

Annual Report

2025

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The sustainability information for The Swedish Covered Bond Corporation (SCBC) is included in the 2025 Annual Report for the Parent Company, SBAB Bank AB (publ).

Financial calendar

Annual General Meeting	28 April 2026
Interim report Jan–Jun 2026	17 July 2026
Year-end report 2026	3 February 2027



The year in brief

Overview – SCBC

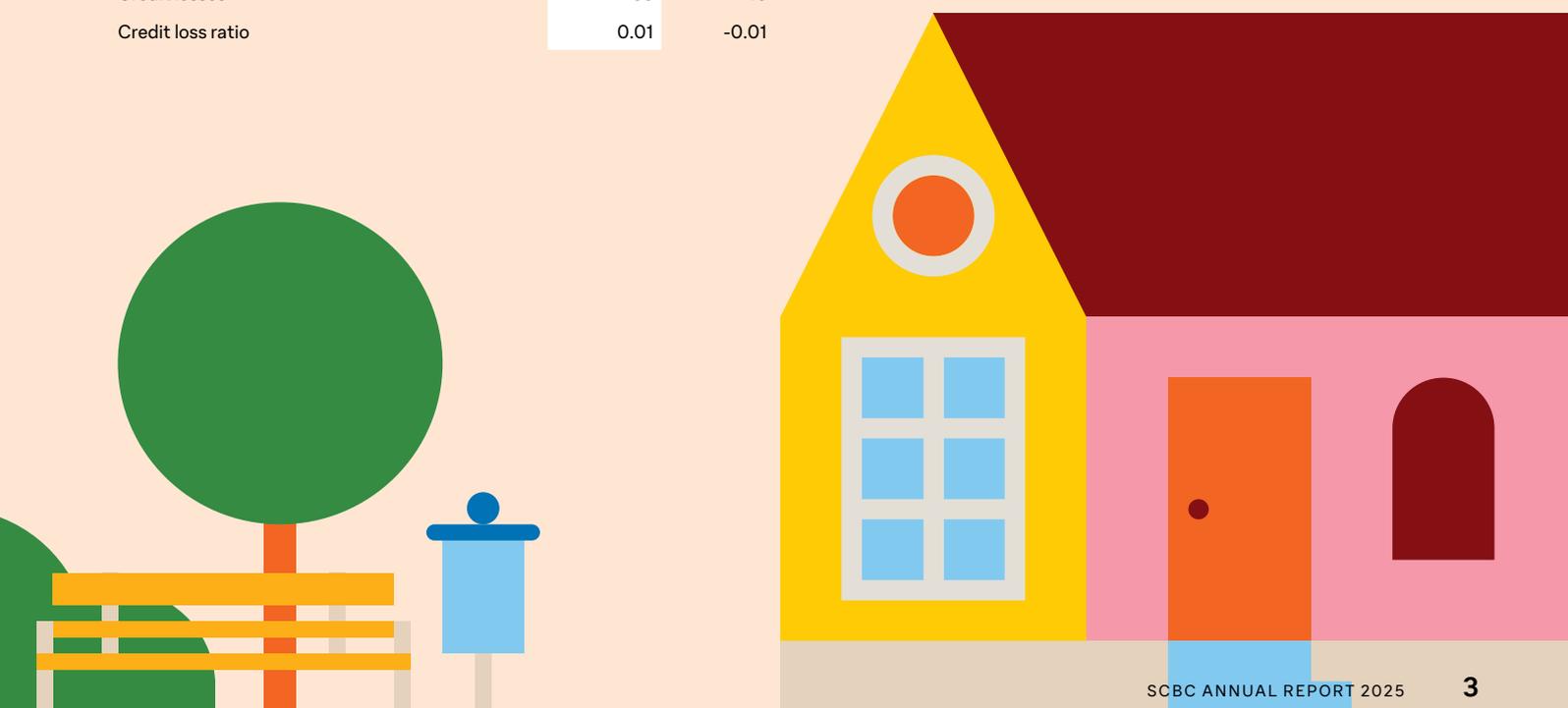
SEK million	2025	2024
Income-statement items		
Net interest income, SEK million	3,761	3,673
Operating profit, SEK million	1,815	1,771
Profit after tax, SEK million	1,441	1,406
Balance-sheet items		
Lending to the public, SEK billion	534.0	520.8
Key metrics		
Credit loss ratio, %	0.01	-0.01
Capital adequacy		
CET1 capital ratio, %	18.1	16.4
Tier 1 capital ratio, %	18.1	16.4
Total capital ratio, %	18.1	16.4
Rating, long-term funding		
Moody's	Aaa	Aaa
Estimate		
Credit losses	55	-46
Credit loss ratio	0.01	-0.01

Net interest income, SEK million

3,761 **3,673**
2025 2024

Operating profit, SEK million

1,815 **1,771**
2025 2024



Operations

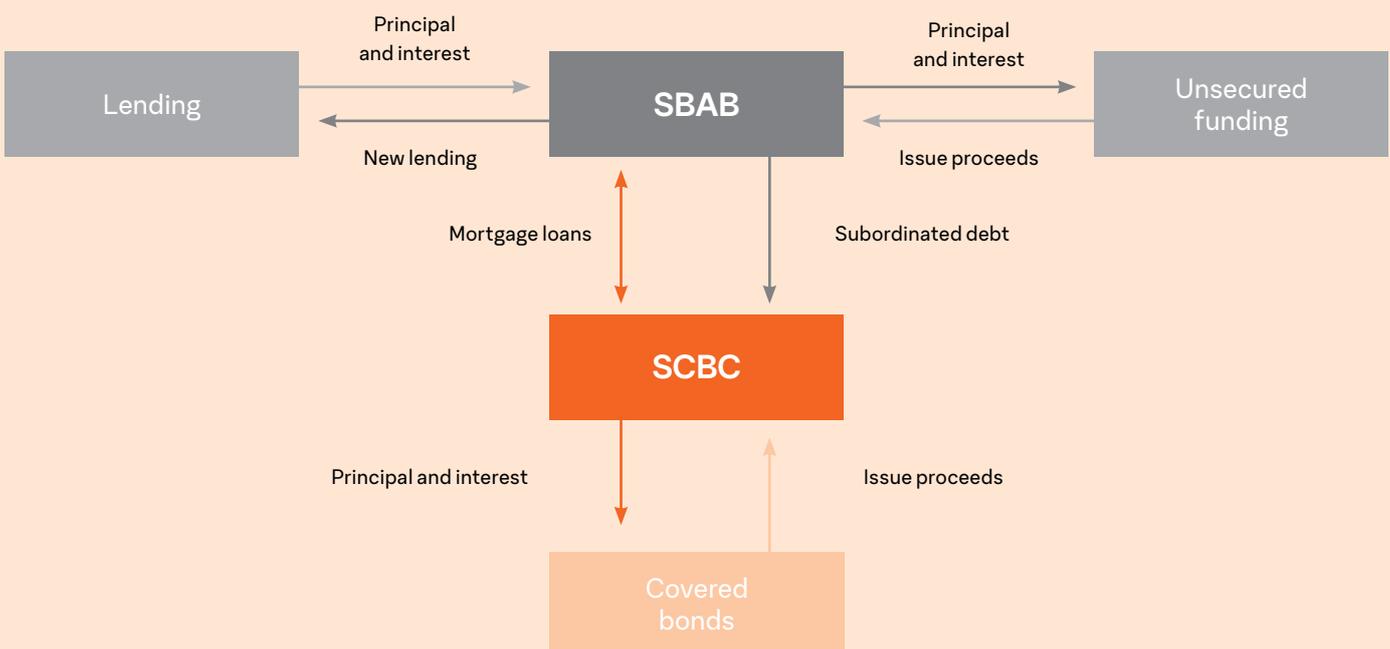
The primary operations of AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation – SCBC) comprise the issue of covered bonds to fund the lending of the SBAB Group. SBAB Bank AB (publ), (SBAB), is the Parent Company of the SBAB Group and is wholly owned by the Swedish state.

SCBC, Corp. Reg. No.: 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.

SCBC’s role in the SBAB Group



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 and derivative counterparties.

Credit portfolio

As of 31 December 2025, lending to the public amounted to SEK 534.0 billion (520.8). SCBC's portfolio mainly comprises loans for residential mortgages, with the retail market as the largest segment. The underlying collateral consists primarily of mortgage deeds in houses and multi-family dwellings, and of collateral in tenant-owners' rights. All provision of credit is conducted in the Swedish market and is geographically concentrated to the major metropolitan regions, university cities and growth regions.

Cover pool

SCBC's total credit portfolio consists to around 95.3% (96.7) of assets that qualify for inclusion in the cover pool for the issuance of covered bonds. Of SCBC's credit portfolio, 75.8% (77.4) is included in the cover pool. Of the loans in the cover pool, approximately 100.0% (99.9) con-

sist of lending against collateral in mortgage deeds or tenant-owners' rights. In calculating the loan-to-value (LTV) ratio for these loans, the upper limit of the loans' (or group of loans) LTV ratio in the collateral used – is known as the Max LTV.

Credit quality

The overall credit quality in SCBC's credit portfolio continues to be assessed as very good and the credit risk as low in both business areas (Private and Corporates & Associations). SCBC only lends against pledged collateral and the granting of loans to retail customers, tenant-owners' associations and property companies is based on a sound credit approval process. In 2025, expected credit loss allowances (ECLs) and risk exposure amounts (REAs) decreased in SCBC's credit portfolio. The decrease in credit loss provisions was mainly attributable to fewer cases of default with a

consequent reduction in credit stage 3 exposure in the Private Business Area and, to some extent, to positive rating grade migrations in the same business area. The decrease in credit loss provisions was offset by a slightly higher credit stage 3 exposure in the Business Area Corporates & Associations. Other factors that contributed to the change in credit loss provisions included an ECL model update, revision of the management overlay and updated forward-looking information. The decrease in REA was mainly attributable to the introduction of the Banking Package (CRR3), which led to lower standard LGD values for corporate exposures with collateral in immovable property. For more information on credit risk in lending operations, please refer to Note [RC 1](#).

Key metrics, cover pool

	31 Dec 2025	31 Dec 2024
Total cover pool, SEK million	406,099	404,936
Credit portfolio, SEK million	533,953	520,771
Weighted average max LTV, %	54.6	53.7
Average loan amount, SEK thousand	973	966
Weighted average seasoning, years	5.2	6.0
Average remaining maturity, years ¹⁾	1.1	1.2
Exposures to credit institutions, SEK million	1,515	1,528

¹⁾ Regarding maturity until the next date for changes in terms for all borrower categories.

LTV breakdown

LTV, %	Credit volume			
	31 Dec 2025		31 Dec 2024	
	SEK million	%	SEK million	%
-20	168,041	41.5	172,905	42.9
20–30	71,763	17.7	72,324	17.9
30–40	59,874	14.8	59,339	14.7
40–50	46,918	11.6	45,044	11.2
50–60	32,394	8.0	30,173	7.5
60–70	17,705	4.4	16,353	4.1
70–75	4,793	1.2	4,432	1.1
75–80	3,086	0.8	2,633	0.7
80–	0	0.0	0	0.0
Total	404,575	100	403,204	100

Financial performance

Operations continue to perform favourably. Operating profit for 2025 totalled SEK 1,815 million (1,771) and net interest income amounted to SEK 3,761 million (3,673).

Development of operations

SCBC's operating profit increased slightly to SEK 1,815 million (1,771).

Net interest income

SCBC's Net interest income rose to SEK 3,761 million (3,673), due to a higher share of deposits in the funding mix at Group level.

Net commission expense

The net commission expense was SEK 36 million (expense: 44). The lower expense was primarily attributable to higher income linked to funding operations and lower costs for the credit facility to SBAB.

Net result of financial transactions

The net expense from financial transactions was SEK 31 million (income: 28). The difference was primarily due to the buy-back of own debt.

Expenses

SCBC's 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. In increase in Group expenses was mainly driven by higher personnel costs, which were partly offset by lower costs for development consultants. The cost trend is progressing according to plan and tracks the operations' development and investment strategy for long-term competitiveness.

Credit losses

Net credit losses were positive and amounted to a recovery of SEK 55 million (loss: 47). The decrease in credit loss provisions was mainly attributable to fewer cases of default with a consequent reduction in credit stage 3 exposure in the Private Business Area. The comparative period had more cases of default in the Private Business Area, which led to higher credit stage 3 exposure and a consequent increase in loss provisions. Con-

firmed credit losses totalled SEK 17 million (loss: 6). The increase in confirmed credit losses was a consequence of the rise in defaults in the comparative period. For more information on credit losses, please refer to Note [tc 5](#).

Imposed fees

Imposed fees include the Swedish risk tax, the resolution fee and, from 2025, 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 the deposit requirement with the Riksbank to SEK 9 million (-).

Capital adequacy and liquidity risk

SCBC primarily recognises credit risk under the internal ratings-based approach (IRB approach) and operational and market risk using the standardised approach. SCBC's total capital ratio and CET1 capital ratio amounted to 18.1% (16.4) on 31 December 2025. Net profit for the year is included in own funds. The internally assessed capital requirement amounted to SEK 7,008 million (7,526) on 31 December 2025.

For more information on capital adequacy, please refer to Note [rc 8](#).

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

Dividend policy and appropriation of profits

SCBC has no established dividend policy. Dividends are proposed by the Board in accordance with the provisions of the Companies Act and are resolved by the Annual General Meeting. All shares are owned by the Parent Company, SBAB. The full proposed appropriation of profits can be found on page 14.

Group contributions

In December 2025, a decision was taken to distribute a Group contribution of SEK 20 million from SCBC to fellow Group company Booli Search Technologies AB.

Updates pertaining to the MREL

A new MREL liability of SEK 6 billion was taken up in SCBC during the year. As of 31 December, total senior non-preferred debt amounted to SEK 24 billion (24). The MREL is a requirement from the Swedish National Debt Office to ensure that there is sufficient capital and eligible liabilities in the event of a crisis.

Corporate Governance Report

SCBC's Corporate Governance Report is included in this Annual Report, see page 10. Information regarding the most important aspects of the company's system for internal governance and control can be found in the aforementioned report.

Events after the balance-sheet date

Information about events after the balance sheet date is available in Note [g 4](#).

Funding

SCBC operates primarily in the Swedish and European covered bond markets. The issue of covered bonds through SCBC is one of the SBAB Group's key sources of funding.

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The annual funding requirement is influenced both by lending and by deposit volumes. SCBC does not conduct any lending activities itself, but instead acquires loans from SBAB, with the aim that these are included wholly or in part in the cover pool that serves as collateral for SCBC's covered bonds.

In general, in the markets in which SCBC is active, investor demand for SCBC's bonds was healthy during the year. The relatively high funding requirement in 2025 was mainly driven by large bond maturities in the year. The gradual decline in central bank interest rates dominated financial markets around the world during the year. Risk sentiment improved gradually over the year and capital markets have shown stability even during periods of turbulence. Funding costs end the year at the lowest level for the year and have been supported by inflows of new capital to funds over much of the year.

In addition to regular issues in the Swedish covered market, SCBC also issued a five-year bond in the European covered bond market during the year. Furthermore, SCBC issued a green covered bond in the beginning of the year in the Swedish market. All of these transactions were well-received by the investor community.

Funding programmes

SCBC's primary operations comprise the issue of covered bonds in the Swedish and international capital markets. To this end, the company makes use of funding programmes. A covered funding programme with no fixed limit is used in Sweden, while in the international market, a EUR 16 billion EMTCN programme (Euro Medium Term Covered Note Programme) is primarily used. On 31 December 2025, the total value of issued debt securities

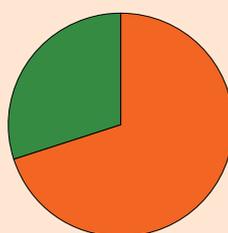
outstanding under SCBC's lending programme was SEK 297.9 billion (305.2), distributed as follows: Swedish covered bonds SEK 207.5 billion (210.5) and the Euro Medium Term Covered Note Programme SEK 90.3 billion (94.8). During the period, issued securities amounted to SEK 68.8 billion (31). At the same time, securities amounting to SEK 31.1 billion (27.1) were repurchased, while securities amounting to SEK 42.0 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 (21) in the period.

Rating

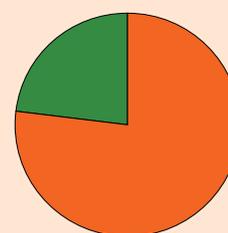
All of SCBC's funding programmes have received the highest possible credit rating of Aaa from the rating agency Moody's.

Funding – Debt outstanding, 31 December 2025: SEK 297.9 billion (305.2)



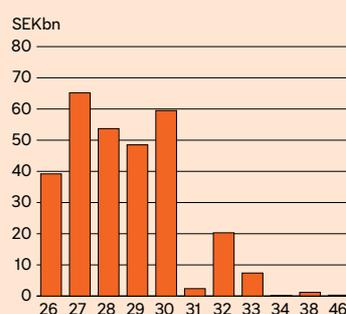
Swedish covered bonds 70% (69)
EMTCN 30% (31)

Funding – Currency breakdown, debt outstanding 31 December 2025: SEK 297.9 billion (305.2)

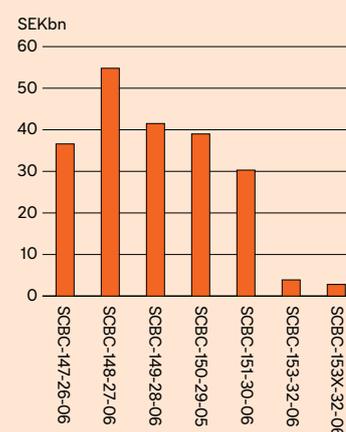


SEK 77% (75)
EUR 23% (25)

Total funding – maturity profile



Volume outstanding for SCBC's Swedish covered bonds



Risk and capital management

SCBC's risk and capital management is tasked with ensuring SCBC's resilience in terms of managing existing risks and with identifying emerging risks. The risk framework is continuously developed to reflect the risks linked to, inter alia, market trends and changes in the operating environment. For further information about SCBC's risk management and capital adequacy, refer to the RC notes or visit SBAB's website: www.sbab.se.

SCBC's risks and risk management

Risk is defined as a potentially negative impact that may arise due to ongoing or future internal or external events. The definition of risk includes the likelihood that an event occurs as well as the impact the event could have on SCBC's earnings, capital, liquidity or value. SCBC's risk management framework comprises a risk strategy, a risk policy, a capital policy and a risk appetite. The risk policy sets out SCBC's risk management objectives and defines the risks to which SCBC's operations are or could be exposed. SCBC's risk taking is low and is kept at a level commensurate with financial targets for return and the scope of own funds. SCBC's risks consist mainly of credit risk through its lending operations.

Risk governance

SCBC's Board of Directors bears the ultimate responsibility for the company's total risk exposure. It is the Board's responsibility to ensure that operations can be conducted with good internal controls. SCBC's function for independent risk control is outsourced to the Parent Company SBAB Bank AB (publ) and SBAB's CRO also acts as the CRO of SCBC. The CEO is responsible for day-to-day administration in accordance with the strategies, guidelines and policies adopted by the Board of Directors. The CEO also ensures, on an ongoing basis, that each unit, including Risk, reports in accordance with the relevant instructions to the Board. Risk is responsible for monitoring and supporting the business in the identification and management of risks, and is responsible for quantification,

analysis and reporting of all risks. The CRO, who reports directly to SCBC's CEO and Board, is responsible for Risk.

Risk strategy

SCBC is tasked with identifying, measuring, governing, reporting internally and maintaining control of the risks to which SCBC is or may become exposed. The Board adopts the strategic direction and the overarching risk level that SCBC's operations are willing to accept, based on the company's business and how value is created for our customers. This means SCBC is to consciously expose itself only to risks that are directly connected to or are regarded as necessary for its operations. It is also about maintaining sufficient liquidity and capital to meet unforeseen events. Knowledge and awareness of any risks that SCBC may be exposed to,

Risk	Description
Credit risk	The counterparty is unable to fulfil its payment obligation.
Market risk	The risk of losses or reduced future income due to market fluctuations.
Operational risk	The risk of losses caused by people, inadequate or failed systems and processes, and external events including, but not limited to, legal risks, model risks (including AI model risk) and information and communication technology (ICT) risks.
Business risk	The risk of declining earnings due to difficult competitive conditions or an incorrect strategy or decision.
Liquidity risk	The risk of being unable to meet payment obligations on due dates without the cost of raising funds for that purpose increasing significantly.
ESG risk	ESG risk pertains to the risk of loss or reduced future income due to sustainability-related events. In the sustainability matters framework, the bank works with three categories: environment (E); social (S); and governance (G).

together with the right expertise to estimate the size of existing and potential risks, is absolutely necessary for our operations. All risks must be evaluated based on the risk appetite decided by the Board.

Risk taking

SCBC's risk taking is kept at a level consistent with our short-term and long-term plans for strategy, capital and financial stability. An important part of SCBC's business model is that the risks to which SCBC is exposed are low and predictable.

This does not mean that each individual credit exposure has very low risk; rather, that SCBC's total lending portfolio consists largely of low-risk loans and every loan's internal risk effect is such that the total risk is limited. The basis for SCBC's appetite for risk is that it should fit within the company's risk-bearing capacity. Risk-bearing capacity refers to the capacity to cover expected and unexpected losses without breaching the established capital requirements. The scope of acceptable risks is clearly linked to how

important these are to SCBC's business model, in other words the positive effects anticipated to be achieved in the form of expected revenue, cost savings or the mitigation of other risks. SCBC minimises undesired risks through appropriate functions, strategies, processes, procedures, internal rules, limits and controls.

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 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 a strong 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 home-owning households, which is attributable to relatively higher incomes. Higher interest rates initially led to higher housing costs in 2023 and 2024. However, lower interest rates since 2025 mean that interest expenses are assessed as being at a normal long-term level.

Inflation fell in 2024 as did the policy rate. Falling policy rates and therefore declining market interest rates brought down mortgage rates. The economic recovery that began toward the end of last year lost momentum in 2025 with the start of the US tariff war, but has regained momentum since the second quarter. While inflation rose above the Riksbank's target, the situation was assessed as temporary and did not prevent a policy rate cut to 1.75%. Rather than any further cuts, the Riksbank foresees a couple of increases starting in 2027 up to the neutral level. Prevailing interest rate levels and future trends are important variables for SCBC, since they impact strongly on net interest income and operating profit.

Lower housing prices and higher interest rates a burden on households

Falling policy rates and declining market interest rates also brought down short-term mortgage rates in 2025. Mortgage rates are expected to rise slowly from current levels to a long-term level of between 3% and 4%, depending on the fixed-interest period. Since the majority of households own their own home and due to many mortgages being subject to variable interest, the Swedish economy is sensitive to interest rate movements. While this is positive for the monetary policy's impact, there is a risk of indebted households with tight margins experiencing temporary difficulty coping with ongoing payments on their mortgages as a result of rising interest rates. In general, however, stress tests indicate that risks are low in the event of moderately rising interest rates.

Falling mortgage rates have contributed to rising housing prices, albeit nowhere near the housing price decline triggered by the earlier rise in interest rates. At the end of 2025, house prices remained 13% below their 2022 peak and apartment prices were 10% below. At present, price developments are

being held back by a weak labour market and high unemployment. Looking ahead, housing prices are expected to rise moderately in pace with 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 and building new housing units.

Falling interest rates relieve pressure on property companies

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

International economy and 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 or extraordinary events such as pandemics, wars and acts of terrorism. Widening credit spreads on interest-bearing assets and stock market volatility are other factors.

Geopolitical uncertainty and armed conflicts

Above all, armed conflict leads to a great deal of human suffering. However, it also affects economic performance and the financial markets, not just locally but often globally. Russia's 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 can be expected to increase further going forward. To date, conflicts in 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, including higher oil prices.

Corporate Governance Report

SCBC is domiciled in Solna. Owner governance of SCBC is exercised through general shareholder meetings, the Board of Directors and CEO in accordance with the Companies Act, the Articles of Association, and internal policies and instructions adopted by SCBC. SCBC's objective is to broaden the SBAB Group's funding opportunities and decrease its funding costs through the issuance of covered bonds.

SCBC's operations

SCBC's operations comprise the issuance of covered bonds and associated activities. In addition to the policies and instructions that have been developed especially for SCBC, each year, the Board of SCBC also adopts the policies and instructions that apply both to the Parent Company and to SCBC. This approach is suitable since SCBC's business operations are essentially conducted by the Parent Company on assignment from SCBC and SCBC's operations serve as an instrument for the Group's funding. SCBC's targets and strategies form part of the Parent Company's funding strategy and are included in the Parent Company's business plan and the business plan adopted by SCBC.

Articles of Association

SCBC's Articles of Association govern items such as SCBC's business objectives. The Articles of Association do not include any provisions regulating the appointment or removal of Board Members, with the exception of the provision on the minimum and maximum number of Board Members. The Articles of Association require that notification of an Extraordinary General Meeting convened to address amendments to the Articles of Association must be issued not earlier than six weeks and not later than four weeks prior to the meeting.

Annual General Meeting

SCBC's Annual General Meeting was held on 29 April 2025 in Solna. The Meeting re-elected Board members Jan Sinclair (who was also elected Chairman of the Board), Jane Lundgren Ericsson, Synnöve Trygg and Mikael Inglander. The AGM passed resolutions regarding the discharge from liability for the Board of Directors and the CEO, the appropriation

of profits and the adoption of the annual accounts for 2024, and fees to the Board Members who are not employees of the SBAB Group. The AGM elected Deloitte AB, with Malin Luning as the auditor-in-charge, as SCBC's auditor until the close of the 2026 AGM. The company's owner instructions clarify SBAB's intentions regarding business concept, strategic direction, governance and guidelines for the company's operations.

The General Meeting did not authorise the Board of Directors to issue new shares or buy back the company's shares.

The Board of Directors and the Board's work

The Articles of Association stipulate that the Board of Directors is to comprise not fewer than three and not more than seven members, with no more than six alternates.

The members are normally elected at the Annual General Meeting for the period until the next Annual General Meeting. The CEO of SCBC is not a member of the Board. SCBC's Board of Directors comprises the Parent Company's CEO and members of the Board of Directors of the Parent Company.

The Board of Directors bears ultimate responsibility for the company's organisation and administration. The Board is also responsible for continuously assessing SCBC's financial position and for ensuring that the organisation is structured in a manner that enables the accounting, asset management and the company's other financial circumstances to be controlled in a satisfactory manner.

The work of the Board complies with the formal work plan adopted annually at the Board's statutory meeting immediately after the Annual General Meeting. The working procedures address summonses, agendas and quorums for Board

meetings, as well as the division of duties between the Board and the CEO.

SCBC's Board makes decisions on matters relating to SCBC's strategic direction, financing, policies, and certain instructions. The Board addresses the company's year-end report, Annual Report and six-month reports, and determines their adoption and publication. The Board's measures to follow up internal control of financial reporting include the Board's regular follow-up of SCBC's performance, key performance indicators, and review and follow-up of the auditor's review reports. At least once annually, the Board receives reports from the independent inspector appointed by Finansinspektionen (the Swedish FSA), independent risk control, compliance and internal audit regarding observations from performed reviews and assessments, as well as assessments of how well control and regulatory compliance are upheld within the company.

None of the company's Board members or the CEO hold shares or financial instruments issued by SCBC. All of the shares in SCBC are held by the Parent Company.

Diversity and eligibility policies

The Board has adopted policies pertaining to Board diversity and fit and proper assessments of Board members, the CEO and senior executives. The diversity policy includes a prohibition against discrimination based on gender, transgender identity or expression, ethnicity, religion or other beliefs, disabilities, sexual orientation or age. The eligibility instruction states that the eligibility assessment of the Board, the CEO and the senior executives should take into account the individual's skills, experience, reputation and judgement.

The Board's committees

Audit Committee

The Committee's main task is, based on the assignment and the applicable regulations, to examine the company's governance, internal controls, financial information and the sustainability reporting, and to prepare issues in these areas for decision by the Board.

The Audit Committee is tasked with monitoring the reliability of the financial and sustainability reporting. Moreover, the Committee is also responsible for evaluating the external auditing work, informing the owner of the results of this work and assisting in the drafting of proposals for auditors. The Committee is responsible for reviewing and monitoring the auditor's impartiality and independence. The Committee is composed of members of SCBC's Board of Directors.

Credit Committee, Risk and Capital Committee and Remuneration Committee

SCBC has not established any Credit Committee, Risk and Capital Committee or an own Remuneration Committee. The Parent Company's committees also address issues concerning SCBC in areas that are relevant at Group level as part of the integrated work.

The principal task of the Parent Company's Credit Committee is to decide on credits and limits in the Group's lending and funding operations. The Parent Company's Credit Committee also has the task of preparing matters involving changes in the credit policy and credit instructions, the assessment of portfolio strategies, the transparency of the credit portfolio, the evaluation of existing or proposed portfolio strategies, the evaluation of existing or new delegation rights and the Board's annual review of regulatory frameworks, models for granting credits and outcomes in terms of retail credit granting. The Credit Committee is the Parent Company's Board entity for all matters relating to credit risk, including the approval of new IRB models or significant changes to existing models.

The Parent Company's Risk and Capital Committee prepares matters regarding the treasury operations and matters involving risk and capital, which can also encompass or be relevant for SCBC. The Risk and Capital Committee also prepares matters pertaining to objectives, strategies and policies within the areas of risk and capital.

The principal task of the Parent Company's Remuneration Committee is to prepare issues regarding principles for

remuneration and other employment terms and conditions for senior executives for resolution by the Board.

The above committees include members of the Board of Directors of the Parent Company. Matters addressed by the Board committees of the Parent Company are reported in conjunction with the meetings of SCBC's Board. At SCBC, the Board is responsible for managing the issues handled within the framework of the respective committees' assignments for the Parent Company.

CEO

The Board has adopted an instruction governing the role and duties of the CEO. The CEO bears responsibility for the day-to-day administration of operations in accordance with the Board's issued guidelines, established policies and instructions and reports on an ongoing basis to the Board. The CEO has established a management group to assist in the operational management and governance of SCBC.

Remuneration of Board of Directors and senior executives

Information regarding the remuneration of the Board is presented in Note [IC 4](#) in the Annual Report. No remuneration was paid to Board members employed by the Parent Company or to the CEO of SCBC. Any matters pertaining to the remuneration of SCBC's senior executives are addressed by the Board of SCBC. The Board of Directors has established a remuneration policy, under which if the Board determines that salary or other remuneration is to be paid to employees within SCBC, the Remuneration Policy is to be updated in accordance with the directives issued by the Swedish FSA regarding remuneration structures in credit institutions. With regard to issues pertaining to the remuneration and other terms of employment for senior executives, SCBC is to adhere to the guidelines adopted by the general meeting and pursuant to the government's guidelines for remuneration and other terms of employment for senior officers of state-owned enterprises as applicable at any given time.

Control functions

SCBC has three independent control functions:

- a Risk Function;
- a Compliance Function (Compliance); and
- an Internal Audit Function.

The Risk and Internal Audit functions have been outsourced to the Parent Company in accordance with the outsourcing agreement. Compliance is executed by SCBC through one employee. The operations requiring licences to issue covered bonds under the Covered Bonds (Issuance) Act (2003:1223) are conducted by SCBC through its employees, mainly those in the Legal, Accounting and Treasury functions. Furthermore, SCBC has outsourced parts of its operations to the Parent Company in accordance with the outsourcing agreement; these parts include the administration of credits and collateral as well as IT services.

Risk

Certain tasks within the risk function are performed directly within SCBC, including the CRO. However, SCBC has engaged the Parent Company to discharge SCBC's Risk function and to conduct the requisite tasks for ensuring independent risk control in the company. Risk is responsible for maintaining SCBC's risk management framework and for monitoring and checking risk management. The function is also responsible for checking that the risk management framework is efficient by identifying, measuring, checking, analysing and reporting all of SCBC's risks and risk developments. It is also responsible for identifying new risks that could arise as a result of changed circumstances. The CRO reports directly to SCBC's CEO and Board.

Compliance

SCBC's Compliance function is executed through one employee. The function is independent of the business operations and is directly subordinate to the CEO. The Compliance function is tasked with, inter alia, identifying which risks exist that would prevent SCBC from discharging its duties in accordance with laws, regulations and other provisions that govern operations requiring licences, and checking that these risks are managed by the affected functions. Compliance is primarily active in the areas of internal governance and control, customer protection and market conduct. The function is also tasked with providing advice and support on compliance matters. Compliance reports on an ongoing basis to the CEO and through a quarterly written report to the CEO and Board. The scope and focus of the work of Compliance is established in an annual plan following decision by the CEO. The Board of SCBC is informed about the annual plan.

Internal Audit

The Parent Company conducts SCBC's Internal Audit function in accordance with the outsourcing agreement. Internal Audit comprises an internal, independent review function pursuant to the Swedish FSA's regulations and general guidelines for governance, risk management and control in credit institutions. The function is directly subordinate to the Board. Internal Audit conducts its work according to best practices for internal audits, established by the International Professional Practices Framework (IPPF). One of Internal Audit's primary assignments is to review and evaluate internal governance and control as well as to create value and improvements within operations. Internal Audit's review work is conducted according to a plan annually decided by the Board. The Head of Internal Audit reports orally and in writing to the Board. The

responsibilities, work assignments and work and reporting procedures of Internal Audit are determined by the policy decided annually by the Board.

Independent inspector

According to the Swedish Covered Bond Issuance Act, the Swedish FSA is to appoint an independent inspector for each issuing institution. The inspector's duties include overseeing that the register that issuing institutions are obliged to maintain listing the covered bonds, cover pool and derivatives contracts is properly maintained and in accordance with the provisions of the Act.

The Swedish FSA's regulations describe the independent inspector's role and tasks in greater detail. The independent inspector reports regularly to the Swedish FSA, and these reports are also addressed to SCBC's Board. The Swedish

FSA has appointed Authorised Public Accountant Håkan Thorsell at Advisense, as the independent inspector for SCBC.

Auditors

From the 2016 AGM, Deloitte AB has been appointed as auditor, with Malin Lünig as the auditor-in-charge since 2023. A presentation of the auditor-in-charge's fees and expenses paid is provided in Note [IC 4](#) of this Annual Report. The auditors are responsible for examining the Annual Report and accounts, and also the Board's and CEO's administration of the company. Moreover, the auditor reviews SCBC's six-month and year-end reports.

Internal control over financial reporting

Internal control over financial reporting at SCBC is primarily aimed at ensuring an effective and reliable process is in place for SCBC's financial reporting, and that internal and external reporting are both correct and accurate. Internal control over financial reporting primarily comprises the following internal control components.

Control environment

The internal control of financial reporting uses SCBC's organisational structure, policies, process maps and valuations.

Risk measurement

Each respective responsible function at SCBC identifies, measures, manages and assesses its own risks. An analysis of risk levels in all operations, including financial reporting, is conducted on a regular basis and reported to the Board, the CEO and the Executive Management. Each year, a risk assessment is performed in the form of a self-evaluation of all business-support processes, including financial reporting, and is managed and reported using a separate risk tool.

Control activities

Control activities for financial reporting include an internal set of rules, including planning and reporting procedures as well as identifying key control activities in operations. Key controls are identified through a quarterly internal risk assessment, which is based on the items with the greatest impact on the balance sheet

and profit or loss. The assessment is also based on factors such as historical errors, manual elements, complexity and the risk of fraud, and then used to identify the business processes that provide data to the financial statements. The key controls that are flagged for financial reporting are reviewed and assessed based both on the basis of the risk assessment conducted in the first line and the control testing performed in the second line. The results of the internal risk assessment and the assessment of key controls are reported to the Board's Audit Committee, which supervises the financial reporting as well as the management of internal control.

Information and communication

Employees, primarily within the accounting and treasury units, ensure that instructions pertaining to accounting financial reporting are updated, communicated and available to those units that need this data for their operations.

Follow-up

The Board's measures to follow up internal control of financial reporting include the Board's regular follow-up of SCBC's financial position and performance, but also include the Board's review and follow-up of the auditor's review reports.

The Board of Directors and CEO



Jan Sinclair



Jane Lundgren Ericsson



Mikael Inglander



Synnöve Trygg



Fredrik Jönsson

→ Jan Sinclair

Chairman

Master of Business Administration and Economics. Born in 1959. Elected in 2018.

Board assignments: SBAB Bank AB (publ) (Chairman of the Board), The Swedish Covered Bond Corporation (publ) (Board Member, Chairman of the Board), Almi AB (Board Member), STS Alpresor AB (Board Member), Bipon AB (Board Member) and Jan M.L. Sinclair AB (Board Member) and Svenska Skeppshypotekskassan (Board Member, Chairman of the Board).

Other assignments: Tenant-owners' association Victorhuset (Board Member, Chairman of the Board), German honorary consul and Industrial advisor (own business).

Previous assignments: SEB A.G (CEO), Group Treasurer as well as other senior positions within SEB, Board assignments within the FCG-group, Board Member Nilsson Energy AB, Hydri AB and Almi AB (acting CEO)

Board attendance: 6/6

Audit Committee attendance: 4/4

→ Synnöve Trygg

Board Member

Degree in Economics Stockholm University, Advanced Management Program Stockholm School of Economics. Born in 1959. Elected in 2019.

Board assignments: The Swedish Covered Bond Corporation (publ) (Board Member) and Ziklo Bank AB (Board Member, Vice Chairman).

Other assignments: –

Previous assignments: CEO SEB Kort AB, Eurocard AB and Diners Club Nordic AB. Board Member of Nordax Bank AB, Trygg Hansa AB, Mastercard Europe Board, Valitor Hf and Precise Biometrics AB.

Board attendance: 6/6

Audit Committee attendance: 4/4

→ Jane Lundgren Ericsson

Board Member

Master of laws, LL.M (London). Born in 1965. Elected in 2017.

Board assignments: SBAB Bank AB (publ) (Board Member), Kommuninvest i Sverige AB (Board Member), Inyett AB (Board Member), Gruvaktiebolaget Viscaria AB (publ) (Board Member), Miskatonic Ventures Aktiebolag (Deputy Board Member) and Visma Software AB (Board Member).

Other assignments: Flex Applications Sverige AB (CEO)

Previous assignments: SEK Securities (CEO), Executive Director & Head of Lending Svensk Exportkredit AB, CEO and General counsel Visma Finance AB, Board assignments within Visma Group and Bagarmossen Kärrtorp Bollklubb (Chairman of the Board)

Board attendance: 5/6

Audit Committee attendance: 4/4

→ Fredrik Jönsson

CEO

MSc in Business Administration, BSc in Economics. Born in 1976. Year of employment: 2021.

Board assignments: –

Other assignments: Head of Treasury of SBAB Bank AB (publ).

Previous assignments: Numerous assignments at SBAB Bank AB (publ)'s treasury function, assignments at Länsförsäkringar Bank AB's treasury function.

→ Mikael Inglander

Board Member

Master of Business Administration and Economics. Born 1963. Year of employment: 2014.

Board assignments: Board Member of Booli Search Technologies AB and Finance Sweden

Other assignments: CEO of SBAB Bank AB (publ).

Previous assignments: CFO SBAB, CEO of Lindorff Sverige AB, Executive Vice President and CFO of Swedbank AB as well as other assignments, Regional Manager and Executive Vice President of ForeningsSparbanken AB, Board member of ICA Banken, OK-Q8 Bank AB, Hansabank Group AS, CEO of AB Sveriges Säkerställda Obligationer (publ) and others.

Board attendance: 6/6

Audit Committee attendance: 4/4

Auditors

Malin Lünig

Deloitte AB

Auditor in Charge at SCBC since 2023.

Proposed appropriation of profits

SCBC posted a net profit for the year after tax of SEK 1,440,933,794. Pursuant to approval by the AGM, Group contributions have been distributed of SEK 20,000,000 to fellow Group company Booli Search Technologies AB. According to the balance sheet, SEK 23,202,204,924 is at the disposal of the Annual General Meeting.

Shareholder contribution	16,350,000,000
Fair value reserve	-2,644,945,997
Retained earnings	8,056,217,127
Net profit for the year	1,440,933,794
Total earnings according to the balance sheet as per 31 December 2025	23,202,204,924

The Board proposes that the earnings be appropriated as follows:

A dividend distribution of SEK 2,860 per share, in total	1,430,000,000
Carried forward to next year	21,772,204,924
Total	23,202,204,924

The proposed dividend has been proposed with consideration for the rules on buffer capital, risk limitation and transparency under the Banking and Financing Business Act. Unrealised changes in value on assets and liabilities measured at fair value had a net negative impact on equity for SCBC of SEK 2,637 million. The applicable regulations on capital adequacy mean that the company's own funds at any given time are to correspond to not less than the total capital requirement, which encompasses Pillar 1 capital requirements, Pillar 2 capital requirements, buffer requirements and any Pillar 2 guidance. After the proposed appropriation of profits, own funds amounted to SEK 24,229 million (24,144) and the total capital requirement amounted to SEK 17,807 million (20,263).

The consolidated situation, SCBC and SBAB, must always comply with the applicable regulations for capital adequacy

and major exposures. This means that sufficiently large own funds and Tier 1 capital must always be accessible in each legal entity. The Group's dividends to the owner are distributed by the Parent Company, while the overwhelming majority of earnings are within SCBC, which holds the majority of the assets and accordingly, is where interest income arises.

In light of the above, it is the Board's assessment that the proposed dividend is justified considering the requirements that the nature, scope and risks of the operations impose on the scale of equity in the Company, as well as on the needs of the Company in terms of consolidation, liquidity and position. Furthermore, the Board assesses that the Company's financial position does not give rise to any assessment other than that the Company are expected to fulfil its obligations in the short and long term.

Financial statements and notes

Income statement

SEK million	Note	2025	2024
Interest income ¹⁾	IC 1	16,573	21,784
Interest expense	IC 1	-12,812	-18,111
Net interest income		3,761	3,673
Commission income	IC 2	10	9
Commission expense	IC 2	-46	-53
Net result of financial transactions	IC 3	-31	28
Other operating income		0	-1
Total operating income		3,694	3,656
General administrative expenses	IC 4	-1,547	-1,455
Other operating expenses		-17	-15
Total costs before credit losses and imposed fees		-1,564	-1,470
Profit before credit losses and imposed fees		2,130	2,186
Net credit losses	IC 5	55	-47
Imposed fees: Risk tax, resolution fee and Interest-free deposits with the Riksbank ²⁾	IC 6	-370	-368
Operating profit		1,815	1,771
Tax	TX 1	-374	-365
Net profit for the year		1,441	1,406

¹⁾ Interest income on financial assets measured at amortised cost calculated using the effective-interest method amounted to SEK 16,544 million (20,223).

²⁾ Interest-free deposits with the Riksbank have no impact on comparative figures.

Statement of comprehensive income

SEK million	Note	2025	2024
Net profit for the year		1,441	1,406
Other comprehensive income			
<i>Components that will be reclassified to profit or loss</i>			
Changes related to cash-flow hedges	EQ 1	389	901
<i>Tax attributable to components that will be reclassified to profit or loss</i>		-80	-186
Other comprehensive income, net of tax		309	715
Total comprehensive income for the year		1,750	2,121

Balance sheet

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

Statement of changes in equity

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

¹⁾ The Swedish Covered Bond Corporation (publ) (SCBC) paid a Group contribution of SEK 20 million (10) to fellow Group company Booli Search Technologies AB. The Board of SCBC has decided to grant an anticipated dividend to SBAB of SEK 1,430 million (579). The final decision on dividends will be taken at the General Meeting in 2026. All shareholder contributions are unconditional.

Cash-flow statement

SEK million	2025	2024
Opening cash and cash equivalents	1,538	1,379
OPERATING ACTIVITIES		
Interest received	16,825	21,778
Commission received	18	14
Interest paid	-12,080	-17,770
Commission paid	-46	-53
Outflows to suppliers	-1,934	-1,838
Income tax paid	-680	-611
Change in lending to the public	-13,128	-27,598
Change in liabilities to credit institutions	4	1
Change in issued debt securities, etc. ²⁾	-8,997	-23,726
Change in other assets and liabilities	4,996	-737
Cash flow from operating activities	-15,022	-50,540
INVESTING ACTIVITIES		
Cash flow from investing activities	-	-
FINANCING ACTIVITIES		
Dividends paid ¹⁾	-579	-5,000
Subordinated debt issued	16,364	55,699
Cash flow from financing activities	15,785	50,699
Increase/decrease in cash and cash equivalents	763	159
Closing cash and cash equivalents	2,301	1,538

¹⁾ Pertains to the cash settlement of anticipated dividends in 2025

²⁾ During the year SCBC had lower issuance volumes compared to previous year due to higher volume of deposits in SBAB

Comments to the cash-flow statement

The cash-flow statement is reported in accordance with IAS 7 and cash and cash equivalents are defined as lending to credit institutions.

Change in liabilities attributable to financing activities

SEK million	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
Total	193,488	16,364	-	-	209,852	137,789	55,699	-	-	193,488

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G:1 Accounting policies

The Swedish Covered Bond Corporation (SCBC) (in Swedish: AB Sveriges Säkerställda Obligationer (publ)) is a wholly-owned subsidiary of SBAB Bank (publ) ("SBAB"). SCBC is a credit market company whose operations focus on the issuance of covered bonds.

Operations commenced in 2006, when the company was granted a licence by Finansinspektionen (the Swedish FSA) to issue covered bonds. The Parent Company, SBAB Bank, is a Swedish public limited banking company domiciled in Solna, Sweden. The address of the Head Office is SBAB Bank AB (publ), Box 4209, SE-171 04 Solna, Sweden.

This Annual Report has been prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. SCBC applies IFRS® Accounting Standards, which means that the Annual Report has been prepared in compliance with IFRS Accounting Standards subject to the additions and exceptions that ensue from the Swedish Corporate Reporting Board's recommendation RFR 2 Accounting for Legal Entities and Finansinspektionen's (the Swedish FSA) regulations and general guidelines on annual accounts for credit institutions and securities companies (FFFS 2008:25).

The Annual Report has been prepared in accordance with the cost method, apart from derivatives, and financial assets and liabilities measured at fair value through profit or loss (FVTPL), and hedge-accounted items.

These financial statements have been prepared on a going concern basis. On 18 March 2026, the Board of Directors approved the financial statements for publication. The statements were adopted by the Annual General Meeting (AGM) on 29 April 2026.

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.

Introduction of new and amended accounting standards, 2025

There are no new or amended accounting standards with any material impact on the SCBC's accounting and financial statements in 2025.

Forthcoming amendments that enter force 2026 or later

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements. The standard enters force for financial years beginning on or after 1 January 2027. An analysis is in progress of the effect of the new standard on the SCBC's accounting and financial statements. 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 amended accounting policies that enter force in 2026 or later, such as the IASB's published amendments regarding classification and measurement of financial instruments in IFRS 9 and IFRS 7, are assessed as having no material impact on SCBC's accounting and financial statements.

Financial instruments

Recognition in and derecognition from the balance sheet

Financial instruments are recognised when the company is involved with the instrument's contractual terms. Issued securities, including all derivatives, are recognised on the trade date, meaning the date on which the significant risks and rights are transferred between the parties. Other financial instruments are recognised on the settlement date. A financial asset is derecognised from the balance sheet when the contractual rights to receive cash flows from the financial asset expire and the company has transferred essentially all of the risks and rewards of ownership of the asset. A financial liability is derecognised from the balance sheet when it is extinguished, meaning when the obligation specified in the contract is fulfilled, cancelled or has expired.

Offsetting

Financial assets and financial liabilities are to be offset and recognised at net amounts only where the recognised amounts may legally be offset and the intention is to settle the items with a net amount or to simultaneously realise the asset and settle the liability.

Recognition of income and expense

Interest income and interest expense (including interest income from impaired receivables) are recognised using the effective-interest method. The calculation of the effective interest rate includes all fees paid or received between the parties to the contract, including transaction costs.

Since transaction costs in the form of remuneration to business partners or issue expenses attributable to the acquisition of loans constitute part of the acquisition cost of the loan, these costs are recognised in the balance sheet and recognised in profit or loss under net interest income over the expected tenor of the loan.

IFRS 15 – Revenue from Contracts with Customers is applied for various types of services that are mainly recognised in profit or loss as Commission income.

Commission income from lending is primarily recognised when the service is provided, in other words at a specific date. Commission expenses are included in profit or loss continuously in accordance with the contractual terms. In the event of premature redemption of loans, the customer pays interest compensation intended to cover the cost that arises for SCBC. This compensation is recognised as income directly under the "Net result of financial transactions." Other items under this heading are described in the "Classification" section.

Classification

All financial instruments covered by IFRS 9 are classified pursuant to this standard in the following categories:

- Financial assets measured at amortised cost
- Financial assets measured at FVTPL
- Financial liabilities measured at FVTPL
- Financial liabilities measured at amortised cost

SCBC has no assets under the classifications "Investments measured at FVTOCI." The instruments in the respective categories are valued in the following reporting, and where applicable, together with the required adjustments under the hedge accounting rules.

Financial assets measured at amortised cost

Assets in this category are recognised at cost, defined as fair value plus transaction costs, on the acquisition date and thereafter at amortised cost after application of the effective-interest method. This category consists of assets that are held within the framework of a business model where the objective is to hold financial assets in order to collect contractual cash flows solely comprised of capital and interest. The assets in this category encompass lending and other assets that meet the above terms. Impairment losses are recognised in profit or loss under "Net credit losses," while the effective interest rate is recognised as interest income. Refer also to the "Credit losses and impairment of financial assets" section. Realised gains or losses from the sale of assets are recognised directly in profit or loss under "Net result of financial transactions."

Financial assets measured at FVTPL

On initial recognition, assets in this category are recognised at fair value, while related transaction costs are recognised in profit or loss. Changes in fair value and realised gains or losses for these assets are recognised directly in profit or loss under the heading "Net result of financial transactions," while the effective interest rate is recognised as interest income. This category includes assets that do not meet the definitions for other valuation categories and, accordingly, are measured at FVTPL. (For example, assets with cash flows other than capital and interest on capital). At SCBC, these assets consist exclusively of Derivatives.

Financial liabilities measured at FVTPL

On initial recognition, liabilities in this category are recognised at fair value, while related transaction costs are recognised in profit or loss. The category is divided into financial liabilities held for trading and financial liabilities that Executive Management has designated as such upon initial recognition. All of the company's liabilities in this category consist of derivatives that are used to hedge financial risk and which have been defined as held for trading in the financial reporting. Changes in fair value and realised gains or losses for these liabilities are recognised in profit or loss under "Net result of financial transactions," while the effective interest rate is recognised as interest expense.

Financial liabilities measured at amortised cost

Financial liabilities that are not classified as “Financial liabilities measured at FVTPL” are initially recognised at fair value with an addition for transaction costs and are subsequently recognised at amortised cost using the effective-interest method. This category consists mainly of issued securities and liabilities to credit institutions. Realised gains or losses from the buyback of own debt affects net profit for the year when incurred and are recognised under the heading “Net result of financial transactions,” while the effective interest rate is recognised as interest expense.

Repos

Repos are agreements where the parties have reached agreement on the sale and repurchase of a particular security at a pre-determined price. Securities that have been provided or received under these repo agreements are not derecognised from or not recognised in the balance sheet, respectively. Payments received are recognised in the balance sheet as liabilities to credit institutions and payments made are recognised as lending to credit institutions. The impact on profit or loss is attributable to the difference between sale and repurchase prices and is recognised as interest income or interest expense, respectively.

Fair value measurement

Fair value is defined as the price that would be received on the valuation date on the sale of an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants. Fair value measurement of financial instruments measured at fair value and traded on an active market is based on quoted prices (Level 1). If the market for a financial instrument is not active, the fair value is established on the basis of generally accepted measurement methods (Level 2). As far as possible, calculations made in conjunction with measurement are based on observable market data. The main tools used are models based on discounted cash flows. In individual cases, the calculations may also be based on assumptions or estimates (Level 3).

Derivatives and hedge accounting

Derivatives are used primarily to manage interest-rate and currency risk in the company's assets and liabilities. The derivatives are recognised at fair value in the balance sheet. For economic hedges where the risk of a significant fluctuation in profit or loss is the greatest and that meet the formal hedge accounting criteria, SCBC has chosen to apply hedge accounting for the hedging of interest-rate and currency risk. There are also other economic hedges for which hedge accounting is not applied. For hedge accounting, the carve-out version of IAS 39 is applied, as adopted by the EU.

Fair value hedges

In the case of fair value hedges, the derivative hedging instrument is measured at fair value at the same time as the hedged asset or liability is measured with an addition for accumulated changes in fair value attributable to the hedged risk associated with the hedged item. Changes in fair value are recognised directly in profit or loss under the “Net result of financial transactions.” The effective interest rate of the hedge is recognised in net interest income.

If hedging relationships are terminated, the cumulative gains or losses are accrued in profit or loss, after adjustment of the carrying amount of the hedged item. The accrual extends over the remaining maturity of the hedged item. Both the accrual and the realised gain or loss arising from premature closure of a hedging instrument are recognised in profit or loss under “Net result of financial transactions.”

Macro hedges

In this type of hedging, derivatives are used at an aggregated level to hedge structured interest-rate risks. In the financial statements, derivatives designated as macro hedges are treated in the same way as other fair-value hedging instruments.

In fair value hedges of portfolios of assets, the gain or loss attributable to the hedged risk is recognised under “Value changes of interest-rate-risk hedged items in macro hedges” in the balance sheet. The hedged item is a portfolio of lending transactions based on the next contractual renewal date. The hedging instrument used is a portfolio of interest-rate swaps grouped in accordance with renewal intervals based on conditions in the fixed leg of the swap.

Cash-flow hedges

In the case of cash-flow hedges, the hedging instrument (the derivative) is valued at fair value. The effective part of the total change in value is reported as a component in other comprehensive income and accumulated in a separate reserve (hedge reserve) in equity. The accumulated amount is reversed in the income statement in periods where the hedged item affects the profit or loss. The ineffective part of the derivative's change in value is transferred to the income statement under “Net result of financial transactions,” where the realised gain or loss arising at the end of the hedging relationship is recognised. The effective interest rate of the derivative is recognised in net interest income.

Credit losses and impairment of financial assets

Changes in expected credit losses (ECL) during the year, together with deductions for guarantees expected to be utilised or that have been utilised plus any recoveries, are recognised as credit losses in the income statement. The term “confirmed credit losses” refers to losses where the amounts are definite or established with a high level of probability and have thus been derecognised from the balance sheet.

Impairment – expected credit losses (ECL)

Where in the balance sheet a loss allowance is recognised depends on the classification of the exposure under IFRS 9 and the cash flow characteristics:

- For financial assets measured at amortised cost, the loss allowance is recognised as a deductible item together with the asset in the balance sheet.
- For financial assets measured at FVTOCI, the loss allowance is recognised in equity in the balance sheet.
- For exposures that are not recognised in the balance sheet (for example, loan commitments and building credits), the loss allowance is recognised as a provision under liabilities in the balance sheet

ECL for lending portfolio

Under IFRS 9, following initial recognition, financial assets in lending operations are divided into three credit stages according to their relative credit risk:

	←.....Change in credit risk.....→		
	Stage 1	Stage 2	Stage 3
Timing	From initial recognition	On a significant increase in credit risk following initial recognition	On default
Loss allowance	12-month ECL	Lifetime ECL	Lifetime ECL
Interest income	Based on gross carrying amount	Based on gross carrying amount	Based on net carrying amount

Depending on the credit stage, the loss allowance is determined by calculating the ECL for the next 12-month period or the remaining expected lifetime of the loan. Loans can migrate between credit stages from one balance-sheet date to another, which is decided based on changes in the credit risk on the balance-sheet date compared with on initial recognition. Interest income for loans in credit stage 3 is based on the net carrying amount after deduction of the loss allowance, while interest income for the other credit stages is based on the gross carrying amount.

Calculation of the ECL mainly takes into account the product of the three risk parameters probability of default (PD), loss given default (LGD) and exposure at default (EAD).

Credit stage 1

For loans where the credit risk has not increased significantly since initial recognition, the loss allowance will correspond to a 12-month ECL. Since the ECL for credit stage 1 loans reflects a 12-month period, PD is measured over 12 months. To calculate the ECL, SCBC uses its credit risk models under the internal ratings-based approach (IRB) which are intended for capital adequacy purposes, but where adjustments have been made to ensure an accurate and point-in-time value of the ECL that takes account of both the prevailing economic conditions as well as the forward-looking information. The

adjustments include the removal of margins of conservatism and through-the-cycle calibration of the risk parameter estimates as stipulated in the Capital Requirements Regulation (CRR). This way, the ECL reflects the actual credit risk. Moreover, the effects of macroeconomic factors, which constitute the forward-looking information, are applied to the risk parameter estimates to capture variations of possible outcomes in ECL. The same procedure for adjusting the risk parameters from IRB is also applied in credit stages 2 and 3. For more information on IRB credit risk models; please refer to Note [RC 1](#).

Credit stage 2

For loans where the credit risk has increased significantly since initial recognition, the loss allowance will correspond to a lifetime ECL. Since the ECL for credit stage 2 loans reflects the remaining lifetime of the loan, PD is measured over the remaining term. The assessment of whether a significant increase in credit risk has occurred is performed by comparing the credit risk of the loan on the balance-sheet date with the initial credit risk, as measured by the rating grade of the loan on initial recognition. Each initial rating grade is associated with a PD threshold that determines whether a significant increase in credit risk has taken place. In addition to measurement of the change in PD, overdue payments by more than 30 days is also applied as a criterium for significant increase in credit risk. In addition, a qualitative indicator is applied to assess the significant increase in credit risk for consumer loans due to amortisation exemptions, whereby a consumer loan with an amortisation exemption is moved to credit stage 2. No further qualitative indicators are applied for the assessment of a significant increase in credit risk, given that qualitative factors are already taken into account when estimating PD in the Business Area Corporates & Associations. Qualitative factors capture customer aspects such as maintenance needs and management of properties as well as the financial stability of the borrowers. Furthermore, credit experts within this business area may manually adjust the rating grade for the PD if justified.

Credit stage 3

Credit impaired loans should be assigned a loss allowance that corresponds to a lifetime ECL. The PD for credit impaired loans is defined as equal to 1. To determine whether a loan has suffered credit deterioration, the internal default definition is primarily applied, which entails all loans to the borrower in default being classified as credit impaired and being allocated to credit stage 3. In addition to the internal definition of default, the IFRS 9 assumption that a loan is credit impaired when more than 90 days past due is also applied. Unlike the internal default definition where both relative and absolute thresholds are applied, this assumption does not take into account any relative thresholds for past-due amounts, meaning that credit stage 3 includes more loans than just those that are credit impaired solely due to default.

SCBC applies a default definition whereby a borrower is considered to be in default if any of the following criteria are met:

- The borrower has loans due for payment with material amounts that are overdue by more than 90 consecutive days.
- It is unlikely that the borrower will fulfil its credit obligations to SCBC (unlikelihood to pay).

A number of events are considered by the bank when assessing unlikelihood to pay, including:

- The loan has been restructured and the borrower has been granted significant forbearance measures.
- The borrower is categorised as insolvent based on expert judgements for unlikelihood to pay.

Measuring significant increases in credit risk

To measure significant increases in credit risk, historical data for the lending portfolio has been analysed with regard to default and the PD trend over time given the original rating grades at initial recognition. The thresholds have been determined through analysis of confidence intervals for the PD of a given loan in the historical portfolio and its original rating grades. The thresholds encompass PD deviations that exceed the third percentile for the Private business area and the fourth percentile for the Corporates & Associations business area. These correspond to confidence levels of 97 and 96%. The loan then migrates to credit stage 2 and remains there for as long as its PD, measured over 12 months, is above the threshold. The thresholds are calibrated with a statistical test using correlation coefficients where the PD levels are based on

an optimisation to maximise the identification of future credit losses for non-credit-impaired loans (not belonging to credit stage 3), while the identified proportion that does not lead to a confirmed credit loss is minimised. Migration from credit stage 2 to credit stage 1 is controlled exclusively by the PD threshold and the assumption of payments more than 30 days past due, as prescribed in IFRS 9. No probation period is applied for migrations back to credit stage 1. The bank has not deemed this necessary since PD is largely based on the borrower's payment history, which entails a certain time delay.

Forward-looking information

Forward-looking information is used to account for future cyclical fluctuations in the economy when calculating ECL. The forward-looking information comprises forecasts of macroeconomic factors that are highly significant for the Swedish housing market and that strongly correlate with default rates and confirmed credit losses in lending. The forward-looking information extends 36 months forward in time and is aligned with the forecast period applied in SCBC's Internal Capital and Liquidity Adequacy Assessment process (ICLAAP). Moreover, 36 months is considered to encompass the effective period of an economic downturn (or upturn). After 36 months, the bank assumes that the economy will return back to the baseline as per the balance-sheet date, which will thereafter apply for the remaining time until maturity for the loans. The assumption has been assessed as reasonable since loans have relatively limited expected maturities – less than ten years – and the occurrence of several consecutive major economic fluctuations over the remaining maturity is deemed unlikely. The policy rate and unemployment are both factors with strong correlations to PD and default rates in the Swedish housing market. Changes in the policy rate and hence market rates will indirectly affect borrowers' interest expenses, while changes in employment will directly impact their capacity to pay. To measure the effect on PD, a model has been estimated that explains the bank's default frequencies through the two macroeconomic factors. For LGD, housing prices have been used as macroeconomic factors to explain the changes in loss rates. As credit losses on secured lending are largely attributable to the loan-to-value (LTV) ratio and thereby to market values of collateral, a perfect correlation with the LGD is assumed to exist here. Therefore, a simple scaling of the LGD is carried out to reflect the effect of this factor. In the deteriorated scenarios, which are intended to reflect financial crises, downward adjusted LGD estimates are used without margins of conservatism from the IRB framework, unlike the other scenarios where the LGD estimates reflect the current business cycle. The forward-looking information is used to adjust the two risk parameters, PD and LGD, which impact both the allocation of credit stages and the level of the ECL. In the identification of the macroeconomic factors, separate correlations between these factors were analysed to secure reasonable scenarios. The amortisation schedule is used to project cash flows for EAD. An early redemption factor is applied to take into account the expected remaining duration of the loan. The same macroeconomic factors and their effects are applied consistently for all exposure types in the bank's lending portfolio. Currently, four scenarios are modelled, in which relatively positive and negative forecasts of the above macroeconomic factors are evaluated. These scenarios are assessed to be sufficient to capture the range of possible outcomes in ECL based on prevailing economic conditions. The final ECL is then weighted according to the likelihood that SCBC will experience credit losses of the scale envisaged in the respective scenarios. Internal data of experienced default and credit loss rates, on which PD and LGD are based, together with forward-looking information, ensures that SCBC obtains an objective and probability-weighted ECL pursuant to IFRS 9.

Time value of money

Under IFRS 9, the ECL for loans with variable interest rates should be discounted with the effective interest rate. All loans in SCBC's lending portfolio have variable interest rates with different maturities. When discounting ECLs to present value, the nominal interest rate of the loan according to actual terms and conditions has been used as an approximation of the effective interest rate. Since no arrangement fees are charged to borrowers and invoicing charges only arise to a limited extent, this is assessed to be a reasonable approximation.

Modification of financial assets

If the contractual cash flows from a loan are renegotiated or otherwise modified, SCBC assesses whether the change will result in a modification gain or loss and whether the amount is significant to the extent that the modification will lead to derecognition from the balance sheet. The change is deemed material when the renegotiated terms and conditions entail that the discounted present value of cash flows differs more than 10% from the present value according to original terms and conditions. The 10% threshold for materiality is decided based on a qualitative assessment of what is considered a reasonable level. Moreover, this level corresponds to the materiality threshold in terms of the modification of debt instruments pursuant to IFRS 9. A significant modification that leads to derecognition, will lead to the loan receiving a new initial recognition and thus a new original rating grade. Amortisation exemptions will be classified as modifications in the event they result in changes of the loans' terms and conditions.

Other**Functional currency**

The functional currency is the currency used in the primary economic environments in which SCBC operates. SCBC's functional currency and presentation currency is SEK.

Foreign currency translation of receivables and liabilities

Foreign currency transactions are recognised by applying the exchange rate on the transaction date, and foreign currency receivables and liabilities are translated using the closing-date rate. Foreign exchange gains or losses resulting from settlements of foreign currency transactions and from the translation of monetary assets and liabilities in foreign currency are recognised in profit or loss under "Net result of financial transactions."

Tax

Total tax consists of current tax and deferred tax. Current tax comprises tax that is to be paid or received for taxable earnings during the current year and adjustments of current tax for previous years. Accordingly, for items recognised in profit or loss, the related tax effects are also recognised in profit or loss. The tax effects of items recognised in other comprehensive income or directly in equity are recognised in other comprehensive income or directly in equity.

Deferred tax assets and tax liabilities are measured according to the balance sheet method on the basis of temporary differences that arise between the carrying amount and the tax base of an asset or liability. Deferred tax assets are recognised for unutilised tax losses to the extent that it is probable that the carry-forwards can be used to offset future taxable profit. Deferred tax is calculated in accordance with the tax rate applicable at the time of taxation.

Cash and cash equivalents

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

Segment reporting

An operating segment is a part of a business for which independent financial information is available, that conducts business operations from which income can be generated and expenses incurred and whose operating profits are regularly assessed by the company's chief operating decision maker as a basis for decisions regarding the allocation of resources to segments and an assessment of the segment's profit or loss. SCBC's operations consist primarily of investments in loan receivables with a risk level permitting the issue of covered bonds. Consequently, only a single segment is reported, SCBC as a whole.

Measurement in relation to the assumption of receivables

SBAB is the initial lender for all residential mortgages provided by the SBAB Group. Loan receivables, which meet the regulatory requirements for inclusion in the cover pool that provides security for the covered bonds issued by SCBC, are transferred on a daily basis from the Parent Company SBAB to the subsidiary, SCBC. The transfers are conducted at fair value.

Dividend

Dividends to the Parent Company are recognised in the balance sheet when the dividend has been approved by the Annual General Meeting.

Group contributions

Group contributions paid or received are recognised as a decrease or increase in unrestricted equity after adjustments for estimated tax, in accordance with the principal rule in RFR 2 IAS 27, p2.

Critical accounting estimates and judgements**Critical assumptions**

To prepare the annual accounts in compliance with statutory IFRS accounting standards, it is required that Executive Management use estimates and judgements based on historical experience and assumptions that are considered to be reasonable and fair. No critical assumptions have been made over and above those that entail estimates. These estimates have a material impact on the carrying amounts of assets, liabilities and off-balance sheet exposures, as well as income and expenses presented in the Annual Report. Subsequently, the actual outcome may differ to some extent from the estimates made.

Measurement of loan receivables

The transition to IFRS 9 entails basing the valuation of all loan receivables on the ECL. The ECL must either relate to a 12-month period or the remaining maturity of the receivable if a significant increase in credit risk has occurred. When estimating credit losses, previously observable data is used together with assumptions pertaining to macroeconomic trends. As with all estimates of future outcomes, ECL assessment is uncertain, not least in terms of loan receivables that show a significant increase in credit risk, which may lead to asset adjustments. Moreover, an individual expert assessment for credit impaired loan receivables is carried out where the risk of loss is imminent, which in itself gives rise to considerable uncertainty. Transfers of loan receivables within the Group are conducted at fair value.

For more information, see also the "Credit losses and impairment of financial assets" section.

Financial instruments measured at fair value

The valuation is made based on observable market data, in part through the direct application of market prices, and in part through generally accepted measurement methods. Critical estimates and judgements in conjunction with fair value measurement are made in the choice of which valuation technique and market data to use. In both cases, judgements are made with regard to how the valuation techniques and market data used comprise a good estimate of the fair value.

G:2 Related party disclosures

SCBC is a wholly-owned subsidiary of SBAB Bank AB (publ) with the Corp. Reg. No. 556253-7513. Booli Search Technologies AB with the Corp. Reg. No. 556733-0567 comprises a fellow Group company. Related-party transactions are conducted at market terms.

Group SEK million	SBAB		SCBC		BOOLI	
	2025	2024	2025	2024	2025	2024
Assets						
Lending to credit institutions	211,282	194,067	1,513	1,528	-	-
Derivatives	7,524	8,500	5,280	9,526	-	-
Accrued income and prepaid expenses	541	790	-	4	-	-
Other assets	-	0	-	-	-	-
Shareholder contributions received	-	-	-	-	-	-
Total	219,347	203,357	6,793	11,058	-	-
Liabilities and equity						
Liabilities to credit institutions	1,513	1,528	209,852	193,488	-	-
Derivatives	5,280	9,526	7,524	8,500	-	-
Accrued expenses and deferred income	-	4	541	790	-	-
Other liabilities	-	-	-	0	-	-
Group contribution paid	-	-	20	10	-	-
Shareholder contribution paid	-	-	-	-	-	-
Total	6,793	11,058	217,937	202,788	-	-
Group						
SEK million	2025	2024	2025	2024	2025	2024
Income and expenses						
Interest income	4,792	5,183	1,883	6,310	-	-
Interest expense	-1,883	-6,310	-4,792	-5,183	-	-
Group contributions received	-	-	-	-	20	10
Dividends received	1,430	-	-	-	-	-
Commission income	9	21	-	-	-	-
Commission expense ¹⁾	-	-	-9	-21	-	-
Other operating income	1,543	1,451	-	-	-	-
Other administrative expenses ²⁾	-	-	-1,543	-1,451	-	-

¹⁾ SCBC compensates the Parent Company, SBAB, for allowing SCBC to utilise a liquidity facility at the Parent Company, refer to Note IC 4.

²⁾ SCBC pays a fee for administrative services provided by the Parent Company, SBAB, refer to Note IC 4.

Loans to key personnel

SEK million	2025		2024	
	Lending	Interest income	Lending	Interest income
CEO	-	-	-	-
Board of Directors	-	-	-	-
Other key senior executives	35	1	23	0
Total	35	1	23	0

Deposits from key personnel

SEK million	2025		2024	
	Deposits	Interest expense	Deposits	Interest expense
CEO and other key senior executives	1	0	1	0
Board of Directors	0	0	0	0
Total	1	0	1	0

The Parent Company has lending to key personnel at SCBC via SCBC. Loans to key personnel at SCBC are not permitted on terms that are not available to other personnel. The ceiling for total capital debt on preferential terms is SEK 3,000,000 per household on the condition that the loan is within 85% of the property's LTV. On preferential loans of up to SEK 3,000,000, a 2-percentage point discount is given against SBAB's current list rate.

The preferential loan is a taxable benefit. The interest rate received after the discount must not be less than 0.25%.

The Parent Company has deposits from key personnel at SCBC. Deposits from key personnel are made on the same terms and conditions as other deposits at SBAB.

G:3 Proposed appropriation of profits

SCBC posted a net profit for the year after tax of SEK 1,440,933,794. Pursuant to approval by the AGM, Group contributions have been distributed of SEK 20,000,000 to fellow Group company Booli Search Technologies AB.

According to the balance sheet, SEK 23,202,204,924 is at the disposal of the Annual General Meeting.

Shareholder contribution	16,350,000,000
Fair value reserve	-2,644,945,997
Retained earnings	8,056,217,127
Net profit for the year	1,440,933,794
Total earnings according to the balance sheet as per 31 December 2025	23,202,204,924

The Board proposes that the earnings be appropriated as follows:

A dividend distribution of SEK 2,860 per share, in total	1,430,000,000
Carried forward to next year	21,772,204,924
Total	23,202,204,924

The proposed dividend has been proposed with consideration for the rules on buffer capital, risk limitation and transparency under the Banking and Financing Business Act. Unrealised changes in value on assets and liabilities measured at fair value had a net negative impact on equity for SCBC of SEK 2,637 million. The applicable regulations on capital adequacy mean that the company's own funds at any given time are to correspond to not less than the total capital requirement, which encompasses Pillar 1 capital requirements, Pillar 2 capital requirements, buffer requirements and any Pillar 2 guidance. After the proposed appropriation of profits, own funds amounted to SEK 24,229 million (24,144) and the total capital requirement amounted to SEK 17,807 million (20,063).

The consolidated situation, SCBC and SBAB, must always comply with the applicable regulations for capital adequacy and major exposures. This means that sufficiently large own funds and Tier 1 capital must always be accessible

in each legal entity. The Group's dividends to the owner are distributed by the Parent Company, while the majority of earnings are within SCBC, which holds the majority of the assets and accordingly, is where interest income arises.

In light of the above, it is the board's assessment that the proposed dividend is justified considering the requirements that the nature, scope and risks of the operations impose on the scale of equity in the Company, as well as on the needs of the Company in terms of consolidation, liquidity and position. Furthermore, the Board assesses that the Company's financial position does not give rise to any assessment other than that the Company are expected to fulfil its obligations in the short and long term.

G:4 Events after the balance-sheet date

Nothing to report.

RC Risk management and capital adequacy

p. 27–46

RC:1 Credit risk in lending operations

Credit risk in lending operations is defined as the risk that the customer is unable to fulfil its credit obligations, and is measured based on the customer's repayment capacity and the LTV ratio (value of pledged collateral in relation to the size of the loan). Credit risk also arises in treasury operations, refer to Note RC2.

Measurement of credit risk within lending operations

SCBC does not conduct its own lending operations – instead, all loans in SCBC's lending portfolio are acquired from the Parent Company SBAB, which analyses customers' repayment capacity as part of the credit granting process when granting a loan.

Measurement of credit risk within IRB

Credit risk in the lending portfolio is measured and managed using the internal ratings-based approach (IRB) according to the Capital Requirements Regulation¹⁾ (CRR). The IRB approach is mainly used for capital requirement calculations as well as for the control and follow-up of the credit risk for customers in the lending portfolio. SCBC applies the advanced IRB (AIRB) approach for retail exposures and the foundation IRB (FIRB) approach for corporate exposures²⁾. IRB has been used since 2007 for assessing credit risk in lending operations for loans where a property deed or a tenant-owners' right is used as collateral. In 2015, SCBC also received permission to use IRB for excess exposures that are not fully covered by property mortgage deeds, property financing using other collateral than directly pledged mortgage deeds.

The credit risk models in the IRB framework deal with the following risk parameters:

- Probability of default – PD
- Loss given default – LGD

Based on the risk parameters, customers can be ranked by credit risk, and the respective expected credit losses (EL) and risk exposure amounts (REA) are calculated, with REA used in capital adequacy to account for unexpected credit losses. To estimate the PD and thus the repayment capacity, the borrower is assigned one of 11 rating grades for private individuals, tenant-owners' associations and property companies, where the highest rating grade comprises defaults. Trends for exposures in worse (higher) rating grades are closely monitored and managed actively, when necessary, by credit experts in the bank's insolvency team. The expected credit loss (EL) under IRB differs from the expected credit loss (ECL) pursuant to IFRS 9 that constitutes the credit loss provision. The calculation of EL and REA according to Pillar 1 under the Basel framework is regulated by the CRR. According to the CRR, the measurement of credit risk should be based on historical default rates and credit losses over a longer period of time and must include economic downturn periods. For the calculation of ECL in accordance with the accounting standard IFRS 9, the measurement of credit risk must be based both on historical data and on forward-looking information to predict any negative impact on future cash flows. When calculating EL, non-performing loans are separated from other loans. A positive difference when EL exceeds ECL reduces the CET1 capital by the corresponding amount. For more information on impairment of

financial assets, please refer to Note G1. Total EL for lending under the IRB approach amounted to SEK 429 million (576) at the end of 2025. Total ECL pursuant to IFRS 9, reduced for guarantees, for the corresponding lending amounted to SEK 197 million (268).

Changes to the IRB models

The models in the IRB framework are validated annually by the independent validation unit and adjusted when needed. In 2025, the completed validations of the existing models did not lead to any changes.

Each year, the model development unit reviews the IRB framework models through the estimation process, which includes evaluation of risk differentiation capability and calibration of estimates. All PD models for the business areas Private and Corporates & Associations were reviewed in 2025. The review of the PD model for private individuals identified no new needs for action. The review of the PD models for property companies and tenant-owners' associations led to calibration of PD estimates and the addition of margins of conservatism, which contributed to an increase in REA when applied as of 30 September 2025. In December 2024, SBAB applied to the Swedish FSA both for updates to the PD model and for a new LGD model for private individuals. Both applications are being reviewed.

Collateral for lending

Loans granted by SBAB require that the borrower must be creditworthy according to the rating grades provided by the PD models and on the provision of adequate collateral. Adequate collateral primarily refers to deeds for real estate property or shares in tenant-owners' associations with a primary lien within a maximum of 75–85% of the market value. Creditworthy borrowers refer to the rating grades P1–P8 for private individuals, F1–F7 for property companies and B1–B8 tenant-owners' associations. When it comes to lending to property companies and tenant-owners' associations, it is the borrowers' repayment capacity together with the market value of the property that governs the loan-to-value (LTV) ratio³⁾ that is granted, usually between 50 and 75%. SCBC has not repossessed any collateral to protect loans. Lending to the public accounts for 98% (98) of SCBC's total assets as of 31 Dec 2025. The table below presents lending in relation to the market value of underlying collateral. As the majority of SCBC's lending has an LTV below 70%, the portfolio is assessed to be well-covered and its credit quality as very high.

¹⁾ CRR refers to Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms.

²⁾ Within the current IRB framework, retail exposures pertain to residential mortgages to private individuals and corporate exposures to property loans to property companies and tenant-owners' associations.

³⁾ The loan-to-value 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.

Loan amounts broken down by LTV interval

SEK million	2025			2024		
	Residential mortgages	Corporates & Associations	Total	Residential mortgages	Corporates & Associations	Total
Lending to the public						
LTV <50%	108,694	69,888	178,582	115,250	72,997	188,247
LTV 50–69%	128,797	75,287	204,084	128,917	68,310	197,227
LTV >69%	136,561	14,726	151,287	118,167	17,130	135,297
Total	374,052	159,901	533,953	362,334	158,437	520,771

ECL and forward-looking information

2025

Factors	Scenario 1 (40%)			Scenario 2 (10%)			Scenario 3 (25%)			Scenario 4 (25%)		
	2026	2027	2028	2026	2027	2028	2026	2027	2028	2026	2027	2028
GDP ¹⁾	+2.7%	+2.0%	+2.0%	+3.6%	+3.6%	+2.9%	-4.1%	+2.5%	+3.3%	-1.5%	-2.3%	+1.1%
Policy rate (proxy STIBOR)	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.

2024

Factors	Scenario 1 (40%)			Scenario 2 (10%)			Scenario 3 (25%)			Scenario 4 (25%)		
	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027
GDP ¹⁾	+2.2%	+5.3%	+7.4%	+3.3%	+8.1%	+11.2%	-6.8%	-0.6%	+2.2%	-2.9%	-3.7%	-2.3%
Policy rate (proxy STIBOR)	2.2%	2.1%	2.2%	2.1%	2.1%	2.4%	2.4%	2.5%	2.5%	2.7%	3.2%	3.2%
Unemployment	8.3%	7.9%	7.5%	8.1%	7.1%	6.3%	8.7%	11.1%	10.0%	8.5%	9.4%	10.1%
House prices, Δ	+2.0%	+4.5%	+3.6%	+6.6%	+1.3%	+3.2%	-7.3%	-5.9%	+0.3%	-8.2%	-12.7%	-8.2%
Prices of tenant-owners' rights, Δ	+4.0%	+4.5%	+4.1%	+9.4%	+0.5%	+3.5%	-6.4%	-9.4%	-1.0%	-8.8%	-16.6%	-7.3%
Property prices, Δ	-0.1%	+1.2%	+4.0%	+2.5%	+1.4%	+2.8%	-6.3%	-5.8%	-6.3%	-8.1%	-8.4%	-11.9%
ECL	SEK 145 million			SEK 141 million			SEK 309 million			SEK 475 million		
Weighted ECL	SEK 268 million											

¹⁾ Not included in the ECL calculation.

ECL and forward-looking information

Given the prevailing and prolonged economic downturn with lower interest rates and high unemployment and low housing production, SCBC continuously evaluated the macroeconomic situation during the year. Following the preparation of updated macroeconomic scenarios at the end of each quarter, SCBC has revised the forward-looking information applied in the impairment model to calculate ECL (ECL model). 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 low and stable interest rates going forward and price increases for housing and properties in the positive scenarios, while rising interest rates and unemployment as well as price decreases for housing and properties dominate the negative scenarios. In 2025, the revision of the forward-looking information led to a marginal increase in loss provisions, mainly due to higher PD effects as a result of a more neutral outlook for interest rates and unemployment than previously. The table above presents the forward-looking information consisting of the four scenarios with forecasts of the macroeconomic factors and their corresponding weight applied in the ECL model.

On 31 December 2025, the total loss provisions amounted to SEK 197 million, compared with SEK 268 million on 31 December 2024. Loss provisions decreased mainly due to fewer customers in default in the Private business

area, which reduced exposure in credit stage 3. In addition, rating grade migrations have been positive for the Private business area. In the fourth quarter, a customer in default in the Business Area Corporates & Associations recovered concurrent with an individual provision being decided for another customer in the same business area, which together led to an increased loss provision. The bank is comfortable with the scope of the loss allowances.

Decisions on forward-looking information and management overlays.

The Chief Risk Officer (CRO), supported by the Chief Economist and credit risk experts, submits proposals for updates in the forward-looking information. The proposal is presented to the Assets and Liabilities Committee (ALCO), which takes decisions regarding the forecasts of macroeconomic factors and the weighting of ECL in the respective scenario. The decision from ALCO also needs to be approved by relevant board members of the Risk and Capital Committee.

In the event of larger shocks to the housing or financial markets, manual adjustment in the form of management overlays of the ECL may be necessary. As for the forward-looking information, proposals are submitted to ALCO for decision which subsequently are to be approved by the Risk and Capital Committee. Management overlays may involve add-ons to both PD and LGD and should be managed in the same way as the forward-looking information. Where adjustments are to be made within geographical areas or certain product types that are particularly affected by the shocks, a manual allocation of ECL to affected loans may be necessary.

Uncertainty in calculating ECL

The primary source of uncertainty in calculating the ECL is the forward-looking information. SCBC simulates ECL in several scenarios that are both positive and negative in nature to capture the variation in the outcome for future expected credit losses. The macroeconomic factors impact the risk parameters PD and LGD and have in turn a significant impact on the final ECL. The estimate of the ECL varies depending on the choice of weights assigned to the forward-looking scenarios.

Another source of uncertainty is the thresholds for PD, which are used to measure a significant increase in credit risk. The thresholds have a direct impact on the size of the credit loss provisions. The following table presents how the exposure for lending to the public is allocated over the credit stages for various PD thresholds and the impact on ECL based on the current threshold, corresponding to deviations in PD at the third percentile for the Private business area and the fourth percentile for the Corporates & Associations business area.

Sensitivity analysis of PD thresholds

Allocation of lending over credit stage and change in ECL	Percentile		
	5	4/3	1
Credit stage 1	92.4%	95.2%	98.0%
Credit stage 2	7.4%	4.7%	1.8%
Credit stage 3	0.1%	0.1%	0.1%
Δ ECL	12.4%	0.0%	-12.9%

Changes to the ECL model

In June, the PD model, used for adjusting the PD estimates given the forward-looking information, was updated. The main change introduced by the model entailed application of a rolling annual average for the policy rate. The PD model update for the forward-looking information was implemented as of 30 Jun 2025 and led to a lower loss provision. An adjustment from SEK 30 million to SEK 20 million has been made to the management overlay implemented for ECLs on 31 Dec 2024 to take into account upcoming updates to the PD and LGD models for private individuals under the IRB framework. The change was implemented as of 31 Dec 2025 due to lower loss provisions for private individuals in credit stages 1 and 2 in 2025, leading to a smaller impact on the loss provisions of the new models being implemented. The management overlay was attributable to slightly more conservative baseline estimates from the models. The overlay only pertains to credit stages 1 and 2 within Private and will apply until the ECL model has been adapted. While the management overlay applies both to SBAB and to SCBC, the majority applies to SCBC.

A scheduled validation of the ECL model was completed in 2025. The validation unit's overall assessment of the ECL model is that it is fit for purpose and leads to appropriate ECL calculations and thus loss provisions.

Overall credit quality

The credit quality of SCBC's lending to private individuals remained strong in 2025. SBAB's granting of loans, from which SCBC acquires loans, to retail customers is based on a sound credit approval process that determines whether customers have the financial capacity required to meet their commitments. The Swedish FSA's annual mortgage market survey, based on data from 2024, found that financial conditions for new customers had improved slightly over the past year, even though economic developments are uncertain. The improvement was attributable, inter alia, to the Riksbank cutting the policy rate after inflation fell back. At the end of 2025, the average LTV ratio in the mortgage portfolio was 60% (59). At the end of 2025, individual provisions for private individuals amounted to SEK 17 million (17).

The credit quality of SCBC's lending to corporate customers, which comprise property companies, property developers and tenant-owners' associations is also assessed as good. In the Business Area Corporates & Associations, SBAB's granting of loans is based on an assessment of customers' ability to generate stable cash flows over time and on whether adequate collateral can be provided. At the end of 2025, the average LTVs for property companies and tenant-owners' associations were 59% (60) and 32% (31), respectively. In December, an individual provision was decided for an exposure in the Business Area Corporates & Associations, which led to default. In parallel, another exposure in default in the Business Area Corporates & Associations recovered.

Climate risk when measuring credit risk

The credit risk models used within the IRB framework and in the ECL model do not involve any risk factors which are directly linked to climate risks. However, there are explanatory variables that reflect the consequences of realized climate risks, such as the market values of collaterals and consequently the LTVs related to physical risks, as well as payment discipline in relation to repayment capacity linked to transition risks. Moreover, possibilities exist to include macroeconomic forecasts specific to climate risks in the ECL model, which has yet to be deemed necessary after the assessment was conducted. As additional climate data becomes available, the bank will continue to identify and evaluate materiality of risk factors directly linked to climate risk in the regular review of the models within the IRB framework and in the review of the ECL model.

Since SCBC's business model focuses exclusively on financing housing, flood and energy price transition risks have been identified as the two relevant climate risks in the lending portfolio. During the year, the bank has implemented new disclosure requirements within ESG about collateral classification based on energy efficiency as well as the lending portfolio's sensitivity to potential impact of physical risks. Only a limited portion of the portfolio is assessed as sensitive to the physical impact of flooding. In addition, stress tests have been conducted on climate risk through stressed energy prices and market values of collateral and their impact on the repayment capacity and loss given default rates for customers.

In summary, SCBC has not observed any impact on credit quality, credit-risk exposures or customers' repayment capacity as a consequence of either physical climate risks or transition risks in 2025.

Lending to the public broken down by rating grade

As per 31 December 2025, lending to the public amounted to SEK 534 billion (521). Each borrower is assigned one of eleven-grade rating scales (P1–P11 for private individuals, B1–B11 for tenant owners' associations and F1–F11 for property companies), with the eleventh grade reserved for defaulted borrowers. Creditworthy borrowers refer to the rating grades P1–P8 for private individuals, B1–B8 tenant-owners' associations and F1–F7 for property companies. The share of lending to the public comprising creditworthy borrowers was 98% for private individuals (98), 99% for tenant-owner associations (99) and 98% for property companies (99) as of 31 December 2025.

		2025							
Total		Credit stage 1		Credit stage 2		Credit stage 3		Total	
SEK million		Gross lending	Provision	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision
B1/F1/P1		40,676	0	-	-	-	-	40,676	0
B2/F2/P2		94,032	0	-	-	-	-	94,032	0
B3/F3/P3		124,102	-2	124	0	-	-	124,226	-2
B4/F4/P4		99,698	-2	737	0	-	-	100,435	-2
B5/F5/P5		75,491	-3	2,557	0	0	0	78,048	-3
B6/F6/P6		48,109	-5	3,752	-1	0	0	51,861	-6
B7/F7/P7		20,015	-4	6,430	-2	-	-	26,445	-6
B8/F8/P8		4,697	-3	4,036	-4	0	0	8,733	-7
B9/F9/P9		1,493	-1	4,297	-8	16	-1	5,806	-10
B10/F10/P10		54	-1	3,065	-27	138	-9	3,257	-37
B11/F11/P11		-	-	-	-	630	-121	630	-121
Total		508,367	-22	24,998	-43	784	-132	534,150	-197
Guarantees ¹⁾		-	0	-	0	-	-	-	0
Total		508,367	-22	24,998	-43	784	-132	534,150	-197

		2024							
Total		Credit stage 1		Credit stage 2		Credit stage 3		Total	
SEK million		Gross lending	Provision	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision
B1/F1/P1		45,110	0	0	0	0	0	45,110	0
B2/F2/P2		58,056	0	0	0	0	0	58,056	0
B3/F3/P3		128,791	-2	33	0	0	0	128,824	-2
B4/F4/P4		84,380	-2	1,113	0	0	0	85,493	-2
B5/F5/P5		84,777	-3	3,772	0	0	0	88,549	-3
B6/F6/P6		47,568	-7	6,924	-3	0	0	54,492	-10
B7/F7/P7		29,819	-9	8,225	-5	0	0	38,044	-14
B8/F8/P8		6,526	-4	5,691	-8	6	0	12,223	-12
B9/F9/P9		1,507	-1	4,894	-9	21	-1	6,422	-11
B10/F10/P10		97	-1	2,928	-35	169	-12	3,194	-48
B11/F11/P11		0	0	0	0	632	-166	632	-166
Total		486,631	-29	33,580	-60	828	-179	521,039	-268
Guarantees ¹⁾		-	0	-	0	-	-	-	0
Total		486,631	-29	33,580	-60	828	-179	521,039	-268

2025

RESIDENTIAL MORTGAGES	Credit stage 1		Credit stage 2		Credit stage 3		Total	
	Gross	Provision	Gross	Provision	Gross	Provision	Gross	Provision
	lending		lending		lending		lending	
SEK million								
P1	1,195	0	-	-	-	-	1,195	0
P2	66,507	0	-	-	-	-	66,507	0
P3	86,915	-1	18	0	-	-	86,933	-1
P4	81,792	-1	736	0	-	-	82,528	-1
P5	60,055	-2	1,278	0	0	0	61,333	-2
P6	39,451	-4	2,122	0	0	0	41,573	-4
P7	17,179	-4	3,026	-2	-	-	20,205	-6
P8	4,352	-3	2,520	-4	0	0	6,872	-7
P9	1,422	-1	3,677	-7	16	-1	5,115	-9
P10	54	-1	1,360	-16	138	-9	1,552	-26
P11	-	-	-	-	386	-91	386	-91
Total	358,922	-17	14,737	-29	540	-101	374,199	-147
Guarantees ¹⁾	-	0	-	0	-	-	-	0
Total	358,922	-17	14,737	-29	540	-101	374,199	-147

2024

RESIDENTIAL MORTGAGES	Credit stage 1		Credit stage 2		Credit stage 3		Total	
	Gross	Provision	Gross	Provision	Gross	Provision	Gross	Provision
	lending		lending		lending		lending	
SEK million								
P1	2,766	0	-	-	-	-	2,766	0
P2	26,994	0	-	-	-	-	26,994	0
P3	94,402	-1	33	0	-	-	94,435	-1
P4	65,785	-1	1,113	0	-	-	66,898	-1
P5	74,167	-2	2,674	0	-	-	76,841	-2
P6	39,567	-5	3,374	-1	-	-	42,941	-6
P7	27,167	-8	5,398	-4	-	-	32,565	-12
P8	6,227	-4	4,304	-7	6	0	10,537	-11
P9	1,396	-1	4,251	-8	21	-1	5,668	-10
P10	97	-1	2,059	-25	169	-12	2,325	-38
P11	-	-	-	-	592	-147	592	-147
Total	338,568	-23	23,206	-45	788	-160	362,562	-228
Guarantees ¹⁾	-	0	-	-	-	-	-	0
Total	338,568	-23	23,206	-45	788	-160	362,562	-228

¹⁾ Guarantees are included in the balance-sheet item "Prepaid expenses and accrued income."

		2025							
CORPORATES		Credit stage 1		Credit stage 2		Credit stage 3		Total	
SEK million		Gross lending	Provision	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision
F1		28,971	0	-	-	-	-	28,971	0
F2		17,045	0	-	-	-	-	17,045	0
F3		27,795	-1	106	0	-	-	27,901	-1
F4		8,995	-1	-	-	-	-	8,995	-1
F5		6,204	-1	1,279	0	-	-	7,483	-1
F6		4,563	-1	797	-1	-	-	5,360	-2
F7		1,337	0	932	0	-	-	2,269	0
F8		0	0	67	0	-	-	67	0
F9		3	0	386	-1	-	-	389	-1
F10		-	-	1,576	-11	-	-	1,576	-11
F11		-	-	-	-	244	-30	244	-30
Total		94,913	-4	5,143	-13	244	-30	100,300	-47
Guarantees ¹⁾		-	0	-	-	-	-	-	0
Total		94,913	-4	5,143	-13	244	-30	100,300	-47

		2024							
CORPORATES		Credit stage 1		Credit stage 2		Credit stage 3		Total	
SEK million		Gross lending	Provision	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision
F1		28,754	0	-	-	-	-	28,754	0
F2		18,918	0	-	-	-	-	18,918	0
F3		22,720	-1	-	-	-	-	22,720	-1
F4		10,066	-1	-	-	-	-	10,066	-1
F5		4,070	-1	1,098	0	-	-	5,168	-1
F6		4,560	-2	2,887	-2	-	-	7,447	-4
F7		958	-1	1,333	-1	-	-	2,291	-2
F8		2	0	170	-1	-	-	172	-1
F9		1	0	248	-1	-	-	249	-1
F10		-	-	867	-10	-	-	867	-10
F11		-	-	-	-	-	-	-	-
Total		90,049	-6	6,603	-15	-	-	96,652	-21
Guarantees ¹⁾		-	0	-	-	-	-	-	0
Total		90,049	-6	6,603	-15	-	-	96,652	-21

¹⁾ Guarantees are included in the balance-sheet item "Prepaid expenses and accrued income."

2025

TENANT-OWNERS' ASSOCIATIONS	Credit stage 1		Credit stage 2		Credit stage 3		Total	
	Gross	Provision	Gross	Provision	Gross	Provision	Gross	Provision
	lending		lending		lending		lending	
SEK million								
B1	10,510	0	-	-	-	-	10,510	0
B2	10,480	0	-	-	-	-	10,480	0
B3	9,392	0	0	0	-	-	9,392	0
B4	8,911	0	1	0	-	-	8,912	0
B5	9,232	0	-	-	-	-	9,232	0
B6	4,095	0	833	0	-	-	4,928	0
B7	1,499	0	2,472	0	-	-	3,971	0
B8	345	0	1,449	0	-	-	1,794	0
B9	68	0	234	0	-	-	302	0
B10	-	-	129	0	-	-	129	0
B11	-	-	-	-	-	-	-	-
Total	54,532	-1	5,118	-1	0	0	59,650	-2
Guarantees ¹⁾	-	0	-	-	-	-	-	0
Total	54,532	-1	5,118	-1	0	0	59,650	-2

2024

TENANT-OWNERS' ASSOCIATIONS	Credit stage 1		Credit stage 2		Credit stage 3		Total	
	Gross	Provision	Gross	Provision	Gross	Provision	Gross	Provision
	lending		lending		lending		lending	
SEK million								
B1	13,590	0	0	0	-	-	13,590	0
B2	12,144	0	-	-	-	-	12,144	0
B3	11,669	0	0	0	-	-	11,669	0
B4	8,529	0	-	-	-	-	8,529	0
B5	6,540	0	0	0	-	-	6,540	0
B6	3,441	0	663	0	-	-	4,104	0
B7	1,694	0	1,494	0	-	-	3,188	0
B8	297	0	1,217	0	-	-	1,514	0
B9	110	0	395	0	-	-	505	0
B10	-	-	2	0	-	-	2	0
B11	-	-	-	-	40	-19	40	-19
Total	58,014	0	3,771	0	40	-19	61,825	-19
Guarantees ¹⁾	-	0	-	-	-	-	-	0
Total	58,014	0	3,771	0	40	-19	61,825	-19

¹⁾ Guarantees are included in the balance-sheet item "Prepaid expenses and accrued income."

Loans with unpaid amounts (more than five days past due)¹⁾

The table describes loans with a past-due amount. All amounts are distributed by segment. At year-end 2025, 99.9% (99.9) of lending had no past-due unpaid amounts and was not assessed as uncertain.

SEK million	2025			2024		
	Residential mortgages	Corporates & Associations	Total	Residential mortgages	Corporates & Associations	Total
	Past-due 6–33 days	257	-	257	297	-
Past-due 34–63 days	66	1	67	80	-	80
Past-due 64–93 days	42	-	42	67	-	67
Past-due 94–183 days	44	-	44	97	-	97
Past due >184 days	332	-	332	432	-	432
Total	740	1	741	974	-	974

Lending to the public

The following tables present changes in gross lending and credit loss provisions during the period for the respective segment. Refer to Note A 2 for more information.

A brief description of the reported items:

- Moved to credit stage – Movements between credit stages show opening balances for the period for migrated loans.

- Remeasurement of provision – Net changes of provisions for each credit stage. This includes changes due to movements between credit stages.
- Repayment and redemption – Loans that have been derecognised from the balance sheet during the period and which have not been written off due to confirmed credit losses.
- Write-offs due to confirmed credit losses – Confirmed credit losses during the reporting period.
- Other – Residual items.

TOTAL	2025							
	Credit stage 1		Credit stage 2		Credit stage 3		Total	
	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision
SEK million								
Opening balance	486,631	-29	33,580	-60	828	-179	521,039	-268
Migrated to credit stage 1	15,862	-52	-15,748	20	-113	32	0	0
Migrated to credit stage 2	-11,923	1	12,126	-23	-204	21	0	0
Migrated to credit stage 3	-80	0	-454	3	534	-3	0	0
Remeasurement of provision	4,898	55	-237	0	-9	-74	4,652	-19
Transferred to/from Group companies, net ¹⁾	59,557	-5	668	-2	4	0	60,229	-7
Repayment of borrowings	-750	-	-87	-	-4	-	-841	-
Redemption	-45,826	5	-4,849	9	-236	48	-50,911	62
Write-offs due to confirmed credit losses	-	-	-	-	-17	14	-17	14
Change in model/method ²⁾	-	2	-	9	-	9	-	20
Other	-2	1	-1	1	1	0	-2	2
Closing balance	508,367	-22	24,998	-43	784	-132	534,150	-197

TOTAL	2024							
	Credit stage 1		Credit stage 2		Credit stage 3		Total	
	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision
SEK million								
Opening balance	449,733	-48	43,063	-61	648	-115	493,444	-224
Migrated to credit stage 1	22,782	-39	-22,744	32	-38	7	0	0
Migrated to credit stage 2	-18,774	5	18,886	-15	-112	10	0	0
Migrated to credit stage 3	-193	0	-345	2	538	-2	0	0
Remeasurement of provision	1,445	55	-401	-12	-8	-125	1,036	-82
Transferred to/from Group companies, net ¹⁾	68,945	-7	373	-3	9	-3	69,327	-13
Repayment of borrowings	-690	0	-87	0	-3	0	-780	0
Redemption	-36,595	7	-5,165	6	-200	25	-41,960	38
Write-offs due to confirmed credit losses	0	0	0	0	-6	5	-6	5
Change in model/method ²⁾	-	-2	-	-9	-	19	-	8
Other	-22	-	-	-	-	-	-22	-
Closing balance	486,631	-29	33,580	-60	828	-179	521,039	-268

¹⁾ Net amount is the loan's total amount less any internal transfers from other loans.

²⁾ Also includes changes in forward-looking information.

2025

RESIDENTIAL MORTGAGES	Credit stage 1		Credit stage 2		Credit stage 3		Total	
	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision
SEK million								
Opening balance	338,568	-23	23,206	-45	788	-160	362,562	-228
Migrated to credit stage 1	12,119	-32	-12,044	18	-74	14	0	0
Migrated to credit stage 2	-6,743	1	6,945	-22	-203	20	0	0
Migrated to credit stage 3	-80	0	-206	2	286	-2	0	0
Remeasurement of provision	-5,905	35	-238	4	-5	-43	-6,148	-4
Transferred to/from Group companies, net ¹⁾	57,275	-4	466	-2	4	0	57,745	-6
Repayment of borrowings	-686	-	-45	-	-4	-	-735	-
Redemption	-35,623	4	-3,346	8	-236	48	-39,204	60
Write-offs due to confirmed credit losses	-	-	-	-	-17	14	-17	14
Change in model/method ²⁾	-	2	-	6	-	7	-	15
Other	-3	0	-1	2	1	1	-3	3
Closing balance	358,922	-17	14,737	-29	540	-101	374,199	-147

2024

RESIDENTIAL MORTGAGES	Credit stage 1		Credit stage 2		Credit stage 3		Total	
	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision
SEK million								
Opening balance	312,089	-27	30,880	-39	597	-95	343,566	-161
Migrated to credit stage 1	15,144	-19	-15,108	14	-36	5	0	0
Migrated to credit stage 2	-12,241	2	12,353	-12	-112	10	0	0
Migrated to credit stage 3	-193	0	-345	2	538	-2	0	0
Remeasurement of provision	-5,893	26	-379	-5	-8	-114	-6,280	-93
Transferred to/from Group companies, net ¹⁾	56,474	-5	466	-3	9	-3	56,949	-11
Repayment of borrowings	-580	0	-76	0	-3	0	-659	0
Redemption	-26,224	4	-4,585	6	-191	20	-31,000	30
Write-offs due to confirmed credit losses	0	0	0	0	-6	5	-6	5
Change in model/method ²⁾	-	-4	-	-8	-	14	-	2
Other	-8	-	-	-	-	-	-8	-
Closing balance	338,568	-23	23,206	-45	788	-160	362,562	-228

¹⁾ Net amount is the loan's total amount less any internal transfers from other loans. ²⁾ Also includes changes in forward-looking information.

²⁾ The change in risk parameters during the period also includes changes in forward-looking information.

		2025							
CORPORATES & ASSOCIATIONS		Credit stage 1		Credit stage 2		Credit stage 3		Total	
SEK million		Gross lending	Provision	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision
Opening balance		148,063	-6	10,374	-15	40	-18	158,477	-40
Migrated to credit stage 1		3,743	-20	-3,704	2	-39	18	0	0
Migrated to credit stage 2		-5,180	0	5,181	-1	-1	1	0	0
Migrated to credit stage 3		0	0	-248	1	248	-1	0	0
Remeasurement of provision		10,803	20	1	-4	-4	-31	10,801	-15
Transferred to/from Group companies, net ¹⁾		2,282	-1	202	0	-	-	2,483	0
Repayment of borrowings		-64	-	-42	-	-	-	-107	0
Redemption		-10,203	1	-1,503	1	-	-	-11,705	1
Write-offs due to confirmed credit losses		-	-	-	-	-	-	-	-
Change in model/method		-	0	-	3	-	2	-	5
Other		1	1	0	-1	0	-1	1	-1
Closing balance		149,445	-5	10,261	-14	244	-30	159,950	-49

		2024							
CORPORATES & ASSOCIATIONS		Credit stage 1		Credit stage 2		Credit stage 3		Total	
SEK million		Gross lending	Provision	Gross lending	Provision	Gross lending	Provision	Gross lending	Provision
Opening balance		137,644	-21	12,183	-22	51	-19	149,878	-62
Migrated to credit stage 1		7,638	-20	-7,636	18	-2	2	0	0
Migrated to credit stage 2		-6,533	3	6,533	-3	-	-	0	0
Migrated to credit stage 3		0	0	0	0	0	0	0	0
Remeasurement of provision		7,338	29	-22	-7	0	-11	7,316	11
Transferred to/from Group companies, net ¹⁾		12,471	-2	-93	-	-	-	12,378	-3
Repayment of borrowings		-110	-	-11	-	-	-	-121	-
Redemption		-10,371	3	-580	0	-9	5	-10,960	8
Write-offs due to confirmed credit losses		-	-	-	-	-	-	-	-
Change in model/method		-	2	-	-1	-	5	-	6
Other		-14	-	-	-	-	-	-14	-
Closing balance		148,063	-6	10,374	-15	40	-18	158,477	-40

¹⁾ Net amount is the loan's total amount less any internal transfers from other loans.

²⁾ The change in risk parameters during the period also includes changes in forward-looking information.

Modified loans, loans with renegotiated terms and conditions

In exceptional cases, loans may be renegotiated outside of the loan's terms and conditions due to a deterioration of the customer's financial position or

because the customer has encountered other financial problems. Such loans are specifically monitored and are referred to as modified financial assets in accordance with IFRS 9. In 2025, no modified loans were assessed as material and therefore have not led to derecognition and new recognition.

Modified loans, modified loans in credit stages 2 and 3 (that have not led to derecognition)

SEK million	2025			2024		
	Residential mortgages	Corporates & Associations	Total	Residential mortgages	Corporates & Associations	Total
Amortised cost prior to modification	1,166	-	1,166	1,379	-	1,379
Modification gain/loss, net	-1	-	-1	-1	-	-1
Amortised cost after modification	1,165	-	1,165	1,378	-	1,378
<i>Of which, carrying amount prior to provision for assets migrated from credit stage 2 or 3 to credit stage 1.</i>	<i>407</i>	<i>-</i>	<i>407</i>	<i>642</i>	<i>-</i>	<i>642</i>

RC:2 Credit risk in treasury operations

Credit risk in treasury operations comprises the risk of the counterparty being unable to fulfil its payment obligations. In treasury operations, credit

risk arises in the form of counterparty risk for the derivative and repo contracts entered into by SCBC to manage its financial risks.

Limit utilisation per rating category

SEK million	2025		2024	
	Limit	Utilised limit	Limit	Utilised limit
AAA	-	-	-	-
AA- to AA+	17,600	916	9,200	16
A- to A+	8,400	-	15,800	622
Lower than A-	1,000	-	1,000	-
Total	27,000	916	26,000	638

The "Limit utilisation per rating category" table shows the limits and the utilised limits, respectively, for SCBC's derivative counterparties. The limits for each derivative counterparty are proposed by SBAB's Treasury and adopted by the Board's Credit Committee within the confines of the framework adopted by the Board of Directors. The values in the table comprise an aggregate of individual derivative counterparty's total exposure and the limits for the respective rating category. The exposure in the summary includes external derivative and repo contracts entered into by SCBC and which were outstanding as of 31 December 2025. At Group level, limits for each counterparty are set for all investments, and derivative and repo contracts. The table shows the limits for the SBAB Group.

As per the credit instruction, the limits are set by SBAB's Credit Committee within the confines of the framework adopted by the Parent Company's Board of Directors. The utilised limit is calculated as the exposure from financial derivatives, repos and investments. For derivatives and repos, the effect of collateral pledged or received under CSAs or GMRA is included in the total limit. Moreover, for derivatives, an add-on amount is also calculated for future risk-related changes. The limit is coordinated with the credit limit for counterparties who also are loan customers. Limits may be established for a period of not longer than one year, after which a new assessment must be conducted. The decisions of the Credit Committee are reported to the Board at the following Board meeting.

Counterparty risk

Counterparty risk at SCBC comprises exposures to well-reputed, major banks as well as the Parent Company SBAB as counterparties, which is hedged entirely through unilateral collateral agreements in which the counterparty pledges collateral by transferring funds or securities with the aim of reducing net exposure – known as a Credit Support Annex (CSA). Posted and received collateral for variation margins takes the form of cash, and for initial margin collateral can also comprise securities. Posted and received collateral entails a transfer of title, which entitles the party that receives the collateral to use the collateral freely in its operations.

To limit the potential counterparty credit risk associated with derivative transactions involving non-standardised derivatives that are not cleared by clearing organisations approved by the competent authority (in accordance with Regulation (EU) No 648/2012), a framework agreement is to be entered into with the counterparty. Where appropriate, the framework agreement, an ISDA Master Agreement or equivalent agreement, has been supplemented with an associated collateral agreement, CSA. A CSA must always be established for counterparties entering into derivative contracts with SCBC. The framework agreements entitle the parties to offset receivables against debt in the event of a payment default.

Counterparty risk is reconciled on a daily basis for all counterparties. When entered into, CSAs are reconciled on a daily basis or on a weekly basis. Derivative contracts entered into with external counterparties are mostly entered into with the Parent Company as the counterparty. The effects of posted and received collateral are shown in greater detail in Note [Fi 3](#).

Credit-risk limits are established by SBAB's Credit Committee for all counterparties in treasury operations. In the table "Maximum credit-risk exposure in treasury operations," the maximum credit-risk exposure is shown with and without taking collateral received or other credit enhancements into account.

Maximum credit-risk exposure in treasury operations

SEK million	Without taking into account collateral received or other credit enhancements		Taking into account collateral received or other credit enhancements	
	2025	2024	2025	2024
Lending to credit institutions	2,301	1,538	2,301	1,538
Chargeable treasury bills, etc.	-	-	-	-
Bonds and other interest-bearing securities	-	-	-	-
Derivatives	5,280	9,526	5,280	9,526
Total	7,581	11,064	7,581	11,064

Collateral posted and received under collateral agreements, 31 Dec 2025

SEK million	Collateral pledged	Collateral received
SCBC	-	-

Lending to credit institutions

SEK million	2025		2024	
	Financial assets measured at amortised cost		Financial assets measured at amortised cost	
	Credit stage 1		Credit stage 1	
	Securities, gross	Provision	Securities, gross	Provision
Opening balance	1,538	-	1,379	-
Change in cash balances	777	-	0	-
Purchases	18,713	-	9,881	-
Sales	-	-	-	-
Maturity	-18,726	-	-9,722	-
Write-offs, redemption, etc.	-	-	-	-
Change in risk parameters during the period	-	-	-	-
Change in model/method	-	-	-	-
Currency revaluation	-	-	-	-
Other	-	-	-	-
Closing balance	2,301	-	1,538	-

RC:3 Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to meet its payment obligations on the date of maturity without the related cost increasing significantly. Liquidity risk management for SCBC is performed as an integral part of the Group's overarching management. Moreover, access to funding from covered bonds is secured by monitoring that the over-collateralisation (OC level) in the cover pool at each point in time, including in stressed circumstances, exceeds Moody's requirements for Aaa ratings. On 31 Decem-

ber 2025, the OC level was 34.9% (30.2). SCBC has an agreement regarding a liquidity facility with the Parent Company, SBAB. The aim of the agreement is to allow SCBC to obtain support with liquidity from the Parent Company in the event that SCBC is unable to pay bond holders when SCBC's bonds mature. For more information; please refer to Note RC:3 in the SBAB Group's Annual Report.

Maturities of financial assets and liabilities (amounts refer to contractual, undiscounted cash flows)

SEK million	2025							2024						
	No ma- turity	<3 months	3-6 months	6-12 months	1-5 years	>5 years	Total	No ma- turity	<3 months	3-6 months	6-12 months	1-5 years	>5 years	Total
ASSETS														
Lending to credit institutions	-	6,010	-	784	-	-	6,794	-	1,021	517	-	-	-	1,538
Lending to the public	-	2,304	2,295	4,560	34,703	490,109	533,971	-	1,671	25,529	1,667	3,317	488,908	521,091
Derivatives	-	-159	2,520	-1,498	3,694	819	5,376	-	949	1,923	-169	3,371	3,320	9,394
Other assets	512	-	-	-	-	-	512	195	-	-	-	-	-	195
Total financial assets	512	8,155	4,815	3,846	38,397	490,928	546,654	195	3,641	27,969	1,498	6,688	492,228	532,218
LIABILITIES														
Liabilities to credit institutions	-	4,493	-	-	-	-	4,493	-	-	-	-	-	-	-
Debt securities issued, etc.	-	1,258	41,745	1,976	242,621	34,507	322,107	-	11,561	42,170	7,779	196,982	70,350	328,842
Derivatives	-	681	445	756	5,366	808	8,056	-	1,200	175	1,406	5,225	1,007	9,013
Other liabilities	4,161	-	-	-	-	-	4,161	3,437	-	-	-	-	-	3,437
Subordinated debt	182,407	-	-	-	-	-	182,407	164,276	-	-	-	-	-	164,276
Total financial liabilities	186,568	6,432	42,190	2,732	247,987	35,315	521,224	167,713	12,761	42,345	9,185	202,207	71,357	505,568

The fixed-interest periods for the capital repayments for amortised receivables and liabilities have been calculated as the period up to the date of maturity of the respective amortisation. Foreign currency cash flows have been

converted using the closing rate on 31 December 2025. Future interest-rate cash flows with floating interest rates are estimated using forward interest rates based on the actual interest base, usually the three-month STIBOR.

Maturities of hedged cash flows in cash-flow hedges

SEK million	No maturity	<3 months	3–6 months	6–12 months	1–5 years	>5 years	Total
Interest-rate-hedged	–	592	463	9	3,320	785	5,169
Currency-hedged	–	–	–	–	-45,938	-21,434	-67,372
Net, 31 Dec 2025	–	592	463	9	-42,618	-20,649	-62,203
Net, 31 Dec 2024	–	-8,215	-360	-7,382	-22,966	-32,946	-71,869

RC:4 Market risk

Market risk is the risk of loss or reduced future income due to market fluctuations. SCBC is characterised by low risk taking that is managed within the framework of SCBC's risk appetite and limits determined by the Board. Through daily reports, Risk Control checks compliance with current risk levels and limits. The management of SCBC's risks is outsourced to the Parent Company, SBAB, where they are followed up and managed at company and Group levels.

The basic objective for SBAB's management of SCBC's market risk is to minimise market risk in the cover pool, with the overriding aim of meeting the requirements for matching rules as expressed in the Covered Bonds Issuance Act (2003:1223).

The general principle governing SCBC's exposure to market risk is that the level of risk taking should be low. As a general principle, interest-rate risk is to be mitigated through direct funding or the use of derivatives. SCBC's interest-rate structure as of 31 December 2025 is shown in the table "Fixed-interest periods for financial assets and liabilities." Currency risks are mitigated as funding in international currency is hedged through currency swap contracts. The total effect per currency is reported in the table "Nominal amounts for assets, liabilities and derivatives in foreign currency."

Value at Risk

VaR is a comprehensive portfolio measurement expressing the potential loss that could occur given a certain level of probability and holding period. The model is a historical model and applies percentiles in historical market data from the past two years. Since the model is based on historical data there is a degree of inherent inertia and the model could underestimate the risk in a rapidly changing market. Due to the above and that the model is based on several assumptions, the model is validated daily using back testing analysis, in other words a check of VaR against actual outcomes.

Interest-rate risk in the banking book

SCBC covers interest-rate risk in the banking book pursuant to the Swedish FSA's methodology as described in FI Ref. 24-4186. The methodology is based on the EBA regulatory technical standard (EBA/RTS/2022/09) on the calculation of the change in economic value of equity (Δ EVE), but without taking into account behavioural optionality. The metric is limited by Board limits. The value and the worst outcome for the interest rate shock scenario are reported in the table "Interest-rate risk in the banking book."

The net interest income effect is measured to capture the impact of changes in interest rates on profit or loss. The metric reflects the differences in volume and fixed-interest periods between assets, liabilities and derivatives in other operations. The net interest income effect is calculated pursuant to the instructions stated in EBA/GL/2018/02 and is based on an instantaneous parallel shift of one percentage point up and down over a 12-month period. The value is reported in the variable " Δ NII" in the "Interest-rate risk in the banking book" table.

Supplementary risk metrics

In addition to the overall Δ EVE limits determined by the Board, the CEO has set a number of supplementary risk metrics for different kinds of risks to which the SBAB Group and SCBC are exposed. For interest-rate risk, there are limits for parallel shifts, where the effect on the present value of a one percentage point shift in the yield curve is measured, and curve risk where the

effect on the present value is measured in different scenarios, in which the short end of the yield curve is adjusted down (up) and the long end is adjusted up (down). Currency risk is controlled by measuring the effect on present value when currency exchange rates change compared to SEK.

In addition to the above-mentioned supplementary risk metrics, a number of sensitivity analyses are performed using stressed interest rates, currency rates and credit spreads together with their effect on the company's Tier 1 capital requirement.

Nominal amounts for assets, liabilities and derivatives in foreign currency

SEK million	2025		2024	
	Assets and liabilities	Derivatives	Assets and liabilities	Derivatives
EUR	-67,362	67,371	-76,765	76,775
GBP	–	–	–	–
NOK	–	–	–	–
USD	–	–	–	–
Total	-67,362	67,371	-76,765	76,775

Interest-rate risk in the banking book

SEK million	2025		2024	
	Δ EVE	Δ NII	Δ EVE	Δ NII
Parallel up	-296	-642	-177	-312
Parallel down	310	139	94	-4
Short rate up	-229	–	-131	–
Short rate down	240	–	69	–
Steepening	54	–	13	–
Flattening	-120	–	-64	–
Worst outcome	-296	–	-177	-312
Own funds	24,229	–	24,144	–

Fixed-interest periods for financial assets and liabilities, carrying amounts

SEK million	2025							2024						
	With-out interest period	<3 months	3-6 months	6-12 months	1-5 years	>5 years	Total	With-out interest period	<3 months	3-6 months	6-12 months	1-5 years	>5 years	Total
ASSETS														
Lending to credit institutions	-	1,291	1,010	-	-	-	2,301	-	1,024	514	-	-	-	1,538
Lending to the public	-	413,768	8,150	21,129	85,504	5,402	533,953	-	382,798	7,619	20,057	108,740	1,557	520,771
Change in fair value of interest-rate-hedged loan receivables	-	11	-2	34	-68	-69	-94	-	-14	-7	-66	-113	-157	-357
Derivatives	-	-7,054	133	9	11,349	843	5,280	-	2,603	104	-21	6,216	624	9,526
Other assets	565	-	-	-	-	-	565	500	-	-	-	-	-	500
Total financial assets	565	408,016	9,291	21,172	96,785	6,176	542,005	500	386,411	8,230	19,970	114,843	2,024	531,978
LIABILITIES														
Liabilities to credit institutions	-	-4	-	-	-	-	-4	-	-1	-	-	-	-	-1
Debt securities issued, etc.	-	-2,303	-36,495	-1,689	-225,562	-31,833	-297,882	-	-13,116	-38,227	-7,431	-180,986	-65,450	-305,210
Derivatives	-	-9,172	21	-111	-952	2,675	-7,539	-	-12,508	-50	-45	-320	4,407	-8,516
Other liabilities	-4,161	-	-	-	-	-	-4,161	-3,437	-	-	-	-	-	-3,437
Subordinated debt	-	-209,852	-	-	-	-	-209,852	-	193,488	-	-	-	-	-193,488
Total financial liabilities	-4,161	-221,331	-36,474	-1,800	-226,514	-29,158	-519,438	-3,437	-219,113	-38,277	-7,476	-181,306	-61,043	-510,652
Difference assets and liabilities	-3,596	186,685	-27,183	19,372	-129,729	-22,982	22,567	-2,937	167,298	-30,047	12,494	-66,463	-59,019	21,326

RC:5 Operational risk

Operational risk pertains to the risk of losses caused by people, inadequate or failed systems and processes, and external events including, but not limited to, legal risks, model risks (including AI model risk) and information and communication technology (ICT) risks.

Risk management

The process for managing operational risk is based on the continuous identification, analysis and assessment of risks as well as their management and follow-up. An analysis of risk levels is reported to the Board, the CEO and the Executive Management. The Risk department has overall responsibility for the methods and procedures used in the management of operational risk. The work with managing operational risk is conducted based on SCBC's risk appetite and the significant processes for the business. This entails constant efforts to develop employees' risk awareness and the bank's risk culture, to improve processes and procedures as well as to provide tools to efficiently and proactively manage day-to-day operational risk.

Self-evaluation

The self-evaluation process encompasses the identification and evaluation of operational risks across the entire bank. Self-evaluation is carried out using a shared method and documented in the shared system support. The result of the self-evaluation is reported annually to the Board, the CEO and the Executive Management.

Incident management

SCBC has procedures and system support intended to facilitate the reporting and follow-up of incidents. The Operational Risk function supports the oper-

ations with the analysis of reported incidents to ensure that root causes are identified and suitable measures are implemented. Even incidents that have not caused direct damage or financial loss are reported, to promote proactive risk management.

Management of material changes

SCBC's process for the management of material changes is applied for new or significantly altered products, services, markets, processes and ICT systems as well as in the event of major operational and organisational changes at SCBC. The aim of the process is to evaluate any potential risks related to the change and to draw attention to any impact the change may have on capital position.

Continuity management

SCBC works in a pre-emptive manner to prevent events that may affect the company's ability to conduct operations. A contingency organisation has been established that is responsible for crisis and catastrophe management, and communication in case of serious incidents, crises or disasters. This organisation is tested regularly in collaboration with external crisis management experts.

Capital requirements for operational risks

SCBC uses the standardised approach to calculate capital requirements for operational risk within the Pillar 1 framework. The capital requirements for operational risk are presented in the Risk Exposure Amounts and Capital requirements table (Note RC 8).

RC:6 Business risk

SBAB differentiates its business risk between strategic risk, the risk of weaker earnings and reputational risk. Strategic risk is defined as the risk of a loss arising due to unfavourable business decisions, erroneous implementation of strategic decisions or a lack of sensitivity to changes in the industry, the political environment or legal circumstances. The risk of weaker earnings

encompasses the risk of, for example, reduced margins, which in turn may arise due to more expensive financing or more intense competition. Reputational risk is defined as the risk arising as a result of the failure to manage the above risks as well as due to failures in internal governance, control or management of other events.

RC:7 Concentration risk

Concentration risk arises when exposures are concentrated to certain counterparties, regions or types of businesses/industries. Through a direction decision as part of the business planning, SCBC's Board has established the concentration of risk based on the actual conditions for SCBC. The Board's risk appetite sets the framework for concentration risk, which is calculated based on the size of the exposures, industry and geographical concentration.

SCBC is primarily considered to be exposed to credit-risk related concentration risk in its lending operations. The risk department continuously monitors and analyses concentration in the lending portfolio based on, inter alia,

geographical area, collateral, segment and product type. SCBC's portfolio is concentrated to the housing and property market. For more information on the breakdown of SCBC's secured and unsecured lending, refer to the Loan amounts broken down by LTV interval table in Note RC 1. Moreover, large exposures to single counterparties are monitored on an ongoing basis.

SCBC also evaluates the ongoing capital requirement for concentration risk and quantifies the economic capital risk for credit-risk exposures, see Note RC 9.

RC:8 Capital adequacy analysis

Regulatory framework

The capital adequacy is based on the consolidated version of the Capital Requirements Regulation and the Capital Requirements Directive. The 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.

In June 2024, amendments to the Capital Requirements Regulation and the Capital Requirements Directive were adopted and published in the Official Journal of the EU, finalising the last parts of the Basel 3 framework.

The amendments improve comparability of risk-based capital measures between banks within the EU. The measures include changes to the standardised approach and the internal ratings-based (IRB) approach used to calculate capital requirements for credit risk. Over and above the changes to the calculation of credit risk, changes also affected CVA and operational risk. An output floor has been introduced for IRB calculations of capital requirements, under which risk exposure amounts (REA) are not permitted to fall under 72.5% of what is given in the standardised approach. This will be phased in during a transition period from 2025–2030. While the rules will largely apply from 1 January 2025, transitional rules will apply for several years.

The countercyclical capital buffer requirement for Swedish exposures amounts to 2%. In the fourth quarter of 2025, the Swedish FSA announced its intent to leave the countercyclical buffer value unchanged. The countercyclical buffer values for Danish and Norwegian exposures are unchanged at 2.5%.

SCBC primarily recognises credit risk under the internal ratings-based approach (IRB approach). SCBC's own funds consist solely of CET1 capital. Net profit/loss for the period is included in the calculation of own funds. The surplus has been verified by the company's auditors, in accordance with Article 26, item 2, of the CRR. The deduction that forms the basis of "Additional value adjustments" in the "Own funds" table emanate from the rules on prudent valuation of assets.

Note RC 9 contains a summary of the method used to assess the internal capital requirement.

The Swedish National Debt Office (SNDO) has decided a minimum requirement for own funds and eligible liabilities (MREL) for SCBC that applies from 2026. The MREL is expressed as risk-weighted and as non risk-weighted requirements. The MREL for SCBC amounts to 20.04% of total REA and 6.00% of the total leverage ratio exposure (LRE). SCBC fulfils the requirements.

There are no on-going or unforeseen material obstacles or legal barriers to a rapid transfer of funds from own funds other than what is generally stipulated by the Companies Act.

Capital adequacy – KPIs

SEK million	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
Available own funds (amount)					
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
Risk exposure amount (REA)					
Total REA	134,190	133,351	132,412	130,448	147,471
Total risk exposure (pre-floor) ¹⁾					
Capital ratios (as a percentage of REA)					
CET1 capital ratio (%)	18.1	18.7	18.7	18.8	16.4
Common Equity Tier 1 ratio considering unfloored TREA (%) ¹⁾					
Tier 1 capital ratio (%)	18.1	18.7	18.7	18.8	16.4
Tier 1 ratio considering unfloored TREA (%) ¹⁾					
Total capital ratio (%)	18.1	18.7	18.7	18.8	16.4
Total capital ratio considering unfloored TREA (%) ¹⁾					
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of REA)					
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
Combined buffer and overall capital requirements (as a percentage of REA)					
Capital conservation buffer (%)	2.5	2.5	2.5	2.5	2.5
Capital 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 capital available after meeting the total SREP own funds requirements (%)	9.3	9.9	9.4	9.6	7.1
Leverage ratio					
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

SEK million	31 Dec 2025	30 Sep 2025	30 Jun 2025	31 Mar 2025	31 Dec 2024
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
Total SREP leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
Leverage ratio buffer requirement (%)	-	-	-	-	-
Overall leverage ratio requirement (%)	3.0	3.0	3.0	3.0	3.0
Liquidity coverage ratio²⁾					
Total high-quality liquid assets (HQLA) (weighted value – average)					
Cash outflows – total weighted value					
Cash inflows – total weighted value					
Total net cash outflows (adjusted value)					
Liquidity coverage ratio (%)					
Net Stable Funding Ratio²⁾					
Total available stable funding					
Total required stable funding					
NSFR (%)					

¹⁾ Pursuant to the Ordinance amending the Special Supervision and Capital Buffers Ordinance (2014:993), the capital floor is only calculated and reported at the consolidated level.

²⁾ AB Sveriges Säkerställda Obligationer (SCBC) together with SBAB Bank AB (publ) are treated as one liquidity sub-group pursuant to Article 8 of the CRR and as per the decision by the Swedish FSA. For this reason, disclosure of the liquidity coverage ratio and the net stable funding ratio is not assessed as material at company level. For outcomes at the consolidated level, see SBAB's annual report.

Risk exposure amounts and capital requirements

SEK million	2025		2024	
	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement
Credit risk recognised in accordance with IRB approach				
Exposures to corporates	29,955	2,396	49,467	3,958
Retail exposures	8,623	690	16,904	1,352
<i>of which, exposures to SMEs</i>	–	–	–	–
<i>of which, retail exposures secured by immovable property</i>	8,623	690	16,904	1,352
Total exposures recognised with IRB approach	38,578	3,086	66,371	5,310
Credit risk recognised with the standardised approach				
Exposures to governments and central banks ¹⁾	0	0	14	1
Exposures to regional governments or local authorities or agencies	0	0	0	0
Exposures to institutions ²⁾	207	17	161	13
<i>of which, derivatives according to CRR, Appendix 2</i>	183	15	122	10
<i>of which, repos</i>	24	2	38	3
<i>of which, other</i>	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
Total exposures recognised with standardised approach	209	17	177	14
Market risk	429	34	469	38
<i>Of which, currency risk</i>	429	34	469	38
Operational risk	6,189	495	5,971	478
Credit valuation adjustment risk	1,342	107	717	57
Additional requirements under Article 458 of the CRR	87,443	6,996	73,766	5,901
Total risk exposure amount and minimum capital requirements	134,190	10,735	147,471	11,798
Capital requirements for capital conservation buffer		3,355		3,687
Capital requirements for countercyclical buffer		2,684		2,949
Total capital requirement		16,774		18,435

¹⁾ The risk exposure amount for central governments and central banks amounts to SEK 0 million (14) as a result of deferred tax pursuant to Article 48(4) of the CRR.

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

Own funds SEK million	2025	2024
CET1 capital: Instruments and reserves		
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 verified net profit for the year net of any foreseeable charge or dividend ¹⁾	11	827
CET1 capital before regulatory adjustments	21,822	21,518
CET1 capital: Regulatory adjustments		
Additional value adjustments (negative amount)	-6	-18
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 ²⁾	0	-1
Total regulatory adjustments to CET1 capital	2,407	2,622
CET1 capital	24,229	24,140
Additional Tier 1 capital		
Additional Tier 1 capital before regulatory adjustments	-	-
Additional Tier 1 capital: regulatory adjustments		
Total regulatory adjustments to Additional Tier 1 capital	-	-
Additional Tier 1 capital	-	-
Tier 1 capital (Tier 1 capital = CET1 + Additional Tier 1 capital)	24,229	24,140
Tier 2 capital		
Capital instruments and the related share premium accounts	-	-
Credit risk adjustments	0	4
Tier 2 capital before regulatory adjustments	0	4
Tier 2 capital: Regulatory adjustments		
Total regulatory adjustments to Tier 2 capital	-	-
Tier 2 capital	0	4
Total capital (Total capital=Tier 1 capital + Tier 2 capital)	24,229	24,144
Total risk-weighted exposure amount	134,190	147,471
Capital ratios and requirements including buffers, %		
CET1 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
<i>of which, capital conservation buffer requirement</i>	2.5	2.5
<i>of which, countercyclical buffer requirement</i>	2.0	2.0
<i>of which, systemic risk buffer requirement</i>	-	-
<i>of which, G-SII buffer and O-SII buffer</i>	-	-
<i>of which, additional own funds requirements to address risks other than the risk of excessive leverage</i>	0.4	0.7
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	9.3	7.1

¹⁾ Net profit for the year was 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 marginal deduction has been made from own funds for the NPL backstop, in accordance with CRR Article 36, Point 1m.

Average risk weight for credit risk recognised using the IRB approach

SEK million	2025					2024				
	Exposure before credit risk hedge	Exposure after CCF	Risk exposure amount	Capital requirement	Average risk weight, %	Exposure before credit risk hedge	Exposure after CCF	Risk exposure amount	Capital requirement	Average risk weight, %
Credit risk in lending portfolio recognised under the IRB approach										
Exposures to corporates	160,377	160,315	29,955	2,396	18.7	158,880	158,636	49,467	3,957	31.2
Retail exposures	374,274	374,274	8,623	690	2.3	362,680	362,679	16,904	1,352	4.7
<i>of which, single-family dwellings and holiday homes</i>	194,007	194,007	3,506	280	1.8	185,936	185,935	6,549	524	3.5
<i>of which, tenant-owners' rights</i>	180,267	180,267	5,117	409	2.8	176,744	176,744	10,355	828	5.9
Total credit risk under the IRB approach	534,651	534,588	38,577	3,086	7.2	521,560	521,316	66,371	5,310	12.7

RC:9 Internally assessed capital requirement

Within the framework of Pillar 2, the Basel regulations impose the requirement that banks' management and assessment of risks must be satisfactory to ensure that the banks can fulfil their obligations. To meet this requirement, the banks must have methods that enable them to continuously evaluate and uphold capital in an amount, type and distribution sufficient to cover the risks to which they are or will become exposed. This is known as the company's internal capital adequacy assessment process (ICAAP), which is part of SCBC's internal capital and liquidity adequacy assessment process. At present, liquidity risk does not give rise to any actual capital requirement for SCBC. Refer to Note RC 3 for more information about liquidity risk. However, if the economic capital for risks included in Pillar 1 is less than the capital requirements under Pillar 1 for a given type of risk, the capital requirements under Pillar 1 are applied.

The internally assessed capital requirement for SCBC amounted to SEK 7,008 million (7,526) on 31 December 2025. The internal capital requirement is assessed with the help of SCBC's internal models for economic capital and is not fully compatible with the capital requirements published by the Swedish FSA. SCBC estimates that the Swedish FSA's expected capital requirement as of 31 December 2025 amounts to SEK 17,807 million, of which SEK 1,033 million is the capital requirement under Pillar 2.

SCBC quantifies the internal capital requirement within the framework of the internal capital adequacy assessment process (ICAAP). The internal capital requirement is defined as the higher of economic capital and the regulatory capital requirement based on Pillar 1 for each risk class. Additional information on the internal capital requirement can be found in the report "Capital Adequacy and Risk Management (Pillar 3)," which is published on www.sbab.se.

	SCBC	
	31 Dec 2025	31 Dec 2024
	Internally assessed capital requirement	
	SEK million	SEK million
Credit risk	4,852	5,372
Market risk	683	495
Operational risk	495	478
Concentration risk	870	1,124
Sovereign risk	0	0
CVA risk	107	57
Other risks ²⁾	0	0
Total	7,008	7,526
Total own funds	24,229	24,144

¹⁾ Includes pension risk and business risk.

IC Income and expenses

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IC:1 Net interest income

SEK million	2025	2024
Interest income		
Lending to credit institutions	40	56
Lending to the public	16,504	20,167
Derivatives	29	1,561
Total	16,573	21,784
<i>of which, interest income from financial assets that is not measured at FVTPL</i>	<i>16,544</i>	<i>20,223</i>
Interest expense		
Liabilities to credit institutions	-4	-5
Issued debt securities	-6,103	-4,983
Subordinated debt ¹⁾	-4,857	-6,799
Derivatives	-1,848	-6,324
Total	-12,812	-18,111
<i>of which, interest expense from financial liabilities that is not measured at FVTPL</i>	<i>-10,964</i>	<i>-11,787</i>
Net interest income	3,761	3,673

¹⁾ The subordinated debt is issued by the Parent Company.

IC:2 Commission

SEK million	2025	2024
Commission income		
Commission on lending ¹⁾	10	9
Total	10	9
Commission expense		
Commission on securities	-23	-32
Other commissions ²⁾	-23	-21
Total	-46	-53
Net commission	-36	-44

¹⁾ Commission on lending is primarily recognised when the service is provided, in other words at a specific date.

²⁾ Other commissions are mainly recognised when these services are rendered, in other words, in a straight line over time.

IC:3 Net result of financial transactions

SEK million	2025	2024
Gains/losses on interest-bearing financial instruments		
Change in value of hedged items in hedge accounting	-1,406	-1,551
Derivatives in hedge accounting	1,443	1,536
Other derivatives	-176	-255
Realised gain/loss from financial liabilities at amortised cost	88	284
Loan receivables at amortised cost	21	14
Currency translation effects	-1	0
Total	-31	28

SCBC mainly uses derivatives to manage interest-rate and currency risk in the company's assets and liabilities. The derivatives are recognised at fair value in the balance sheet.

SCBC's policies for risk management and hedge accounting entail variations in results as a consequence of changed market interest rates, which can arise between periods for individual items in the above presentation. These are generally offset by variations in the results in other items. Variations in results that are not neutralised through risk management and hedge accounting are commented in the administration report.

IC:4 General administrative expenses

SEK million	2025	2024
Outsourcing expenses¹⁾	-1,517	-1,427
Other administrative expenses²⁾	-30	-28
Total	-1,547	-1,455

¹⁾ Outsourcing expenses since the Parent Company is responsible for the ongoing administrative services in accordance with the outsourcing agreement signed between SCBC and the Parent Company.

²⁾ Fees and remuneration to the Board of directors, CEO and employees have been paid by SBAB and the expense then invoiced for to SCBC. The Board of Directors consists of four Board members and no remuneration was paid to Board members employed by the Parent Company. See page 48.

Fees and expenses to the elected auditors

SEK million	2025	2024
Audit assignment	-2.3	-1.9
Audit tasks in addition to audit assignment	-0.2	-0.2
Total	-2.5	-2.1

The AGM on 29 April 2025 appointed Deloitte as SCBC's auditors. The audit assignment includes examination of the annual report, the accounting records and the administration by the Board and CEO. The audit assignment also includes other assistance resulting from such examination.

Audit tasks in addition to the audit assignment pertain to the examination of interim reports/year-end report and such other duties that may only be performed by the signing-off auditor, such as the preparation of various types of certificates.

Remuneration to the Board

				2025	
SEK thousand	Period	Board of Directors	Audit and Compliance Committee		
Jan Sinclair, Chairman of the Board ¹⁾	1 Jan–31 Dec 2025	219	–		
Jane Lundgren Ericsson, Board Member ²⁾	1 Jan–31 Dec 2025	156	–		
Synnöve Trygg, Board Member ³⁾	1 Jan–31 Dec 2025	156	–		
Mikael Inglander, Board Member	1 Jan–31 Dec 2025	–	–		
Total Fees & Remuneration 2025		531	–		
				2024	
SEK thousand	Period	Board of Directors	Audit and Compliance Committee		
Jan Sinclair, Chairman of the Board ¹⁾	1 Jan–31 Dec 2024	208	–		
Jane Lundgren Ericsson, Board Member ²⁾	1 Jan–31 Dec 2024	149	–		
Synnöve Trygg, Board Member ³⁾	1 Jan–31 Dec 2024	149	–		
Mikael Inglander, Board Member	1 Jan–31 Dec 2024	–	–		
Total Fees & Remuneration 2024		506	–		

¹⁾ Jan Sinclair also receives Board fees and fees for work on committees from SBAB of SEK 617 thousand (583) and SEK 190 thousand (174) respectively.

²⁾ Jane Lundgren Ericsson also receives Board fees and fees for work on committees from SBAB of SEK 295 thousand (281) and SEK 132 thousand (183) respectively.

³⁾ Synnöve Trygg also receives Board fees and fees for work on committees from SBAB of SEK 295 thousand (281) and SEK 173 thousand (156) respectively.

No remuneration was paid to Board members employed by the Parent Company.

IC:5 Net credit losses

SEK million	2025	2024
Lending to the public		
Confirmed credit losses	-17	-6
Recoveries of previously confirmed credit losses	1	–
Adjustment of interest, written down loans	0	3
Change in provision for the year – credit stage 1	7	19
Change in provision for the year – credit stage 2	17	1
Change in provision for the year – credit stage 3	47	-64
Guarantees	0	0
Total	55	-47

IC:6 Imposed fees

SEK million	2025	2024
Risk tax	-185	-197
Resolution fee	-176	-171
Interest-free deposits with the Riksbank	-9	–
Total	-370	-368

TX Tax

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TX:1 Tax

SEK million	2025	2024
Current tax	-366	-362
Deferred tax on changes in temporary differences	-8	-3
Total	-374	-365
The effective tax rate differs from the nominal tax rate in Sweden as below		
Profit before tax	1,815	1,770
Nominal tax rate in Sweden 20.6%	-374	-365
Total tax	-374	-365
Effective tax rate, %	20.6	20.6

TX:2 Deferred tax

SEK million	2025	2024
<i>Deferred tax assets (+)/tax liabilities (-) for temporary differences in:</i>		
Stock of financial instruments	-2	6
Hedging instruments	686	766
Total	684	772
<i>Change in deferred tax</i>		
Deferred tax in the income statement	-8	-3
Deferred tax attributable to items recognised directly against other comprehensive income	-80	-186
Total	-88	-189
<i>Deferred tax distributed by expected maturity date, carrying amount</i>		
More than 1 year	684	772
Total	684	772

A Assets

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A:1 Lending to credit institutions

SEK million	2025	2024
Lending in SEK	2,291	1,528
Lending in foreign currency	10	10
Total	2,301	1,538
<i>of which, repos</i>	<i>1,514</i>	<i>1,528</i>
<i>of which, Interest-free deposits with the Riksbank</i>	<i>777</i>	<i>-</i>

Interest-bearing securities that SCBC purchases with an obligation to sell at a predetermined price are not recognised in the balance sheet, while the purchase price paid is recognised in the balance sheet under Lending to credit institutions. The securities are regarded as collateral received and can be pledged or sold by SCBC. In the event that the counterparty is unable to meet its repurchase obligation, SCBC is entitled to keep the security. The fair value of collateral received was SEK 1,512 million (1,523), of which SEK – (–) was pledged or sold.

A:2 Lending to the public

SEK million	2025	2024
Opening balance	520,771	493,220
Transferred to/from Group companies	60,231	71,756
Repayment of borrowings	-841	-881
Redemption	-46,262	-43,274
Confirmed credit losses	-17	-6
Change in provision for expected credit losses ¹⁾	71	-44
Closing balance	533,953	520,771

¹⁾ For more information, please refer to Note IC 5.

Distribution of lending, including provisions, SEK million	2025	2024
Lending, Residential mortgages	374,052	362,334
Lending, Corporate Clients & Tenant-Owners' Associations	159,901	158,437
Total	533,953	520,771

Lending to the public by credit stage – compared with opening balance

SEK million	31 Dec 2025	31 Dec 2024
Credit stage 1		
Gross lending	508,368	486,631
Provision	-23	-29
Total	508,345	486,602
Credit stage 2		
Gross lending	24,998	33,580
Provision	-43	-60
Total	24,955	33,520
Credit stage 3		
Gross lending	784	828
Provision	-131	-179
Total	653	649
Total gross lending	534,150	521,039
Total provisions	-197	-268
Total	533,953	520,771

For more information regarding changes pertaining to gross lending and loss allowances for the respective credit stages and segments, please refer to Note RC1.

A:3 Derivatives and hedge accounting

SEK million	2025				2024			
	Assets measured at fair value	Liabilities measured at fair value	Nominal amount	Year's value change on hedge ineffectiveness	Assets measured at fair value	Liabilities measured at fair value	Nominal amount	Year's value change on hedge ineffectiveness
Derivatives in fair-value hedging								
Interest-rate-related	2,592	3,587	279,336	1,443	2,247	5,076	255,507	1,536
Total	2,592	3,587	279,336	1,443	2,247	5,076	255,507	1,536
Derivatives in cash-flow hedges								
Interest-rate-related	481	2,970	67,014	143	469	3,440	76,397	1,373
Currency-related	2,207	982	65,613	245	6,810	-	69,219	-472
Total	2,688	3,952	132,627	388	7,279	3,440	145,616	901

Currency interest-rate swaps are classified as currency-related.

Derivatives allocated by remaining maturity, carrying amounts

SEK million	2025		2024	
	Fair value	Nominal amount	Fair value	Nominal amount
Maximum 3 months	-292	11,890	1,180	23,064
3–12 months	-83	37,750	626	47,645
1–5 years	-376	307,117	670	237,027
Longer than five years	-1,508	55,206	-1,466	93,387
Total	-2,259	411,963	1,010	401,123

Hedged items in fair value hedges:

2025					
SEK million	Carrying amount	Revaluation for the period of hedged items in fair value hedges	Accrued value adjustment from fair value hedges	Gain/loss on terminated hedges	Remaining accrued value adjustment on terminated hedges
Assets					
Lending to the public	80,955	-	-	-	-
Value changes of interest-rate-risk hedged items in macro hedges	-94	265	-121	-1	27
Total assets	80,861	265	-121	-1	27
Liabilities					
Issued debt securities, etc.	193,693	1,670	-1,955	-	-
Total liabilities	193,693	1,670	-1,955	-	-
Net assets – liabilities	-112,832	-1,405	1,834	-1	27
Hedging instruments		1,443			
Ineffectiveness		38			
2024					
SEK million	Carrying amount	Revaluation for the period of hedged items in fair value hedges	Accrued value adjustment from fair value hedges	Gain/loss on terminated hedges	Remaining accrued value adjustment on terminated hedges
Assets					
Lending to the public	78,639	-	-	-	-
Value changes of interest-rate-risk hedged items in macro hedges	-357	1,208	-357	-	-
Total assets	78,282	1,208	-357	-	-
Liabilities					
Issued debt securities, etc.	171,142	2,742	-3,625	17	-
Total liabilities	171,142	2,742	-3,625	17	-
Net assets – liabilities	-92,860	-1,534	3,268	-17	-
Hedging instruments		1,536			
Ineffectiveness		2			

Hedged items in cash-flow hedges

2025				
SEK million	Revaluation for the period of hedged items in cash-flow hedges	Accrued value adjustment from cash-flow hedges	Gain/loss on terminated hedges reclassified to Net result of financial transactions	Remaining accrued value adjustment on terminated hedges
Hedged items in cash-flow hedges:				
Hedged items/Hypothetical derivatives	-389	3,331	-	-
Total	-389	3,331	-	-
Hedging instruments	388			
Ineffectiveness	-1			
Hedge reserve	389	-3,331	-	-

2024

SEK million	Revaluation for the period of hedged items in cash-flow hedges	Accrued value adjustment from cash-flow hedges	Gain/loss on terminated hedges reclassified to Net result of financial transactions	Remaining accrued value adjustment on terminated hedges
Hedged items in cash-flow hedges:				
Hedged items/Hypothetical derivatives	-901	3,720	-	-
Total	-901	3,720	-	-
Hedging instruments	901			
Ineffectiveness	0			
Hedge reserve	901	-3,720	-	-

Hedge ineffectiveness recognised in profit or loss:

SEK million	2025		2024
	Hedging gains and losses recognised in "Net result of financial transactions"	Hedging gains and losses recognised in "Net result of financial transactions"	
Fair value hedges	38		2
Cash-flow hedges	-1		0
Total	37		2

The accounting policies for hedge accounting are described in Note [G 1](#).
The Group's liquidity and market risks are described in notes [RC 3](#) and [RC 4](#).

A:4 Other assets

SEK million	2025	2024
Interest receivables	513	187
Total	513	187
<i>Other assets distributed by remaining maturity, carrying amount</i>		
Maximum 1 year	513	187
Total	513	187

A:5 Prepaid expenses and accrued income

SEK million	2025	2024
Accrued interest income	53	304
Other accrued income	0	8
Total	53	312
<i>Prepaid expenses and accrued income distributed by remaining maturity, carrying amount</i>		
Maximum 1 year	53	312
More than 1 year	0	0
Total	53	312

L Liabilities

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L:1 Liabilities to credit institutions

SEK million	2025	2024
Liabilities in SEK	4	1
Liabilities in foreign currencies	0	0
Total	4	1
<i>of which, repos</i>	4	1

L:2 Issued debt securities, etc.

SEK million	2025	2024
Bond loans		
<i>Bond loans in SEK</i>		
– at amortised cost	37,148	57,674
– in fair value hedges	193,693	171,142
<i>Bonds loans in foreign currency</i>		
– at amortised cost	67,041	76,394
– in fair value hedges	–	–
Total issued debt securities	297,882	305,210
<i>of which, covered bonds</i>	297,882	305,210

See also the Funding section, page 7.

L:3 Other liabilities

SEK million	2025	2024
Liabilities to employees	13	23
Other	20	23
Total	33	46
<i>Other liabilities distributed by remaining maturity, carrying amount</i>		
Maximum 1 year	33	46
Total	33	46

L:4 Accrued expenses and deferred income

SEK million	2025	2024
Accrued interest expense	4,049	3,317
Other accrued expenses ¹⁾	79	74
Total	4,128	3,391
<i>Accrued expenses and deferred income distributed by remaining maturity, carrying amount</i>		
Maximum 1 year	4,128	3,391
Total	4,128	3,391

¹⁾ SCBC paid a Group contribution of SEK 20 million (10) to fellow Group company Booli Search Technologies AB.

L:5 Subordinated debt to the Parent Company

SEK million	2025	2024
Subordinated debt to the Parent Company	209,852	193,488
– <i>Of which, internal Group MREL instruments</i>	24,000	24,000
Total	209,852	193,488

Terms and conditions governing subordination

The subordinated debt is issued by the Parent Company. 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 instruments

Of the subordinated debt to the Parent Company SBAB Bank AB (publ), which amounts to SEK 209,852 million (193,488), 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.

EQ Equity

p. 54

EQ:1 Equity

The share capital amounted to SEK 50,000,000. On 31 December 2025, the number of shares was 500,000 (500,000), each with a quotient value of SEK 100. All shares are held by the Parent Company, SBAB Bank AB (publ), Corp. Reg. No. 556253-7513. Unrestricted equity in SCBC amounts to SEK 23,202 million (22,047).

Group contributions are proposed by the Board in accordance with the provisions of the Companies Act and are resolved by the Annual General Meeting, refer to Note G 3.

Further information on changes in equity is provided on page 18.

Specification of changes in the fair value reserve

SEK million	2025	2024
Cash-flow hedges, opening balance	-2,954	-3,669
Unrealised change in value over the year	-4,221	1,315
Reclassified to profit or loss during the year	4,610	-414
Tax attributable to the change	-80	-186
Cash-flow hedges, closing balance	-2,645	-2,954
Total	-2,645	-2,954

AC Assets pledged for own liabilities

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AC:1 Assets pledged for own liabilities

SEK million	2025	2024
Loan receivables	404,503	403,067
Repos	1,515	1,528
Total	406,018	404,595

Of the total lending portfolio, see Note A 1 and Note A 2 "Lending to credit institutions," the values reported above represent the carrying amount for the cover pool for covered bonds, which amounted to SEK 297.8 billion (305.2).

Loan receivables pledged as collateral mainly consist of the registered cover pool benefiting holders of covered bonds issued by SCBC and SCBC's covered derivative counterparties. In the event that the company becomes insolvent, the holders of the covered bonds and the covered derivative counterparties have priority rights to the pledged assets under the Covered Bonds Issuance Act and the Rights of Priority Act.

Further information on loan receivables and repos is given in Note G 1.

FI Financial instruments

p. 55–57

FI:1 Classification of financial instruments

Financial assets

31 Dec 2025

SEK million	Financial assets measured at FVTPL		Financial assets measured at amortised cost	Total	Total fair value
	Derivatives in hedge accounting	Other (Obligatory) classification			
Lending to credit institutions	-	-	1,524	1,524	1,524
Lending to the public	-	-	533,953	533,953	532,742
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	540,026

Financial liabilities

31 Dec 2025

SEK million	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	-	-	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
Total	7,539	-	511,899	519,438	516,856

Financial assets

31 Dec 2024

SEK million	Financial assets measured at FVTPL		Financial assets measured at amortised cost	Total	Total fair value
	Derivatives in hedge accounting	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
Total	9,526	-	522,435	531,961	530,812

Financial liabilities

SEK million	31 Dec 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	-	-	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
Total	8,516	-	502,136	510,652	506,691

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. 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, the fair value of issued debt securities is established based on generally accepted valuation techniques. Calculations made in con-

junction with measurement are based on observable market data with the exception of the credit margin when valuing lending to the public. The models are based on discounted cash flows. Issued securities are measured at the current borrowing interest 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.

FI:2 Fair value disclosures

SEK million	2025				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
Assets								
Derivatives	-	5,280	-	5,280	-	9,526	-	9,526
Total	-	5,280	-	5,280	-	9,526	-	9,526
Liabilities								
Derivatives	-	7,539	-	7,539	-	8,516	-	8,516
Total	-	7,539	-	7,539	-	8,516	-	8,516

In the table, financial assets and liabilities recognised at fair value in the balance sheet are divided on the basis of the measurement methods used.

No transfers were made between levels in 2024 and 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 unobservable market data (Level 3)

Measurement whereby a material input in 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.

FI:3 Offsetting disclosures

Financial instruments offset in the balance sheet or encompassed by netting agreements

2025							
SEK million	Amounts reported in the balance sheet		Related amounts not offset in the balance sheet				Net amount
	Amounts subject to offsetting	Amounts not offset in the balance sheet	Amounts reported in the balance sheet	Financial instruments	Provided (+)/ Received (-) collateral – securities	Provided (+)/ Received (-) cash collateral	
Assets							
Derivatives	5,280	–	5,280	-5,280	–	–	0
Repos	6,000	-4,486	1,514	–	-1,514	–	0
Liabilities							
Derivatives	-7,539	–	-7,539	5,280	–	–	-2,259
Repos	-4,490	4,486	-4	–	4	–	0
Total	-749	0	-749	0	-1,510	–	-2,259
2024							
SEK million	Amounts reported in the balance sheet		Related amounts not offset in the balance sheet				Net amount
	Amounts subject to offsetting	Amounts not offset in the balance sheet	Amounts reported in the balance sheet	Financial instruments	Provided (+)/ Received (-) collateral – securities	Provided (+)/ Received (-) cash collateral	
Assets							
Derivatives	9,526	–	9,526	-8,500	–	–	1,026
Repos	3,893	-2,365	1,528	–	-1,524	–	4
Liabilities							
Derivatives	-8,516	–	-8,516	8,500	–	–	-16
Repos	-2,366	2,365	-1	0	1	–	0
Total	2,537	0	2,537	0	-1,523	–	1,014

To limit the potential counterparty risk associated with derivative transactions involving non-standardised derivatives that are not cleared by clearing organisations approved by the competent authority (in accordance with Regulation (EU) No 648/2012), a framework agreement is to be entered into with the counterparty. Where appropriate, such framework agreements, which are known as ISDA Master Agreements or similar agreements, have been supplemented with associated collateral agreements, known as a Credit Support Annex (CSA).

A CSA must always be established for counterparties entering into derivative contracts with SCBC.

Counterparty risk is reconciled on a daily basis for all counterparties. Reconciliation is performed on a daily basis or on a weekly basis if a CSA has been entered into. When CSAs are in place, collateral is pledged to reduce net exposures. Wherever applicable, the posted and received collateral takes the form of cash with a transfer of title, which entitles the party that receives the collateral to use the collateral in its operations. Repos are recognised in the balance sheet under the headings Lending and Liabilities to credit institutions, respectively.

For further information on offsetting, see Note RC 2, in the section on Counterparty risk.

The Board of Directors' signatures

The Board and the CEO certify that the annual accounts were prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and in accordance with generally accepted accounting practices for credit market companies, and provide a true and fair view of the company's posi-

tion and earnings. In accordance with Chapter 6, Section 2, Item 2 of the Annual Accounts Act for Credit Institutions and Securities Companies, the Board considers the company's equity to be sufficient in relation to the scope and risks of the operations.

The administration 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.

The date of the Annual Report is 18 March 2026

Solna, 18 March 2026

Jan Sinclair

Chairman of the Board

Jane Lundgren Ericsson

Board Member

Mikael Inglander

Board Member

Synnöve Trygg

Board Member

Fredrik Jönsson

CEO

Our audit report was submitted on 18 March 2026

Deloitte AB

Malin Lünig

Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of AB Sveriges Säkerställda Obligationer (publ) corporate identity number 556645-9755

Report on the annual accounts

Opinions

We have audited the annual accounts of AB Sveriges Säkerställda Obligationer (publ) ("SCBC") for the financial year 2025-01-01 - 2025-12-31 except for the corporate governance statement on pages 10-13. The annual accounts of the company are included on pages 4-58 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and present fairly, in all material respects, the financial position of AB Sveriges Säkerställda Obligationer (publ) as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. Our opinions do not cover the corporate governance statement on pages 10-13. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Our opinions in this report on the annual accounts are consistent with the content of the additional report that has been submitted to the company's audit committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the company in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed

in the context of our audit of, and in forming our opinion thereon, the annual accounts as a whole, but we do not provide a separate opinion on these matters.

Judgments and estimates with respect to valuation of loan receivables

Recognition and measurement of financial instruments as regulated in IFRS 9 is a complex area with significant impact on SCBC's business and financial reporting. IFRS 9 is a complex accounting standard which requires significant judgment to determine the loan loss provision.

Key areas of judgment include:

- The interpretation of the requirements to determine loan loss provisions under application of IFRS 9, which is reflected in the Bank's expected credit loss model.
- The identification of exposures with a significant deterioration in credit quality.
- Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward-looking macroeconomic factors (unemployment rates, interest rates and property prices).

At December 31, 2025, loans to the public amounted to 533 953 million SEK, with loan loss provisions of 197 million SEK. Given the significance of loans to the public (representing c. 98% of total assets), the impact from the inherent uncertainty and subjectivity involved in assessing loan loss provisions, as well as the extensive disclosures required under IFRS 9, we consider this to be a key audit matter for our audit.

Refer to critical judgments and estimates in note [G 1](#) in the financial statements and related disclosures of credit risk in note [RC 1](#).

Our audit procedures included, but were not limited to:

- We evaluated relevant controls within the loan loss provision process to verify if they are appropriately designed and implemented during the year. We also obtained an understanding of the process for key decisions from management and committee meetings that form part of the approval process for loan loss provisions.
- We obtained an understanding of system-based and manual controls over the recognition and measurement of loan loss provisions and for key controls designed tests to verify if the controls were implemented during the year.

- We assessed, supported by our credit risk modelling specialists, the modelling techniques and model methodologies against the requirements of IFRS 9.
- We assessed the sufficiency of the underlying models developed for implemented loan loss provisions.
- We have audited a selection of loans with identifiable worsened credit to evaluate the reasonableness in the bank's judgement of the loan loss provision for these loans.
- Finally, we assessed the completeness and accuracy of the disclosures relating to loan loss provision to assess compliance with disclosure requirements included in IFRS.

IT-systems that support complete and accurate financial reporting

SCBC is dependent on IT-systems to ensure complete and accurate processing of financial transactions and support the overall internal control framework. Many of SCBC's internal controls over financial reporting are dependent upon automated application controls and completeness and integrity of reports generated by the IT-systems. Given the high dependency on technology, we consider this to be a key audit matter for our audit.

The following risks that could affect the financial reporting were identified:

- Incorrect and unauthorized changes to the IT environment
- Lack of operational and monitoring routines for the IT environment
- Incorrect and inadequate configuration of information security

Our audit procedures included, but were not limited to:

- We have audited the management's tests and controls in connection with changes in the IT environment.
- We have examined the process for monitoring the IT-System.
- We have reviewed the process of identity and access management, including assignment, change and removal of access rights.
- We have evaluated that processes and tools for ensuring access to information based on user needs and operational requirements, including back-up of information and restoring routines, are appropriately designed.

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on 3 and 62-63. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibilities for the audit of the annual accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of AB Sveriges Säkerställda Obligationer (publ) for the financial year 2025-01-01 - 2025-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the company in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 10-13 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard Rev 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and are in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

Deloitte AB, was appointed auditor of AB Sveriges Säkerställda Obligationer (publ) by the general meeting of the shareholders on the 2025-04-29 and has been the company's auditor since 2016-04-28.

Stockholm, 18 March 2026
Deloitte AB

Signature on Swedish original

Malin Lünig
Authorised Public Accountant

Five-year overview

Income-statement items

SEK million	2025	2024	2023	2022	2021
Interest income	16,573	21,784	19,423	8,376	5,517
Interest expense	-12,812	-18,111	-15,382	-4,589	-1,995
Net interest income	3,761	3,673	4,041	3,787	3,522
Other operating income ¹⁾	-67	-17	-79	-126	-105
Total operating income	3,694	3,656	3,962	3,661	3,417
Operating expenses	-1,564	-1,470	-1,469	-1,344	-1,305
Total operating expenses	-1,564	-1,470	-1,469	-1,344	-1,305
Profit before credit losses	2,130	2,186	2,493	2,317	2,112
Net credit losses	55	-47	-73	-39	7
Imposed fees: Risk tax, resolution fee and Interest-free deposits with the Riksbank ²⁾	-370	-368	-347	-300	-
Operating profit	1,815	1,771	2,073	1,978	2,119

Balance-sheet items

SEK million	2025	2024	2023	2022	2021
Lending portfolio	533,953	520,771	493,220	483,738	442,067
Deferred tax assets	684	772	961	1,690	0
Other assets	8,053	11,206	10,437	8,885	5,507
Total assets	542,690	532,749	504,618	494,313	447,574
Issued debt securities, etc.	297,882	305,210	326,176	328,881	300,913
Other liabilities	11,704	11,954	15,669	24,188	19,191
Deferred tax liabilities	-	-	-	-	225
Subordinated debt to the Parent Company	209,852	193,488	137,789	127,506	107,718
Equity	23,252	22,097	24,984	13,738	19,527
Total liabilities and equity	542,690	532,749	504,618	494,313	447,574

Key metrics

%	2025	2024	2023	2022	2021
Net interest margin	0.70	0.71	0.81	0.80	0.82
Credit loss ratio	0.01	-0.01	-0.01	-0.01	0.00
C/I ratio	42	40	37	37	38
Return on assets	0.3	0.3	0.3	0.3	0.4
Return on equity	5.7	5.8	6.7	8.1	9.4
CET1 capital ratio without transitional rules	18.1	16.4	16.7	15.9	16.3
Tier 1 capital ratio without transitional rules	18.1	16.4	16.7	15.9	16.3
Total capital ratio without transitional rules	18.1	16.4	16.7	15.9	16.3
Total capital ratio with transitional rules	18.1	16.4	16.7	15.9	16.3
Equity ratio	4.3	4.1	5.0	2.8	4.4
Consolidation ratio	4.3	4.1	5.0	2.8	4.4
Number of employees	51	44	45	40	40

¹⁾ The item includes net commission, the net result of financial transactions and other operating income.

²⁾ Interest-free deposits with the Riksbank have no impact on comparative figures.

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 (for example, 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 the Group'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.

Credit loss ratio

Definition: Credit losses in relation to total lending (closing balances).

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

SEK million	2025	2024
Credit losses	55	-46
Lending to the public	533,953	520,771
Credit loss ratio, %	0.01	-0.01

Return on equity

Definition: Profit after tax in relation to average (calculated using the opening and closing balances) equity, after adjustment for value changes in financial assets recognised in equity.

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

SEK million	2025	2024
Profit after tax	1,441	1,406
Average equity	25,474	24,352
Return on equity, %	5.7	5.8

Net interest margin

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

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

SEK million	2025	2024
Net interest income	3,761	3,673
Average total assets	537,720	518,684
Net interest margin, %	0.70	0.71

C/I ratio

Definition: Total operating expenses, before credit losses, in relation to total operating income.

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

SEK million	2025	2024
Total operating expenses, excluding credit losses, SEK million	-1,564	-1,471
Total operating income	3,694	3,656
C/I ratio, %	42	40

Definitions of other key performance indicators

Number of employees	Number of employees
Return on assets	Net profit for the period after tax in relation to average total assets
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
Equity ratio	Equity in relation to total assets at year end
Consolidation ratio	Equity and deferred tax in relation to total assets at year end

