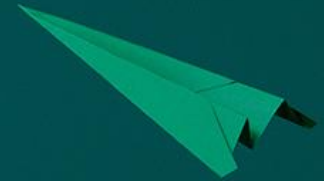


Skandiabanken

Investor presentation – Q4 2022

Updated 2023-03-24



skandia :

Agenda

1. Introducing Skandiabanken

2. Financial information

3. Credit portfolio

4. Funding

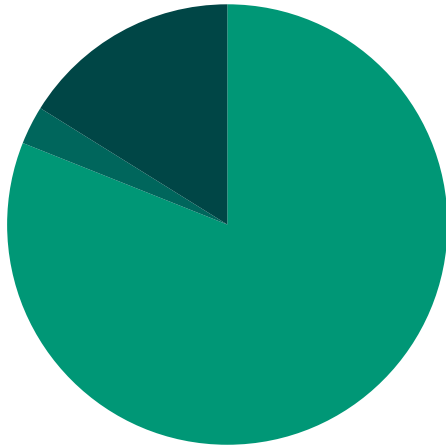
Skandiabanken

- 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 110 bn*
- *Approximately 2 percent share of the Swedish mortgage and retail savings markets*
- *CEO Arvid Krönmark*

Business model focused on Swedish mortgages

Distribution of income - 2022



■ Net interest income 81% ■ Net commission income 3% ■ Other 16%

A Swedish bank for Swedish customers

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

Product offering

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

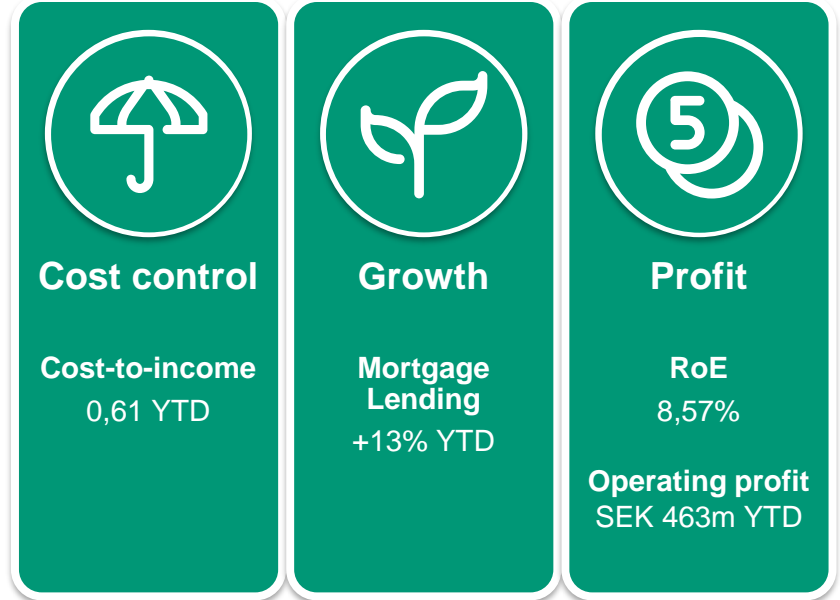
Low risk business

- 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

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



PRINCIPLES FOR
RESPONSIBLE
BANKING

Sustainable offers

- A fair pricing model for mortgages gives customers an interest discount without having to negotiate
- A large range of sustainability funds guided with a selection tool to meet customers sustainability preferences



skandia:

Agenda

1. Introducing Skandiabanken

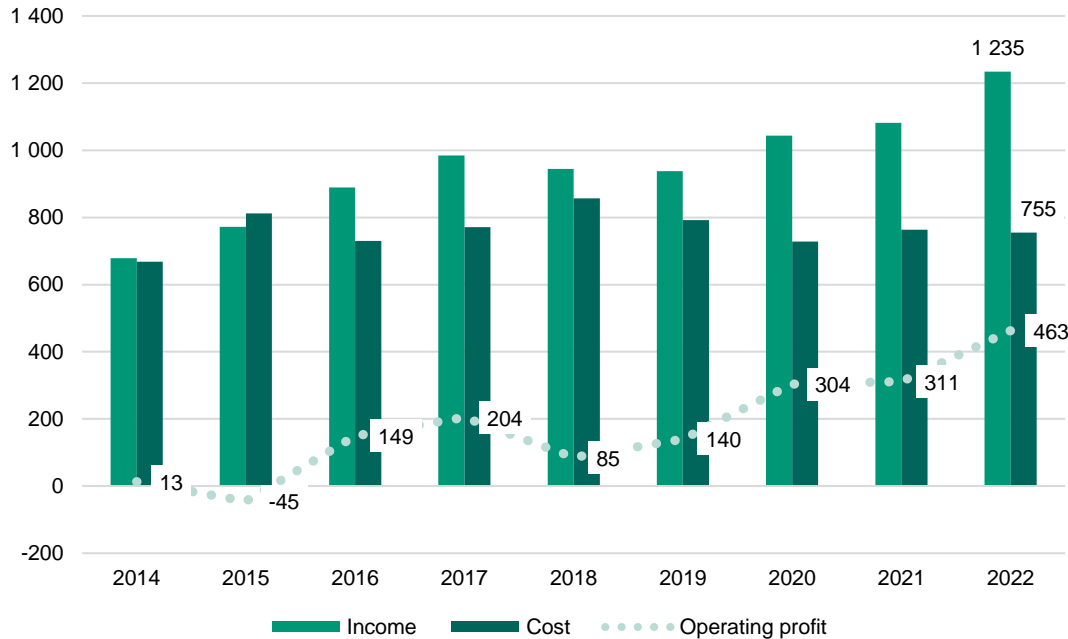
2. **Financial information**

3. Credit portfolio

4. Funding

Profit development

Income, cost & operating profit (mSEK)



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 2022



Transparent balance sheet

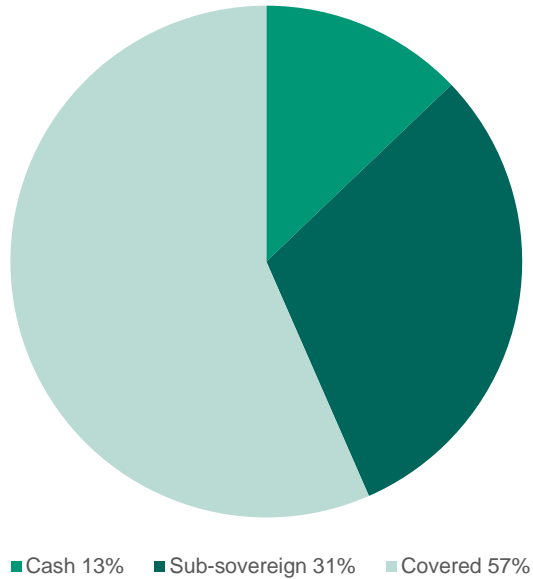
- Approx. 99% mortgages and liquidity reserve
- No corporate lending
- Negligible consumer lending (<1%)

Sound funding structure

- Loan to deposit ratio 209%
- Deposits and covered bonds account for 88%

Liquidity position

Liquidity portfolio as of Q4 2022



Low appetite for liquidity risk

- High and stable LCR and NSFR
- LCR 287 percent
- NSFR 135 percent

High quality liquidity reserve

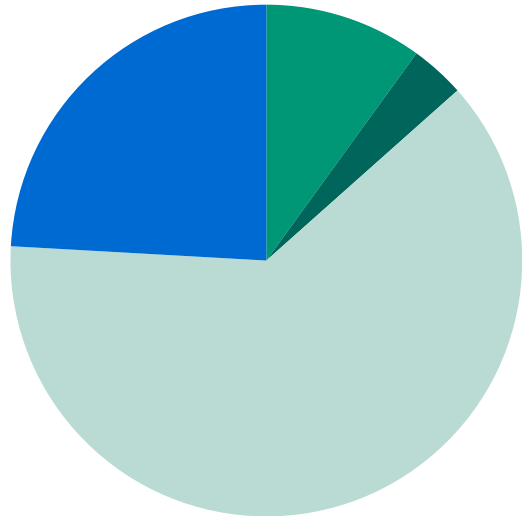
- Riksbank certificates
- Municipal bonds
- Covered bonds
- Assets accepted by the Riksbank as collateral

Agenda

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

Distribution of mortgages

Geographical distribution Q4 - 2022

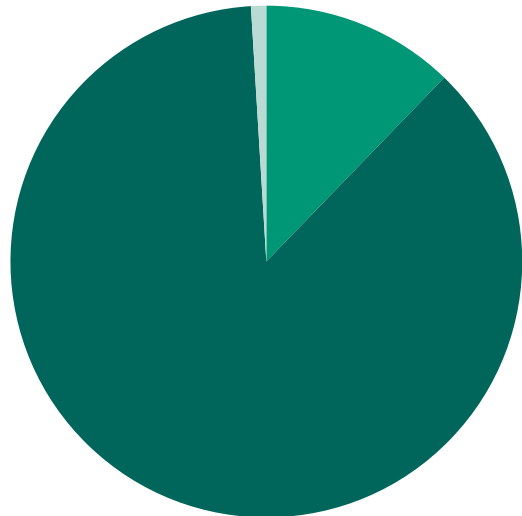


■ Göteborg 10% ■ Malmö 3% ■ Stockholm 62% ■ Other 24%

- 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

Senior bond holders exposure

Senior bond holders as of Q4 2022



■ Liquidity 12% ■ Mortgages 87% ■ Other 1%

- 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

Cover pool details

Cover pool data*	
Cover pool size	SEK 65 204 M
Outstanding covered bonds	SEK 50 050 M
Collateral	100 percent Swedish residential mortgages
Over collateralisation	30% (approx. 90% all assets included)
Weighted average LTV	51%
Average loan size	SEK 1 766 000
Interest rate type	Floating & Fixed
Weighted average seasoning	59 months
Pool type	Dynamic
Originator	Skandiabanken AB

*Figures as of Q4 2022



Agenda

1. Introducing Skandiabanken

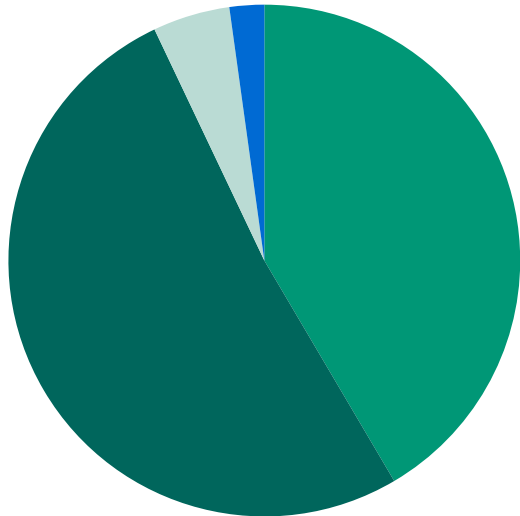
2. Financial information

3. Credit portfolio

4. **Funding**

Funding overview

Sources of funding Q4 - 2022



■ Retail deposits 42% ■ Capital markets funding 51% ■ Equity 5% ■ Other 2%

Strategy

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

Ambition

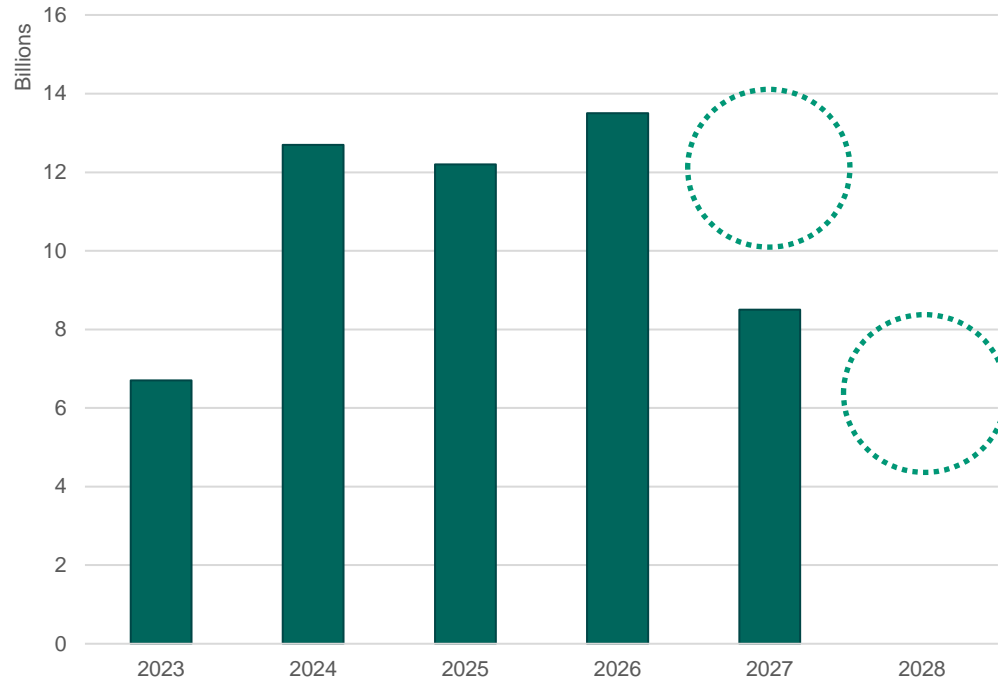
- Equal quality of assets inside and outside cover pool
- Long-term commitment

Funding

- Primarily covered bonds & Retail deposits
- Senior bonds for regulatory purposes and rating
- Maintain presence in the commercial paper market

Secured funding

Maturity profile - Covered bonds



Covered bonds

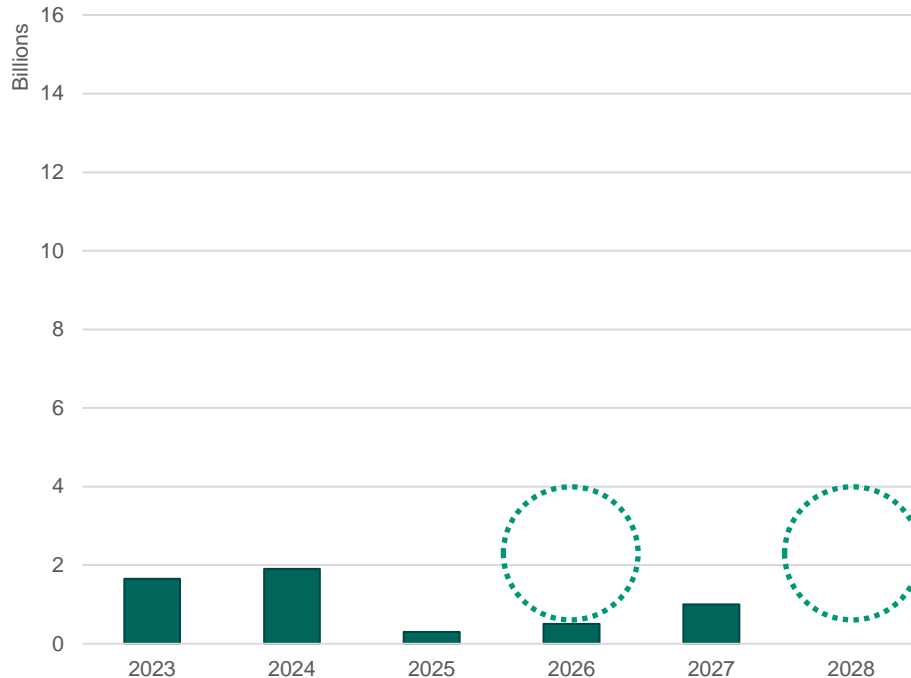
- FRNs in SEK
- High OC
- New bonds compliant with CBD

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 - Senior bonds



Senior preferred

- SEK 1,65 bn maturing in 2023
- Private placements
- FRNs or Fixed
- High quality exposure

Senior non-preferred

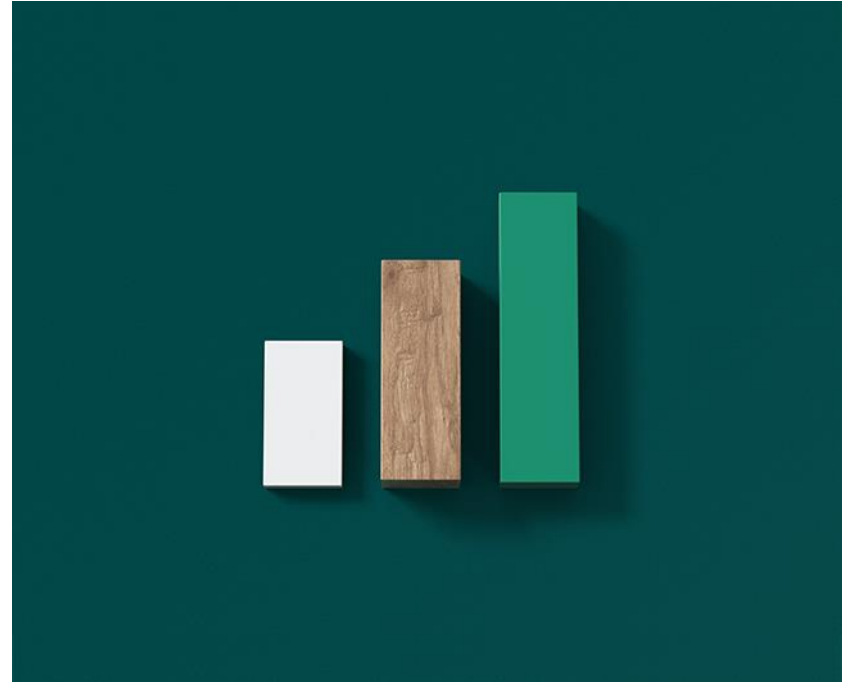
- Driven by MREL-regulation
- Continuously building to 2024
- 1 bn expected in 2023

Commercial paper

- Source of short-term liquidity
- Maintain presence

Funding plan 2023

- Expeced funding need approximately 20bn, most of which will be secured funding
- Continued growth assumed
- The increase in lending is likely to be funded by covered bonds
- Senior preferred adjusted to adhere to Moody's rating method
- Senior non-preferred gradually increased to comply with MREL-legislation in January 2024



Moving forward

Green framework

- Describing our sustainable narrative
- Commitment with regards to sustainability
- Advisor for the framework has been appointed
- Project for 2023
- Focus on energy efficiency of our assets
- Likely to be used for issuing senior bonds



PRINCIPLES FOR
RESPONSIBLE
BANKING

Fixed covered bonds

- New investors
- Larger share of pocket with current investors
- Increased flexibility
- Natural hedge of fixed lending
- Support growth and increased need of funding
- Test trade before any large scale issuance

"Don't hold your breath"

Appendix

Appendix - Rating

Rated by Moody's Investor Services

- Foreign LT Bank Deposits – Rating: A2 (Stable)
- Local LT Bank Deposits – Rating: A2 (Stable)
- Since 2015

- 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*

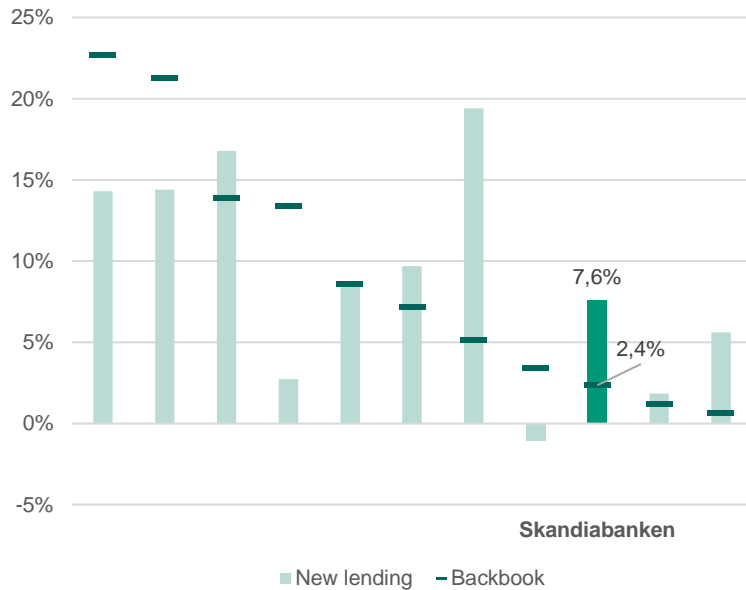
Credit challenges

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

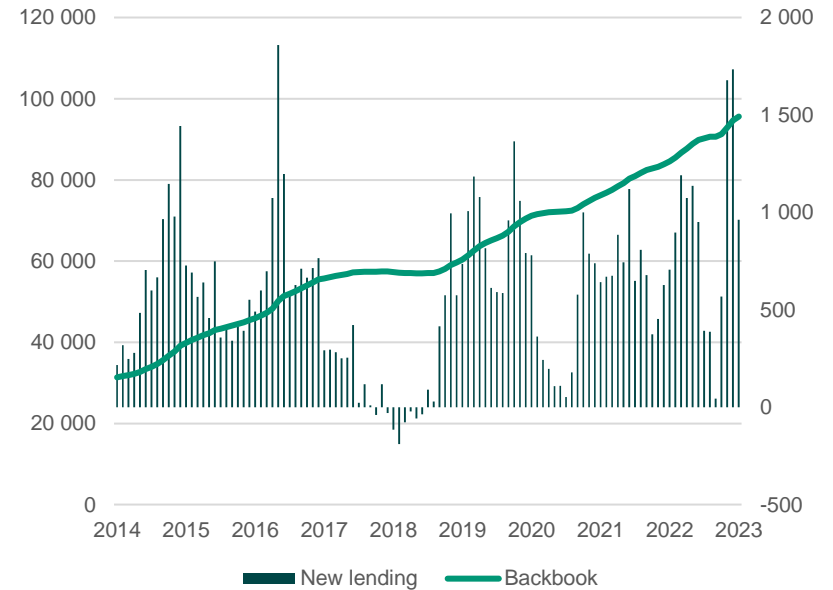
Source: Moody's credit opinion dated October 19, 2022

Appendix – Swedish mortgage market

Swedish mortgage market 2023 - New lending YoY



Back book and new lending (mSEK)



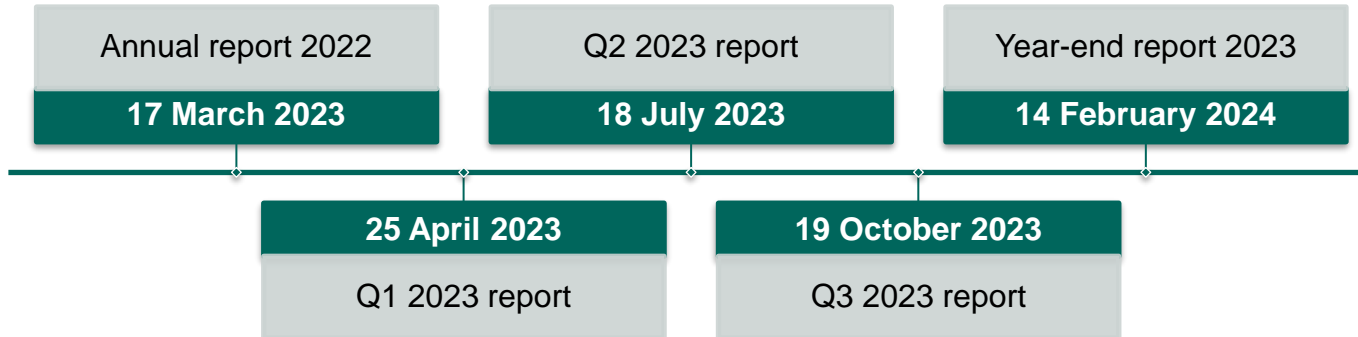
Source: SCB

Appendix - Capital position

	Q4 2022
Own funds	20,4%
Tier 1	18,6%
CET 1	18,6%
Leverage ratio	4,7%
Risk-weighted MREL	28,4%
Non-risk-weighted MREL	8,0%
Risk-weighted subordination	22,2%
Non-risk-weighted subordination	6,4%

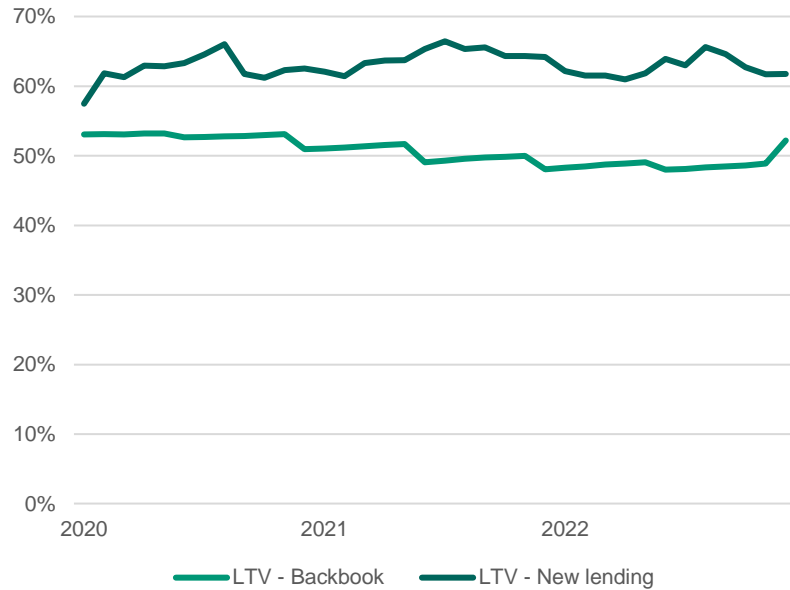


Appendix - Key Dates

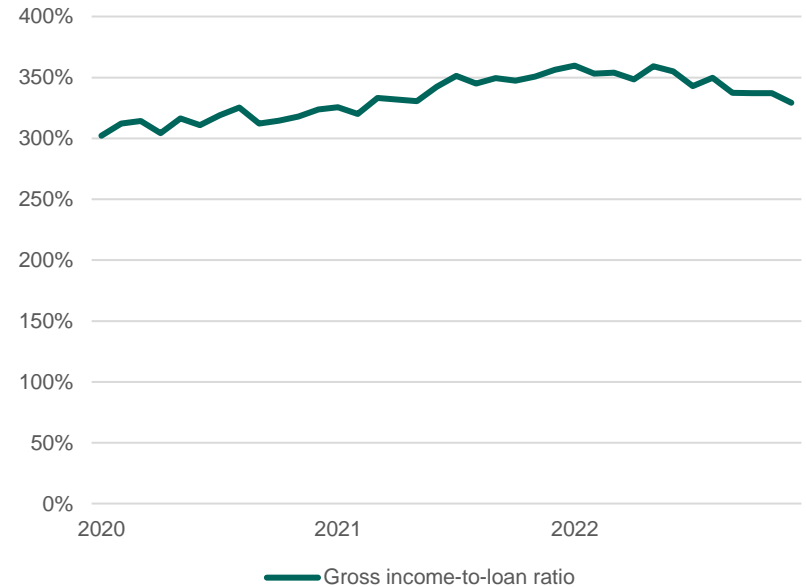


Appendix - Asset quality

LTV

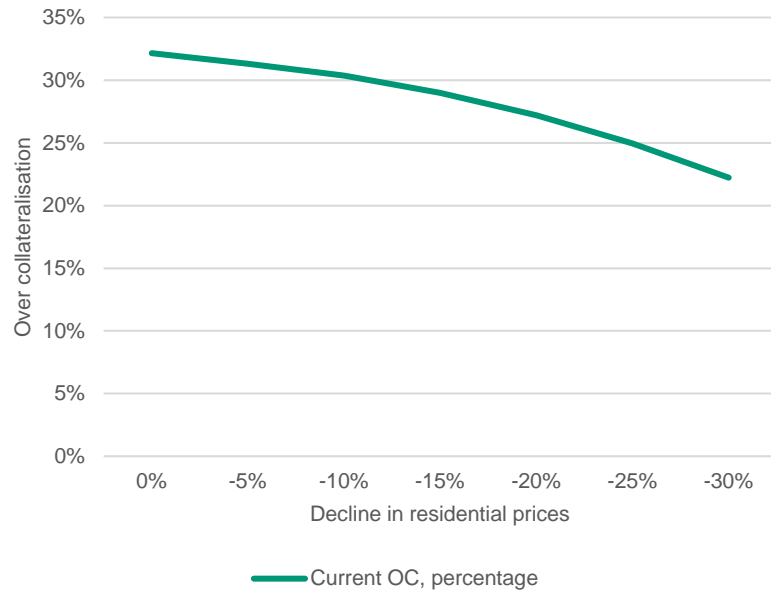


Gross income-to-loan ratio - New lending



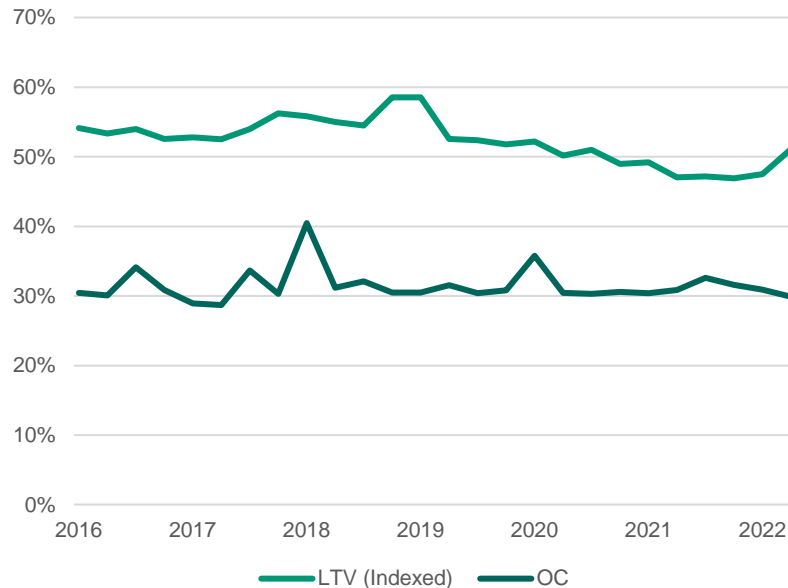
Appendix – Resilient cover pool

Sensitivity analysis (OC, percentage)



Appendix – Cover pool: Stable LTV ratio & OC

LTV & OC



Over-collateralisation

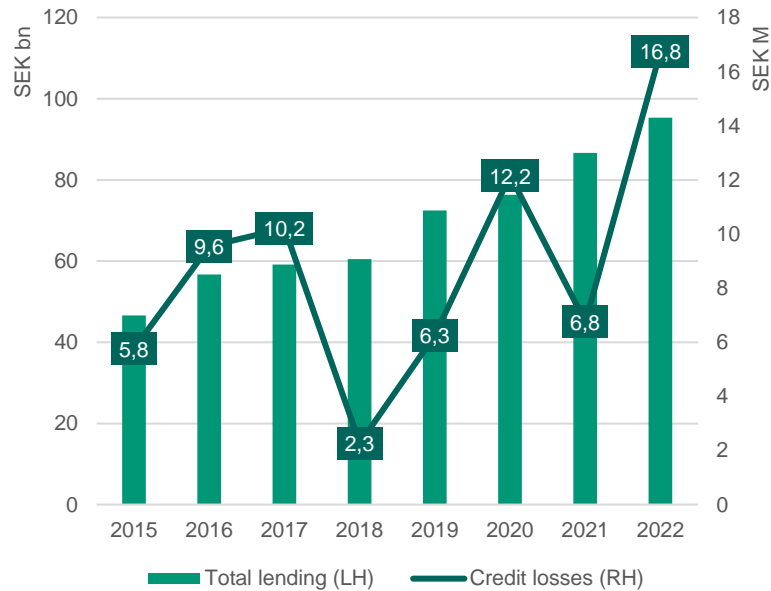
- Soft target of 30 percent
- Creating a healthy cushion for owners of both secured and unsecured debt

Loan-to-value

- Assets are revalued twice every year
- Borrowers with low LTV are offered our lowest rates

Appendix - Low credit losses

Creditlosses



Appendix - Outstanding covered bonds

ISIN	Loan nr	Issue date	Maturity date	Amount issued
SE0011063023	516	2018-10-15	2023-09-20	5 400 000 000
SE0011869635	517	2019-02-13	2024-02-22	1 700 000 000
SE0011869783	519	2019-04-24	2024-04-24	5 500 000 000
SE0012013183	521	2019-09-24	2024-09-24	5 500 000 000
SE0012676039	523	2020-03-17	2025-04-24	450 000 000
SE0012676096	524	2020-06-24	2025-06-24	1 600 000 000
SE0012676179	525	2020-08-25	2025-09-24	3 950 000 000
SE0013359940	526	2020-11-09	2025-11-24	6 200 000 000
SE0013359577	522	2020-02-28	2026-04-23	6 250 000 000
SE0016274112	527	2021-09-20	2026-11-24	7 250 000 000
SE0009580475	553	2017-02-02	2027-02-02	250 000 000
SE0013883501	528	2022-04-11	2027-06-23	6 750 000 000
SE0017071590	529	2022-12-09	2027-12-22	1 500 000 000

Appendix - Outstanding senior bonds

ISIN	Loan nr	Mrel	Issue date	Maturity date	Amount issued
SE0013359536	126		2020-02-10	2023-05-10	500 000 000
SE0013101938	127		2020-10-13	2023-10-13	750 000 000
SE0013102027	128		2021-01-15	2024-01-15	450 000 000
SE0014783023	129		2021-03-26	2024-03-26	700 000 000
SE0013102134	130		2021-04-20	2023-04-20	400 000 000
SE0014783155	131		2021-08-23	2024-08-23	750 000 000
SE0013104882	132		2022-01-21	2025-02-10	300 000 000
SE0016274443	133	MREL	2022-04-14	2027-04-14	500 000 000
SE0013883725	134	MREL	2022-09-01	2027-09-01	500 000 000
SE0013360963	135	MREL	2023-03-16	2026-03-16	500 000 000

Contacts

Anders Hult, Head of Treasury

anders.hult@skandia.se

+46 (0)8-463 61 76

Karl Aigéus, Head of Funding

karl.aigeus@skandia.se

+46 (0)8-788 22 69

Disclaimer

IMPORTANT NOTICE

THE FOLLOWING APPLIES TO THIS PRESENTATION, ANY ORAL PRESENTATIONS OF THE INFORMATION IN THIS PRESENTATION BY SKANDIABANKEN AKTIEBOLAG (PUBL) (“SKANDIBANKEN”) OR ANY PERSON ON ITS BEHALF, AND ANY QUESTION AND ANSWER SESSION THAT FOLLOWS ANY SUCH ORAL PRESENTATIONS. THIS PRESENTATION IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. THIS PRESENTATION IN AND OF ITSELF SHOULD NOT FORM THE BASIS OF ANY INVESTMENT DECISION. BY ATTENDING THE PRESENTATION OR BY READING THE PRESENTATION SLIDES YOU AGREE TO BE BOUND AS FOLLOWS:

This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities of Skandiabanken in any jurisdiction, including the United States, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision as it is provided for information purposes only and does not contain all of the information material to an investor. By accessing this presentation the recipient will be deemed to represent that they possess, either individually or through their advisers, sufficient investment expertise to understand the information contained herein. The recipient of this presentation must make its own independent investigation and appraisal of the business and financial condition of Skandiabanken. Each recipient is strongly advised to seek its own independent financial, legal, tax, accounting and regulatory advice in relation to any investment.

No representation or warranty, express or implied, is made or given by or on behalf of Skandiabanken or its directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this presentation. Neither Skandiabanken or any of its directors, officers or employees nor any other person accepts any liability whatsoever for any loss arising from any use of this presentation or its contents or otherwise arising in connection therewith.

Certain data in this presentation was obtained from various external data sources and Skandiabanken has not verified such data with independent sources. Accordingly, Skandiabanken makes no representations as to the accuracy or completeness of that data.

Certain statements made in this presentation are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results and performance to differ materially from any expected future results or performance, express or implied, by the forward-looking statements. Factors that might cause forward looking statements to differ materially from actual results include, among other things, regulatory and economic factors. Skandiabanken assumes no responsibility to update or revise any of the forward-looking statements contained herein. In addition, forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation.

The presentation may not be reproduced, copied, shared, disseminated or redistributed, in whole or in part, in any manner whatsoever to any other person. This presentation is not intended to and may not be distributed to individuals domiciled in the United States, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa or New Zealand or in any other jurisdiction where the distribution may be restricted by law. Persons into whose possession this presentation comes should inform themselves about, and observe, any such restrictions.