

# Year-end report

January–December 2025





# The year in brief

## January–December 2025

(January–December 2024)

- Operating profit amounted to SEK 1,815 million (1,771).
- Net interest income totalled SEK 3,761 million (3,673).
- Expenses amounted to SEK 1,564 million (1,470).
- Net credit losses resulted in a recovery of SEK 55 million (loss: 47).
- The Common Equity Tier 1 (CET1) capital ratio was 18.1% (16.4).
- All funding programmes continue to have the highest credit ratings from Moody's.



Net interest income, SEK million

**3,761**  
(3,673)

Lending, SEK billion

**534.0**  
(520.8)

Credit rating (Moody's)

**Aaa**  
(Aaa)

## Operations

**The primary operations of AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation – SCBC) comprise the issue of covered bonds to fund the lending of the SBAB Group. SBAB Bank AB (publ), (SBAB), is the Parent Company of the SBAB Group and is wholly owned by the Swedish state.**

The Swedish Covered Bond Corporation (SCBC), Corp. Reg. No. 556645-9755, is a wholly-owned subsidiary of SBAB, Corp. Reg. No. 556253-7513. SCBC is a credit market company and is regulated by the Swedish Banking and Financing Business Act (2004:297) and subject to supervision by the Swedish FSA (Sweden's financial supervisory authority). The primary operations within SCBC comprise the issue of covered bonds in accordance with the Swedish Covered Bonds (Issuance) Act (2003:1223) and the Swedish FSA's regulation FFFS 2013:1. Issues are conducted both in Swedish and in international capital markets. SCBC complies with and reports to the European Covered Bond Council's (ECBC) "Labelling Initiative," and reports on a monthly basis in line with "National templates" as published by the Association of Swedish Covered Bond issuers (ASCB). SCBC is domiciled in Solna and its operating activities are mainly outsourced to the Parent Company.

# Business development

## Overview

SEK million	SCBC				
	2025	2025	2024	2025	2024
	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Dec	Jan-Dec
Net interest income	1,788	1,973	1,758	3,761	3,673
Net commission expense	-15	-21	-14	-36	-44
Net result of financial transactions (Note 3)	-12	-19	11	-31	28
<b>Total operating income</b>	<b>1,761</b>	<b>1,933</b>	<b>1,754</b>	<b>3,694</b>	<b>3,656</b>
Expenses	-793	-771	-769	-1,564	-1,470
<b>Profit before credit losses and imposed fees</b>	<b>968</b>	<b>1,162</b>	<b>984</b>	<b>2,130</b>	<b>2,185</b>
Net credit losses (Note 4)	41	14	-13	55	-47
Imposed fees: Risk tax and resolution fee <sup>1)</sup>	-190	-180	-183	-370	-368
<b>Operating profit</b>	<b>819</b>	<b>996</b>	<b>789</b>	<b>1,815</b>	<b>1,771</b>
Tax	-169	-205	-163	-374	-365
<b>Net profit for the period</b>	<b>650</b>	<b>791</b>	<b>626</b>	<b>1,441</b>	<b>1,406</b>
<b>BALANCE-SHEET ITEMS</b>					
Lending to the public, SEK billion, at close of period (Note 5)	533,953	526,618	520,771	533,953	520,771
– Of which, Lending, Residential mortgages	374,052	367,048	362,334	374,052	362,334
– Of which, Lending, Corporate & Associations	159,901	159,570	158,437	159,901	158,437
Issued debt securities, etc., at close of period	297,882	315,013	305,210	297,882	305,210
<b>KEY METRICS</b>					
CET1 capital ratio, %	18.1	18.7	16.4	18.1	16.4
Return on equity, %	5.1	6.4	5.1	5.7	5.8
Return on assets, %	0.3	0.3	0.2	0.3	0.3
<b>CREDIT RATING (LONG-TERM FUNDING)</b>					
Moody's	Aaa	Aaa	Aaa	Aaa	Aaa

<sup>1)</sup> The item imposed fees includes the resolution fee, the Swedish risk tax and, as of the fourth quarter of 2025, the interest-free deposits with the Riksbank. The reported comparative figures have not been impacted by the latter.

### January–December 2025 compared with January–December 2024

The operating profit amounted to SEK 1,815 million (1,771) for the period.

#### Net interest income

Net interest income grew to SEK 3,761 million (3,673), primarily due to an increased share of financing from deposits at Group level.

#### Net commission expense

Net commissions amounted to an expense of SEK 36 million (expense: 44), mainly attributable to slightly higher revenue linked to lending operations and lower costs for the credit facility to SBAB.

#### Net result of financial transactions

The net result of financial transactions decreased to an expense of SEK 31 million (income: 28), primarily due to the buyback of own debt. For more information, please refer to [Note 3](#).

#### Expenses

Expenses rose to SEK 1,564 million (1,470), and mainly comprised fees to SBAB for administrative services in line with the applicable outsourcing agreements. The cost trend is progressing according to plan and tracks the operations' development and investment strategy for long-term competitiveness.

#### Credit quality and credit losses

Total net credit losses resulted in a recovery of SEK 55 million (loss: 47). Confirmed credit losses totalled SEK 17 million (loss: 6) and recoveries for previously confirmed credit losses amounted to SEK 1 million (recoveries: 0). Guarantees that can be utilised to cover credit losses

remained unchanged during the period (unchanged).

Total credit loss allowances decreased SEK 71 million (increase: 44). Credit loss allowances for credit stage 1 loans decreased SEK 7 million (decrease: 19), while provisions for credit stage 2 decreased SEK 17 million (decrease: 1). Provisions for credit stage 3 loans decreased SEK 47 million (increase: 64).

The difference between the periods was mainly attributable to an increase in defaulted exposures in the Private business area in the comparative period, which led to an increase in credit stage 3 exposures and a consequent increase in loss provisions. This trend was observed for most of 2024 due to higher interest rates. Credit stage 3 exposures stabilised toward the end of 2024, before subsequently declining in 2025 in conjunction with the recovery and write-off of defaulted exposures, and fewer new defaults arising. The increase in confirmed credit losses for the current period arose as a consequence of the increased in defaulted exposures in the comparative period.

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

#### Imposed fees

Imposed fees include the Swedish risk tax, the resolution fee and, as of the fourth quarter of 2025, the interest-free deposits with the Riksbank.

The possibility of the Riksbank to decide on interest-free deposits from Swedish banks and other credit institutions with operations in Sweden was

enacted on 1 January 2025, through an amendment to the Sveriges Riksbank Act. The deposit requirement is determined through an annual process. Each credit institution's interest-free deposits are determined based on its deposit base at the end of the most recent year and each institution has been assigned an account at the Riksbank where the interest-free deposits are to be held. During the period, the SBAB Group deposited the equivalent of approximately SEK 1.8 billion pursuant to the Riksbank's decision. Lost interest on this amount is reported under imposed fees in accordance with IFRIC 21.

Imposed fees totalled SEK 370 million (368), of which the risk tax amounted to SEK 185 million (197), the resolution fee to SEK 176 million (171) and interest-free deposits with the Riksbank to SEK 9 million (–).

#### Lending

SCBC does not conduct any new lending itself, but instead acquires loans from SBAB Bank on an ongoing basis. The aim of securing these loans is to include the loans, in part or in full, in the assets that comprise collateral for holders of SCBC's covered bonds. SCBC's lending portfolio comprises loans for residential mortgages, with lending to private individuals the largest segment. At the end of the period, SCBC's lending amounted to SEK 534.0 billion (520.8).

#### Other comprehensive income

Other comprehensive income amounted to SEK 309 million (715), primarily due to interest-rate-related value changes in derivatives resulting from falling euro interest rates, which positively impacted the item. For more information, please refer to [page 9](#).

## Cover pool data

	SCBC	
	31 Dec 2025	31 Dec 2024
Credit portfolio, SEK billion	534.0	520.8
Total cover pool, SEK billion	406.1	404.9
– Of which, liquidity buffer, SEK billion	1.5	1.5
LTV as per ASCB definition <sup>1)</sup> , %	54.6	53.7
Nominal OC, %	34.8	32.6

1) Association of Swedish Covered Bond Issuers

#### Cover pool

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

## Funding

Essentially, the same macroeconomic themes that dominated in 2024 continued to dominate throughout the year. The market retained its focus on inflation, labour markets and global growth. The main difference compared with last year has been of a geopolitical nature, with the return of President Trump to the White House at the beginning of the year.

The USA's imposition of extensive trade tariffs on large parts of the world in April shook global financial markets and created increasing uncertainty about both global growth and the inflation outlook. Risk sentiment improved gradually over the year in pace with terms being settled for bilateral trade agreements. The US government shut down temporarily in October and only reopened in mid-November. Despite the above, the impact on the funding market was limited. The Federal Reserve cut the federal funds rate on three occasions during the year, before ending the year at 3.75%.

In parallel, Europe faced its own geopolitical and political challenges, with countries including France, Germany and the UK struggling with weak or unstable governments. Furthermore, fixed-income markets have had to absorb announcements of several major fiscal initiatives in the region. Inflation in the euro area stabilised in the latter part of the year, despite a sometimes turbulent geopolitical landscape. On the other hand, the European Central Bank (ECB) chose to cut the key interest rate on four occasions in the first six months before ending 2025 with a key interest rate of 2%.

The Riksbank also cut the policy rate on three occasions during the year, with the last cut in September to 1.75%. Toward the end of the year, communication by the central bank indicated that

the interest rate floor had been reached, and the most recent policy rate path indicated no further cuts to come. Sweden's fixed-income market was also affected by the government's presentation of a larger than expected autumn budget, which is expected to increase the government borrowing requirement in the coming years. The resulting impact on the Swedish yield curve entailed a 20 basis point rise in interest rates.

Despite the interest rate volatility, the funding market performed well in 2025, both in SEK and in EUR, and ended the year close to its year lows. Funding costs for covered bond issuers were broadly similar in both currencies. Continued capital inflows to the fixed-income market, both in Europe and in Sweden, have also supported the market.

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

On 31 December 2025, the total value of issued debt securities outstanding under SCBC's lending programme was SEK 297.9 billion (305.2), distributed as follows: Swedish covered bonds SEK 207.5 billion (210.5) and the Euro Medium Term Covered Note Programme SEK 90.3 billion (94.8). During the period, issued debt securities amounted to SEK 62.5 billion (31.0). At the same time, securities amounting to SEK 18.5 billion (27.1) were repurchased, while securities amounting to SEK 35.3 billion (29.3) matured. Alongside changes in premiums/discounts and changes in SEK exchange rates, this

resulted in a decrease in issued debt securities of SEK 7.3 billion (decrease: 21.0) in the period.

## Liquidity position

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

## Capital position

SCBC primarily recognises credit risk under the internal ratings-based approach (IRB approach) and operational and market risk using the standardised approach. Since the end of 2024, SCBC has had an ongoing application with the Swedish FSA for a new LGD model for retail exposures, which will be applied for private individuals with mortgages.

Application of the first parts of the Banking Package (the Basel IV framework) started on 1 January 2025. In conjunction therewith, the total risk weights for corporate exposures decreased significantly, as the new rules entail lower standard LGD values for exposures secured by collateral in real property. SCBC's total capital ratio and CET1 capital ratio increased to 18.1% (16.4) in the period. The internally assessed capital requirement amounted to SEK 7,008 billion (7,526) at the end of the period.

# Other information

## Dividend

In December, the Board decided to approve an anticipated dividend of SEK 1,430 million from SCBC to the Parent Company SBAB as well as a Group contribution of SEK 20 million from SCBC to Booli Search Technologies AB (Booli). The final decision on the appropriation of profits will be taken at SCBC's 2026 General Meeting.

## Events after the end of the period

No significant events occurred after the end of the period.

## Auditors' review report

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

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

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

Population growth has outpaced housing construction for quite some time, which has contributed to high demand for housing and a housing shortage. Recent years' high construction rates and lower population growth since 2020 have reduced the housing shortage, though some shortages remain. The high rate of construction and an increasing proportion of homeowners, in combination with rising housing prices, have led to higher levels of private indebtedness, including some highly indebted households. However, housing costs as a percentage of household income are generally low, especially among homeownership households, which is attributable to relatively higher incomes. Gradually rising interest rates from 2022 led to higher housing costs in 2023 and 2024 for many households. However, gradually falling interest rates from 2024 mean that interest expenses in 2025 are assessed as being at the long-term norm.

Since the majority of households in Sweden own their own home and due to many mortgages being subject to variable interest, the Swedish economy is sensitive to interest rate changes. While this is positive for the monetary policy's impact, there is a risk that indebted households with tight margins experience temporary difficulty coping with ongoing payments on their mortgages in periods with high interest rates. However, stress tests of Swedish households, by instances including the Swedish FSA, indicate that risks are low in the event of moderately rising interest rates. Moreover, higher interest rates in 2023 and 2024 did not lead to any significant increase in the share of households with mortgage payment problems.

The gradual reduction in the policy rate from May 2024 has led to falling short-term market interest rates and floating mortgage rates. While lower inflation and interest rates have led to a stronger economic trend, the recovery lost momentum in early 2025 in conjunction with the US tariff war. Since then, however, they have gained renewed momentum. In terms of the one-month trend, inflation exceeded the Riksbank's target in the beginning of the year before falling below the target toward the year end. The downturn coincided with the Riksbank's decision to cut the policy rate from 2.50% to 1.75%. The Riksbank foresees no further cuts. Prevailing interest rate levels and future trends are important variables for SCBC, since they impact strongly on net interest income and operating profit.

Falling mortgage rates may have contributed to higher housing prices, albeit not on a par with the housing price decline triggered by the earlier rise in interest rates. In December 2025, house and apartment prices still remained 13% and 10% respectively below their spring 2022 peaks. At present, price developments are being held back by a weak labour market and high unemployment as well as by considerable uncertainty about the development of the economy. Looking ahead, housing prices are expected to rise moderately in pace with rising employment and growth in household incomes. Risks linked to rising interest rates could be increased by falling housing prices and rapidly rising unemployment. The risk largely pertains to the degree to which a fundamental downturn in prices leads to behaviour changes that trigger a larger price downturn, and how uncertainty over future housing prices impacts turnover for existing housing as well as building new housing units.

Many property companies have loans, and higher interest rates lower their profits and the value of their properties. Higher interest rates can also put pressure on property companies with tight margins. This can include problems maintaining a sufficiently high cash flow to meet current interest expenses or to refinance maturing bonds. In 2025, however, falling interest rates contributed to lower risk.

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

Any disruption in the international financial markets or in the global economy entails a risk for SCBC both as a participant in the Swedish market and as an issuer in the international capital market. These disruptions could be caused, for example, by global political and macroeconomic events, changes in the monetary policies of central banks, sovereign debt crises or extraordinary events such as pandemics, wars and acts of terrorism. This could lead to rapidly widening credit spreads on interest-bearing assets and higher fixed-income market volatility among other impacts.

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

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

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# Condensed income statement

SEK million	SCBC				
	2025	2025	2024	2025	2024
	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Dec	Jan-Dec
Interest income <sup>1)</sup>	7,936	8,637	10,495	16,573	21,784
Interest expense	-6,148	-6,664	-8,737	-12,812	-18,111
<b>Net interest income</b>	<b>1,788</b>	<b>1,973</b>	<b>1,758</b>	<b>3,761</b>	<b>3,673</b>
Commission income	5	5	5	10	9
Commission expense	-20	-26	-19	-46	-53
Net expense from financial transactions (Note 3)	-12	-19	11	-31	28
Other operating income	0	0	-1	0	-1
<b>Total operating income</b>	<b>1,761</b>	<b>1,933</b>	<b>1,754</b>	<b>3,694</b>	<b>3,656</b>
General administrative expenses	-784	-763	-761	-1,547	-1,455
Other operating expenses	-9	-8	-8	-17	-15
<b>Total expenses before loan losses and imposed fees</b>	<b>-793</b>	<b>-771</b>	<b>-769</b>	<b>-1,564</b>	<b>-1,470</b>
<b>Profit before loan losses and imposed fees</b>	<b>968</b>	<b>1,162</b>	<b>985</b>	<b>2,130</b>	<b>2,186</b>
Net credit losses (Note 4)	41	14	-13	55	-47
Imposed fees: Risk tax, resolution fee and interest-free lending to Riksbank <sup>2)</sup>	-190	-180	-183	-370	-368
<b>Operating profit</b>	<b>819</b>	<b>996</b>	<b>789</b>	<b>1,815</b>	<b>1,771</b>
Tax on operating profit for the period/year	-169	-205	-163	-374	-365
<b>Net profit for the period/year</b>	<b>650</b>	<b>791</b>	<b>626</b>	<b>1,441</b>	<b>1,406</b>

1) The second half of 2025 the interest income on financial assets measured at amortised cost, calculated using the effective-interest method, amounted to SEK 8,004 million and for the corresponding period the previous year to SEK 9,933 million.

2) Interest-free lending to Riksbank does not affect the comparative figure.

# Condensed statement of comprehensive income

SEK million	SCBC				
	2025	2025	2024	2025	2024
	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Dec	Jan-Dec
<b>Net profit for the period/year</b>	<b>650</b>	<b>791</b>	<b>626</b>	<b>1,441</b>	<b>1,406</b>
<i>Components that will be reclassified to profit or loss</i>					
Changes related to cash-flow hedges	-153	542	1,985	389	901
Tax attributable to components that will be reclassified to profit or loss	31	-111	-409	-80	-186
<b>Other comprehensive income/loss, net of tax</b>	<b>-122</b>	<b>431</b>	<b>1,576</b>	<b>309</b>	<b>715</b>
<b>Total comprehensive income for the period/year</b>	<b>528</b>	<b>1,222</b>	<b>2,202</b>	<b>1,750</b>	<b>2,121</b>

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

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

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

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

# Condensed balance sheet

SEK million	SCBC	
	31 Dec 2025	31 Dec 2024
<b>ASSETS</b>		
Lending to credit institutions	2,301	1,538
Lending to the public (Note 5)	533,953	520,771
Value changes of interest-rate-risk hedged items in macro hedges	-94	-357
Derivatives (Note 6)	5,280	9,526
Deferred tax assets	684	772
Other assets	513	187
Prepaid expenses and accrued income	53	312
<b>TOTAL ASSETS</b>	<b>542,690</b>	<b>532,749</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Liabilities to credit institutions	4	1
Debt securities issued, etc.	297,882	305,210
Derivatives (Note 6)	7,539	8,516
Other liabilities	33	46
Accrued expenses and deferred income	4,128	3,391
Subordinated debt to the Parent Company (Note 9)	209,852	193,488
<b>Total liabilities</b>	<b>519,438</b>	<b>510,652</b>
<b>Equity</b>		
<b>Restricted equity</b>		
Share capital	50	50
<b>Total restricted equity</b>	<b>50</b>	<b>50</b>
<b>Unrestricted equity</b>		
Shareholder contribution	16,350	16,350
Fair value reserve	-2,645	-2,954
Retained earnings	8,056	7,245
Net profit for the year	1,441	1,406
<b>Total unrestricted equity</b>	<b>23,202</b>	<b>22,047</b>
<b>Total equity</b>	<b>23,252</b>	<b>22,097</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>542,690</b>	<b>532,749</b>

# Condensed statement of changes in equity

	SCBC					
	Restricted equity	Unrestricted equity				
SEK million	Share capital	Fair value reserve	Shareholder contribution	Retained earnings	Net profit for the year	Total equity
Opening balance 1 January 2025	50	-2,954	16,350	8,651	-	22,097
Dividend paid	-	-	-	-579	-	-579
Group contribution paid, after tax	-	-	-	-16	-	-16
Other comprehensive income	-	309	-	-	-	309
Net profit for the year	-	-	-	-	1,441	1,441
Comprehensive income for the year	-	309	-	-	1,441	1,750
Closing balance 31 December 2025	50	-2,645	16,350	8,056	1,441	23,252
Opening balance 1 January 2024	50	-3,669	16,350	12,253	-	24,984
Dividend paid	-	-	-	-5,000	-	-5,000
Group contribution paid, after tax	-	-	-	-8	-	-8
Other comprehensive income	-	715	-	-	-	715
Net profit for the year	-	-	-	-	1,406	1,406
Comprehensive income for the year	-	715	-	-	1,406	2,121
Closing balance 31 December 2024	50	-2,954	16,350	7,245	1,406	22,097

# Condensed cash-flow statement

SEK million	SCBC	
	2025	2024
	Jan-Dec	Jan-Dec
Opening cash and cash equivalents	1,538	1,379
<b>OPERATING ACTIVITIES</b>		
Interest and commissions paid/received	4,717	3,970
Outflows to suppliers and employees	-1,934	-1,838
Taxes paid/refunded	-680	-611
Change in assets and liabilities of operating activities	-17,125	-52,061
<b>Cash flow from (used in) operating activities</b>	<b>-15,022</b>	<b>-50,540</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid	-579	-5,000
Change in subordinated debt	16,364	55,699
<b>Cash flow from financing activities</b>	<b>15,785</b>	<b>50,699</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>763</b>	<b>159</b>
<b>Closing cash and cash equivalents</b>	<b>2,301</b>	<b>1,538</b>

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

## Change in liabilities attributable to financing activities

SEK million	SCBC									
	Opening balance 1 Jan 2025	Cash flow	Non-cash items		Closing balance 31 Dec 2025	Opening balance 1 Jan 2024	Cash flow	Non-cash items		Closing balance 31 Dec 2024
			Fair value	Other				Fair value	Other	
Subordinated debt	193,488	16,364	-	-	209,852	137,789	55,699	-	-	193,488
<b>Total</b>	<b>193,488</b>	<b>16,364</b>	<b>-</b>	<b>-</b>	<b>209,852</b>	<b>137,789</b>	<b>55,699</b>	<b>-</b>	<b>-</b>	<b>193,488</b>

## Note 1 Accounting policies

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

The amounts stated in the notes comprise carrying amounts in million Swedish krona (SEK million) unless stated otherwise. No adjustments are performed for rounding so differences in totals may arise.

### Interest-free deposits with the Riksbank

The Riksbank has decided that Swedish credit institutions are to hold deposits in an account at the Riksbank from 31 October 2025 until the Riksbank decides otherwise. However, the first period is estimated at eight months. The Riksbank has set the interest rate on these accounts at 0%. The deposit with the Riksbank is reported under Lending to credit institutions. Given that no agreement has been made between the credit institutions and the Riksbank, and due to the fact that the deposit results from a law and that SBAB receives no consideration for this deposit, the lost interest is considered to be a state tax and, as such, is reported under the item "imposed fees." The imposed fee has been

calculated based on the Riksbank's policy rate according to the interest rate prevailing at the time of the deposit and is reported directly without accrual accounting. To balance the imposed fee, a credit entry is reported in interest income under Net interest income. This has also been calculated based on the Riksbank's policy rate according to the interest rate prevailing at the time of the deposit.

### New and amended accounting principles that come into effect in 2025 or later

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements. The new standard will be effective for fiscal years beginning on or after 1 January 2027. Analysis is underway of the effect the new standard will have on SCBC's financial report. The assessment is that the new standard will have limited impact on SBAB. The main changes introduced by the new standard entail slightly different presentation of the income statement as well as the addition of a new note disclosing Management-defined Performance Measures (MPMs).

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

The condensed interim reports are prepared on a going concern basis. The condensed interim reports were approved by the Board for publication on 12 February 2026.

## Note 2 Changes in risks

### Credit risk in lending operations

The credit risk in SCBC's lending portfolio remained low during the second half of 2025. The share of customers experiencing payment difficulties decreased during the half-year, mainly due to the currently lower interest rates. Within the Private business area, this has been observed through reduced exposure within credit stage 3 due to write-offs and cures for defaulted customers and fewer new defaults. In addition, credit bureau information for all customers in the lending portfolio was updated, which led to positive rating grade migrations in the Private business area. Market values for houses and condominiums were updated resulting in lower market values, but not any significant changes in credit risk. Within the Corporates & Associations business area, a customer recovered from default and migrated to credit stage 1, while an individually assessed loss provision was set for a different customer resulting in a migration to credit stage 3, which in total led to increased loss provisions.

Total loss provisions for expected credit losses (ECL) amounted to SEK 197 million as of December 31, 2025, compared to SEK 242 million as of June 30, 2025.

The loan-to-value (LTV) for private individuals, property companies and tenant-owners' associations amount to 60%, 59% and 32% respectively per 31 December 2025, compared to 58%, 61% and 32% respectively per 30 June 2025.

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

### Counterparty credit risk in treasury operations

SCBC models counterparty credit risk according to CRR II Standardised Approach (SA-CCR). Total exposure to SCBC's transactional counterparties decreased to SEK 916 million as of December 31 compared to SEK 925 million as of June 30.

### Liquidity risk

Liquidity risk in SCBC is managed in cooperation with SBAB. SCBC together with SBAB Bank AB (publ) is treated as a liquidity subgroup according to CRR art. 8 and according to a decision from the Financial Supervisory Authority. SCBC has an agreement with SBAB regarding a liquidity facility which can be used to finance SCBC's operations. As of December 31, OC<sup>1)</sup> amounted to 34.9 percent (32.2 as of June 30).

### Market risk

The main market risk for SCBC is interest rate risk. Interest rate risk (delta EVE) measured according to FI's pillar 2 method is 295 million as of 31 December compared to 154 on 30 June. The worst scenario is parallel up.

### Operational risk

The change of SCBC's core ICT-system, with end date in the first quarter of 2028, 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 SCBC's financial position is however moderate. Lower margins are assessed to affect Business risk. No material changes in the competitive landscape were observed during the last quarter and SCBC has not entered any new, or exited any existing, markets or segments.

### Concentration risk

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

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

### Note 3 Net result of financial transactions

SEK million	SCBC				
	2025	2025	2024	2025	2024
	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Dec	Jan-Dec
<b>Gains/losses on interest-bearing financial instruments</b>					
– Change in value of hedged items in hedge accounting	815	-2,221	-1,562	-1,406	-1,551
– Derivatives in hedge accounting	-764	2,207	1,560	1,443	1,536
– Other derivatives	-113	-63	-240	-176	-255
– Realised gain/loss from financial liabilities at amortised cost	35	53	243	88	284
– Loan receivables at amortised cost	16	5	10	21	14
Currency translation effects	-1	0	0	-1	0
<b>Total</b>	<b>-12</b>	<b>-19</b>	<b>11</b>	<b>-31</b>	<b>28</b>

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

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

### Note 4 Net credit losses

SEK million	SCBC				
	2025	2025	2024	2025	2024
	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Dec	Jan-Dec
<b>Lending to the public</b>					
Confirmed credit losses	-5	-12	-3	-17	-6
Recoveries of previously confirmed credit losses	1	-	-	1	-
Adjustment of interest on written down loans	-1	1	1	0	3
Change in provision for the period – credit stage 1	6	1	2	7	19
Change in provision for the period – credit stage 2	18	-1	7	17	1
Change in provision for the period – credit stage 3	22	25	-20	47	-64
Guarantees	0	0	0	0	0
<b>Net credit losses for the period – lending to the public</b>	<b>41</b>	<b>14</b>	<b>-13</b>	<b>55</b>	<b>-47</b>

During the second half of 2025, total credit losses amounted to positive SEK 41 million (positive 14). Confirmed credit losses amounted to SEK 5 million (12) while recoveries for previously confirmed credit losses amounted to SEK 1 million (0). During the half-year, total loan loss provisions decreased by SEK 46 million (decrease by 25). Loss provisions decreased by SEK 6 million (decrease by 1) for loans in credit stage 1, decreased by SEK 18 million (increase by 1) for loans in credit stage 2 and decreased by SEK 22 million (decrease by 25) for loans in credit stage 3.

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

Within the Corporates & Associations business area, a customer recovered from default and migrated to credit stage 1, while an individually assessed loss provision was set for a different customer resulting in a migration to credit stage 3, which in total led to increased loss provisions. The forward-looking information was updated twice during the second half of the year and led to decreased loss provisions due to somewhat better forecasts for interest rates, unemployment rates and housing prices. The management overlay of SEK 30 million, implemented as of December 31, 2024, for credit stage 1 and 2 for the Private business area, was revised to SEK 20 million as of December 31, 2025.

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

## Note 4 Net credit losses, Cont.

### Sensitivity analysis of forward-looking information

#### Lending to the public and loan commitments

	Scenario 1 (40%)			Scenario 2 (10%)			Scenario 3 (25%)			Scenario 4 (25%)		
Factors	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028
GDP <sup>1)</sup> , Δ	+2.7%	+2.0%	+2.0%	+3.6%	+3.6%	+2.9%	-4.1%	+2.5%	+3.3%	-1.5%	-2.3%	+1.1%
Repo rate	1.9%	2.1%	2.2%	1.7%	2.2%	2.4%	2.2%	2.5%	2.5%	2.6%	3.2%	3.2%
Unemployment	8.4%	7.8%	7.2%	8.2%	6.8%	6.1%	9.6%	10.9%	9.6%	8.9%	9.7%	10.0%
House prices, Δ	+5.0%	+4.2%	+3.7%	+5.4%	+4.2%	+4.3%	-6.3%	-2.1%	+1.0%	-10.3%	-12.2%	-3.9%
Prices of tenant-owners' rights, Δ	+5.7%	+4.7%	+4.2%	+6.7%	+3.7%	+4.7%	-8.8%	-3.4%	+0.6%	-12.1%	-15.3%	-3.2%
Property prices, Δ	+1.4%	+4.2%	+4.6%	+3.1%	+3.4%	+4.0%	-7.4%	-1.3%	-3.6%	-9.0%	-5.7%	-12.1%
ECL	SEK 133 million			SEK 130 million			SEK 203 million			SEK 321 million		
Weighted ECL	SEK 197 million											

1) Not included in the ECL calculation

#### Impairment model and credit loss provisions

SCBC has evaluated the macroeconomic development during the second half of 2025 and received updated macroeconomic forecasts from SBAB's Chief Economist to revise the forward-looking information applied in the impairment model for calculating expected credit losses (ECL model) and thereby loan loss provisions. The forward-looking information comprises four scenarios: A base scenario and three alternative scenarios, where the base scenario (scenario 1) is currently positive and describes a normal recovery from the current recession and represents the bank's expectations for Sweden's economy. The three alternative scenarios comprise one positive (scenario 2) and two negative (scenarios 3 and 4) relative to the base scenario. The most recent forward-looking information indicates stable interest rates going forward and price increases for housing and properties in the positive scenarios, while price decreases for housing and properties and rising unemployment dominate the negative scenarios. Compared to the previous forward-looking information, the forecasts for interest rates, unemployment, and housing prices are somewhat better. The revised forward-looking information during September and December contributed to decreased loss provisions of SEK 7 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 management overlay implemented as of December 31, 2024, for credit stage 1 and 2 in the Private business area, for upcoming updates to the PD and LGD models, was revised from SEK 30 million to SEK 20 million. The change was implemented as of December 31, 2025, due to lower loan loss provisions for private individuals within credit stages 1 and 2 as of year-end, which lead to a lower impact on loss provisions when implementing the new models. The management overlay pertains to both SBAB and SCBC but the main share is attributable to SCBC.

As of December 31, 2025, the total loss provisions amount to SEK 197 million, compared to SEK 242 million as of June 30, 2025. The bank is comfortable with the scope of the loss allowances.

#### Overall credit quality

The credit quality in SCBC:s lending to private individuals remained strong during the second half of 2025. SBAB:s lending within the Private business area is based on a sound credit approval process that determines whether customers have the financial capacity required to meet their obligations. The Swedish Financial Supervisory Authority's annual mortgage survey, with data from 2024, shows that the financial conditions for new customers have improved slightly over the past year, even though the general economic development is uncertain. The improvement can, among other things, be explained by the fact that interest rates have been lowered following reduced inflation. As of the end of the second half of 2025, the average Loan-to-Value (LTV) ratio (2) in SCBC's mortgage portfolio was 60% (58). During the second half of 2025, individually assessed loss provisions within the Private business area decreased by SEK 1 million.

The credit quality in SCBC:s lending to real estate companies, property developers, and tenant-owners' associations also remained strong during the second half of 2025. For real estate companies and tenant-owners' associations, the average LTV as of the end of the first half of 2025 was 59% (61) and 32% (32), respectively. SBAB:s credit approval process includes assessment of the customers' ability to generate stable cash flows over time as well as assuring that adequate collateral can be provided. During the second half of 2025, an individually assessed loss provision was set for a customer within the Corporates & Associations business area.

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

## Note 5 Lending to the public

SEK million	SCBC	
	31 Dec 2025	31 Dec 2024
Opening balance	520,771	493,220
Transferred to/from Group entities	60,231	71,756
Amortisation, repayments, etc.	-47,103	-44,155
Confirmed credit losses	-17	-6
Change in provision for expected credit losses <sup>1)</sup>	71	-44
<b>Closing balance</b>	<b>533,953</b>	<b>520,771</b>

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

### Distribution of lending, including provisions

SEK million	SCBC	
	31 Dec 2025	31 Dec 2024
Lending, Residential mortgages	374,052	362,334
Lending, Corporate Clients & Tenant-Owners' Associations	159,901	158,437
<b>Total</b>	<b>533,953</b>	<b>520,771</b>



## Note 5 Lending to the public, Cont.

### Lending to the public by credit stage

SEK million	SCBC	
	31 Dec 2025	31 Dec 2024
<b>Credit stage 1</b>		
Gross carrying amount	508,368	486,631
Provision for expected credit losses	-23	-29
<b>Carrying amount</b>	<b>508,345</b>	<b>486,602</b>
<b>Credit stage 2</b>		
Gross carrying amount	24,998	33,580
Provision for expected credit losses	-43	-60
<b>Carrying amount</b>	<b>24,955</b>	<b>33,520</b>
<b>Credit stage 3</b>		
Gross carrying amount	784	828
Provision for expected credit losses	-131	-179
<b>Carrying amount</b>	<b>653</b>	<b>649</b>
<b>Gross carrying amount (credit stages 1, 2 and 3)</b>	<b>534,150</b>	<b>521,039</b>
<b>Provision for expected credit losses (credit stages 1, 2 and 3)</b>	<b>-197</b>	<b>-268</b>
<b>Total</b>	<b>533,953</b>	<b>520,771</b>

### Lending to the public and provisions

SEK million	SCBC							
	Credit stage 1 Capital	Provision	Credit stage 2 Capital	Provision	Credit stage 3 Capital	Provision	Capital	Provision
<b>Opening balance 1 January 2025</b>	<b>486,631</b>	<b>-29</b>	<b>33,580</b>	<b>-60</b>	<b>828</b>	<b>-179</b>	<b>521,039</b>	<b>-268</b>
Moved to credit stage 1	15,862	-52	-15,749	20	-113	32	0	0
Moved to credit stage 2	-11,922	2	12,126	-23	-204	21	0	0
Moved to credit stage 3	-80	0	-454	3	534	-3	0	0
Volume change*	12,981	0	-4,268	7	-236	48	8,477	55
Revaluation**	4,896	56	-237	10	-8	-64	4,651	2
Confirmed credit losses	-	-	-	-	-17	14	-17	14
<b>Closing balance 31 December 2025</b>	<b>508,368</b>	<b>-23</b>	<b>24,998</b>	<b>-43</b>	<b>784</b>	<b>-131</b>	<b>534,150</b>	<b>-197</b>

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

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

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

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

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

## Note 6 Derivatives

SEK million	SCBC					
	31 Dec 2025			31 Dec 2024		
	Assets measured at fair value	Liabilities measured at fair value	Total nominal amount	Assets measured at fair value	Liabilities measured at fair value	Total nominal amount
Interest-rate-related	3,073	6,557	346,351	2,716	8,516	331,904
Currency-related	2,207	982	65,613	6,810	–	69,219
<b>Total</b>	<b>5,280</b>	<b>7,539</b>	<b>411,963</b>	<b>9,526</b>	<b>8,516</b>	<b>401,123</b>

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

## Note 7 Classification of financial instruments

### Financial assets

	SCBC				
	31 Dec 2025				
	Financial assets measured at FVTPL		Financial assets measured at amortised cost	Total	Total fair value
SEK million	Derivatives (held for trading)	Other (obligatory) classification			
Lending to credit institutions	–	–	1,524	1,524	1,524
Lending to the public	–	–	533,953	533,953	532,472
Value changes of interest-rate-risk hedged items in macro hedges	–	–	–94	–94	–
Derivatives	5,280	–	–	5,280	5,280
Other assets	–	–	428	428	428
Prepaid expenses and accrued income	–	–	53	53	53
Total	5,280	–	535,863	541,143	539,756

### Financial liabilities

SEK million	SCBC				
	31 Dec 2025				
	Financial liabilities measured at FVTPL		Financial liabilities measured at amortised cost	Total	Total fair value
	Derivatives (held for trading)	Held for trading			
Liabilities to credit institutions	–	–	4	4	4
Issued debt securities, etc.	–	–	297,882	297,882	295,300
Derivatives	7,539	–	–	7,539	7,539
Other liabilities	–	–	33	33	33
Accrued expenses and deferred income	–	–	4,128	4,128	4,128
Subordinated debt to the Parent Company	–	–	209,852	209,852	209,852
<b>Total</b>	<b>7,539</b>	<b>–</b>	<b>511,899</b>	<b>519,438</b>	<b>516,856</b>

## Not 7 Classification of financial instruments, Cont.

### Financial assets

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

### Financial liabilities

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

#### Fair value measurement of financial instruments

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

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

## Note 8 Fair Value Disclosures

SEK million	SCBC							
	31 Dec 2025				31 Dec 2024			
	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	Total	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	Total
<b>Assets</b>								
Derivatives	-	5,280	-	5,280	-	9,526	-	9,526
<b>Total</b>	-	<b>5,280</b>	-	<b>5,280</b>	-	<b>9,526</b>	-	<b>9,526</b>
<b>Liabilities</b>								
Derivatives	-	7,539	-	7,539	-	8,516	-	8,516
<b>Total</b>	-	<b>7,539</b>	-	<b>7,539</b>	-	<b>8,516</b>	-	<b>8,516</b>

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

### Quoted market prices (Level 1)

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

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

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

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

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

## Note 9 Subordinated debt to the Parent Company

SEK million	SCBC	
	31 Dec 2025	31 Dec 2024
Subordinated debt to the Parent Company	209,852	193,488
– Of which Internal Group MREL instrument	24,000	24,000
<b>Total</b>	<b>209,852</b>	<b>193,488</b>

### Terms and conditions governing subordination

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

### Internal Group MREL instrument

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

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

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

In June 2024 changes in CRR and CRD were adopted and published in the Official Journal. The regulations contain amendments that improve the comparability of risk-based capital measures between banks within the EU. This reduces 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.

In September 2025, the Swedish FSA decided to extend the current risk weight floor of 25% for Swedish mortgages, 35% for Swedish corporate exposures secured by commercial property, and 25% for Swedish corporate exposures secured by residential property. The risk weight floor for Swedish mortgages is extended by two years until December 30, 2027, and the risk weight floors for commercial real estate is extended by two years until September 29, 2027.

The countercyclical buffer rate for Swedish exposures amounts to 2% as of 31 December 2025. The Swedish FSA has announced in the fourth quarter 2025 that the countercyclical buffer rate is left unchanged. The countercyclical buffer rates for Denmark and Norway are unchanged at 2.5% as of 31 December 2025.

### Capital adequacy

SEK million	SCBC				
	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
<b>Available own funds (amounts)</b>					
Common Equity Tier 1 (CET1) capital	24,229	24,907	24,739	24,552	24,140
Tier 1 capital	24,229	24,907	24,739	24,552	24,140
Total capital	24,229	24,916	24,750	24,562	24,144
<b>Risk-weighted exposure amounts</b>					
Total risk exposure amount	134,190	133,351	132,412	130,448	147,471
Total risk Exposure pre-floor <sup>1)</sup>					
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>					
Common Equity Tier 1 ratio (%)	18.1	18.7	18.7	18.8	16.4
Common Equity Tier 1 ratio considering unfloored TREA (%) <sup>1)</sup>					
Tier 1 ratio (%)	18.1	18.7	18.7	18.8	16.4
Tier 1 ratio considering unfloored TREA (%) <sup>1)</sup>					
Total capital ratio (%)	18.1	18.7	18.7	18.8	16.4
Total capital ratio considering unfloored TREA (%) <sup>1)</sup>					
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0.8	0.8	1.2	1.2	1.2
of which: to be made up of CET1 capital (percentage points)	0.4	0.4	0.7	0.7	0.7
of which: to be made up of Tier 1 capital (percentage points)	0.6	0.6	0.9	0.9	0.9
Total SREP own funds requirements (%)	8.8	8.8	9.2	9.2	9.2

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

SEK million	SCBC				
	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>					
Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	–	–	–	–	–
Institution specific countercyclical capital buffer (%)	2.0	2.0	2.0	2.0	2.0
Systemic risk buffer (%)	–	–	–	–	–
Global Systemically Important Institution buffer (%)	–	–	–	–	–
Other Systemically Important Institution buffer (%)	–	–	–	–	–
Combined buffer requirement (%)	4.5	4.5	4.5	4.5	4.5
Overall capital requirements (%)	13.3	13.3	13.7	13.7	13.7
CET1 available after meeting the total SREP own funds requirements (%)	9.3	9.9	9.4	9.6	7.1
<b>Leverage ratio</b>					
Total exposure measure	540,808	537,049	531,819	526,691	524,312
Leverage ratio (%)	4.5	4.6	4.7	4.7	4.6
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>					
Additional own funds requirements to address the risk of excessive leverage (%)	–	–	–	–	–
of which: to be made up of CET1 capital (percentage points)	–	–	–	–	–
Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>					
Leverage ratio buffer requirement (%)	–	–	–	–	–
Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
<b>Liquidity Coverage Ratio<sup>2)</sup></b>					
Total high-quality liquid assets (HQLA) (Weighted value -average)					
Cash outflows - Total weighted value					
Cash inflows - Total weighted value					
Total net cash outflows (adjusted value)					
Liquidity coverage ratio (%)					
<b>Net Stable Funding Ratio<sup>2)</sup></b>					
Total available stable funding					
Total required stable funding					
NSFR ratio (%)					

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

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

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

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

### Own funds

SEK million	SCBC	
	31 Dec 2025	31 Dec 2024
<b>Common Equity Tier 1 (CET1) capital : Instruments and reserves</b>		
Capital instruments and the related share premium accounts	50	50
Retained earnings	24,406	23,595
Accumulated other comprehensive income (and other reserves)	-2,645	-2,954
Independently reviewed year end profits net of any foreseeable charge or dividend <sup>1)</sup>	11	827
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>21,822</b>	<b>21,518</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>		
Additional value adjustments (negative amount)	-6	-18
Intangible assets(net of related tax liability (negative amount)	-	-
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	2,645	2,954
Negative amounts resulting from the calculation of expected loss amounts	-231	-313
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-
Other regulatory adjustments <sup>2)</sup>	0	-1
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>2,407</b>	<b>2,622</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>24,229</b>	<b>24,140</b>
<b>Additional Tier 1 (AT1) capital: Instruments</b>		
<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>-</b>	<b>-</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>		
<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>-</b>	<b>-</b>
<b>Additional Tier 1 (AT1) capital</b>	<b>-</b>	<b>-</b>
<b>Tier 1 capital (T1 = CET1+AT1)</b>	<b>24,229</b>	<b>24,140</b>
<b>Tier 2 (T2) capital: Instruments</b>		
Capital instruments and the related share premium accounts	-	-
Credit risk adjustments	0	4
<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>0</b>	<b>4</b>
<b>Tier 2 (T2) capital: regulatory adjustments</b>		
<b>Total regulatory adjustments to Tier 2(T2) capital</b>	<b>-</b>	<b>-</b>
<b>Tier 2 (T2) capital</b>	<b>0</b>	<b>4</b>
<b>Total capital (TC=T1+T2)</b>	<b>24,229</b>	<b>24,144</b>
<b>Total risk-exposure amount</b>	<b>134,190</b>	<b>147,471</b>

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

SEK million	SCBC	
	31 Dec 2025	31 Dec 2024
<b>Capital ratio and requirements including buffers, %</b>		
Common Equity Tier 1 capital	18.1	16.4
Tier 1 capital	18.1	16.4
Total capital	18.1	16.4
Institution CET1 overall capital requirements	9.4	9.7
– of which, capital conservation buffer requirement	2.5	2.5
– of which, countercyclical buffer requirement	2.0	2.0
– of which, systemic risk buffer requirement	–	–
– of which, G-SII buffer and O-SII buffer	–	–
– of which, additional own funds requirements to address the risk other than the risk of excessive leverage	0.4	0.7
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum requirements	9.3	7.1

1) Net profits for the year-end were reduced by the expected dividend of SEK 1,430 million. The results have been verified by Deloitte AB pursuant to Article 26, Point 2a of the Capital Requirements Regulation.

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



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

### Risk exposure amounts and capital requirements

SEK million	SCBC			
	31 Dec 2025		31 Dec 2024	
	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement
<b>Credit risk recognised in accordance with IRB approach</b>				
Exposures to corporates	29,955	2,396	49,467	3,958
Retail exposures	8,623	690	16,904	1,352
– of which, exposures to SMEs	–	–	–	–
– of which, retail exposures secured by immovable property	8,623	690	16,904	1,352
<b>Total exposures recognised with IRB approach</b>	<b>38,578</b>	<b>3,086</b>	<b>66,371</b>	<b>5,310</b>
<b>Credit risk recognised with the standardised approach</b>				
Exposure to governments and central banks <sup>1)</sup>	0	0	14	1
Exposures to regional governments or local authorities or agencies	0	0	0	0
Exposures to institutions <sup>2)</sup>	207	17	161	13
– of which, derivatives according to CRR, Appendix 2	183	15	122	10
– of which, repos	24	2	38	3
– of which, other	0	0	1	0
Exposures to institutions and corporates with a short-term credit rating	2	0	2	0
Other items	0	0	0	0
<b>Total exposures recognised with standardised approach</b>	<b>209</b>	<b>17</b>	<b>177</b>	<b>14</b>
<b>Market risk</b>	<b>429</b>	<b>34</b>	<b>469</b>	<b>38</b>
– of which, position risk	–	–	–	–
– of which, currency risk	429	34	469	38
<b>Operational risk</b>	<b>6,189</b>	<b>495</b>	<b>5,971</b>	<b>478</b>
<b>Credit valuation adjustment risk</b>	<b>1,342</b>	<b>107</b>	<b>717</b>	<b>57</b>
<b>Additional requirements under Article 458 of the CRR</b>	<b>87,443</b>	<b>6,996</b>	<b>73,766</b>	<b>5,901</b>
<b>Total risk exposure amount and minimum capital requirement</b>	<b>134,190</b>	<b>10,735</b>	<b>147,471</b>	<b>11,798</b>
<b>Capital requirements for capital conservation buffer</b>		<b>3,355</b>		<b>3,687</b>
<b>Capital requirements for countercyclical buffer</b>		<b>2,684</b>		<b>2,949</b>
<b>Total capital requirement</b>		<b>16,774</b>		<b>18,434</b>

1) Risk-weighted amount for governments and central banks amounts to SEK 0 million (14) due to deferred tax according to CRR Article 48(4).

2) The risk exposure amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 207 million (160).

## Note 11 Internally assessed capital requirement

The internal capital adequacy assessment aims to ensure that SCBC has sufficient capital to withstand a financial crisis. The internally assessed capital requirement for SCBC amounted to SEK 7,008 million (SEK 7,526 million per 31 December 2024). The internal capital requirement is assessed using internal models for economic capital and is not fully comparable to the estimated capital requirement calculated by the Swedish FSA due to differences in both assumptions and methodologies. SCBC estimates that total capital requi-

rement as of 31 December 2025 according to Swedish FSA amount to SEK 17,807 million, of which SEK 1,033 million comprise capital requirement in Pillar 2. SCBC quantifies the internal capital requirement within the scope of the internal capital adequacy assessment (ICAAP). Internal capital requirement is defined as the higher of the economic capital and the regulatory capital requirement based on Pillar 1 for each risk category.

	SCBC	
	31 Dec 2025	31 Dec 2024
	Internally assessed capital requirement	
	SEK million	SEK million
Creditrisk	4,852	5,372
Market risk	683	495
Operational risk	495	478
Concentration risk	870	1,124
Sovereign risk	0	0
CVA	107	57
Other risks <sup>1)</sup>	0	0
<b>Total</b>	<b>7,008</b>	<b>7,526</b>
<b>Total own funds</b>	<b>24,229</b>	<b>24,144</b>

1) This includes pension and business risk

# Alternative performance measures

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

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

## Return on equity

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

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

SEK million	SCBC	
	2025	2024
	Jan-Dec	Jan-Dec
Net profit for the period	1,441	1,406
Average equity	25,185	24,352
Return on equity, %	5,7	5,8

## Definitions of other key performance indicators

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

# Auditors' review report

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

## Introduction

We have reviewed the condensed interim financial information (year-end report) for The Swedish Covered Bond Corporation ("SCBC") (in Swedish: AB Sveriges Säkerställda Obligationer (publ)) for the period 1 January – 31 December 2025. The Board of Directors and the CEO are responsible for the preparation and presentation of this year-end report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this year-end report based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on

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

## Conclusion

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

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

Stockholm, 12 February 2026

Deloitte AB

*Signature on Swedish original*

Malin Lüning  
Authorised Public Accountant

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

Solna, February 12, 2026

Fredrik Jönsson  
CEO

## Financial calendar

Interim Report Jan–Jun 2026	<b>17 July 2026</b>
Year-end Report 2026	<b>3 February 2027</b>

*The Annual General Meeting will be held in Solna 29 April 2026*

## Credit ratings

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



## Contact

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This information was submitted  
for publication on 13 February, 2026  
at 08:00 (CET).

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