Internal capital requirement is defined as the higher of the economic capital and the regulatory capital requirement based on Pillar 1, Pillar 2, and buffer requirements for each risk category.

	CONSOLIDATED SITUATION	
	30 Sep 2024	31 Dec 2023
	Internally assessed capital requirement	
	mnr	mnr
Credit risk	7,118	7,262
Market risk	1,762	2,070
Operational risk	608	534
Concentration risk	1,561	1,565
Sovereign risk	91	65
CVA	114	136
Other risks <sup>1)</sup>	0	0
<b>Total</b>	<b>11,254</b>	<b>11,632</b>
<b>Total Own funds</b>	<b>29,312</b>	<b>28,209</b>

1) This includes pension and business risk

# Parent Company

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

Profit before credit losses and imposed fees decreased to SEK 960 million (983), mainly attributable to higher expenses. Net interest income increased during the period and amounted to SEK 1,232 million (1,073), mainly due to an increased share of deposits in the funding mix. Net commission income decreased and amounted to SEK 2 million (22), 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 29 million (6). The difference was mainly attributable to changes in value on hedging instruments and on hedged items. Other operating income decreased to SEK

1,040 million (1,052) and mainly comprised fees from SCBC for administrative services in line with the applicable outsourcing agreements. Expenses increased to SEK 1,343 million (1,170), mainly due to higher costs for staff together with higher activity and costs for marketing for the most part linked to deposits. Credit losses were positive in the period after dissolution of loss provisions and amounted to SEK -16 million (30). The higher loan loss provisions in the previous year were mainly explained by negative risk class migrations. Fees imposed amounted to SEK 150 million (137). Lending to the public amounted to SEK 23.1 billion (28.2) and deposits from the public to SEK 248.1 billion (199.9). The CET1 capital ratio amounted to 29.1% (18.4%) and the total capital ratio was 46.2% (34.1%). The internally assessed capital requirement was SEK 5,950 million (6,203).

## Consolidated income statement

SEK million	PARENT COMPANY					
	2024 Q3	2024 Q2	2023 Q3	2024 Jan–Sep	2023 Jan–Sep	2023 Jan–Dec
Interest income	3,402	3,538	2,787	10,280	7,212	10,331
Interest expense	-2,982	-3,093	-2,507	-9,048	-6,139	-8,924
<b>Net interest income</b>	<b>420</b>	<b>445</b>	<b>280</b>	<b>1,232</b>	<b>1,073</b>	<b>1,407</b>
Dividends received	-	-	-	-	-	5,000
Commission income	11	15	17	42	57	71
Commission expense	-12	-13	-12	-40	-35	-49
Net result of financial transactions	-10	18	-47	29	6	-68
Other operating income	347	358	350	1,040	1,052	1,455
<b>Total operating income</b>	<b>756</b>	<b>823</b>	<b>588</b>	<b>2,303</b>	<b>2,153</b>	<b>7,816</b>
Personnel costs	-260	-262	-224	-766	-665	-910
Other expenses	-175	-200	-149	-555	-484	-679
Depreciation, amortisation and impairment of PPE and intangible assets	-8	-7	-7	-22	-21	-28
<b>Total expenses before credit losses and imposed fees</b>	<b>-443</b>	<b>-469</b>	<b>-380</b>	<b>-1,343</b>	<b>-1,170</b>	<b>-1,617</b>
<b>Profit/loss before credit losses and imposed fees</b>	<b>313</b>	<b>354</b>	<b>208</b>	<b>960</b>	<b>983</b>	<b>6,199</b>
Net credit losses	26	-8	-9	16	-30	-19
Imposed fees; Risk tax and resolution fee	-50	-49	-46	-150	-137	-194
Impairment of financial assets	-	-	-	-	-55	-60
<b>Operating profit</b>	<b>289</b>	<b>297</b>	<b>153</b>	<b>826</b>	<b>761</b>	<b>5,926</b>
Tax	-65	-66	-37	-186	-182	-223
<b>Net profit for the period</b>	<b>224</b>	<b>231</b>	<b>116</b>	<b>640</b>	<b>579</b>	<b>5,703</b>

# Consolidated statement of comprehensive income

SEK million	PARENT COMPANY					
	2024 Q3	2024 Q2	2023 Q3	2024 Jan-Sep	2023 Jan-Sep	2023 Jan-Dec
<b>Net profit/loss for the period</b>	<b>224</b>	<b>231</b>	<b>116</b>	<b>640</b>	<b>579</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	6	144	36	267	-40	-7
Changes related to cash-flow hedges	33	7	12	30	70	124
Tax attributable to components that will be reclassified to profit or loss	-8	-31	-10	-61	-6	-24
<b>Other comprehensive income/loss, net of tax</b>	<b>31</b>	<b>120</b>	<b>38</b>	<b>236</b>	<b>24</b>	<b>93</b>
<b>Total comprehensive income for the period</b>	<b>255</b>	<b>351</b>	<b>154</b>	<b>876</b>	<b>603</b>	<b>5,796</b>

# Consolidated balance sheet

SEK million	PARENT COMPANY		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
<b>ASSETS</b>			
Cash and balances at central banks	260	6,350	2,087
Chargeable treasury bills, etc.	7,999	36,650	30,648
Lending to credit institutions (Note 13)	189,980	154,568	160,496
Lending to the public	23,118	24,180	28,205
Bonds and other interest-bearing securities	96,268	64,945	59,224
Derivatives	19,972	24,618	37,409
Shares and participations in associated companies and joint ventures	6	5	5
Shares and participations in Group companies	17,201	17,201	12,901
Deferred tax assets	-	27	37
Intangible assets	13	15	9
Property, plant and equipment	55	59	59
Other assets	173	75	124
Prepaid expenses and accrued income	1,849	1,280	1,167
<b>TOTAL ASSETS</b>	<b>356,894</b>	<b>329,973</b>	<b>332,371</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Liabilities to credit institutions	7,157	6,980	11,453
Deposits from the public	248,080	215,211	199,871
Issued debt securities, etc.	50,638	56,593	60,738
Derivatives	21,561	25,813	37,731
Other liabilities	804	1,604	283
Accrued expenses and deferred income	5,878	888	4,515
Deferred taxes	31	-	-
Provisions	3	9	13
Subordinated debt	1,999	1,998	1,998
<b>Total liabilities</b>	<b>336,151</b>	<b>309,096</b>	<b>316,602</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	176	-59	-128
Additional Tier 1 instruments	6,100	5,800	5,800
Retained earnings	11,477	7,083	7,168
Net profit for the period	640	5,703	579
<b>Total unrestricted equity</b>	<b>18,393</b>	<b>18,527</b>	<b>13,419</b>
<b>Total equity</b>	<b>20,743</b>	<b>20,877</b>	<b>15,769</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>356,894</b>	<b>329,973</b>	<b>332,371</b>

## Note 13 Lending to credit institutions

Of the Parent Company's lending to credit institutions at 30 September, 2024, SEK 179,401 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.

In June 2024 changes in CRR and CRD were published in the Official Journal, which means that the last parts of the Basel 3 regulations have been completed. The regulation 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 regulation includes changes to the standardized approaches and the internal models used to

calculate capital requirements for credit risk. For the internal models a capital requirement floor is introduced, where risk weighted exposure amounts must not be less than 72.5% of what the standardized approach measures, with a transitional period during 2025 - 2030.

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

### Buffer requirements

The countercyclical buffer rate for Swedish exposures amounts to 2% as of 30 September 2024. The Swedish FSA has announced in the second quarter 2024 that the countercyclical buffer rate is left unchanged. The countercyclical buffer rates for Denmark and Norway are unchanged at 2.5% as of 30 September 2024.

## Capital adequacy

SEK million	PARENT COMPANY				
	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
<b>Available own funds (amounts)</b>					
Common Equity Tier 1 (CET1) capital	13,791	13,861	13,849	13,996	9,097
Tier 1 capital	19,891	21,561	21,549	19,796	14,897
Total capital	21,905	23,558	23,545	21,791	16,892
<b>Risk-weighted exposure amounts</b>					
Total risk exposure amount	47,390	48,160	47,196	46,154	49,479
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>					
Common Equity Tier 1 ratio (%)	29.1	28.8	29.3	30.3	18.4
Tier 1 ratio (%)	42.0	44.8	45.7	42.9	30.1
Total capital ratio (%)	46.2	48.9	49.9	47.2	34.1
<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	3.3	3.3
of which: to be made up of CET1 capital (percentage points)	1.9	1.9	1.9	1.9	1.9
of which: to be made up of Tier 1 capital (percentage points)	2.5	2.5	2.5	2.5	2.5
Total SREP own funds requirement (%)	11.3	11.3	11.3	11.3	11.3



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

SEK million	PARENT COMPANY				
	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 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	2.0
Systemic risk buffer (%)	-	-	-	-	-
Global Systemically Important Institution buffer (%)	-	-	-	-	-
Other Systemically Important Institution buffer (%)	-	-	-	-	-
Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
Overall capital requirements (%)	15.8	15.8	15.8	15.8	15.8
CET1 available after meeting the total SREP own funds requirements (%)	22.8	22.4	23.0	24.0	12.0
<b>Leverage ratio</b>					
Total exposure measure	166,173	179,079	189,574	168,952	156,237
Leverage ratio (%)	12.0	12.0	11.4	11.7	9.5
<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
<b>Liquidity Coverage Ratio<sup>1)</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>1)</sup></b>					
Total available stable funding					
Total required stable funding					
NSFR ratio (%)					

1) 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		
	30 Sep 2024	31 Dec 2023	30 Sep 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	11,869	7,475	7,559
Accumulated other comprehensive income (and other reserves)	176	-59	-128
Independently reviewed interim profits net of any foreseeable charge or dividend <sup>1)</sup>	-42	4,740	-189
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>13,961</b>	<b>14,114</b>	<b>9,200</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
Additional value adjustments (negative amount)	-157	-159	-164
Intangible assets (net of related tax liability) (negative amount)	-5	-3	-2
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	64	88	131
Negative amounts resulting from the calculation of expected loss amounts	-59	-29	-30
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-	-
Other regulatory adjustments <sup>2)</sup>	-13	-15	-38
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>-170</b>	<b>-118</b>	<b>-103</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>13,791</b>	<b>13,996</b>	<b>9,097</b>
<b>Additional Tier 1 (AT1) capital: Instrument</b>			
Capital instruments and the related share premium accounts	6,100	5,800	5,800
– of which, classified as equity under applicable accounting standards	6,100	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>6,100</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>6,100</b>	<b>5,800</b>	<b>5,800</b>
<b>Tier 1 capital (T1= CET1+AT1)</b>	<b>19,891</b>	<b>19,796</b>	<b>14,897</b>
<b>Tier 2 (T2) capital: Instruments</b>			
Capital instruments and the related share premium accounts	2,009	1,995	1,995
Credit risk adjustments	5	-	-
<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>2,014</b>	<b>1,995</b>	<b>1,995</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>2,014</b>	<b>1,995</b>	<b>1,995</b>
<b>Total capital (TC= T1+T2)</b>	<b>21,905</b>	<b>21,791</b>	<b>16,892</b>
<b>Total risk-exposure amount</b>	<b>47,390</b>	<b>46,154</b>	<b>49,479</b>

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

SEK million	PARENT COMPANY		
	30 Sep 2024	31 Dec 2023	30 Sep 2023
<b>Capital ratio and requirements including buffers, %</b>			
Common Equity Tier 1 capital	29.1	30.3	19.4
Tier 1 capital	42.0	42.9	30.1
Total capital	46.2	47.2	34.1
Institution CET1 overall capital requirements	10.9	10.9	10.9
– of which, capital conservation buffer requirement	2.5	2.5	2.5
– of which, countercyclical buffer requirement	2.0	2.0	2.0
– of which, systemic risk buffer requirement	–	–	–
– of which, G-SII buffer and O-SII buffer	–	–	–
– of which, additional own funds requirements to address the risk other than the risk of excessive leverage	1.9	1.9	1.9
Common Equity Tier 1 capital ( as a percentage of risk exposure amount) available after meeting the minimum capital requirements	22.8	24.0	12.0

1) Net profit for the period was reduced by the expected dividend of SEK 683 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.

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

### Risk exposure amounts and capital requirements

SEK million	PARENT COMPANY					
	30 Sep 2024		31 Dec 2023		30 Sep 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	12,426	995	14,709	1,176	17,724	1,418
Retail exposures	1,055	84	832	67	981	78
– of which, exposures to SMEs	–	–	–	–	–	–
– of which, retail exposures secured by immovable property	1,055	84	832	67	981	78
<b>Total exposures recognised with the IRB approach</b>	<b>13,481</b>	<b>1,079</b>	<b>15,541</b>	<b>1,243</b>	<b>18,705</b>	<b>1,496</b>
<b>Credit risk recognised with the standardised approach</b>						
Exposures to governments and central banks <sup>1)</sup>	0	0	10	1	9	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>	931	75	1,056	85	5,263	421
– of which, derivatives according to CRR, Appendix 2	745	60	902	72	5,142	411
– of which, repos	–	–	–	–	0	0
– of which, other	186	15	154	12	121	10
Retail exposures	1,995	160	1,785	143	1,929	154
Exposures in default	8	1	6	0	5	0
Exposures in the form of covered bonds	6,162	493	4,381	350	4,400	352
Exposures to institutions and corporates with a short-term credit rating	33	3	11	1	14	1
Equity exposures	17,207	1,377	17,206	1,377	12,906	1,032
Other items	171	11	175	13	161	14
<b>Total exposures recognised with standardised approach</b>	<b>26,507</b>	<b>2,120</b>	<b>24,630</b>	<b>1,970</b>	<b>24,687</b>	<b>1,975</b>
<b>Market risk</b>	<b>67</b>	<b>5</b>	<b>35</b>	<b>3</b>	<b>59</b>	<b>5</b>
– of which, position risk	–	–	–	–	–	–
– of which, currency risk	67	5	35	3	59	5
<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>972</b>	<b>78</b>	<b>1,225</b>	<b>98</b>	<b>938</b>	<b>75</b>
<b>Additional requirements under Article 458 of the CRR</b>	<b>2,528</b>	<b>202</b>	<b>1,431</b>	<b>115</b>	<b>1,798</b>	<b>144</b>
<b>Total risk exposure amount and minimum capital requirements</b>	<b>47,390</b>	<b>3,791</b>	<b>46,154</b>	<b>3,692</b>	<b>49,479</b>	<b>3,958</b>
<b>Capital requirements for capital conservation buffer</b>		<b>1,185</b>		<b>1,154</b>		<b>1,237</b>
<b>Capital requirements for countercyclical buffer</b>		<b>952</b>		<b>926</b>		<b>993</b>
<b>Total capital requirements</b>		<b>5,928</b>		<b>5,772</b>		<b>6,188</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 745 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 from the public to total lending to the public (closing balances).

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

SEK million	GROUP		
	30 Sep 2024	30 Sep 2023	31 Dec 2023
Deposits from the public	248,080	199,871	215,211
Lending to the public	535,000	517,896	517,400
<b>Deposits/lending, %</b>	<b>46.4</b>	<b>38.6</b>	<b>41.6</b>

## C/I ratio

**Definition:** Total expenses before credit losses and imposed fees 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-Sep	Jan-Sep	Jan-Dec
Expenses	-1,362	-1,215	-1,663
Operating income	3,963	4,114	5,367
<b>C/I ratio, %</b>	<b>34.4</b>	<b>29.5</b>	<b>31.0</b>

## C/L ratio

**Definition:** Expenses for the period (annualised) before credit losses and imposed fees 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-Sep	Jan-Sep	Jan-Dec
Expenses	-1,362	-1,215	-1,663
<i>Annualised expenses</i>	<i>-1,816</i>	<i>-1,620</i>	<i>-1,663</i>
Aver. lending to the public	526,200	513,694	513,446
<b>C/L ratio, %</b>	<b>0.35</b>	<b>0.32</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-Sep	Jan-Sep	Jan-Dec
Profit after tax	1,707	1,920	2,408
<i>Annualised op. profit after tax</i>	2,276	2,560	2,408
Average equity	21,744 <sup>1)</sup>	20,790 <sup>2)</sup>	20,991 <sup>2)</sup>
<b>Return on equity, %</b>	<b>10.5</b>	<b>12.3</b>	<b>11.5</b>

1) Average equity has been adjusted for dividend of SEK 963 million for 2023.

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

## 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-Sep	Jan-Sep	Jan-Dec
Net interest income	3,949	4,114	5,446
<i>Annualised net interest income</i>	5,265	5,485	5,446
Average balance sheet total	657,195	643,957	642,519
<b>Net interest margin, %</b>	<b>0.80</b>	<b>0.85</b>	<b>0.85</b>

## Credit loss ratio

**Definition:** Credit losses for the period (annualised) in relation to total lending to the public (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-Sep	Jan-Sep	Jan-Dec
Credit losses	-5	-62	-93
<i>Annualised credit losses</i>	-7	-83	-93
Lending to the public	535,000	517,896	517,400
<b>Credit loss ratio, %</b>	<b>0.00</b>	<b>-0.02</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		
	30 Sep 2024	30 Sep 2023	31 Dec 2023
Gross lending credit stage 3	891	571	735
Lending to the public	535,000	517,896	517,400
<b>Share of Stage 3 loans, %</b>	<b>0.17</b>	<b>0.11</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, October 24 2024

Mikael Inglander  
CEO

## Financial calendar

Year-end Report 2024	7 February 2025
Annual Report 2024	20 March 2025
Interim Report Jan–Mar 2025	30 April 2025
Interim Report Jan–Jun 2025	16 July 2025
Interim Report Jan–Sep 2025	23 October 2025
Year-end Report 2025	13 February 2026

The Annual General Meeting will be held in Solna 29 April 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

For additional information,  
please contact:

**CEO Mikael Inglander**  
mikael.inglander@sbab.se

**CFO Peter Svensén**  
peter.svensen@sbab.se

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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.