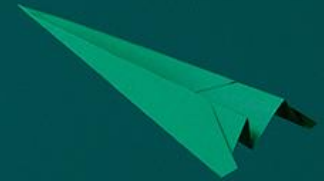


Skandiabanken

Investor presentation – Q2 2020



skandia :

Agenda

1. Introducing Skandiabanken

2. Financial information

3. Credit portfolio

4. Funding

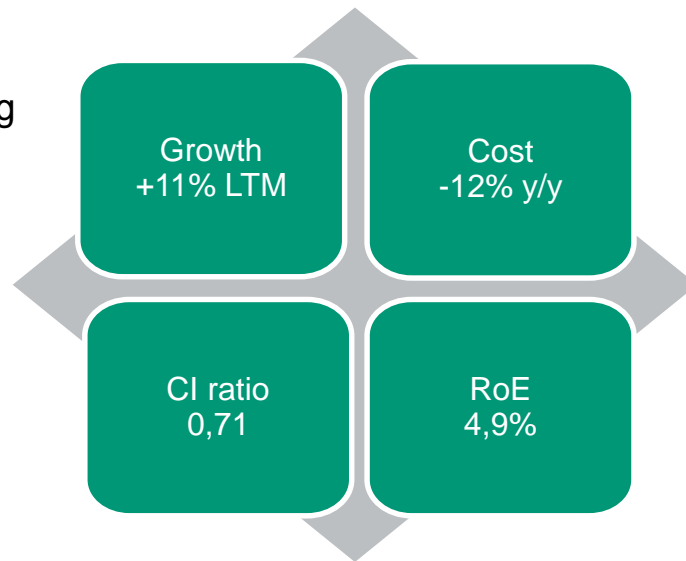
Skandiabanken

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

- *Wholly owned subsidiary of the Skandia Group*
- *Approximately 360 000 customers*
- *A2 (Stable) rating by Moody's (covered bond rating AAA)*
- *Total assets of SEK 90 bn*
- *Approximately 2 percent share of the Swedish mortgage and retail savings markets*
- *CEO Johanna Cerwall*

Our strategy is set for growth

- Skandiabanken contributes with equity return, cost sharing and strategic value to the Skandia Group
- Growth strategy focused on mortgages
 - Scalable digital infrastructure
 - Attractive pricing model
 - Focus on Skandia Group customers
- Complementary products within savings and payments



Sustainable business

Skandia Group's sustainability work is based on the owner's instructions which stipulates that the business shall be transparent, focused on long-term customer relations and sustainable business

Skandia's corporate sustainability strategy

- Transparency and long-term customer relationships
- Social responsibility
- Responsible investments
- Environmental responsibility
- Long-term employer
- Business ethics
- Skandia supports international frameworks



THE GLOBAL GOALS
For Sustainable Development



skandia:

Skandiabanken and ESG

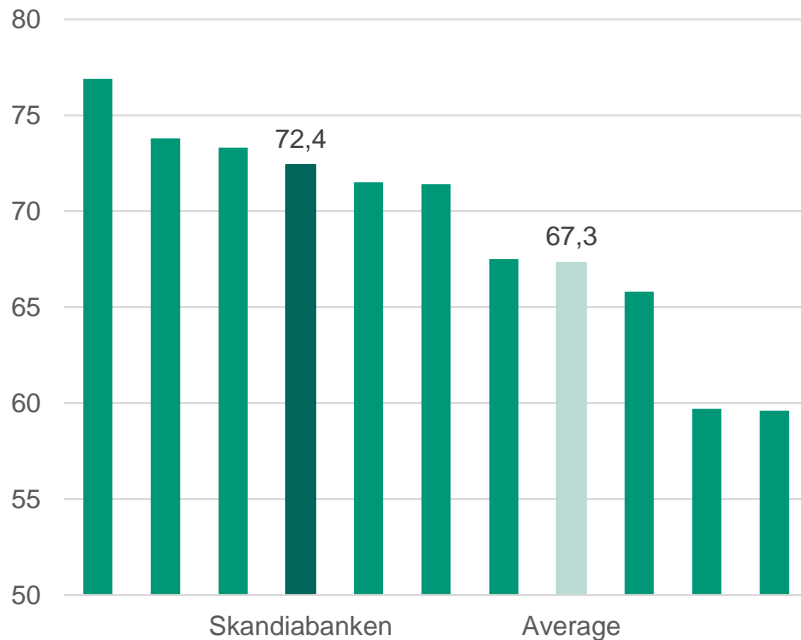
- Skandia fully compensates its direct footprint since 2012*
- ESG policy with ambitious targets
- Transparent price structure
- High business ethics
- Working actively to translate our ESG ambition into the everyday business

*Gold standard carbon offsetting scheme. Prony Windfarm on the New Caledonia



High customer satisfaction

SKI Swedish banks, retail customers - 2019



Source: SKI (Svensk kvalitetsindex)

The Swedish Quality Index (SKI)

- Annual survey
- Measures customer satisfaction

Skandiabanken receive high ratings

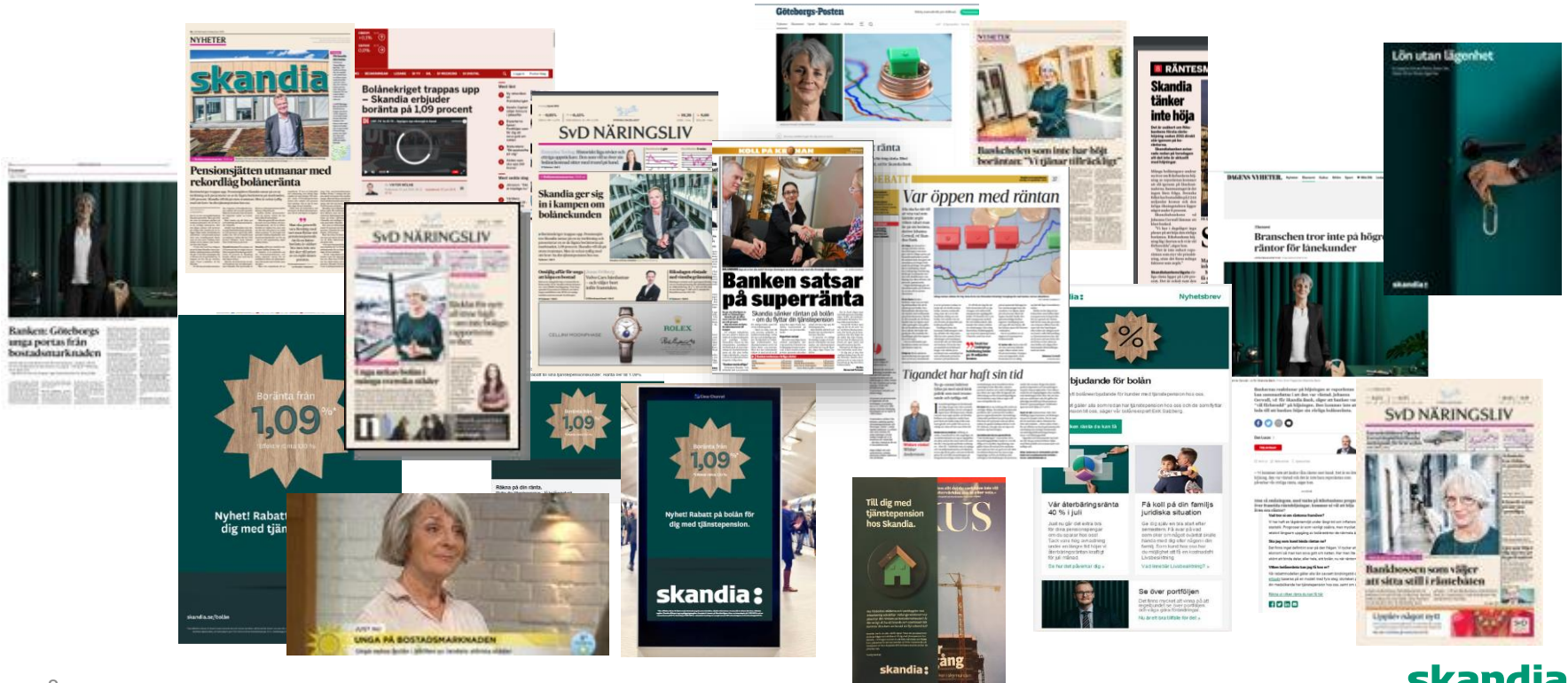
- 4th place for mortgages 71,3 (avg. 69,3)
- 1st place for corporate occupational pensions 71,6 (avg. 68,9)

What our customers say about us

- High level of service & reliability
- Would like to recommend us to others

We are proud to represent simplicity and transparency

Actively engaging in the public debate



Agenda

1. Introducing Skandiabanken

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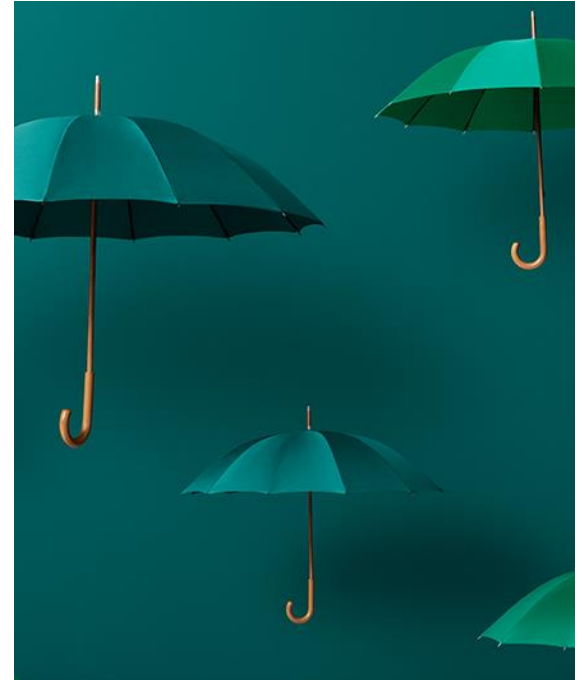
Implications of Covid-19

Well prepared

- High degree of digitalisation with the ability to run large parts of the business remotely
- Preventive measures initiated early on, e.g. incident management team activated, and critical functions evaluated to ensure business continuity
- Strong capital and liquidity position and high quality of assets

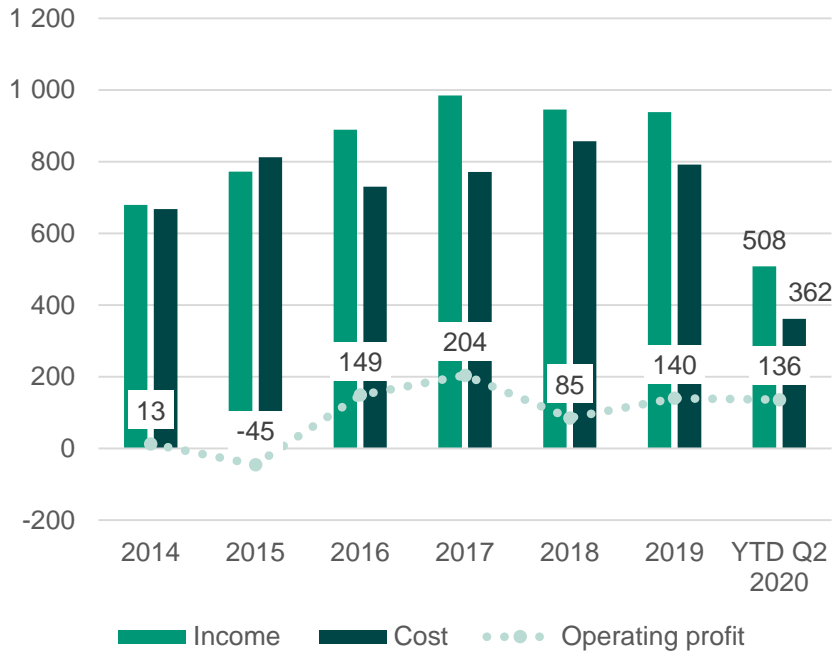
Business impact

- 5000+ applications for amortisation easing granted YTD
- Increased credit impairment provisions (in accordance with IFRS9)
- Weaker growth



Increased profit in second quarter

Income, Cost & Operating profit



Investments in 2018

- IT infrastructure and regulatory implementations

Turnaround in 2019

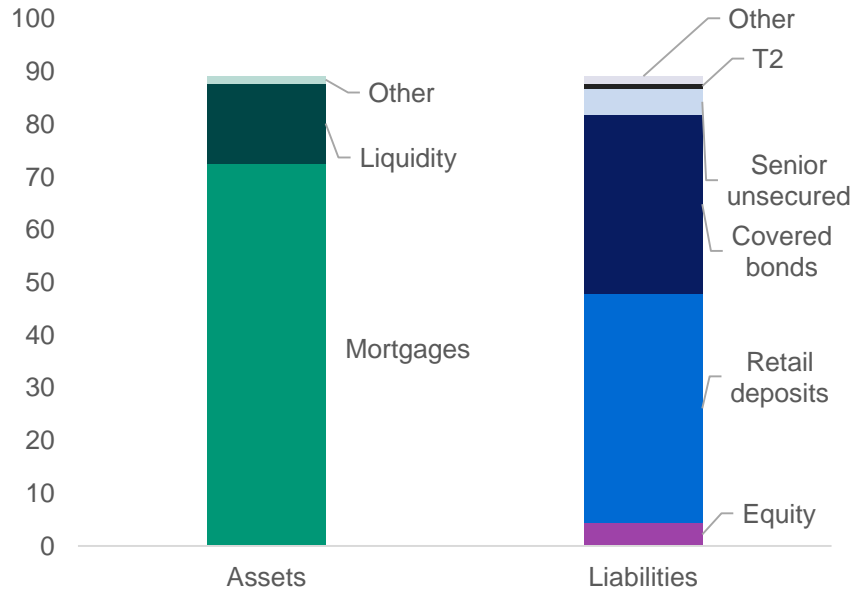
- Increased volumes and reduced costs

Profit generation in 2020

- Continuous growth
- Approx. 85 percent of income from mortgages
- Cost control proven effective
- Improved C/I and ROE

Business model focused on mortgages

Balance sheet (SEK bn)



Transparent balance sheet

- Approx. 97% mortgages and liquidity reserve
- No corporate lending
- Negligible consumer lending (<1%)

Sound funding structure

- Loan to deposit ratio 174% (significantly below peers)
- More than 85% deposits and covered bonds

Strong capital position enables growth

Figures as of Q2 2020

Own funds	21,4%
Tier 1	19,1%
CET 1	19,1%
Leverage ratio	4,6%
MREL	9,7%
MREL-eligible liabilities (liabilities proportion principle)	18,5%

Internal capital model for mortgages

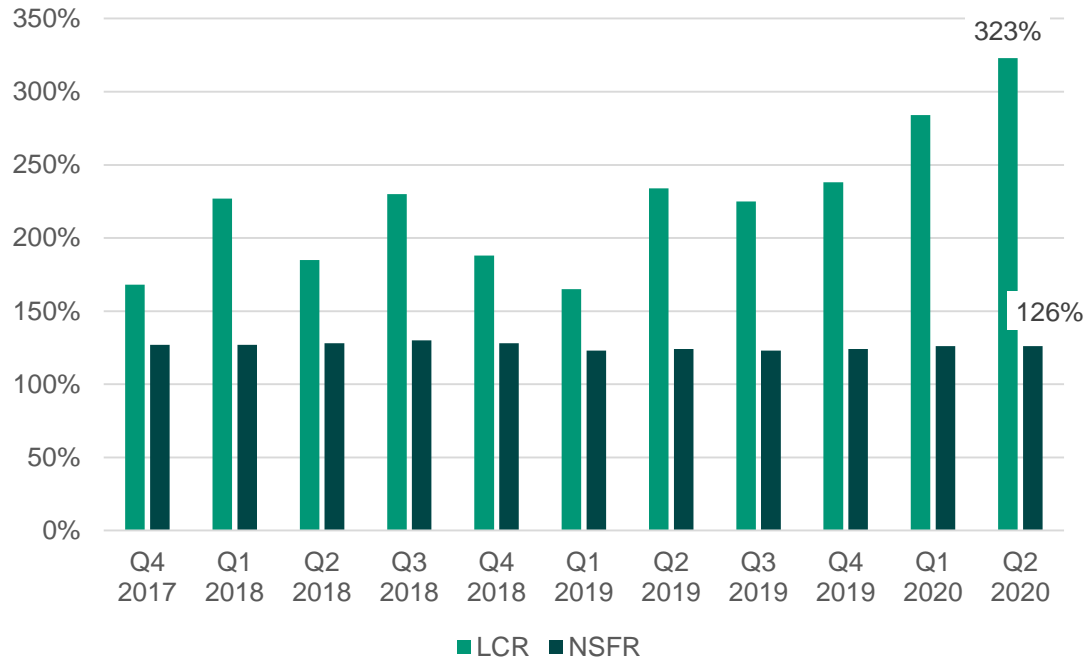
- Approved in 2018
- Capital release used for growth

MREL-eligible liabilities

- On schedule to comply with regulations
- Skandia Liv owns all outstanding SNPs

Stable liquidity position

LCR & NSFR



Low appetite for liquidity risk

- High and stable LCR and NSFR
- Survival horizon >300 days
- Loan to deposit ration 174%

High quality liquidity reserve

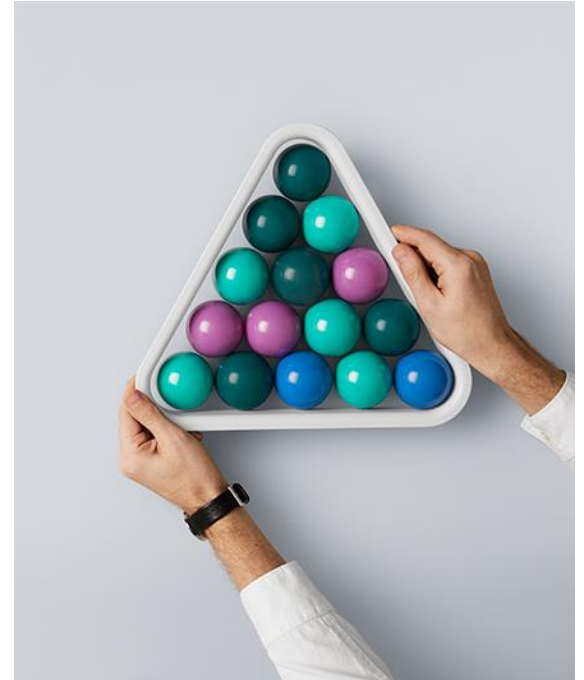
- Riksbank certificates
- Municipal bonds & commercial papers
- Covered bonds

Agenda

1. Introducing Skandiabanken
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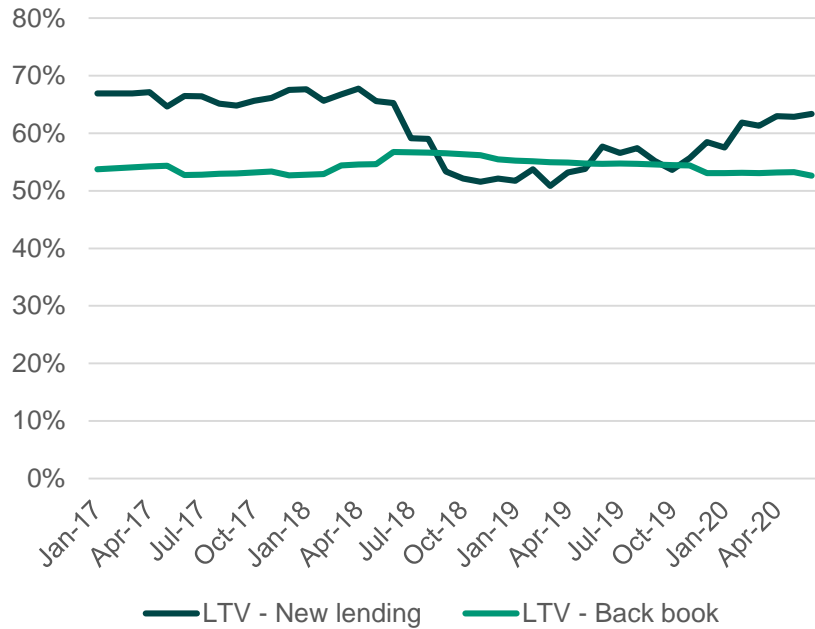
The Swedish mortgage market

- Strong legislative foundation - Konsumentkreditlag (2010:1846)
- Regulations require lenders to ensure that borrowers can afford to pay the interest also in stressed conditions
- Skandiabanken has a digital process for lending
- Standardised and prudent criteria for lending

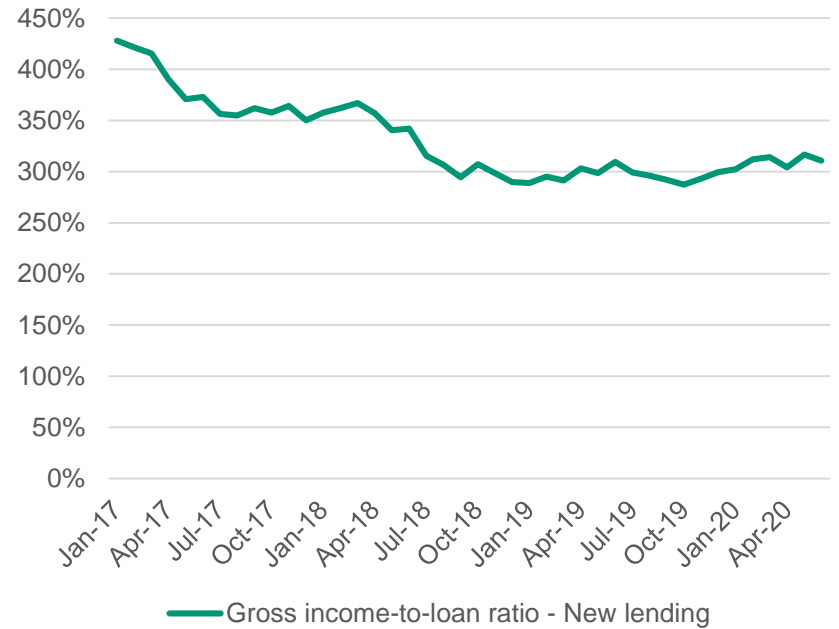


High quality mortgages

LTV

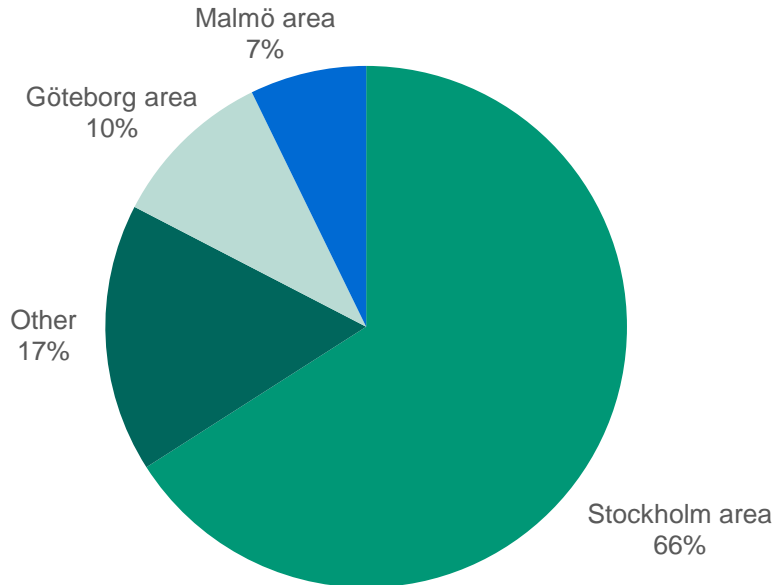


Gross income-to-loan ratio - New lending



Distribution of mortgages

Geographical distribution



Urban focus

- Approx. 80 percent of lending to urban areas
- Higher liquidity and transparency in pricing
- Long-term demand for housing

Majority of lending to single-family houses

- 54% Single-family houses
- 42% Tenant owner rights
- 4% Second homes

Continued bias towards variable rates

- 77% Variable rate loans (3 month)
- 23% Fixed rate loans (1-5 years)

Agenda

1. Introducing Skandiabanken

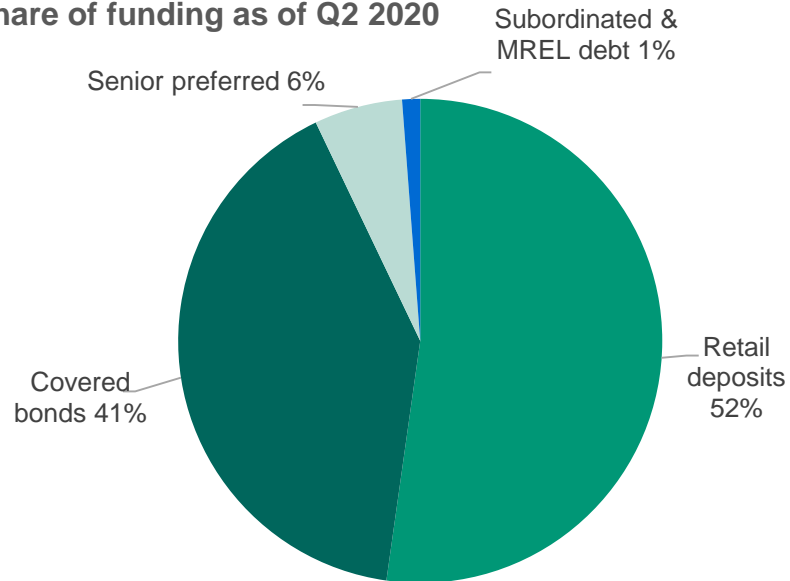
2. Financial information

3. Credit portfolio

4. **Funding**

Funding strategy

Share of funding as of Q2 2020



Funding strategy

- Large share retail deposits
- Covered bonds

Target market

- Swedish krona
- Floating rate notes

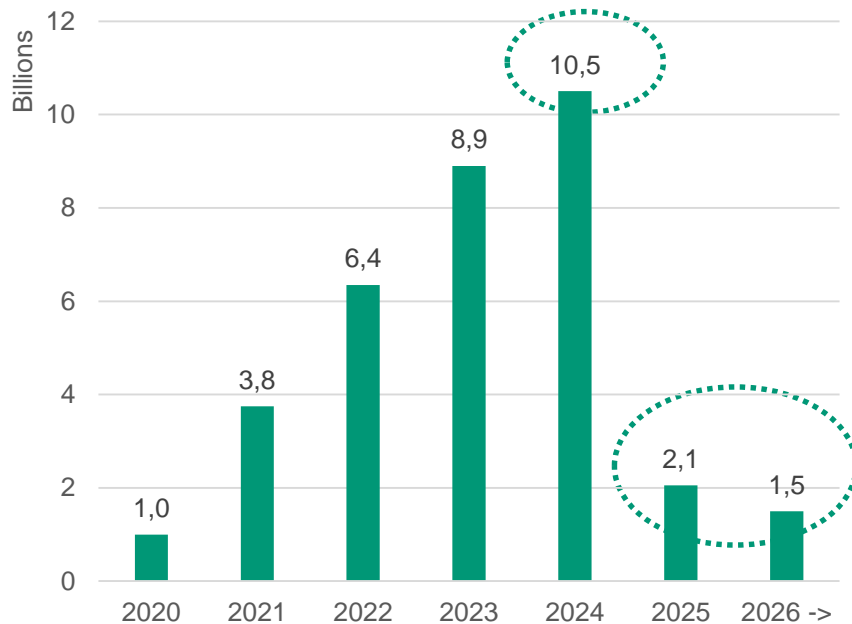
Offer

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

*Subordinated debt and MREL debt fully owned by Skandia Liv

Secured funding

Maturity profile of covered bonds (SEK)*



* As of 2020-08-31

**Uncertainty of the estimation is driven by the amount of new lending and retail deposits

Funding target

- 10-14 bn during 2020**
- 7,1 bn issued YTD

Focus

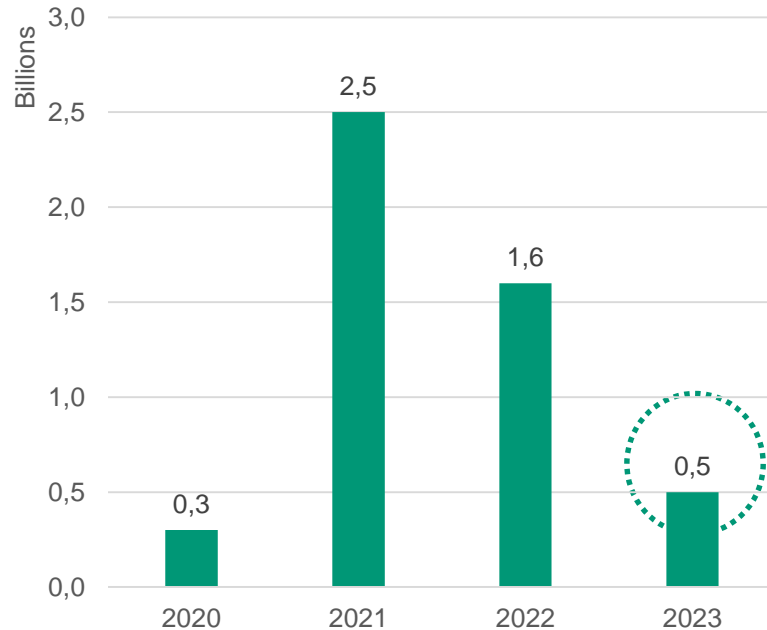
- FRNs in SEK
- Preferred tenors 4-6 years
- Level 2 bonds available to tap
- 1-3 syndicated issues

Offer

- Active buy-back policy (3-6 months to maturity)
- High quality cover pool (OC of approx. 30 percent)

Unsecured funding

Maturity profile of senior preferred (SEK)*



* As of 2020-08-31

Senior preferred

- 500m issued YTD
- Roll maturing bonds
- Private placements
- Diversification
- FRN or Fixed coupon

Senior non-preferred

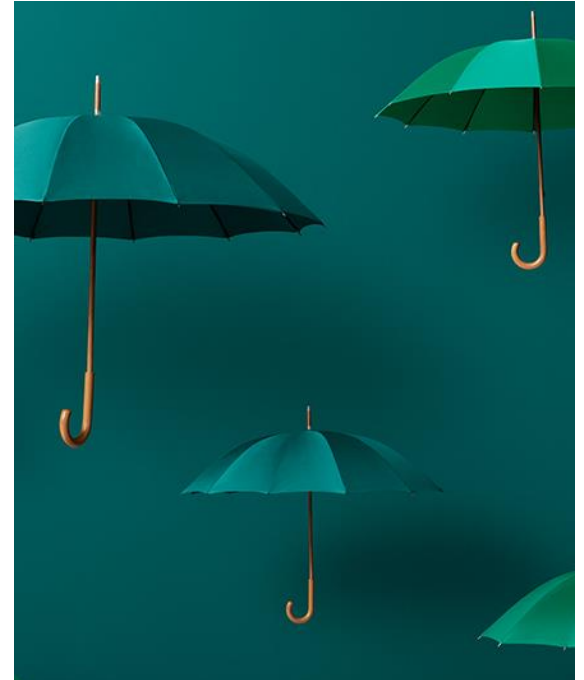
- 500m issued in 2019

Commercial paper

- To handle temporary needs
- Not a strategic source of funding

Funding - Summary

- Focus on retail deposits and covered bonds in FRN/SEK format
- Senior preferred and senior non preferred issued primarily to comply with regulatory demands and to support rating
- Commercial papers to manage short-term funding needs
- Intensified work towards green product offerings and green funding



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 bond are not rated by default

”Credit strengths

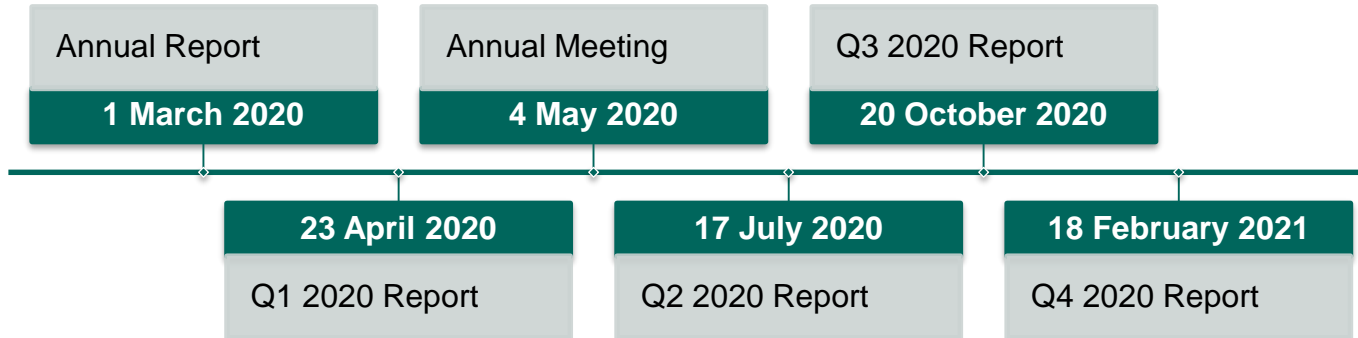
- *Strong asset quality*
- *Very strong capitalisation and higher-than-peers leverage ratio*
- *A retail-based funding profile and adequate liquidity, given wholesale funding needs*
- *Growing importance in the wider Skandia group*

Credit challenges

- *Historical high lending growth*
- *Lower-than-peers efficiency and weak profitability”*

Source: Moody's credit opinion dated April 26, 2019

Appendix - Key Dates



Cover pool

Cover pool data*

Cover pool size	SEK 43 700 M
Outstanding covered bonds	SEK 33 410 M
Collateral	100 percent Swedish residential mortgages
Over collateralisation	31% (approx. 117% all assets included)
Weighted average LTV	52%
Average loan size	SEK 1 588 805
Interest rate type	100% Floating
Weighted average seasoning	64 months
Pool type	Dynamic
Originator	Skandiabanken AB

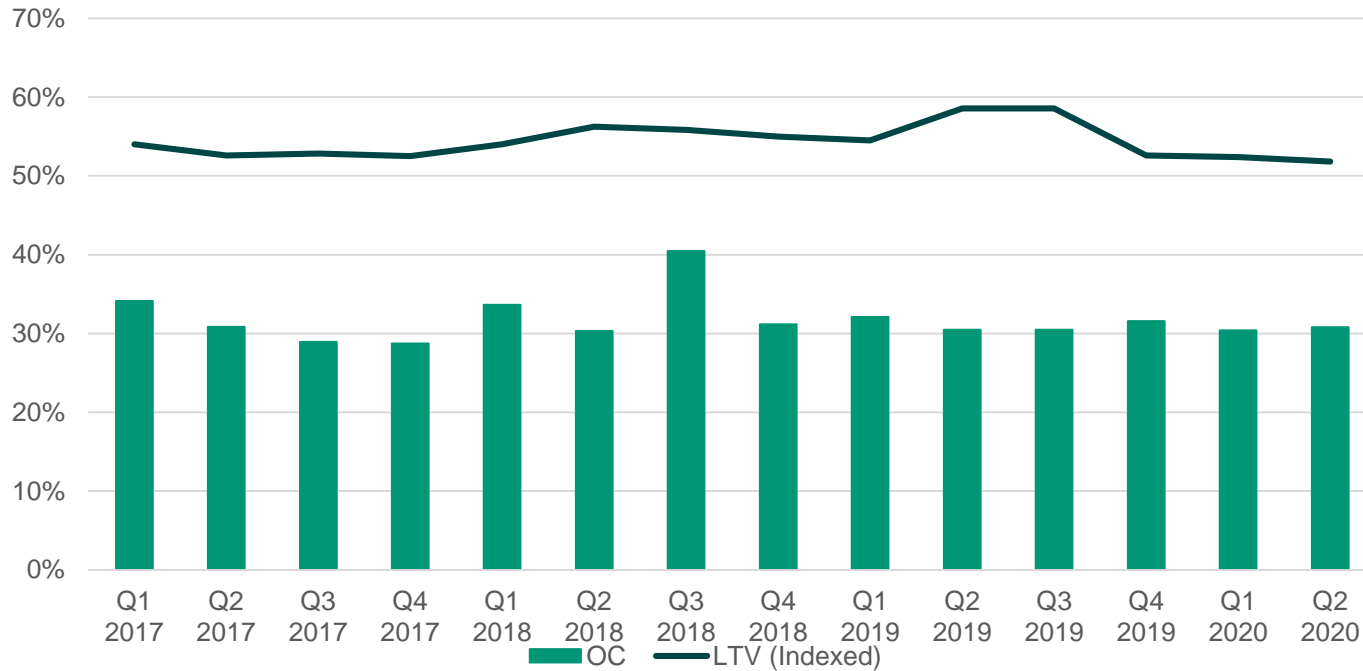
*Figures as of Q2 2020

Additional information available at:

www.skandia.se/om-oss/om-skandia/finansiell-information/finansiell-info/sakerstallda-obligationer/

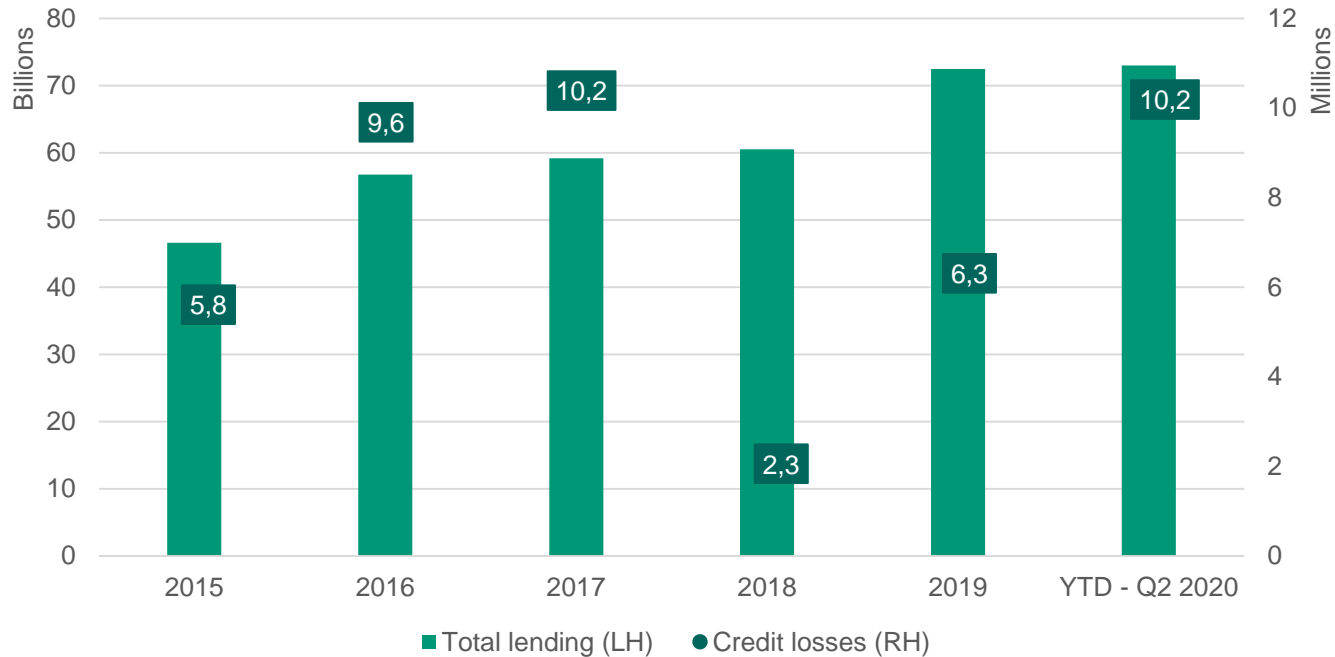
Appendix - Stable LTV ratio & OC

LTV & OC



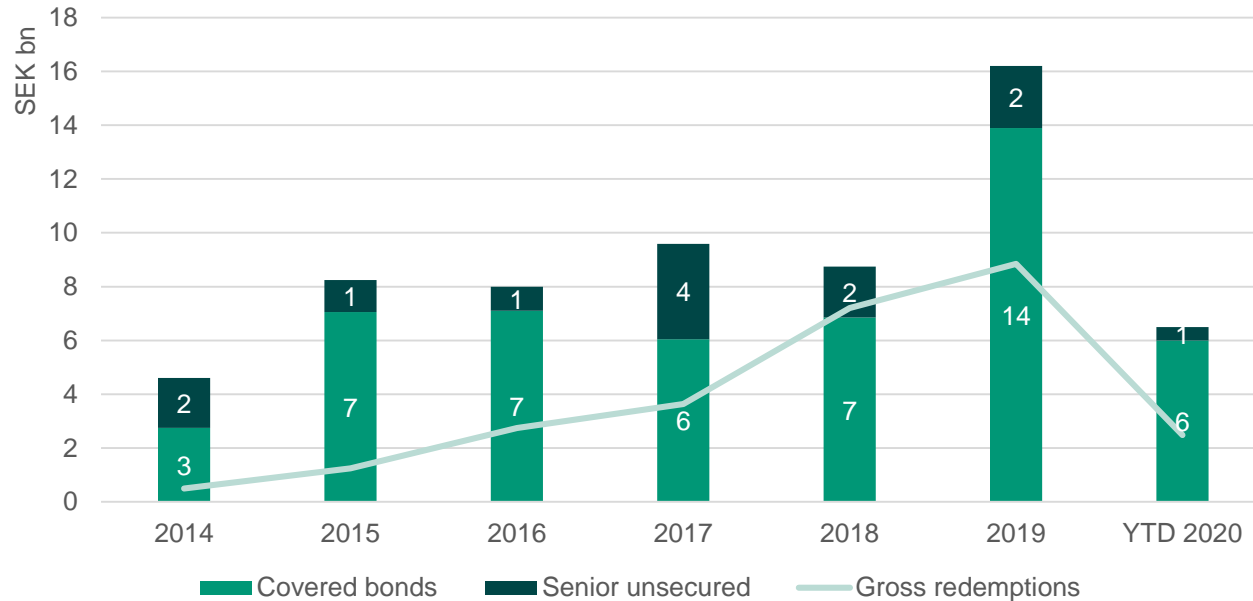
Appendix - Low credit losses

Credit losses



Appendix – Historical funding

Historical funding volumes (SEK)



Appendix - Outstanding covered bonds

Bond	Maturity	Coupon type	Amount issued	Min piece (MM)
SKANBK Float 09/08/20	2020-09-08	FLOATING	2 500 000 000	1
SKANBK Float 05/24/21	2021-05-24	FLOATING	500 000 000	2
SKANBK 0.43 09/13/21	2021-09-13	FIXED	300 000 000	1
SKANBK Float 09/15/21	2021-09-15	FLOATING	2 950 000 000	1
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	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	4 300 000 000	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 04/23/26	2026-04-23	FLOATING	1 250 000 000	2
SKANBK 1.97 02/02/27	2027-02-02	FIXED	250 000 000	1

As of 2020-08-31

Bonds with min.piece 1 MM cannot be tapped

Appendix - Outstanding senior bonds

Bond	Maturity	Coupon type	Amount issued	Min piece (MM)
SKANBK 0.34 09/14/20	2020-09-14	FIXED	300 000 000	1
SKANBK Float 02/08/21	2021-02-08	FLOATING	500 000 000	2
SKANBK Float 02/22/21	2021-02-22	FLOATING	100 000 000	1
SKANBK 0 3/8 03/22/21	2021-03-22	FIXED	500 000 000	2
SKANBK Float 09/20/21	2021-09-20	FLOATING	900 000 000	2
SKANBK Float 12/20/21	2021-12-20	FLOATING	500 000 000	2
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 0.56 05/10/23	2023-05-10	FIXED	500 000 000	2

As of 2020-08-31

Bonds with min.piece 1 MM cannot be tapped

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