

Swedbank



Capital, Carbon and Confidence: Shaping the future of real estate markets

Olof Sundblad,
Head of Baltic Banking

4 March, 2026



Session outline

- ▶ Supportive macro environment
- ▶ Positive momentum in Swedish real estate market
- ▶ ESG agenda
- ▶ Stable underwriting standards
- ▶ Regulatory considerations

Olof Sundblad

Head of Baltic Banking

Background in short

Head of BA since 2024

Joined Baltic Banking as CFO in 2021

Previously in Swedbank 2012-2018

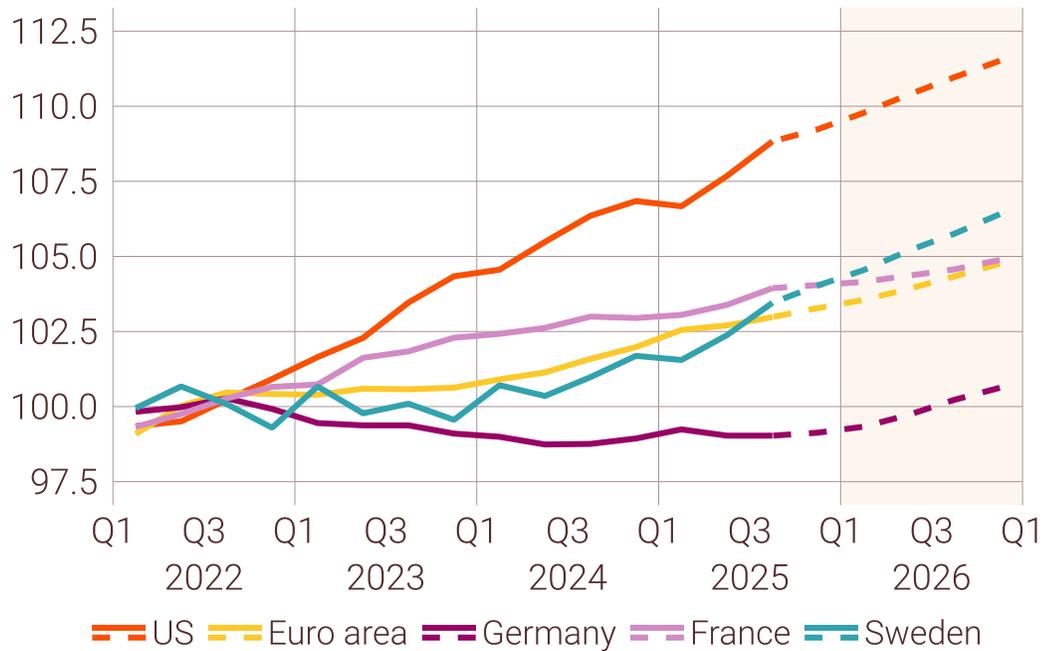


Most likely scenario – a continued growth

After divergence, more synchronised growth in the Baltics

GDP incl. Swedbank's forecasts

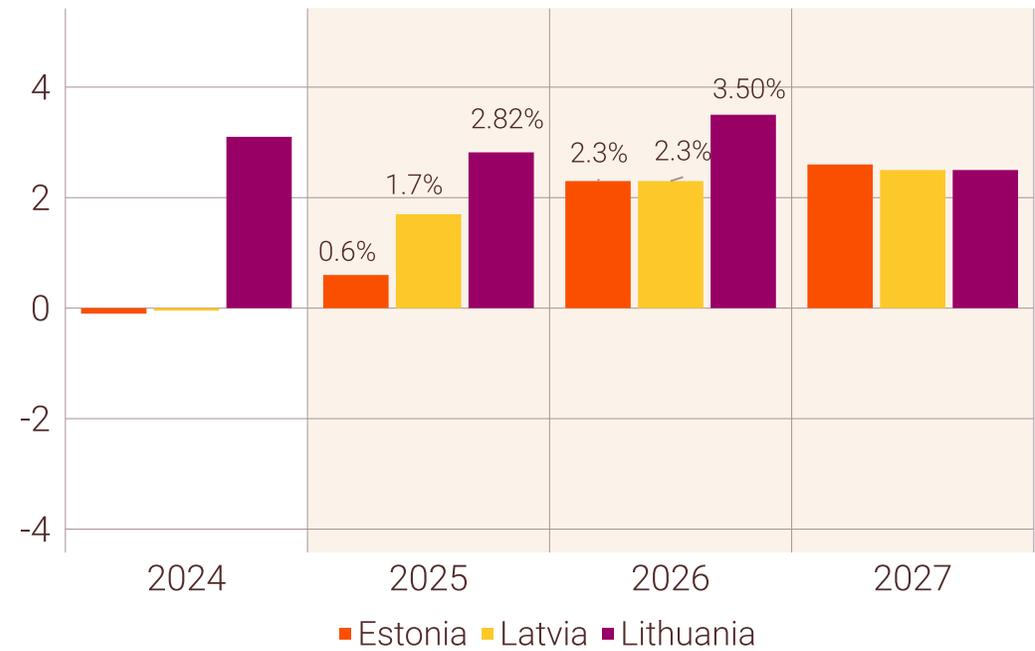
Index (2022=100)



Sources: Swedbank Research & Macrobond

Real GDP growth: actual and forecast

y/y%



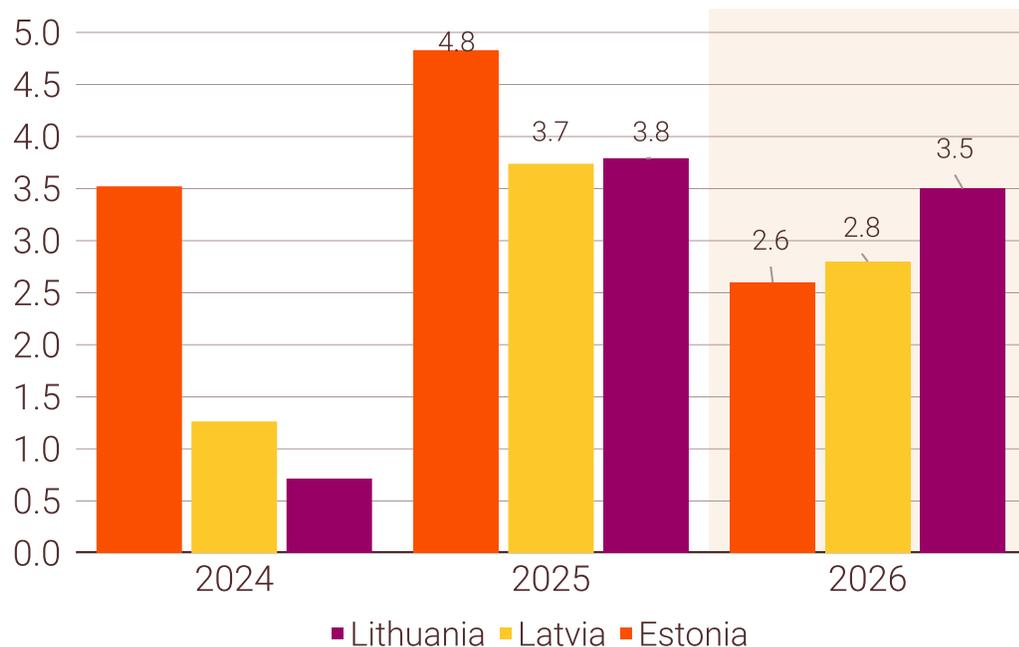
Sources: Swedbank Research & Macrobond

Inflation is still elevated but will ease in 2026

Rates have moved from restrictive to neutral

Inflation and forecast

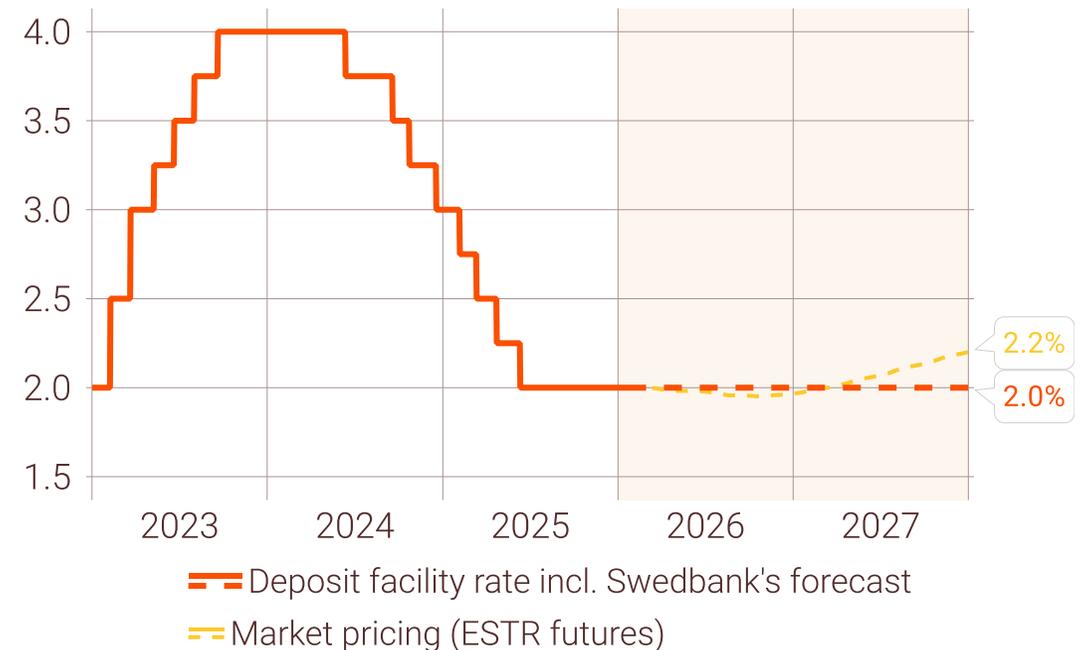
y/y %, Swedbank forecast



Sources: Swedbank Research & Macrobond

ECB rate: market expectations and forecast

%

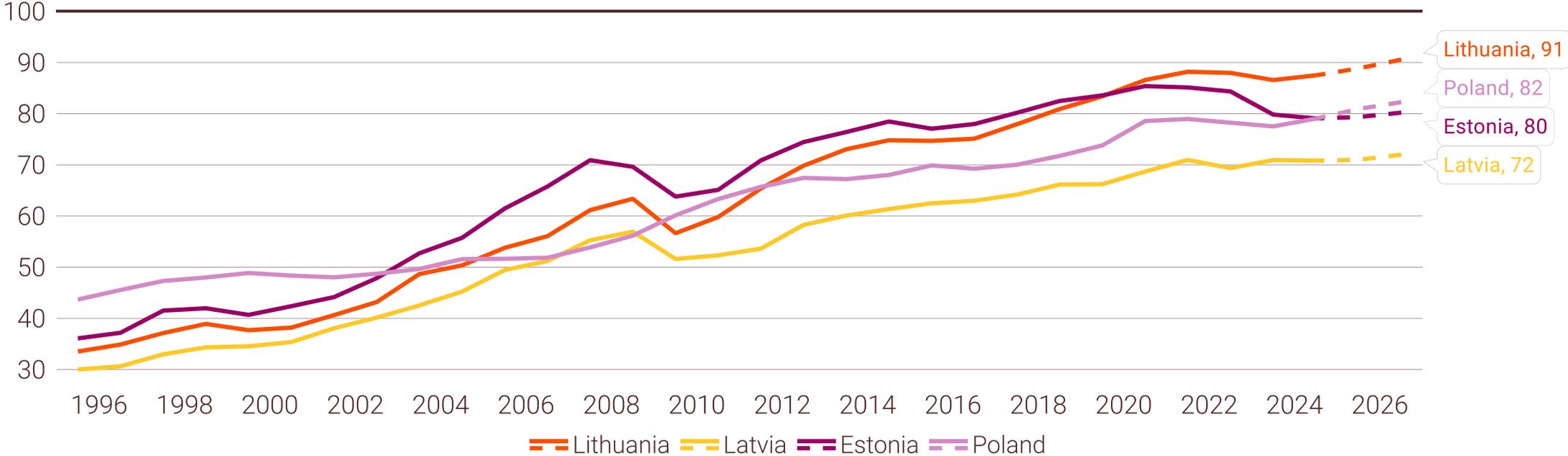


Sources: Swedbank Research & Macrobond

Convergence towards EU average is likely to continue, but will be slower

GDP per capita

Index, EU27=100, PPS, DG ECFIN forecast



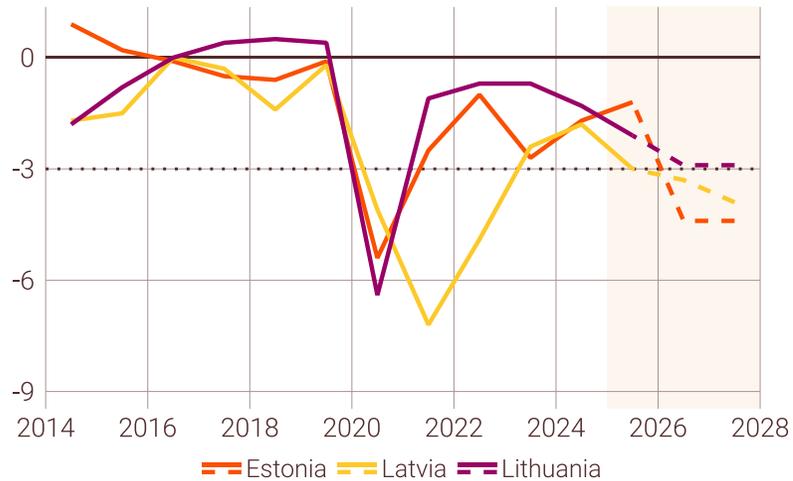
Sources: Swedbank Research & Macrobond

What are the risks?

Defence spending close to 5% of GDP

Government budget balance

% of GDP, actual data and Swedbank forecast

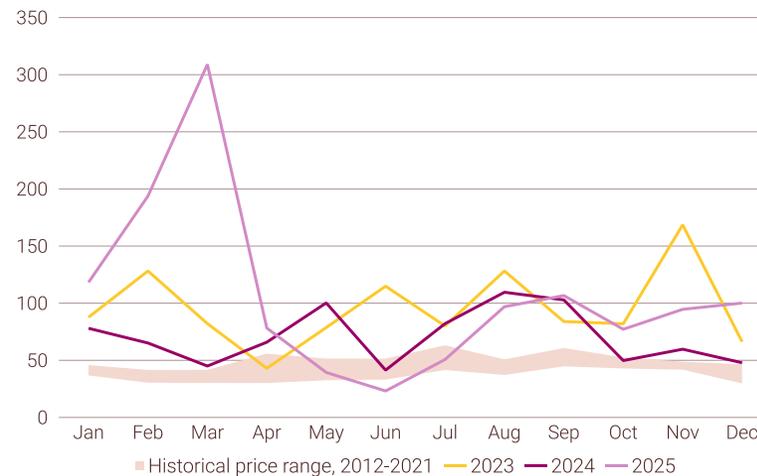


Sources: Eurostat, Swedbank Research & Macrobond

High energy-cost volatility

Electricity prices are structurally higher and far more volatile than pre-2022

Average of period, Norpool, EUR/MWh

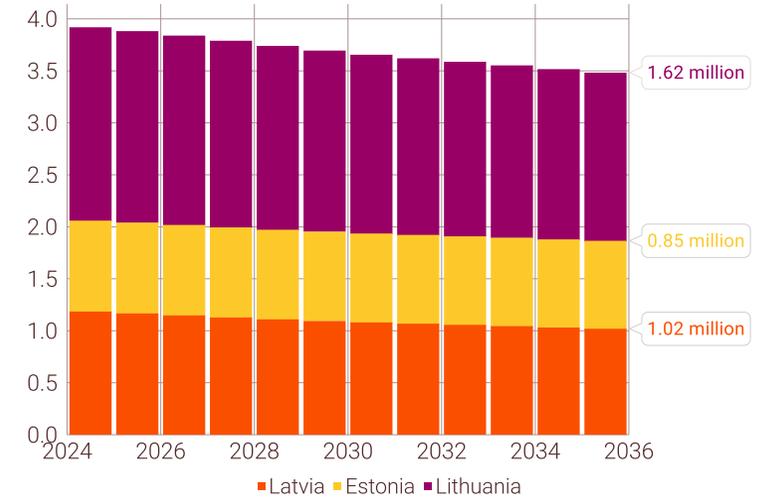


Sources: Swedbank Research & Macrobond

A shrinking working-age population

Working age (15-64) population

Eurostat baseline projections (EUROPOP2023)

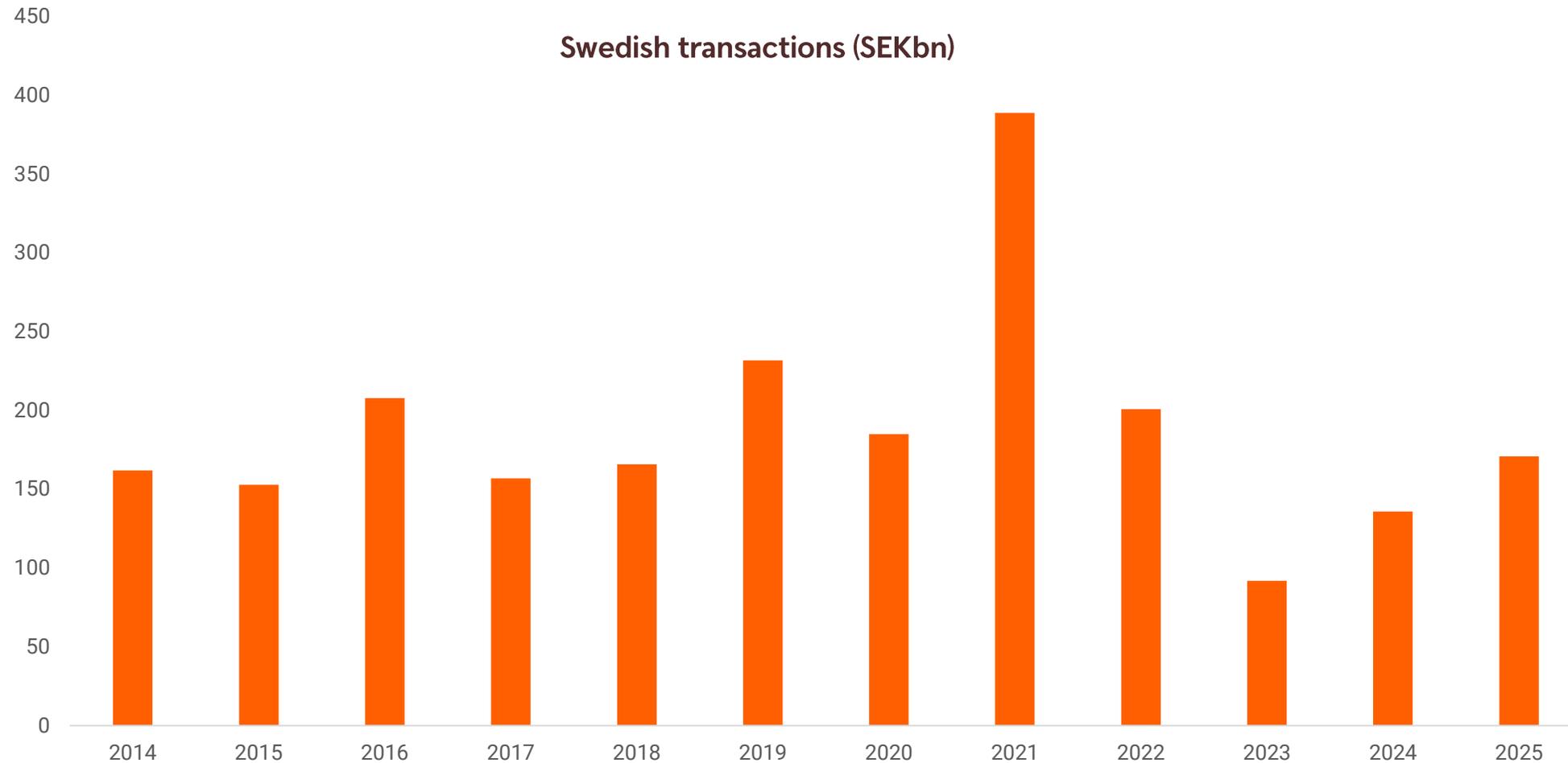


Sources: Swedbank Research & Macrobond

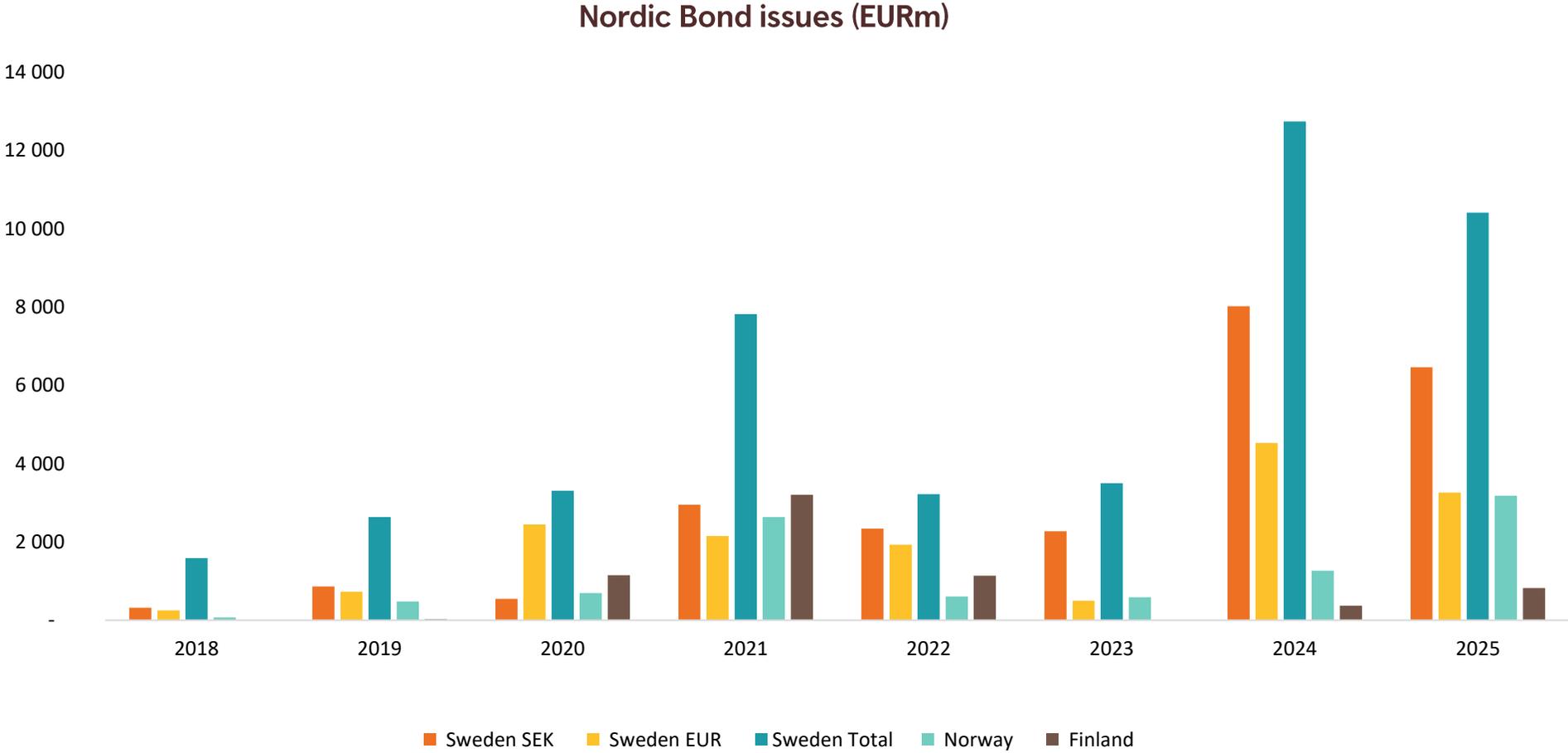
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The transaction market is back?

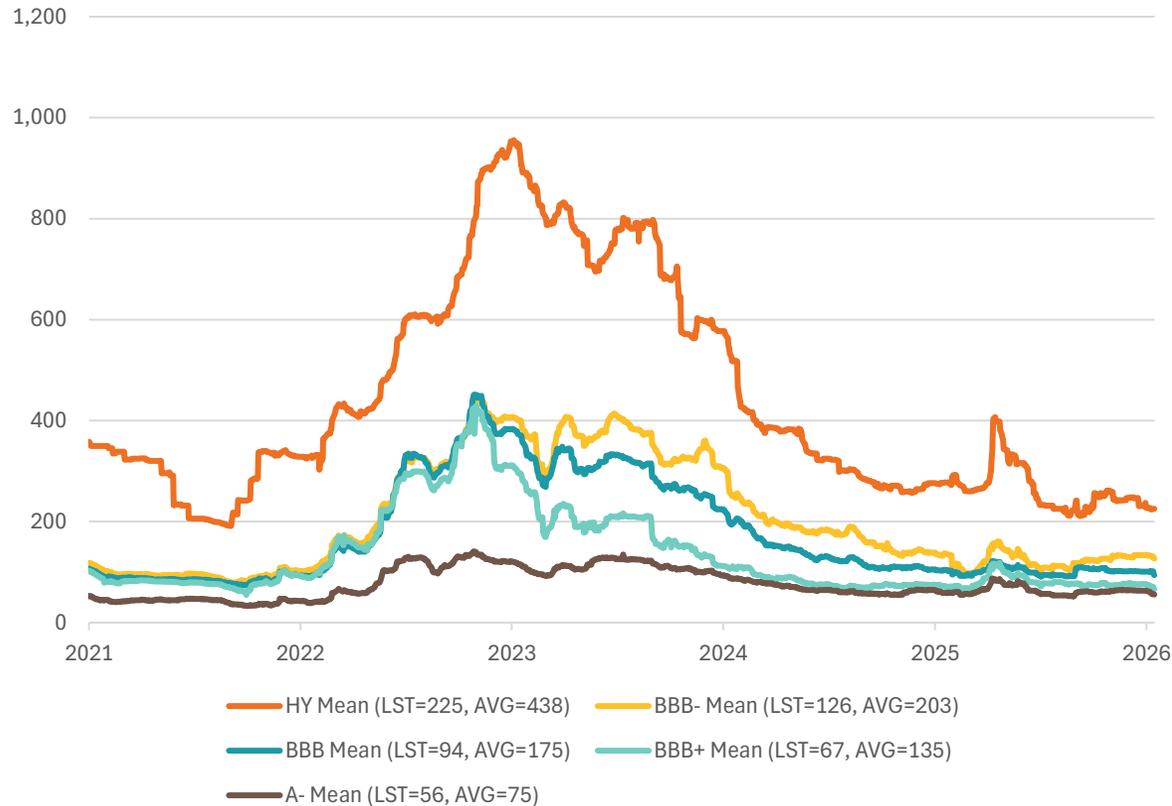


Bond issuances are increasing

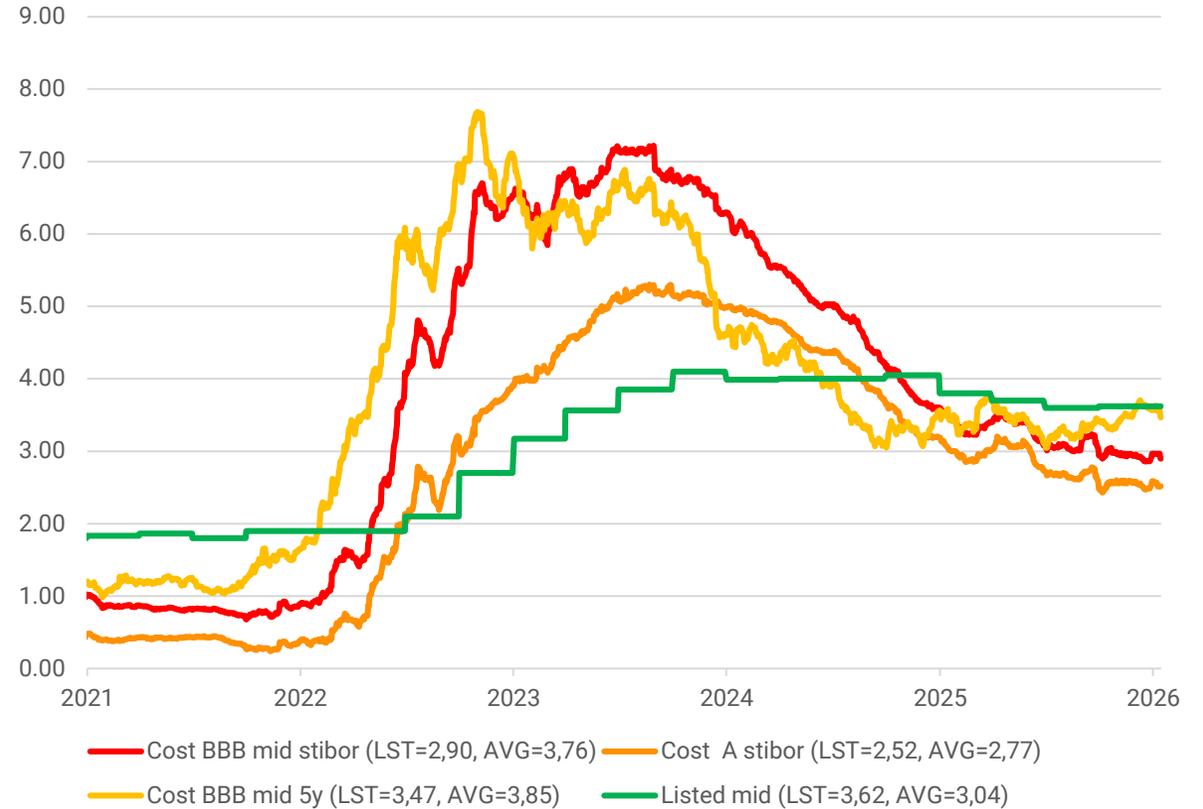


Spreads on record low levels, base rates normalised

Bond market spreads (Basis points)

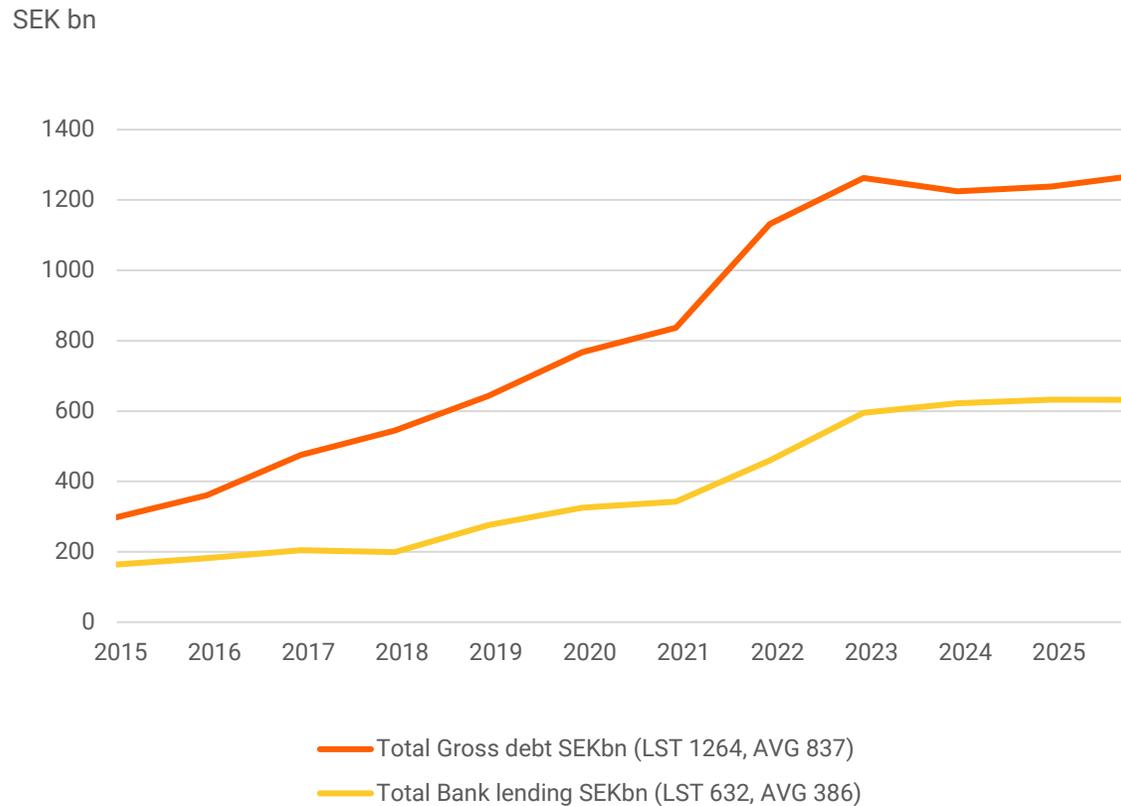


Funding costs –spread + Stibor and 5y Swap and Listed companies (quarterly)

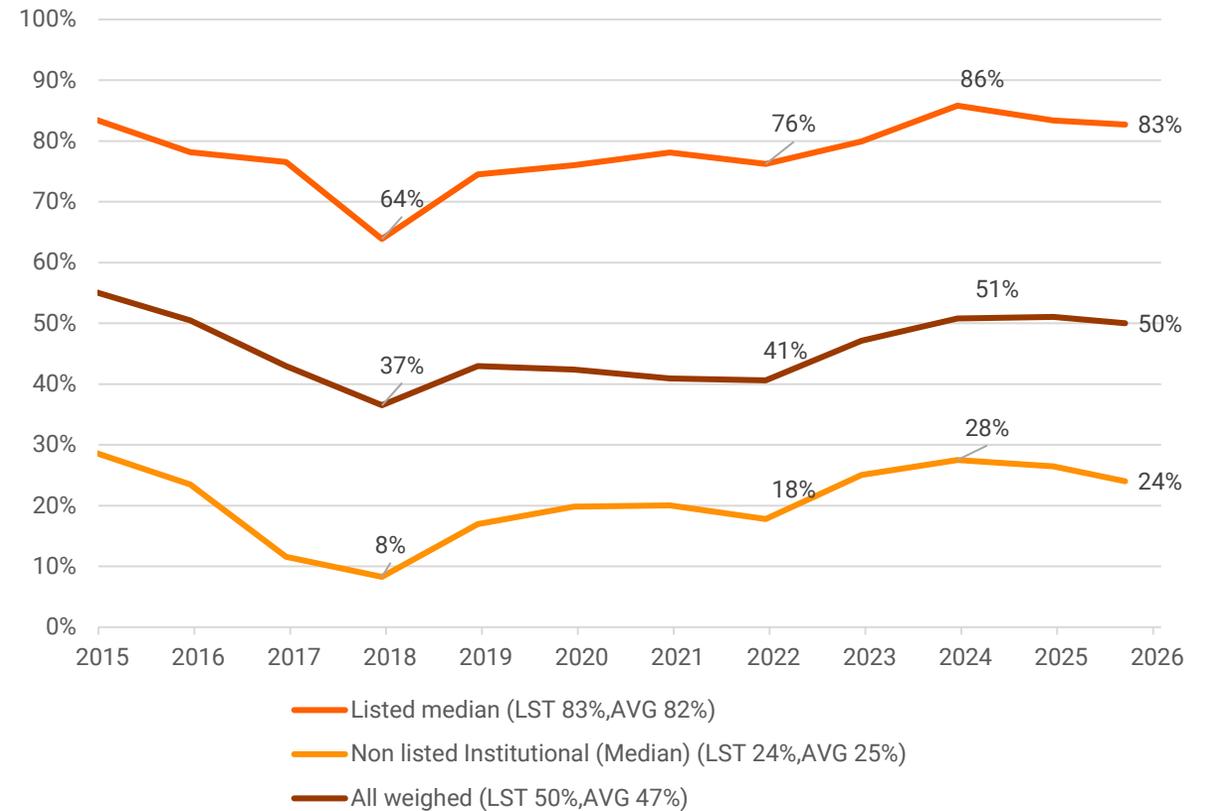


Listed sector values bank relationship

Gross debt vs total bank lending – listed and institutional companies (SEKbn)



Bank debt % of Total gross debt (year end basis and last Q)



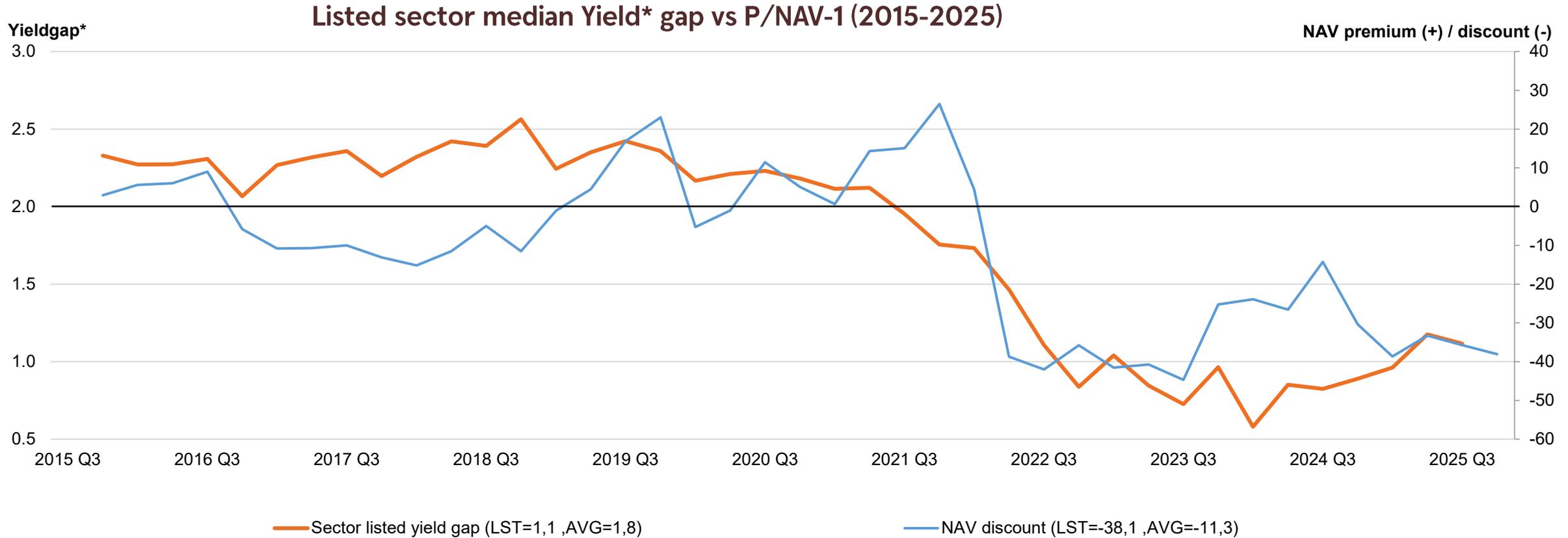
Although, the sector has underperformed general market by ~60% since November 2021

Performance OMX Benchmark Sweden vs Carnegie Real Estate
(100 = 2019-01)



Value drivers – historical perspective

Record high discount to NAV linked to low yield gap after inflation crisis



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Swedbank, as many other banks, is committed to Paris Agreement

- ▶ Swedbank established climate targets on the lending portfolio in 2022
- ▶ Covering key sectors from both an exposure and carbon impact perspective
- ▶ The aim of the targets is to set the Strategic Direction for the bank to help society transition, manage climate change related risks and capture opportunities in the portfolios
- ▶ Progress for CRE 2025: -24%

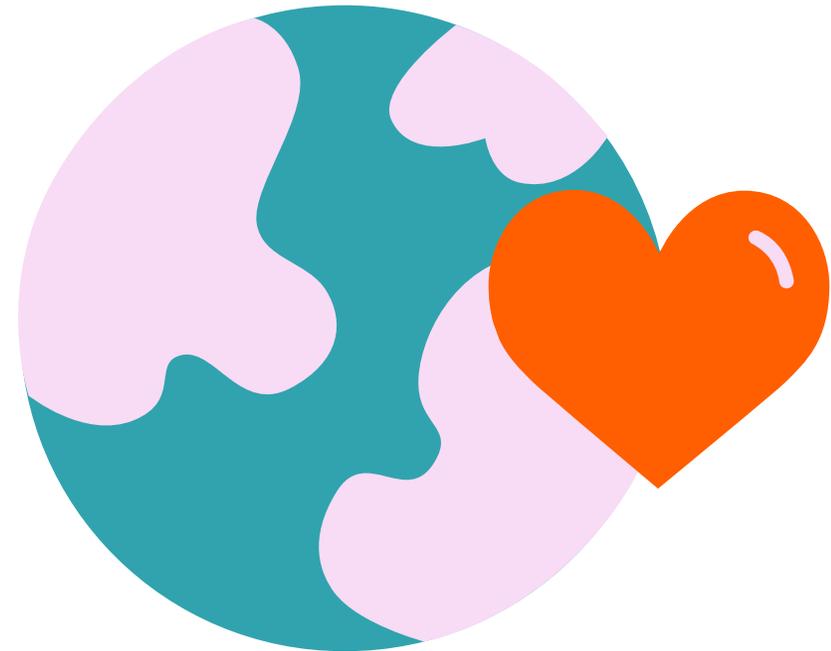
~80% of Swedbank's lending portfolio covered by climate targets.

Climate targets for the credit portfolio¹

Sector	Unit	Target 2030, %	Change since baseline year, %	2025	Baseline value
Mortgages ²	kgCO ₂ e/m ²	-39	-3	11.2	11.5
Commercial real estate ²	kgCO ₂ e/m ²	-43	-24	20.5	26.9
Power generation	tCO ₂ e/MWh	-59	-65	(0,06) ³	0.16
Oil and gas	million tCO ₂ e	-50	-52	(2,7) ³	6.4
Steel	tCO ₂ e/t steel	-29	-21	(0,82) ³	0.97
Shipping	0% alignment delta	0			39.5%

Transforming buildings is critical for Europe's Climate-Neutral Future

- ▶ Strategic Leadership in ESG
- ▶ Climate Target Alignment
- ▶ Economic and Risk Benefits
- ▶ Market and Tenant Demand
- ▶ Regulatory Compliance



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Stable underwriting standards



Focus on cash-flow



Location



Alternative use



Sector differentiation



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Regulatory considerations



Structuring



C&E risks



Greenwashing



Capital, Carbon and
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Thank
you!



Supportive macro environment



Positive momentum in Swedish RE market



ESG agenda



Stable underwriting standards



Regulatory considerations