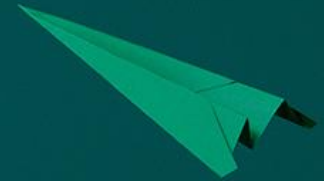


Skandiabanken

Investor presentation – Q4 2021

2022-02-21



skandia :

Agenda

1. Introducing Skandiabanken

2. Financial information

3. Credit portfolio

4. Funding

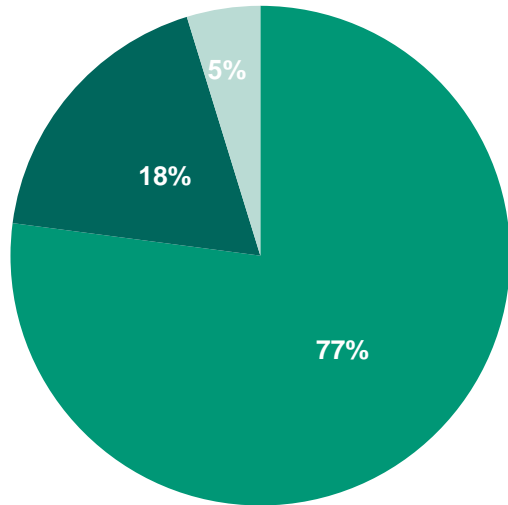
Skandiabanken

- Swedish retail bank established in 1994
- Three core business lines: Loans - Savings - Payments
- Strong and committed owner with ESG focus
- High customer satisfaction and strong brand
- Healthy funding structure with a base in retail deposits
- High quality of assets
- Strong capital and liquidity position
- Ambitious plans for growth

- *Wholly owned subsidiary of the Skandia Group*
- *Approximately 370 000 customers*
- *A2 (Stable) rating by Moody's (covered bond rating AAA)*
- *Total assets of ~SEK 97 bn*
- *Approximately 2 percent share of the Swedish mortgage and retail savings markets*
- *CEO Johanna Cerwall*

Business model focused on Swedish mortgages

Distribution of income YTD 2021 - Q4



■ Net interest income ■ Net commission income ■ Other

A Swedish bank for Swedish customers

- No business outside of Sweden
- Lending only in Swedish krona

Product offering

- Loans (>99 percent mortgages)
- Savings
- Payments

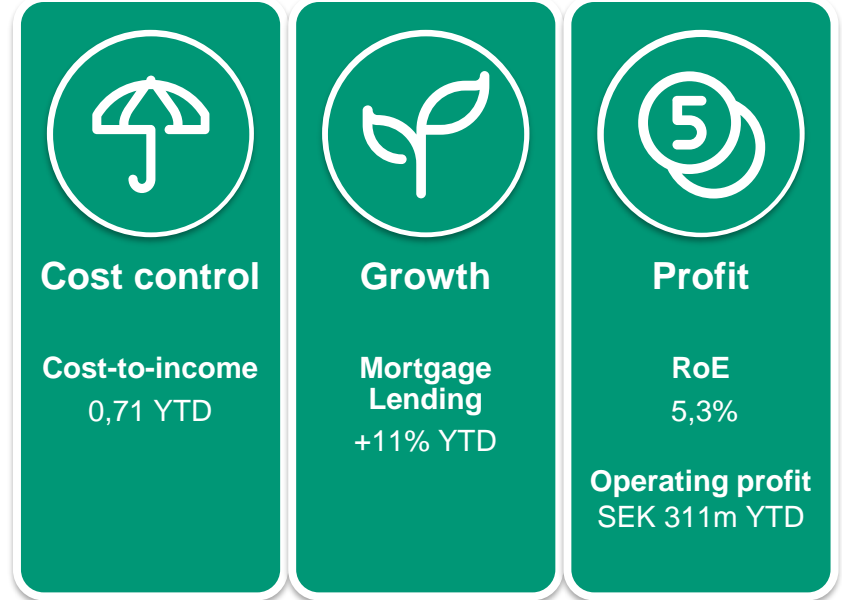
Low risk business

- Digital business
- No private banking
- No handling of cash

Strategy to grow

Contribute with financial return and strategic value to the Skandia Group

- Scalable digital infrastructure
- Attractive pricing model
- Access to Skandia Group customers
- Supportive products within savings and payments
- Long-term commitment



Sustainable banking

Skandiabanken is to act responsibly and to contribute to sustainable value creation through services that contribute to positive effects for customers, society and the climate

Long-term commitment

- High business ethics, actively working to prevent financial crime
- A new sustainability policy and framework pointing out our ambition, long term targets, prioritizations with key indicators established in 2020
- A public voice in the debate of access to finance for young and elderly



Activities 2021

- Together with the industry Skandiabanken has launched a code of conduct for mortgage brokers to ensure responsible and transparent lending
- Increased number of sustainability funds on our platform
- The Principles for responsible banking signed
- Limited carbon footprint that we always strive to further reduce. Carbon offsetting since 2012



PRINCIPLES FOR
RESPONSIBLE
BANKING

Sustainable offers

- A fair pricing model for mortgages gives customers an interest discount without having to negotiate
- Financing and discounted mortgages for those who upgrade their house with a sustainable energy solution
- A large range of sustainability funds guided with a selection tool to meet customers sustainability preferences



PARIS2015
UNFCCC COP21-CMP11

skandia:

Agenda

1. Introducing Skandiabanken

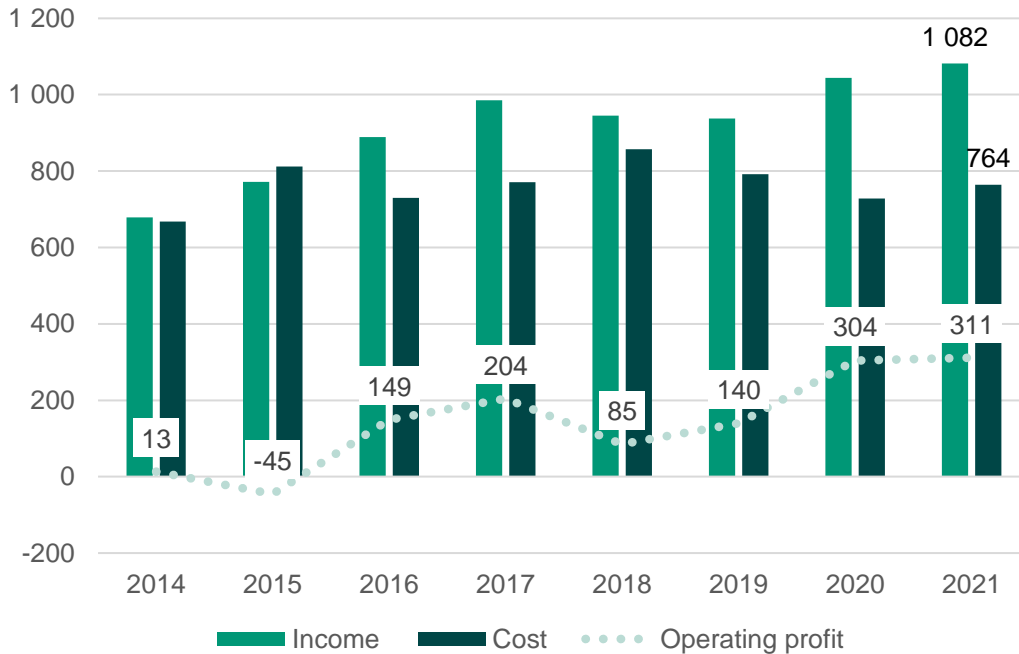
2. **Financial information**

3. Credit portfolio

4. Funding

Profit development

Income, Cost & Operating profit



Investments in 2018

- IT infrastructure and regulatory implementations

Turnaround in 2019

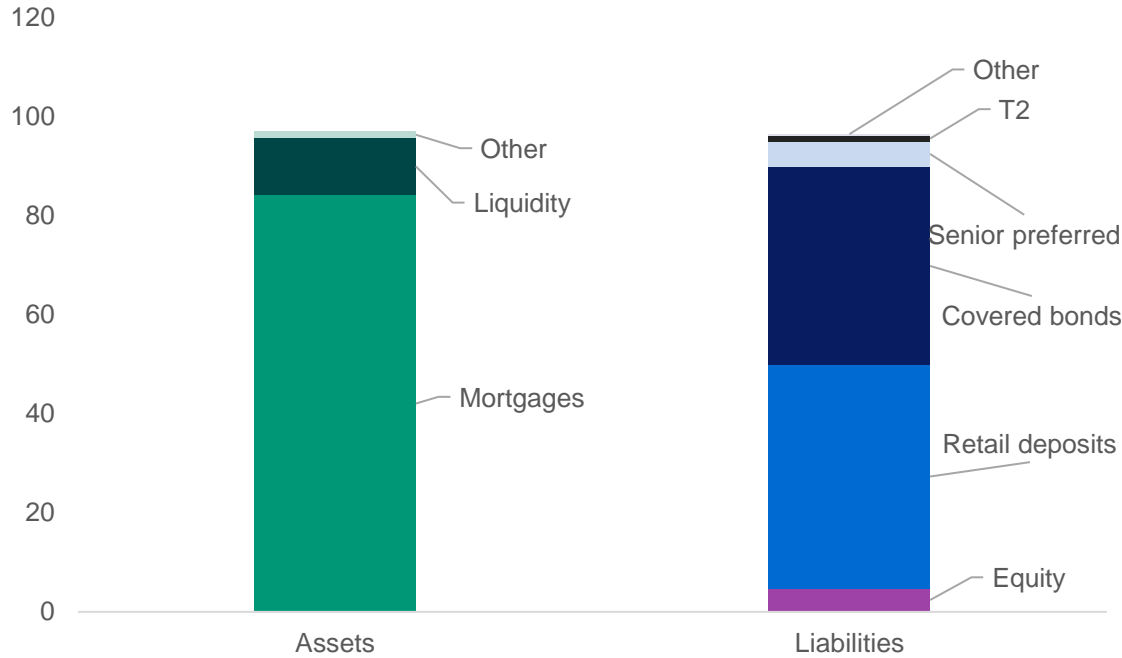
- Increased volumes and reduced costs

Profit generation going forward

- Continuous growth
- Cost control proven effective
- Improved C/I and ROE

Balance sheet overview

Balance sheet (SEK bn) as of Q4 2021



Transparent balance sheet

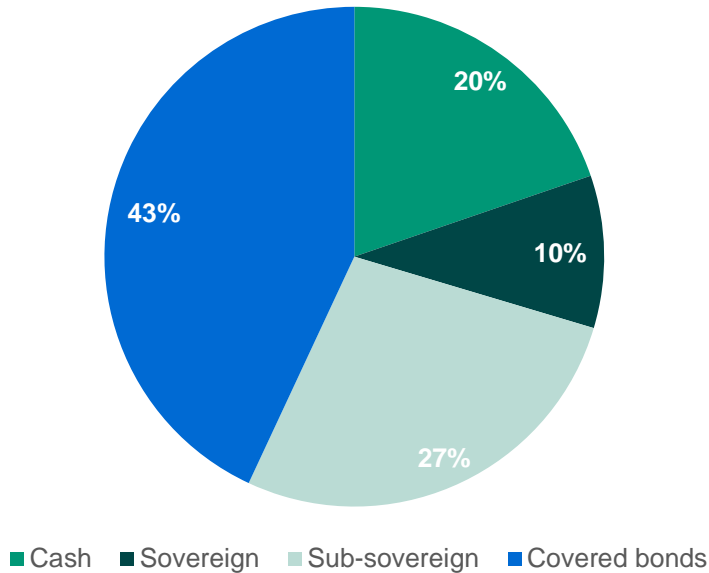
- Approx. 98% mortgages and liquidity reserve
- No corporate lending
- Negligible consumer lending (<1%)

Sound funding structure

- Loan to deposit ratio 180% (significantly below peers)
- More than 86% deposits and covered bonds

Liquidity position

Liquidity portfolio as of Q4 2021



Low appetite for liquidity risk

- High and stable LCR and NSFR
- LCR 271 percent
- NSFR 135 percent

High quality liquidity reserve

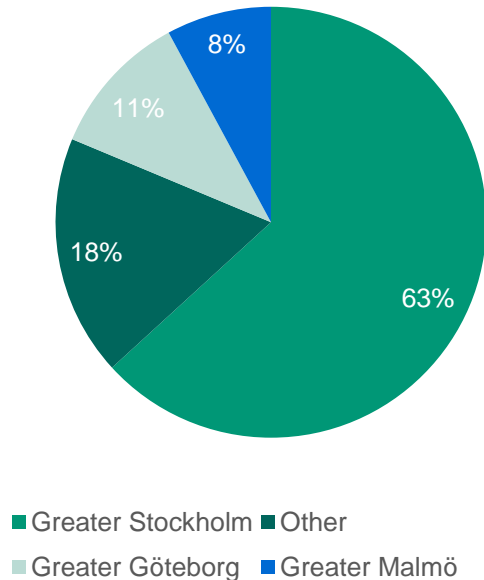
- Riksbank certificates
- Municipal bonds & commercial papers
- Covered bonds
- Assets accepted by the Riksbank as collateral

Agenda

1. Introducing Skandiabanken
2. Financial information
3. **Credit portfolio**
4. Funding

Distribution of mortgages

Geographical distribution



- Majority of lending to urban areas
 - Majority of lending to urban areas
 - High liquidity and transparency in pricing
 - Long-term demand for housing
- Residential mortgages
 - Single-family houses
 - Tenant owner rights
 - Second homes
- Increased interest in fixed mortgages
 - ~70 percent of the back book in variable rates
 - Increasing share of new lending in fixed

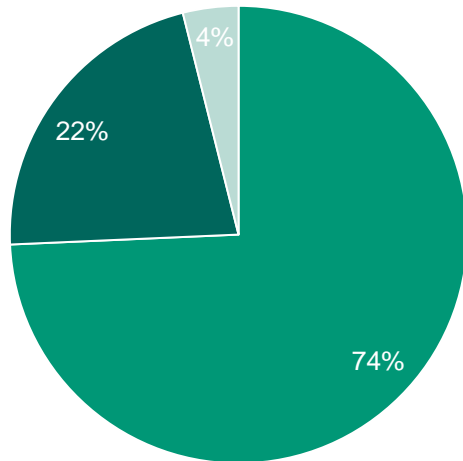
Cover pool details

Cover pool data*	
Cover pool size	SEK 51 800 M
Outstanding covered bonds	SEK 39 550 M
Collateral	100 percent Swedish residential mortgages
Over collateralisation	31% (approx. 113% all assets included)
Weighted average LTV	47%
Average loan size	SEK 1 647 377
Interest rate type	100% Floating
Weighted average seasoning	58 months
Pool type	Dynamic
Originator	Skandiabanken AB

*Figures as of Q4 2021

Senior bond holders exposure

Senior bond holders as of Q4 2021



■ Unpledged mortgages ■ Liquidity reserve ■ Other

- Senior preferred bond holders are exposed to the same quality of mortgages as the holders of covered bonds
- The liquidity reserve is invested in sovereigns, sub-sovereigns and covered bonds (AAA)
- “Other” refers to e.g. collateral and unsecured lending

Agenda

1. Introducing Skandiabanken

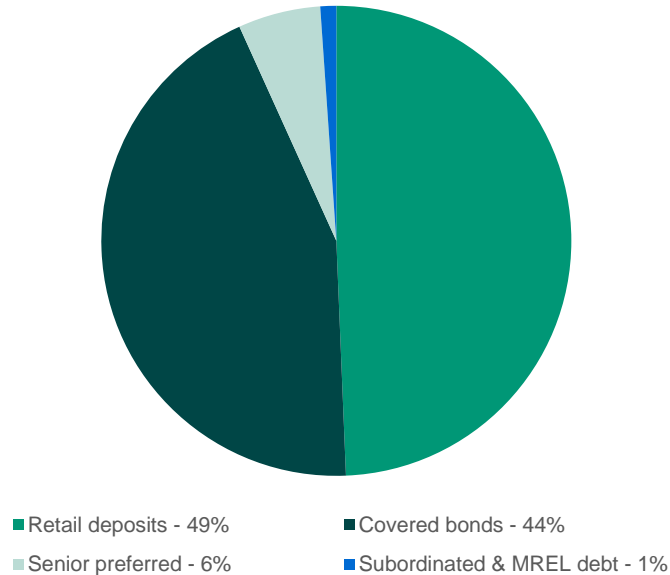
2. Financial information

3. Credit portfolio

4. **Funding**

Funding overview

Share of funding as of Q4 2021



Strategy

- Foundation in retail deposits
- Increased use of covered bonds to support growth
- Floating rate notes in Swedish krona

Ambition

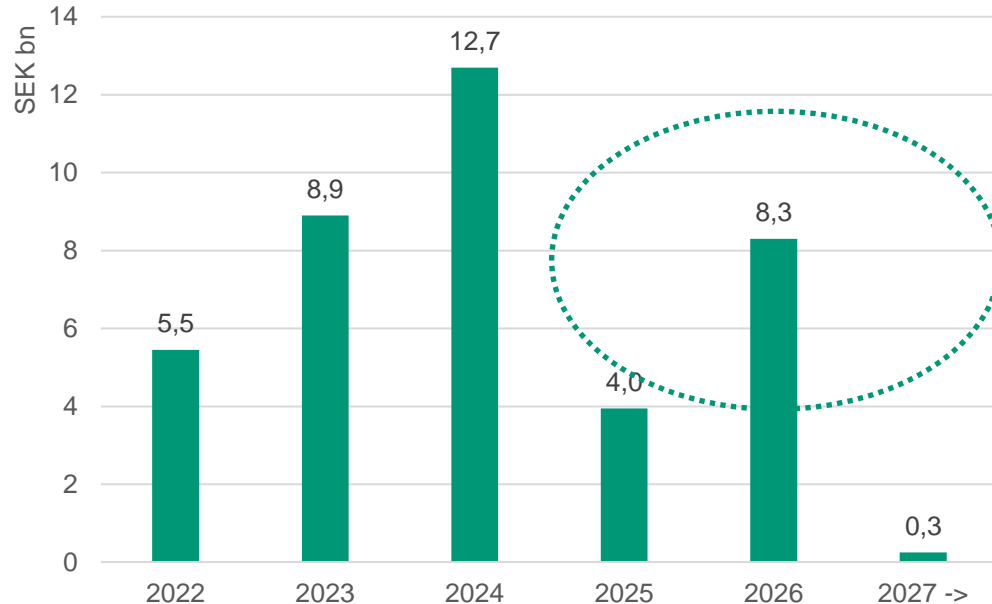
- Equal quality of assets inside and outside cover pool
- Long-term commitment

Funding

- Primarily covered bonds
- Senior bonds for regulatory purposes
- Maintain presence in the commercial paper market

Secured funding

Maturity profile of covered bonds as of 2021-12-31



Covered bonds

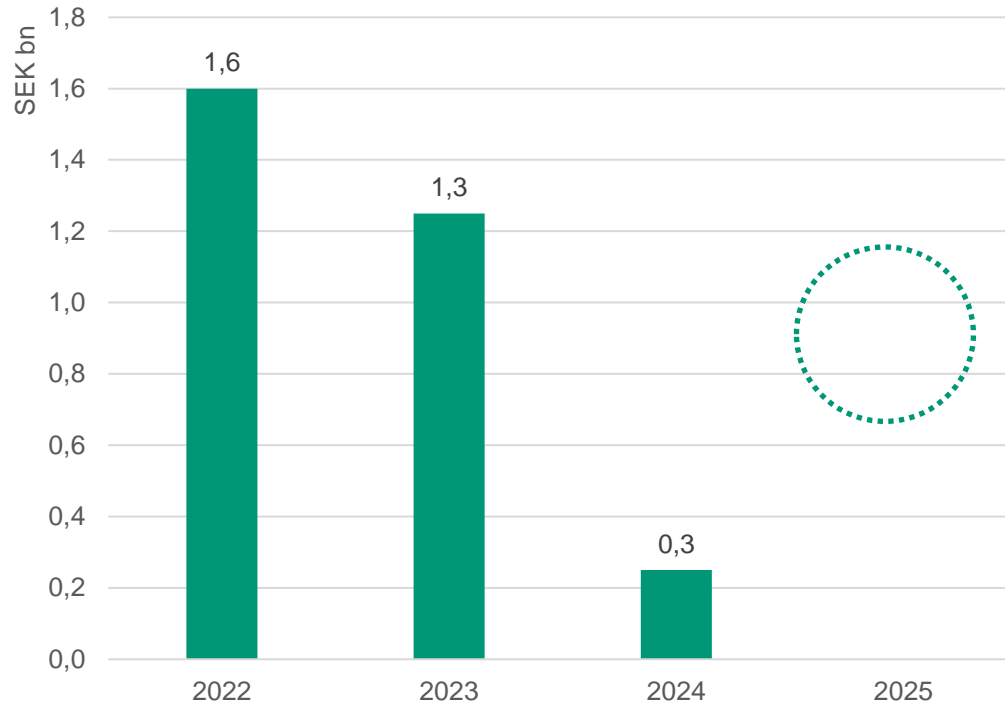
- SEK 5,5 bn maturing in 2022
- FRNs in SEK
- High OC

Ambitions going forward

- Level 2 bonds available to tap
- 1-2 syndicated issues per year
- Buy-back policy (3-6 months to maturity)
- Larger bond size and improved liquidity to be expected with increased volumes

Unsecured funding

Maturity profile of senior preferred as of 2020-12-31



Senior preferred

- SEK 1,6 bn maturing in 2022
- Private placements
- FRNs or Fixed
- High quality exposure

Senior non-preferred

- MREL-regulation
- Continuously building to 2024

Commercial paper

- Source of short-term liquidity
- Seek to regain and maintain presence in the commercial paper market

Expected transaction Issuance of Senior Non-preferred FRN

Executive summary - Skandiabanken

- Skandiabanken AB is a wholly owned subsidiary of Livförsäkringsbolaget Skandia
- A Swedish retail bank with focused on Swedish mortgages
- The business model is based on a digital platform with transparent pricing
- Three core business lines: Loans - Savings - Payments
- Skandiabanken only operates in Sweden and all lending & funding is in SEK

Key highlights

Strong and committed owner	Healthy funding structure with base in retail deposits
High quality of assets	Strong capital and liquidity position
Strong brand with ambitious plans for growth	A2 deposit rating by Moody's with Stable outlook

Expected transaction

Inaugural Senior Non-Preferred
500m 5y SEK FRN (bullet)
Issued under Skandiabanken AB's SEK 10bn MTN programme

Indicative terms – SEK 5y Senior Non-preferred

Issuer	Skandiabanken (Publ)
Status	Senior Non-Preferred Notes
Size	500m (no grow)
Tenor	5y bullet
Coupon type	Floating Rate Note
Documentation	The Issuer's SEK 10 bn Swedish MTN Programme
Joint lead managers	Nordea & SEB
Listing	Nasdaq Stockholm
Clearing	Euroclear Sweden
Governing law	Swedish
Target market	Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in EEA

Appendix

Appendix - Rating

Rated by Moody's Investor Services

- Foreign LT Bank Deposits – Rating: A2 (Positive)
- Local LT Bank Deposits – Rating: A2 (Positive)
- Since 2015, positive outlook since July 13, 2021

- Covered bonds - Rating: AAA
- Since 2013

Rating policy

- All covered bonds are rated
- Senior bonds will not be rated unless that is explicitly negotiated

”Credit strengths

- *Very strong asset quality*
- *Strong capitalisation*
- *Very strong support from Skandia Group*

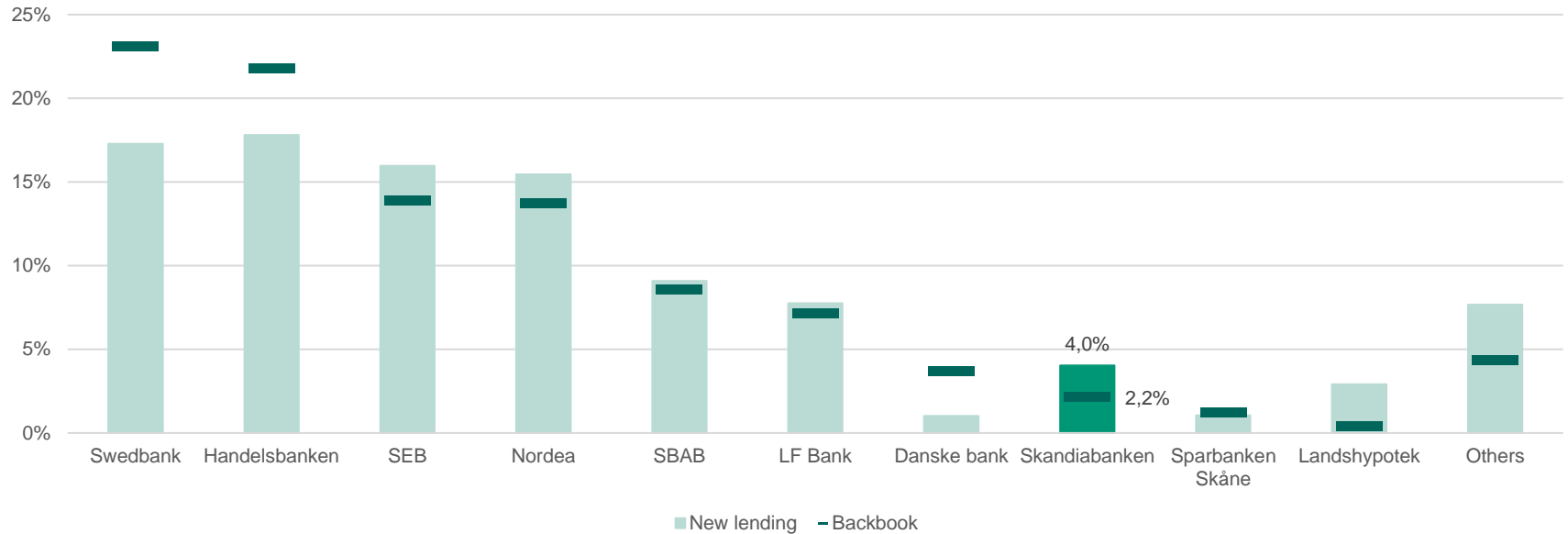
Credit challenges

- *Historical high lending growth*
- *Lower-than-peer efficiency and weak profitability, albeit gradually improving”*

Source: Moody's credit opinion dated October 12, 2021

Appendix – Swedish mortgage market

The Swedish mortgage market



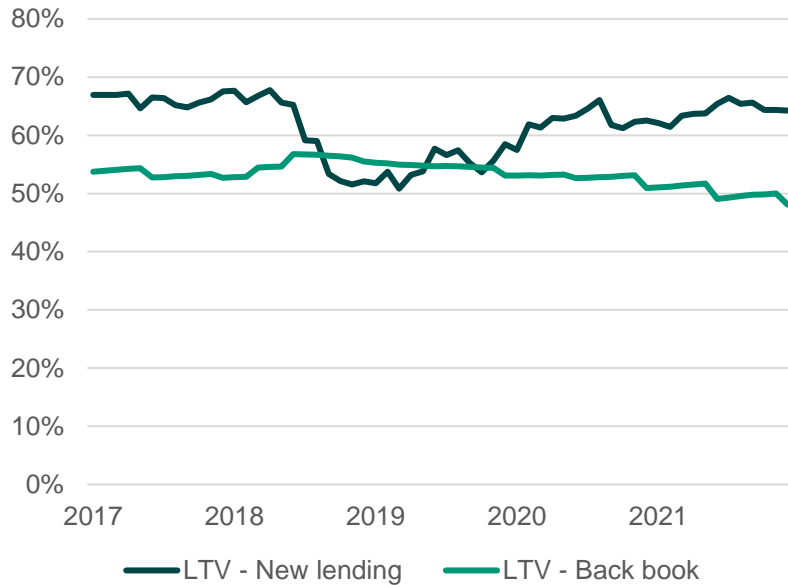
Source: SCB

Appendix - Capital position

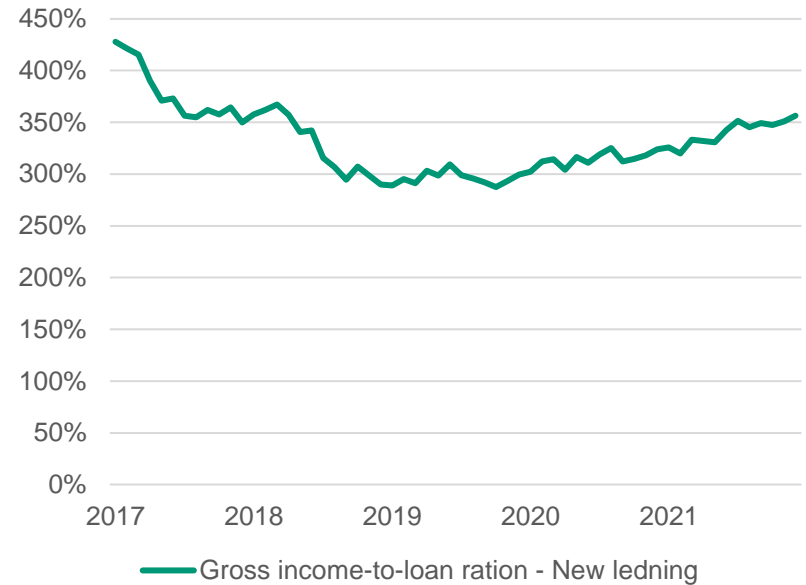
	Q4 2021
Own funds	20,8%
Tier 1	18,8%
CET 1	18,8%
Leverage ratio	4,7%
Risk-weighted MREL	27,8%
Non-risk-weighted MREL	7,6%
Risk-weighted subordination	20,3%
Non-risk-weighted subordination	5,7%

Appendix - Asset quality

LTV

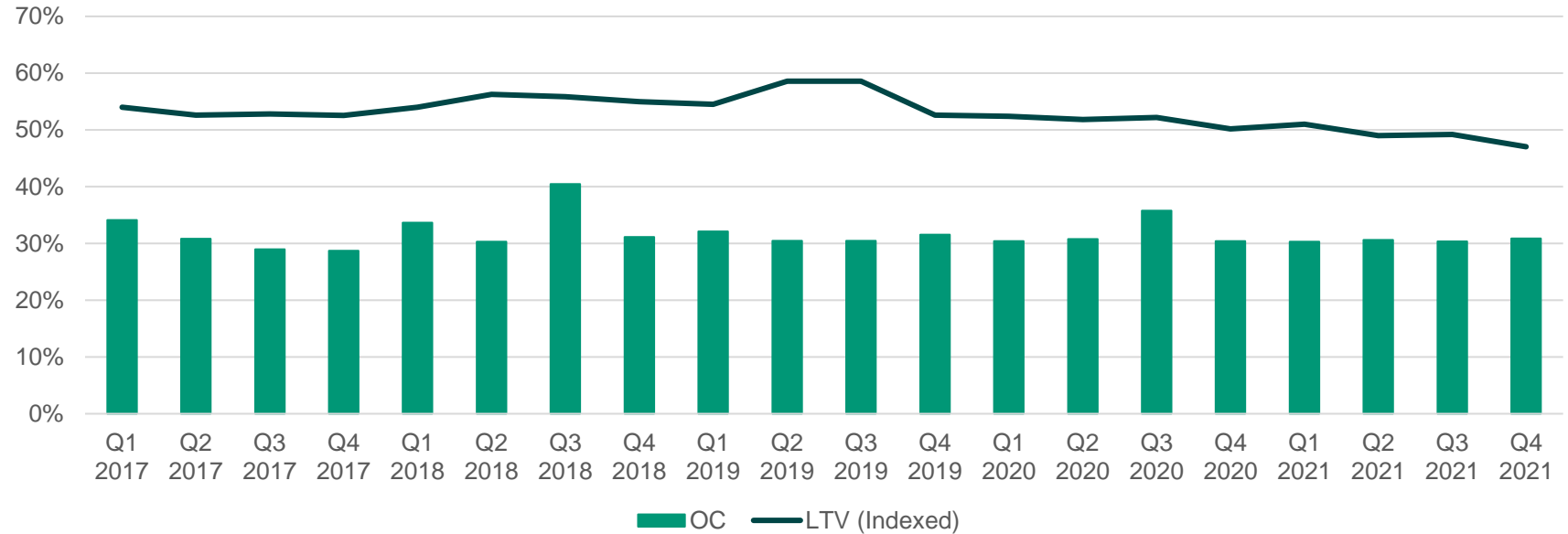


Gross income-to-loan ratio - New lending



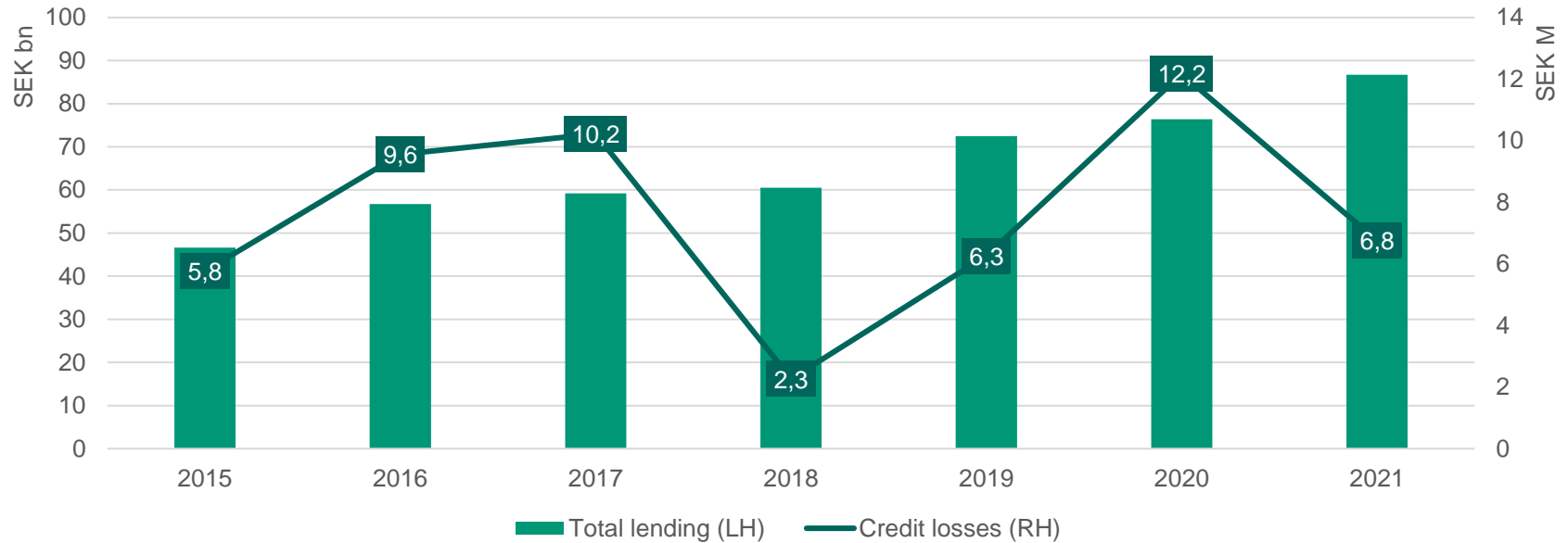
Appendix – Cover pool: Stable LTV ratio & OC

LTV & OC



Appendix - Low credit losses

Credit losses



Appendix - Outstanding covered bonds

Bond	Maturity	Coupon type	Amount issued	Min piece (MM)
SKANBK Float 03/02/22	2022-03-02	FLOATING	2 750 000 000	1
SKANBK Float 08/24/22	2022-08-24	FLOATING	3 600 000 000	2
SKANBK Float 03/15/23	2023-03-15	FLOATING	3 500 000 000	2
SKANBK Float 09/20/23	2023-09-20	FLOATING	5 400 000 000	2
SKANBK Float 02/22/24	2024-02-22	FLOATING	1 700 000 000	2
SKANBK Float 04/24/24	2024-04-24	FLOATING	5 500 000 000	2
SKANBK Float 09/24/24	2024-09-24	FLOATING	5 500 000 000	2
SKANBK Float 04/24/25	2025-04-24	FLOATING	450 000 000	2
SKANBK Float 06/24/25	2025-06-24	FLOATING	800 000 000	2
SKANBK Float 09/24/25	2025-09-24	FLOATING	800 000 000	2
SKANBK Float 11/24/25	2025-11-24	FLOATING	1 900 000 000	2
SKANBK Float 04/23/26	2026-04-23	FLOATING	5 600 000 000	2
SKANBK Float 11/24/26	2026-11-24	FLOATING	3 900 000 000	2
SKANBK 1.97 02/02/27	2027-02-02	FIXED	250 000 000	1

As of 2022-02-18

Bonds with min.piece 1 MM cannot be tapped

Appendix - Outstanding senior bonds

Bond	Maturity	Coupon type	Amount issued	Min piece (MM)
SKANBK Float 03/18/22	2022-03-18	FLOATING	300 000 000	2
SKANBK 1.1 08/29/22	2022-08-29	FIXED	300 000 000	1
SKANBK Float 09/19/22	2022-09-19	FLOATING	500 000 000	2
SKANBK 0.535 11/04/22	2022-11-04	FIXED	500 000 000	2
SKANBK Float 04/20/23	2023-04-20	FLOATING	400 000 000	2
SKANBK 0.56 05/10/23	2023-05-10	FIXED	500 000 000	2
SKANBK Float 10/13/23	2023-10-13	FLOATING	750 000 000	2
SKANBK Float 01/15/24	2024-01-15	FLOATING	450 000 000	2
SKANBK Float 03/26/24	2024-03-26	FLOATING	700 000 000	2
SKANBK Float 08/23/24	2024-08-23	FLOATING	750 000 000	2
SKANBK Float 02/10/25	2025-02-10	FLOATING	300 000 000	2

As of 2022-02-18

Bonds with min.piece 1 MM cannot be tapped

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