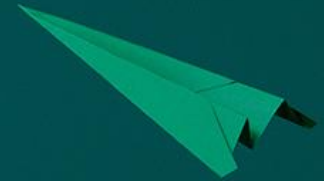


Skandiabanken

Investor presentation – Q1 2023

Updated 2023-04-25



skandia :

Agenda

1. Introducing Skandiabanken

2. Financial information

3. Credit portfolio

4. Funding

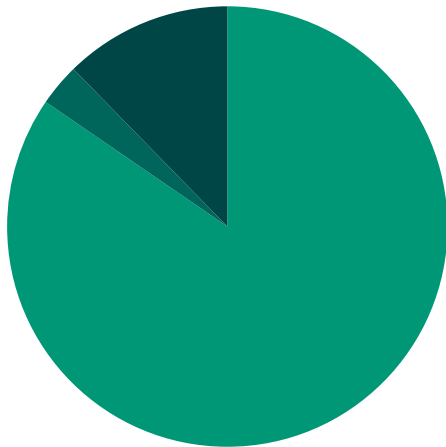
Skandiabanken

- 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 113 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 - 2023



■ Net interest income 85% ■ Net commission income 3% ■ Other 12%

A Swedish bank for Swedish customers

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

Product offering

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

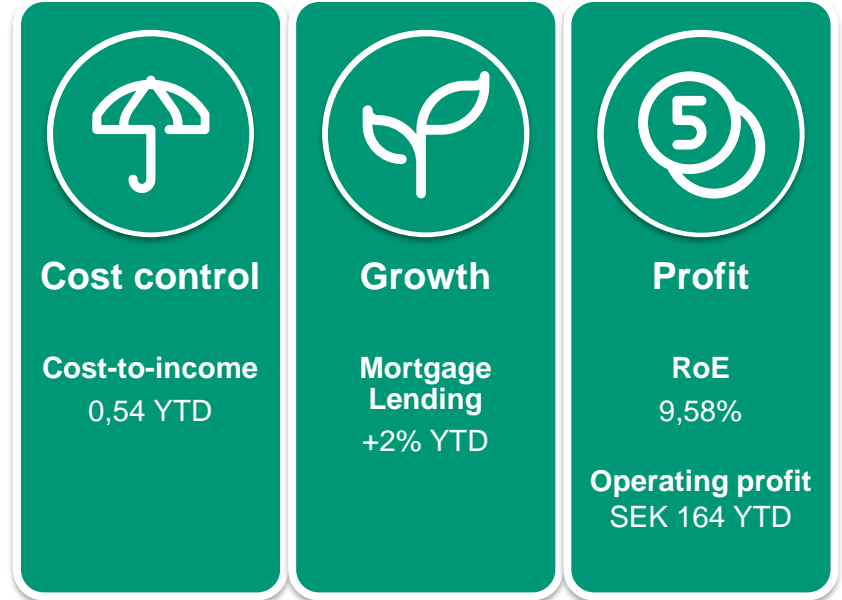
Low risk business

- 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 strive to further reduce. Carbon offsetting since 2012
- Working on a Green bond framework

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



UNEP
FINANCE
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PRINCIPLES FOR
RESPONSIBLE
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PARIS2015
UN CLIMATE CHANGE CONFERENCE
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skandia:

Agenda

1. Introducing Skandiabanken

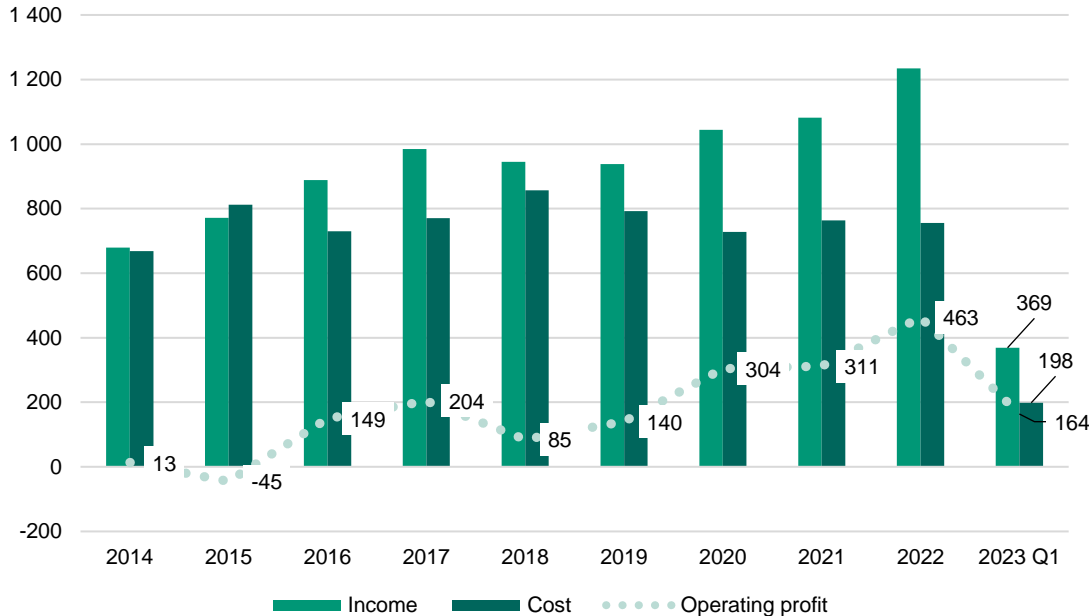
2. **Financial information**

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 Q1 2023



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 Q1 2023



■ Cash 9% ■ Sub-sovereign 43% ■ Covered 48%

Low appetite for liquidity risk

- High and stable LCR and NSFR
- LCR 320 percent
- NSFR 131 percent

High quality liquidity reserve

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

Agenda

1. Introducing Skandiabanken

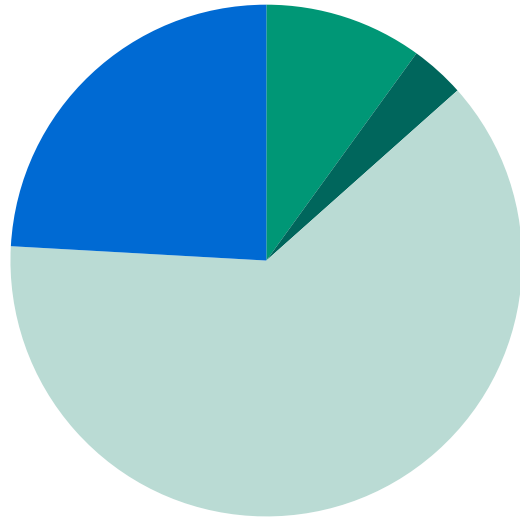
2. Financial information

3. **Credit portfolio**

4. Funding

Distribution of mortgages

Geographical distribution Q1 - 2023



■ 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

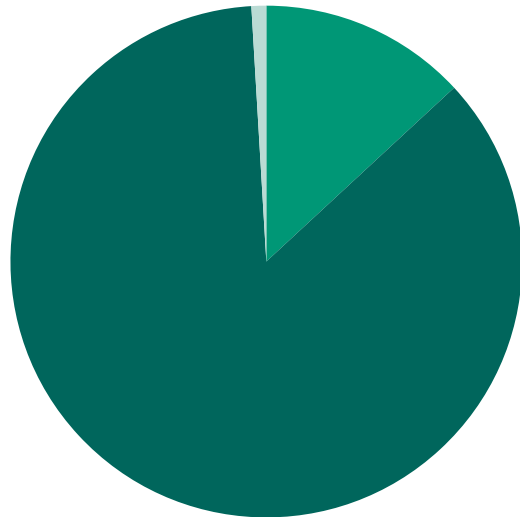
- Single-family houses
- Tenant owner rights
- Second homes

Increased interest in fixed mortgages

- ~70 percent of the back book in variable rates

Senior bond holders exposure

Senior bond holders as of Q1 2023

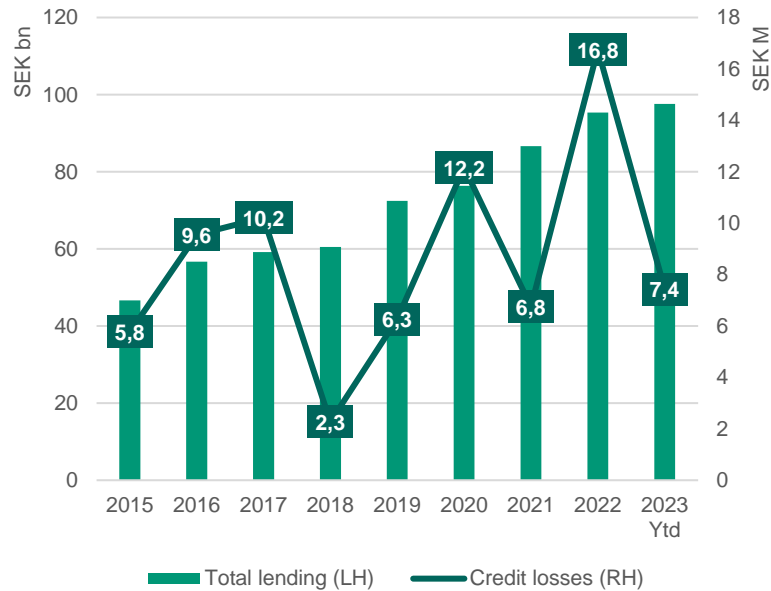


■ Liquidity 13% ■ Mortgages 86% ■ Other 1%

- 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

Low credit losses

Creditlosses



Cover pool details

Cover pool data*	
Cover pool size	SEK 69 702 M
Outstanding covered bonds	SEK 52 150 M
Collateral	100 percent Swedish residential mortgages
Over collateralisation	34% (approx. 87% all assets included)
Weighted average LTV	51%
Average loan size	SEK 1 798 000
Interest rate type	Floating & Fixed
Weighted average seasoning	59 months
Pool type	Dynamic
Originator	Skandiabanken AB

*Figures as of Q1 2023



Agenda

1. Introducing Skandiabanken

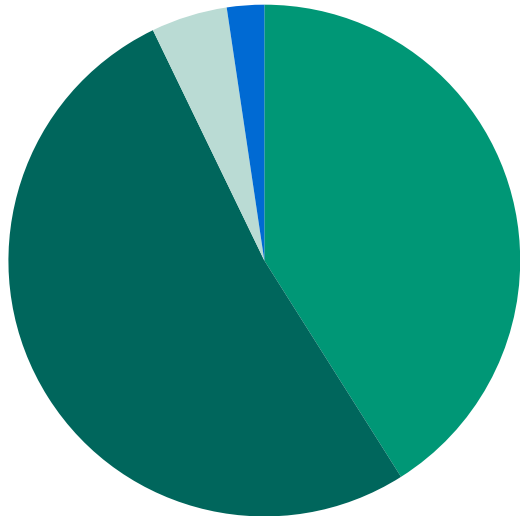
2. Financial information

3. Credit portfolio

4. **Funding**

Funding overview

Sources of funding Q1 - 2023



■ Retail deposits 41% ■ Capital markets funding 52% ■ Equity 5% ■ Other 2%

Strategy

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

Ambition

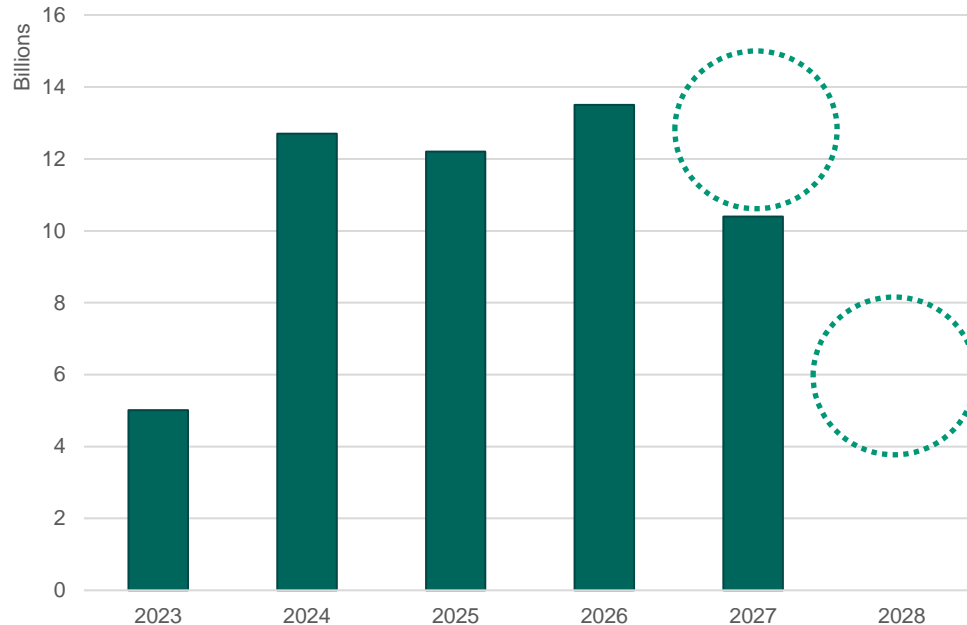
- Equal quality of assets inside and outside cover pool
- Long-term commitment

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

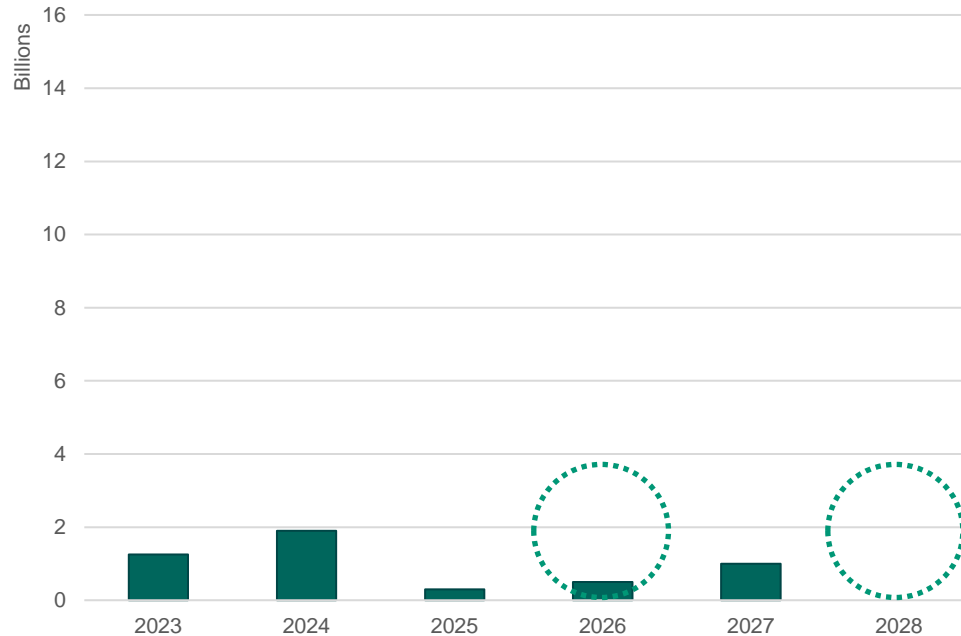
- FRNs in SEK
- High OC
- New bonds compliant with CBD

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

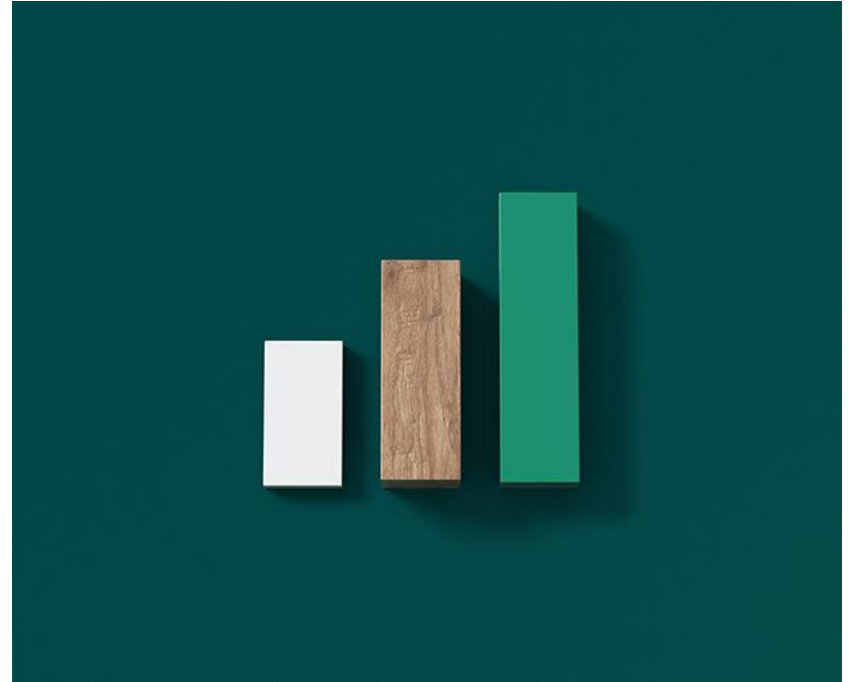
- Driven by MREL-regulation
- Continuously building to 2024
- 1 bn expected in 2023 (500m issued)

Commercial paper

- Source of short-term liquidity
- Maintain presence

Funding plan 2023

- Expeced funding need approximately 20bn, most of which will be secured funding. (6,4 bn issued in Q1)
- Continued growth assumed
- The increase in lending is largely 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



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Fixed covered bonds

- New investors
- Increased share of pocket with current investors
- Improved 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*

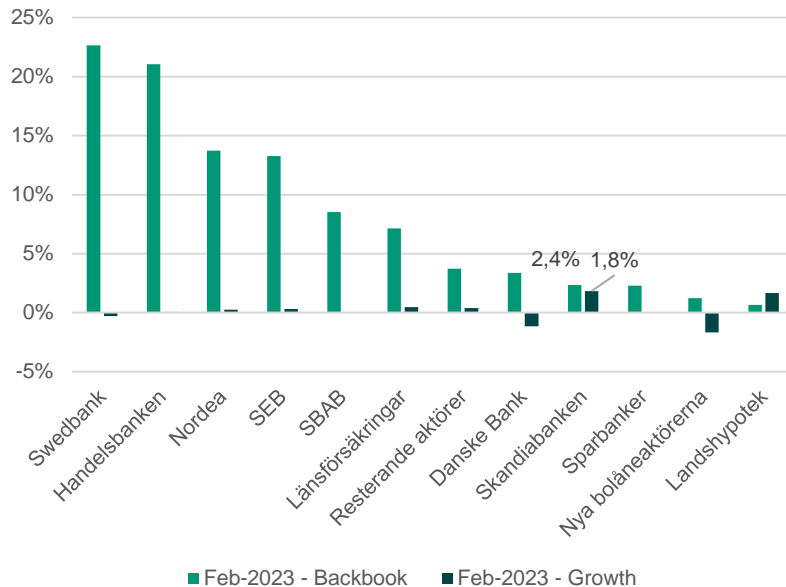
Credit challenges

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

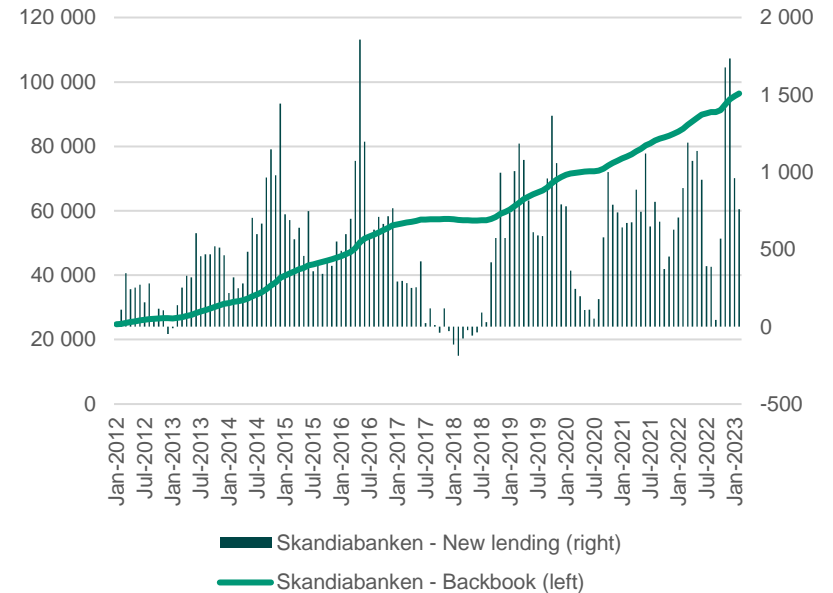
Source: Moody's credit opinion dated October 19, 2022

Appendix – Swedish mortgage market

Market share 2023 - New lending YTD



Backbook and new lending (mSEK)



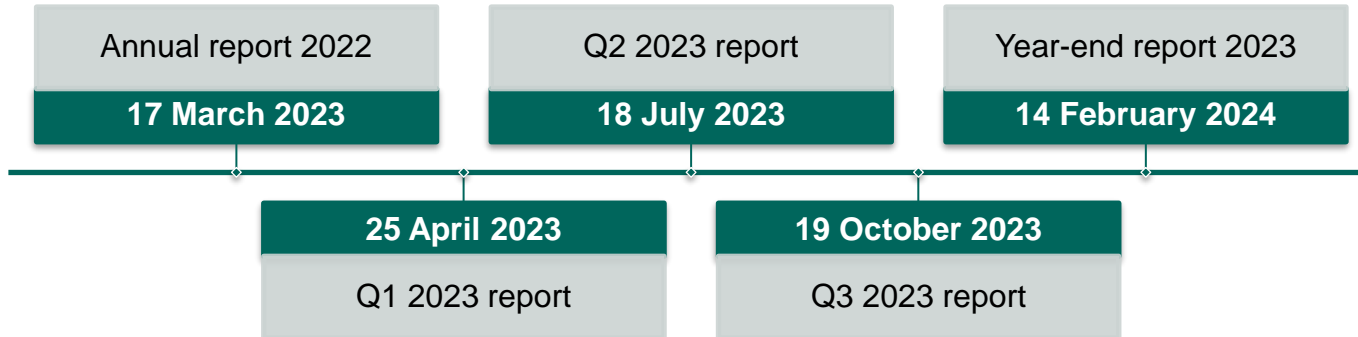
Source: SCB

Appendix - Capital position

	Q1 2023	Requirement
Own funds	20,0%	15,0%
Tier 1	18,3%	12,7%
CET 1	18,3%	10,9%
Leverage ratio	4,5%	3,9%
Risk-weighted MREL	27,2%	21,2%
Non-risk-weighted MREL	7,6%	5,5%
Risk-weighted subordination	23,5%	16,2%
Non-risk-weighted subordination	6,7%	5,5%

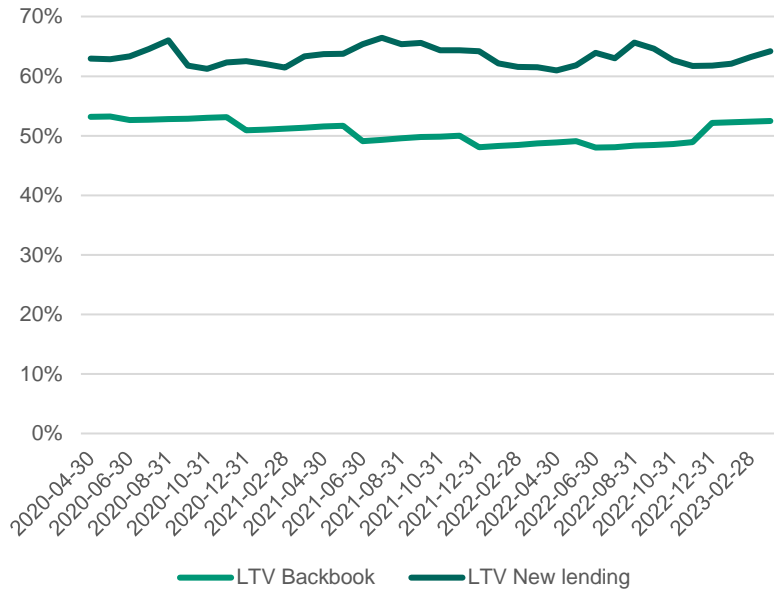


Appendix - Key Dates

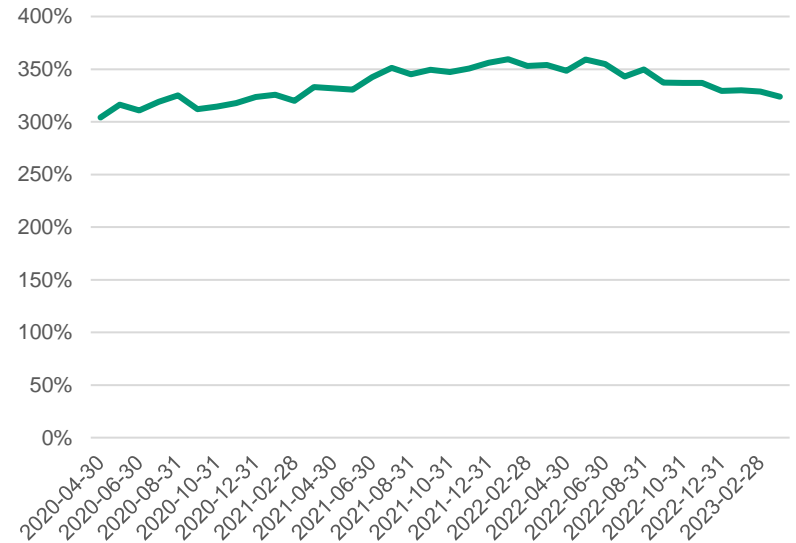


Appendix - Asset quality

Loan-to-value

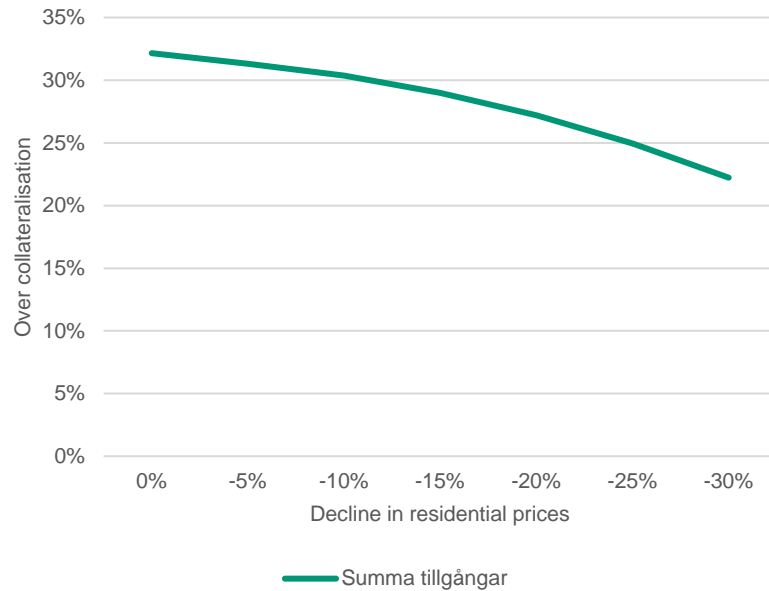


Gross income-to-loan ration - New lending



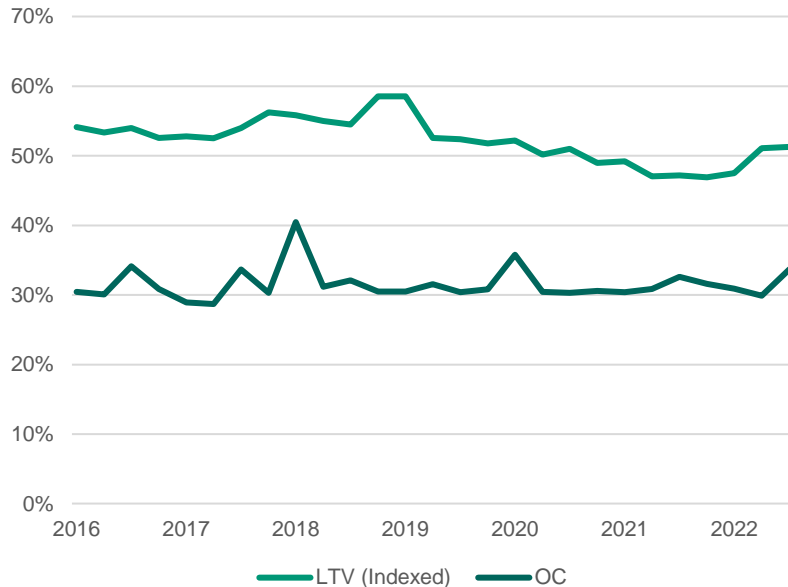
Appendix – Resilient cover pool

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 - 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	3 400 000 000

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
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
SE0017071707	136		2023-05-05	2026-05-05	500 000 000

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