



# SBB Treasury Oyj

Business ID  
3147399-4  
Domicile  
Helsinki

## ANNUAL ACCOUNTS

Accounting period  
01.01.2023 – 31.12.2023

Storage until 31.12.2033

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The company's Board of Directors approved the financial statements for publication on April 30, 2024.

The Board of Directors has the right to make changes to the financial statements and republish them.

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## Board of Directors' Report

The profit for the financial year was EUR 19 774 61,05, of which EUR 89,393,504.13 was interest income on intra-group loans and EUR 543,556.42 interest expenses.

### Events during the financial period

On 8.11.2023, the company redeemed EUR 417,247,000 of the bond maturing on 8.2.2024. The payment included interest of EUR 993,000 and was made through the bank account of the parent company Samhällsbyggnadsbolaget i Norden AB and is therefore not reflected in the cash flow statement.

### Material events after the reporting period

There have been no material changes in the company's financial position or related parties after the reporting period.

SBB Treasury Plc and Samhällsbyggnadsbolaget i Norden AB, the parent company providing the bonds, have announced on 6.2.2024 that one holder of the 2020 and 2021 Euro Medium Term Note (EMTN) has initiated formal legal proceedings regarding its announcement on 9.11.2023 alleging that SBB is in breach of EMTN's covenants and requesting that their interest in SBB's bonds be returned. The announced holdings represent a total nominal value of approximately EUR 46 million divided into both bond series, corresponding to approximately one per cent of SBB's total bonds as at 30.6.2023. SBB firmly rejects the allegation that it breaches EMTN's covenants and considers the notification received from this bondholder to be ineffective. SBB will take all necessary legal measures to protect itself and its stakeholders' interests. Although all legal proceedings are inherently uncertain, SBB and its advisers estimate that litigation could take about 18 months to settle.

8.2.2024, the company redeemed the remaining EUR 143,219,000 of the bond maturing on that date.

On 26.3.2024, the company redeemed EUR 5,219,000.00 of the EUR 700 million bond maturing on 14.12.2028 and EUR 154,512,000.00 of the EUR 950 million bond maturing on 26.11.2029.

The company does not present any other financial statements outside the Annual Report.

### Main risks

SBB Treasury Plc is exposed to financial and interest rate risks. Financing risk is the risk that SBB Treasury Plc would not have access to financing or the cost of financing would become too high. In addition, the bond terms contain clauses that may limit the possibility of raising new debt securities. If SBB Treasury Plc is unable to service the financing or the financing is obtained on less favourable terms, it may have a material adverse effect on SBB Group's financial position. Interest rate risk is described as a risk that may have adverse effects on SBB Group's interest expenses. Interest expenses are one of SBB Group's most significant expense items.

In addition to the amount of interest-bearing liabilities, interest expenses are affected by the level of the market interest rate, the margins of credit institutions and the strategy of fixed interest rate periods. Interest rate risk may lead to changes in market value and cash flows, as well as fluctuations in SBB Group's result.

Financial risk is managed through fiscal policy objectives aimed at good diversification at SBB Group level in terms of loan maturity structure, borrowing forms and lenders, good advance financing planning and balanced liquidity reserves. The average remaining maturity of SBB Group's total loan portfolio on 31 December 2023 was 3.6 years (3.9 years). At the same time, available liquidity, including cash and cash equivalents, financial investments, loan commitments and unutilised credit facilities, was SEK 4,060 million (SEK 9,569 million). SBB's interest rate risk strategy aims to achieve stable cash flows that enable real estate investments and meet the requirements and expectations of external parties while achieving the best possible financial cash flow. The objective of the interest rate risk strategy is to maintain a balanced combination of variable and fixed interest rates, taking into account the sensitivity of SBB Group's total cash flows to changes in the fixed income markets in the long term. The average fixed-rate maturity at the end of the year was 3.4 years (3.2 years) and the fixed-rate loan portfolio through interest rate derivatives or fixed-rate loans accounted for 100 per cent (78 per cent).

The average remaining maturity of SBB Treasury Plc as of December 31, 2023 was 3.7 years. The average fixed-rate loan period at the end of the year was 5.4 years, and the fixed-rate loan portfolio through interest rate derivatives or fixed-rate loans accounted for 75 per cent. At the same time, available liquidity, including cash and cash equivalents and loan commitments, was EUR 1,845 million.

#### Liquidity risks

The continuity of SBB Treasury Plc's operations involves significant uncertainty, as the company's ability to operate depends on the financial position of the parent company Samhällsbyggnadsbolaget i Norden AB. If SBB Treasury Plc does not receive sufficient payments from the parent company on the group loan receivables or there are delays in payments, the company will not be able to pay the drawn notes and related interest, which may lead to loss of the company's solvency.

The difficulties in the financial markets and negative speculation about the future of the parent company and SBB Group in 2023 have led to prolonged financing processes and thus reduced liquidity for the parent company. High interest rates and falling asset prices have created a need for SBB Group to reduce the absolute level of debt.

During the year, SBB has carried out transactions aimed at reducing indebtedness. SBB Group takes measures and implements processes aimed at strengthening the Group's short-term financing management, creating conditions for new long-term financing and improving the Group's overall financial position. In 2024, market participants expect interest rates to fall, as well as access to bond markets to improve and real estate markets to recover. The market's belief in interest rates is illustrated by the reverse interest rate path, where long-term loans are priced cheaper than short-term loans. We see that real estate companies are getting more low-cost loans and that pricing for real estate companies has improved.

One of the bondholders of EMTN programs for 2020 and 2021 has initiated legal proceedings during 2023. The bondholder's claim is that its holdings in the notes are due for payment because, in the opinion of the bondholder, Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Plc have breached the net interest income ratio clause of the EMTN programmes. The holdings of the Noteholder correspond to a nominal value of approximately EUR 46 million divided between both EMTN programmes. If the action were to result in Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Plc being found to have breached the covenant clause concerning net interest income, this would further jeopardise the continuity of SBB Treasury Plc's operations.

SBB Group has hired experienced legal and financial professionals. Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Plc consider that Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Plc do not breach this condition and that Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Plc are likely to emerge victorious from any litigation.

However, there are always uncertainties in the legal process, because the court may assess the facts differently. If the SBB Group does not implement financial improvement measures and/or market conditions do not improve in accordance with the view of the Board of Directors or the outcome of the legal proceedings is not in line with the assessment of Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Plc, there are significant uncertainties that may lead to significant doubts about the company's ability to finance the business, taking into account the company's future plans. Based on the work carried out around the refinancing of the SBB Group and the assessment of the expected outcome of the legal process by the Boards of Directors of Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Oyj, the Board of Directors is convinced that the assumption of continuation of operations still exists.

#### Related party transactions

In 2022, the company issued a note of EUR 700 million, after which the proceeds were transferred to the parent company. At the end of 2023, the company has accumulated a long-term receivable from its parent company and a related interest receivable, totalling EUR 1 844 645 004,14. The interest rate on mutual loan receivables and liabilities throughout SBB Group is fixed at 4%.

According to the SBB Group's internal loan agreement, the debtor (parent company Samhällsbyggnadsbolaget i Norden AB) must, at the request of the creditor (SBB Treasury Oyj), repay the loan in full with accrued interest. The parties may mutually agree on the amount, timing or other different method of payment of the loan instalments.

In accordance with the netting agreement signed on 31.12.2023, SBB Treasury Plc's debt to SBB Finland Oy has been offset by deducting SBB Finland Oy's debt to Samhällsbyggnadsbolaget i Norden AB and Samhällsbyggnadsbolaget i Norden AB's debt to SBB Treasury Oyj by a corresponding amount.

The company's intra-group loan receivables involve a credit risk. The company has no other activities than a loan receivable from the parent company Samhällsbyggnadsbolaget i Norden AB. Samhällsbyggnadsbolaget i Norden AB is dependent on its lease agreements and, among other things, on payments received from tenants. The result and cash flow of the company's parent company may be negatively affected if the tenants fail to make payments or otherwise fail to meet their obligations, or the leases terminate earlier than expected for any reason, which could force SBB Treasury Plc to recognise receivables from the parent company as credit losses and would not be able to repay the bond as agreed.

Receivables and liabilities are exposed to the risk that their fair values will change due to variable interest rates. The long-term loan granted to the parent company during the financial year is at a fixed rate. In addition, both receivables and liabilities are denominated in euros, and changes in currencies do not have an impact on them. Some of the bonds have variable interest rates, which poses a risk due to the impact of changes in market interest rates on future interest rates. The company's interest expenses would increase by EUR 0.2 million in 2024 if market interest rates increased by 1 percentage point.

The parent company of SBB Treasury Plc is Samhällsbyggnadsbolaget i Norden AB (556981-7660); domicile Stockholm, which owns 100% of the company's shares.

The company prepares a Corporate Governance Statement, which is published separately at [www.sbbtreasury.fi](http://www.sbbtreasury.fi)

Board of Directors

Members:

Leiv Synnes

Debuty members:

Ilija Batljan

During the financial year, the following persons have also served on the company's Board of Directors:

Ilija Batljan (until 22.11.2023)

Eva-Lotta Strid (until 22.11.2023)

Krister Karlsson (until 22.11.2023)

The auditor is Ernst & Young Oy.

Principal auditor:

Mikko Rytlahti

The company's share capital is EUR 80,000.00 (registered on 15 July 2020) and the number of shares is 1,000. The shares have no nominal value, and all shares in the company have equal rights. During the financial period, there has been no change in the share capital. No funds have been set up for the company.

The Board of Directors proposes that the result for the financial year of EUR 19 774 631,05 be transferred to the profit and loss account and that no dividend be paid.

## Comprehensive income statement

Currency EUR	Note	1.1.2023–31.12.2023	1.1.2022–31.12.2022
<b>Financial income and expenses</b>			
Interest income	8, 19	89 418 279	46 766 984
Interest expenses	7	-35 726 442	-19 780 863
Other financial income	12	13 450 265	9 921 545
Other financial expenses	7	-2 829 421	-3 383 313
Impairments of financial assets and credit losses	4, 7	-30 923 412	1 806
<b>Total financial income and expenses</b>		<b>33 389 270</b>	<b>33 526 158</b>
Administrative expenses	9	-170 745	-214 984
<b>Profit before tax</b>		<b>33 218 525</b>	<b>33 311 174</b>
Taxes	10	-13 443 894	-6 833 614
<b>Profit for the period</b>		<b>19 774 631</b>	<b>26 477 560</b>
<b>Other comprehensive income</b>		0	0
<b>Total comprehensive income for the period</b>		<b>19 774 631</b>	<b>26 477 560</b>
<b>Breakdown of profit for the period</b>			
To shareholders of the parent company	11	19 774 631	26 477 560
<b>Total</b>		<b>19 774 631</b>	<b>26 477 560</b>
Average number of shares adjusted for share issue	11	1 000	1 000
Calculated from the profit or loss attributable to shareholders of the parent company earnings per share, undiluted and diluted, EUR	11	19 775	26 478

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## Balance sheet

Currency EUR	Note	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>VARIABLE ASSETS</b>			
<b>Receivables</b>			
<b>Long-term</b>			
Receivables from Group companies	12	1 844 645 004	2 247 955 897
Deferred tax receivables	10	0	323 939
<b>Total long-term receivables</b>		<b>1 844 645 004</b>	<b>2 248 279 836</b>
<b>Current</b>			
Other current receivables	15	1 316	9 580
<b>Total current receivables</b>		<b>1 316</b>	<b>9 580</b>
<b>Total receivables</b>		<b>1 844 646 320</b>	<b>2 248 289 415</b>
Cash and cash equivalents	15	100 254	101 356
<b>Total cash and cash equivalents</b>		<b>100 254</b>	<b>101 356</b>
<b>TOTAL VARIABLE ASSETS</b>		<b>1 844 746 574</b>	<b>2 248 390 772</b>
<b>TOTAL ASSETS</b>		<b>1 844 746 574</b>	<b>2 248 390 772</b>
<b>LIABILITIES AND SHAREHOLDER EQUITY</b>			
<b>Equity attributable to shareholders of the parent company</b>			
<b>Share capital</b>	16	80 000	80 000
<b>Retained earnings</b>	16	42 089 578	15 612 018
<b>Profit for the period</b>		19 774 631	26 477 560
<b>TOTAL EQUITY</b>		<b>61 944 209</b>	<b>42 169 578</b>
<b>LIABILITIES</b>			
<b>Long term</b>			
Bonds	12	1 634 514 437	2 190 539 377
Liabilities to Group companies	19	0	7 574 255
Deferred tax liabilities	10	1 056 356	1 334 220
<b>Total long-term liabilities</b>		<b>1 635 570 793</b>	<b>2 199 447 852</b>
<b>Short term</b>			
Bonds	12	141 582 536	0
Accrued liabilities	10, 18	3 401 386	3 581 221
Interest payable	18	2 247 650	3 192 121
<b>Total short-term liabilities</b>		<b>147 231 572</b>	<b>6 773 342</b>
<b>TOTAL LIABILITIES</b>		<b>1 782 802 365</b>	<b>2 206 221 194</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER EQUITY</b>		<b>1 844 746 574</b>	<b>2 248 390 772</b>



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## Statement of changes in equity

### Equity attributable to shareholders of the parent company

				<b>31.12.2023</b>
Currency EUR	Note	Share capital	Retained earnings	Total equity
Share capital as of the beginning of the period	16	80 000	42 089 578	42 169 578
Profit for the period	16	0	19 774 631	19 774 631
<b>Equity 31.12.2023</b>		<b>80 000</b>	<b>61 864 209</b>	<b>61 944 209</b>
				<b>31.12.2022</b>
Currency EUR	Note	Share capital	Retained earnings	Total equity
Share capital as of the beginning of the period	16	80 000	15 612 018	15 692 018
Profit for the period	16	0	26 477 560	26 477 560
<b>Equity 31.12.2022</b>		<b>80 000</b>	<b>42 089 578</b>	<b>42 169 578</b>

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## Cash flow statement

Currency EUR	Note	1.1.2023–31.12.2023	1.1.2022–31.12.2022
<b>Cash flows from operating activities</b>			
Profit for the period before tax		33 218 525	33 311 174
<i>Adjustments to profit for the period</i>			
Change in receivables from other Group companies	12	0	9 371 771
Change in bonds	12	0	-37 982 308
Paid taxes		0	-4 501 967
Other adjustments		-33 219 628	0
<b>Net cash flow from operating activities</b>		<b>-1 102</b>	<b>198 669</b>
<b>Cash flows from investing activities</b>			
Change in long-term receivables	12	0	-700 500 000
<b>Net cash flow from investing activities</b>		<b>0</b>	<b>-700 500 000</b>
<b>Cash flows from financing activities</b>			
Bonds, new	12	0	700 308 000
<b>Net cash flow from financing activities</b>		<b>0</b>	<b>700 308 000</b>
<b>Change in cash and cash equivalents</b>		<b>-1 102</b>	<b>6 669</b>
Cash and cash equivalents at the beginning of the period		101 356	94 687
Cash and cash equivalents at the end of the period		100 254	101 356

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## Notes

**1. Company's basic information**

The financial statements include the information of SBB Treasury Oyj (Business ID 3147399-4). The company is domiciled in Helsinki.

The company was founded in June 2020. The company's line of business is direct and indirect investment in real estate and real estate companies and related development activities; the purchase, sale and rental of immovable property, real estate companies, housing companies and related assets; and the financing of direct and indirect real estate investments. In addition, the company can issue bonds and accept financing.

The company's financial period started on 1 January and ended on 31 December 2023. The Board of Directors approved this Annual Report on 30 April 2024. The financial statements will be presented for approval at the Annual General Meeting on 30 April 2023. According to the Finnish Limited Liability Companies Act, the Annual General Meeting has the right to approve or reject the financial statements or amend the financial statements after their release.

A copy of the financial statements is available at Porkkalankatu 3, 00180 Helsinki. The financial statements and the report of the Board of Directors are also available in PDF format on the company's website at <https://www.sbbtreasury.fi>.

SBB Treasury Oyj is part of a Group of companies whose ultimate parent company is Samhällsbyggnadsbolaget i Norden AB (556981-7660; domiciled in Stockholm). SBB i Norden AB (559053-5174; domiciled in Gothenburg) is the parent company of SBB Treasury Oyj. SBB i Norden AB prepares the consolidated financial statements. The financial statements and the report of the Board of Directors are available on the company's website at <https://corporate.sbbnorden.se/sv/>

The company has no subsidiaries. Subsidiaries refer to undertakings in which the parent company has control, directly or indirectly.

**2. Accounting policies and going concern assumption**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). International accounting standards refer to standards adopted in the EU in accordance with the procedure laid down in the Finnish Accounting Act and the regulations issued thereunder in the EU Regulation (EC 1606/2002) and the interpretations thereof.

Assets and liabilities are measured at their historical cost. Interest receivables and interest liabilities have been calculated using the effective interest rate method.

Income tax for the period is calculated at the applicable tax rate decided or reported at the balance sheet date, which is 20.0% on the balance sheet date. The reported tax and the tax payable may differ due to non-deductible expenses and tax-exempt income.

Receivables with a maturity of more than 12 months after the balance sheet date are reported as non-current assets, others as current assets. Receivables are recognised at the amount expected after individual assessment. Cash and cash equivalents include cash, bank accounts and short-term investments.

Financial liabilities are recognised at the original fair value. Transaction costs are included in the original carrying amount of financial liabilities measured at amortised cost. Subsequently, all financial liabilities are valued at the cost amortised by the effective interest method. Bonds are classified as debt or equity based on whether a contractual obligation to repay the bond in cash or otherwise exists.

The cash flow statement has been prepared according to the indirect method. Only changes and impacts with cash flow effects have been taken into account in the cash flow calculation. SBB Treasury Plc has no material financial transactions, as the company's payment obligations are fulfilled by the Group's parent company Samhällsbyggnadsbolaget i Norden AB (556981-7660) and other Group companies. All amounts are expressed in euro unless otherwise stated.

The financial statements have been prepared on a going concern basis. The continuity of SBB Treasury's operations involves significant uncertainty, as the company's ability to operate depends on the parent company's financial position. If SBB Treasury Plc does not receive sufficient payments from the parent company on the group loan receivables or there are delays in payments, the company will not be able to pay the drawn notes and related interest, which may lead to loss of the company's solvency.

One of the bondholders of EMTN programs for 2020 and 2021 has initiated legal proceedings during 2023. The Noteholder claims that its holdings in the Notes are due for payment because, in the opinion of Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Plc, Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Plc have breached the net interest income ratio clause of the EMTN programmes. The holdings of the Noteholder correspond to a nominal value of approximately EUR 46 million divided between both EMTN programmes. If the action were to result in Samhällsbyggnadsbolaget i Norden AB and SBB Treasury Plc being found to have breached the covenant clause concerning net interest income, this would further jeopardise the continuity of SBB Treasury Plc's operations.

**Impairment of financial assets**

The company recognises a provision for expected credit losses for all debt instruments that are not appreciated at fair value through profit or loss. Expected credit losses (ECL) are based on the difference between contractual cash flows and all cash flows which the company expects to receive.

Expected credit losses are classified into three stages. The first stage includes financial assets exposed to credit risk whose credit risk has not increased significantly since the initial recognition. This stage includes ECLs resulting from default events of financial instruments that are possible within the next 12 months. The second stage includes financial assets exposed to credit risk whose credit risk has increased significantly since the initial recognition. The loss allowance is recognised for the total ECLs arising from all possible default events during the expected term of the financial instrument. The third stage includes loans that are considered to be impaired due to credit risk. The company recognises provisions for lifetime expected credit losses (LTECL).

The principles for calculating expected credit losses are as follows:

- The Probability of Default (PD) is an estimate of the probability that default will occur over a period of time. Default can occur only at a certain time during the period under review if the liability has not previously been written off the balance sheet and still exists.
- Exposure at Default (EAD) is an estimate of the amount of exposure at the time of a future default, taking into account expected changes in the liability after the reporting date. The changes include advance repayments of principal and payment of interest according to contract's schedule or otherwise, as well as expected withdrawals from binding arrangements and accrued interest on unpaid payments.
- Loss Given Default (LGD) is an estimate of the loss incurred when a default occurs at a given time. It is based on the difference between contractual cash flows and cash flows which the lender expects to receive, taking into account cash flows from the realisation of the collateral or other arrangements to improve the quality of the credit which are an integral part of the loan and not recognised separately. These are typically presented as a percentage of the amount of exposure at default (EAD).

For trade receivables and contract assets, the company applies the simplified method for calculating expected credit losses. As a result, the company does not monitor changes in credit risk, but recognises loss allowances based on lifetime expected credit loss at each reporting date. The company has prepared a provision matrix based on its historical credit losses and adjusted using forward-looking factors characteristic of the debtor and the financial environment. The company had no trade receivables and contract assets in 2023 or 2022.

### 3. Classification between long-term and short-term receivables and liabilities

The company presents assets and liabilities in the balance sheet as short or long-term based on the following:

An asset is short-term if the following conditions are met:

- Expected to be sold or consumed during the normal operating cycle
- Held primarily for trading purposes
- Realised within 12 months of the balance sheet date
- Cash or cash equivalent, unless the asset is not convertible or available for settling a liability within 12 months after the end of the reporting period.

All other assets are classified as long-term.

A liability is short-term when it is:

- Realised during the normal operating cycle
  - Held primarily for trading purposes
  - Intended to be paid within 12 months of the balance sheet date
- Or
- The company does not have the absolute right to defer payment of the liability within at least 12 months of the balance sheet date
  - The terms of debt contracts, according to which the debt could be settled with equity instruments, do not affect its classification.
  - The company classifies all other liabilities as long-term.
  - Deferred tax assets and liabilities are classified as long-term assets and liabilities.

### Determination of fair value

The company's financial assets and liabilities are measured at amortised cost. The company has not measured any balance sheet item at fair value in the financial statements on 31 December 2023 or previously.

Fair value is the price that would be obtained from the sale of an asset or paid to transfer debt in an organised transaction between market participants on the valuation date. Determination of fair value is based on the assumption that the sale of an asset or transfer of a liability occurs either:

- On the main market of the asset or liability
- Or
- If there is no main market, in the most favourable market for the asset or liability. The company must have access to the main or most favourable market on the date of valuation.

The fair value of an asset or liability is measured using assumptions that market participants would use to price the asset or liability, assuming that market participants act in an economic interest.

The fair value of non-financial assets is determined taking into account the ability of a market participant to generate economic benefits by using the asset for its highest and best use or by selling it to another market participant that would use the assets for the highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which there is sufficient information to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities whose fair value is determined or disclosed in the financial statements are classified in the fair value hierarchy as described below, based on the lowest-level input that is significant for the whole fair value determination:

Level 1 - Quoted (unadjusted) market prices in active markets for similar assets or liabilities

Level 2 - fair values are based to a significant extent on inputs other than the quoted prices included in level 1, but nevertheless on data that are observable, either directly or indirectly, for the asset or liability in question.

Level 3 - fair values are based on inputs for an asset or liability that are not based on observable market data (non-observable inputs)

## Taxes

Income taxes and tax liabilities are valued at the amount expected to be recovered from or paid to the tax authorities. The amount is calculated using tax rates and tax laws that were issued or substantially issued at the balance sheet date in the countries in which the company operates and generates taxable income.

Income tax related to items recognised directly in equity is recognised in equity and not in the income statement. Management regularly assesses the company's tax position, taking into account tax regulations and their interpretation.

### Deferred taxes

Deferred tax is calculated using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying amounts at the balance sheet date. Deferred tax liabilities are recognised for all taxable temporary differences except:

- When a deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, does not affect the profit or taxable income or loss of the accounts
- For taxable temporary differences in interests in subsidiaries, associates and joint arrangements, where the timing of the recovery of temporary differences is manageable and it is likely that temporary differences will not be reversed in the near future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that taxable profits are likely to be available against which deductible temporary differences and unused tax credits and unused tax losses may be deducted, except:

- Where a deferred tax asset related to a deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, does not affect the profit or taxable income of the accounts
- For deductible temporary differences in interests in subsidiaries, associates and joint arrangements, deferred tax assets are recognised only to the extent that it is likely that temporary differences will reverse in the near future and taxable income is available that can be used for temporary differences

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to such an extent when it is no longer likely that sufficient taxable income will be available to use all or part of the deferred tax asset. Unrecognised deferred tax assets are reassessed at each reporting date and recorded to the extent that future taxable gains are likely to allow the recovery of a deferred tax asset.

Deferred tax assets and liabilities are measured at rates that are assumed to be valid in the year in which the asset is realised or the liability has been paid, based on tax rates (and tax laws) in force or effectively approved as of the balance sheet date.

Deferred tax related to items recognised in profit or loss is recognised in profit or loss. Deferred tax items are recognised in the transaction subject to the correlation either in comprehensive income or directly in equity. Tax benefits acquired in connection with a business combination that do not, however, meet the conditions for separate recognition on that date are recognised at a later date if new information becomes available on the facts and circumstances. The adjustment is treated either as a decrease in goodwill (as long as it does not exceed goodwill) if it was incurred during the valuation period or recognised in profit or loss.

The company can deduct deferred tax assets and liabilities from each other only if the company has a legally enforceable right to set off tax assets and liabilities based on taxable income for the period and the deferred tax assets and liabilities are related to income taxes levied by the same tax recipient.

### Currency

The company's financial statements have been presented in euros, which is also the company's operating currency. Transactions denominated in foreign currency have been recognised at the exchange rate on the transaction date. Foreign currency receivables and liabilities in the balance sheet at the balance sheet date are measured at the exchange rate at the balance sheet date. Exchange rate differences have been recognised in the financial statements in profit or loss.

### Distribution of dividends

The company is obligated to pay dividends when the distribution is permitted and is no longer discretionary for the company. The payment of dividends is recognised directly in equity in the balance sheet.

#### Financial instruments

Financial instruments are recognised at amortised cost. The company has no assets or liabilities recognised at fair value through profit or loss.

#### Hedging instruments

The bonds of EUR 700 million and EUR 950 million are fixed-rate (0.75% and 1.125%, respectively). The bond of EUR 700 million has a variable 3-month Euribor + 0.55% margin. The company has no derivative contracts. Hedge accounting is not applied.

#### Changes in accounting principles

There have been no changes during the financial year.

#### New and amended standards

IFRS changes do not have a material impact on the company's financial statements.

#### 4. Significant estimates and assumptions

When preparing the financial statements, the company's management must make certain estimates and assumptions that affect the reported value of assets and liabilities, income and expense items, as well as other information to be provided. The estimates are based on experiences and assumptions that management and the Board consider reasonable under the prevailing circumstances. The final results may differ from these estimates if other factors arise. The following describes estimates that are most important in preparing the company's financial reports.

The valuation of deferred taxes involves estimates. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to such an extent when it is no longer likely that sufficient taxable income will be available to use all or part of the deferred tax asset. Unrecognised deferred tax assets are reassessed at each reporting date and recorded to the extent that future taxable gains are likely to allow the recovery of a deferred tax asset.

#### Provision for expected credit losses

In all categories of financial assets, the determination of impairment losses requires estimates related to the amount and timing of future cash flows and the values of collateral when determining impairment losses and assessing significant increases in credit risk. These assessments are influenced by several factors. Changes in the factors can result in provisions of varying sizes. Information on expected credit losses related to the company's receivables is disclosed in notes 2, 4 and 13.

#### Financial instruments

The provision for expected credit losses is based on credit losses that are expected to occur. If the credit risk has not increased significantly since the credit was granted, the provision is based on 12-month expected credit losses. 12-month expected credit loss is a component of lifetime expected credit loss that represents the expected credit loss due to default events on the financial instrument that are possible within 12 months of the reporting date.

Long-term receivables originate from the parent company Samhällsbyggnadsbolaget i Norden AB. During 2023, Standard & Poor's has downgraded the credit rating of the parent company to CCC+, representing a strong indicator of a significant increase in credit risk.

Prior year, the expected credit loss provision was calculated on the assumption that the credit risk had not increased significantly since the credit was granted, whereby simplified calculation was made based upon an adjust standardized matrix for LGD, resulting in expected credit loss provision of EUR 1.6 million.

	31.12.2022
<b>Probability of default (PD)</b>	0,16 %
<b>Loss Given Default (LGD)</b>	45 %
Nominal value of long-term receivables	2 249 575 590,92 €
Recognised credit losses	1 619 694,43
Book value of long-term receivables	2 247 955 896,83 €

Due to the downgrade in rating the company assumes that there has been significant increase of credit risk in the parent company, and that the company should conduct a more refined calculation based on quantitative and qualitative variables and qualitative factors estimating the weighted probability recoverable amount of the credit during the lifetime of the receivable.

Probability of default has been calculated by the basis of parent company's company specific 1-year probability of default data public available by Bloomberg, estimated to 6,71% as of 2023-12-31. No company specific probability of default data is available for lifetime of the asset. To capture the probability of default during life-time of the asset, the available 1-year probability of default has been extrapolated on basis general historical differences between 1-year probability of default and 5-year probability of default of CCC-rated issuing entities, with a increase factor of 76,69%, estimating a company specific 5-year probability of default of 11,86% as of 2023-12-31 for the parent company.

For assessing Loss Given Default (LGD), the company has estimated the weighted recovery amount by assessing several different scenarios of possible monetization of the SBB Group's net assets under a forced realization and an estimated probability of occurrence of each such scenarios. The approach also takes into consideration that EAD (Exposure At Default) amounts, which are deemed to decrease over time due to the buy back procedures initiated by the company, furthermore the net assets of the counterparty of SBB is deemed to grow based on the assumed decrease of interest rates amongst other factors. Hence from an EAD and Recoverability of net assets the position at year-end is a high estimate of EAD and low estimate of the realizable net assets of SBB. In addition a 10% risk adjustment of LGD has been made to take into consideration additional loss scenarios giving an estimate LGD of 14.62%. The total loss reserve hence becomes 1.73% of the total outstanding amount generating a total loan loss reserve of EUR m 32.5 which is an increase of EUR m 30.9 compared to last year. A 1% increase in weighted loan loss is deemed to have approx EUR m 18.2 negative effect on profit & loss and equity excluding tax effects.

	SBB Group Consolidated Excl. SBB Treasury OY, EUR m Equivalent	Scenario 1 Realizable value EUR m	Scenario 2 Realizable value EUR m	Scenario 3 Realizable value EUR m	Total EUR m		
<b>Assets</b>							
Investment Prop	6 597	75 %	4 948	45 %	2 969	35 %	2 309
Shares in JVs	1 611	75 %	1 208	45 %	725	35 %	564
Other tangible assets	10	50 %	5	50 %	5	50 %	5
Receivables from joint ventures and associated companies	436	95 %	414	95 %	414	95 %	414
Other long-term receivables	177	75 %	133	45 %	80	35 %	62
Derivatives	62	50 %	31	50 %	31	50 %	31
Financial assets at fair value	93	50 %	47	50 %	47	50 %	47
Properties held for sale	14	75 %	10	45 %	6	35 %	5
Accounts receivable	9	95 %	9	95 %	9	95 %	9
Other receivables	55	95 %	52	95 %	52	95 %	52
Prepaid expenses	35	95 %	34	95 %	34	95 %	34
Cash Investments	19	50 %	10	50 %	10	50 %	10
Cash	346	100 %	346	100 %	346	100 %	346
<b>Total assets recoverable</b>	<b>9 465</b>		<b>7 246</b>		<b>4 726</b>		<b>3 887</b>
<b>Liabilities</b>							
Loans	-3 820	105 %	-4 011	105 %	-4 011	105 %	-4 011
Derivatives	-140	100 %	-140	100 %	-140	100 %	-140
Tax liabilities	-6	100 %	-6	100 %	-6	100 %	-6
Accounts Payables	-11	100 %	-11	100 %	-11	100 %	-11
Approved Dividend	-192	100 %	-192	100 %	-192	100 %	-192
Other liabilities	-74	100 %	-74	100 %	-74	100 %	-74
Accrued expenses and prepaid income	-88	100 %	-88	100 %	-88	100 %	-88
Non-controlling interests	-220	100 %	-220	100 %	-220	100 %	-220
<b>Total liabilities to be settled</b>	<b>-4 551</b>		<b>-4 742</b>		<b>-4 742</b>		<b>-4 742</b>
<b>Total recoverable amount</b>	<b>4 914</b>		<b>2 504</b>		<b>-15</b>		<b>-855</b>
Probability		75 %		15 %		10 %	
<b>Weighted Total Recoverable Amount</b>			<b>1 878</b>		<b>-2</b>		<b>-86</b>
Nominal value of long-term receivables							1 877
<b>Loss Given Default (LGD)</b>							<b>-87</b>
<b>LGD %</b>							<b>4,62 %</b>
Manual Adjustment							10,00 %
<b>Adjusted LGD %</b>							<b>14,62 %</b>

	31.12.2023
Probability of default (PD)	11,86 %
Loss Given Default (LGD)	14,62 %
(PD x LGD)	1,73 %
Nominal value of long-term receivables	1 877 188 110,08
Recognised credit losses	32 543 105,94
Book value of long-term receivables	1 844 645 004,14

## 5. Capital management

The company's capital consists of EUR 80,000 in share capital and EUR 42,089,578 in retained earnings. SBB Group manages the structure of its subsidiary's capital by monitoring the net gearing ratio and adjusting the amounts of equity so that it would not have been lost through invested unrestricted equity, for example.

On 8.11.2023, the company redeemed EUR 417,247,000 of the bond maturing on 8.2.2024. The payment included interest of EUR 993,000 and was made through the bank account of the parent company Samhällsbyggnadsbolaget i Norden AB and is therefore not reflected in the cash flow statement.

The loans were paid into the company's account, after which it was transferred to the parent company's bank account. The loan receivable is reflected in the long-term receivable on SBB Treasury Plc's balance sheet. The interest rate is fixed at 4%.

<b>Net gearing</b>	31.12.2023	31.12.2022
Interest-bearing liabilities	1 776 096 973	2 197 210 479
Cash and short-term deposits	-100 254	-101 356
<b>Net debt</b>	<b>1 775 996 719</b>	<b>2 197 109 123</b>
Equity	61 944 209	42 169 578
<b>Total equity and net debt</b>	<b>1 837 940 928</b>	<b>2 239 278 700</b>
<b>Net gearing</b>	<b>96,63 %</b>	<b>98,12 %</b>

The bond is subject to covenants that SBB Group must comply with. The covenants' conditions have been met and have not been breached during the financial period.

## 6. Determination of fair value

Fair value measurement hierarchy as of 31 December 2023:

	Measurement date	Total	Level 1	Level 2	Level 3
<b>Assets</b>					
Receivables from Group companies	31.12.2023	1 844 645 004		1 844 645 004	
Others	31.12.2023	1 316		1 316	
<b>Total</b>		<b>1 844 646 320</b>		<b>1 844 646 320</b>	
<b>Liabilities</b>					
Long-term liabilities at fixed and variable rates	31.12.2023	1 109 477 646	1 109 477 646		
Liabilities to Group companies	31.12.2023	0		0	
<b>Total</b>		<b>1 109 477 646</b>	<b>1 109 477 646</b>	<b>0</b>	<b>0</b>

Fair value measurement hierarchy as of 31 December 2022:

	Measurement date	Total	Level 1	Level 2	Level 3
<b>Assets</b>					
Receivables from Group companies	31.12.2022	2 247 955 897		2 247 955 897	
Others	31.12.2022	9 580		9 580	
<b>Total</b>		<b>2 247 965 477</b>		<b>2 247 965 477</b>	
<b>Liabilities</b>					
Long-term liabilities at fixed and variable rates	31.12.2022	1 547 945 980	1 547 945 980		
Liabilities to Group companies	31.12.2022	7 574 255		7 574 255	
<b>Total</b>		<b>1 555 520 235</b>	<b>1 547 945 980</b>	<b>7 574 255</b>	

At level 1, the valuation of the instrument is based on a price quoted on an active market, which is used to measure identical financial assets or liabilities.

At level 2, in addition, verifiable prices other than those quoted on an active market, either directly or derived from, are used as inputs for the valuation of the instrument, using valuation techniques.

At level 3, the valuation is based on non-verifiable market prices.



**7. Financial expenses**

	1.1.2023 – 31.12.2023	1.1.2022 – 31.12.2022
<b>Interest and financial expenses</b>		
Interest expenses, Bonds	-35 726 442	-19 780 863
Costs related to bonds	-1 414 147	-2 349 189
Impairments of financial assets and credit losses	-30 923 412	0
Unrealised changes in value	-1 415 273	-1 034 124
<b>Total</b>	<b>-69 479 274</b>	<b>-23 164 176</b>

**8. Financial income**

	1.1.2023 – 31.12.2023	1.1.2022 – 31.12.2022
<b>Interest and financial income</b>		
Impairments of financial assets and credit losses	0	1 806
Other financial income	13 450 265	9 921 545
Interest income from Group companies, Samhällsbyggnadsbolaget i Norden AB	89 418 279	46 766 984
<b>Total</b>	<b>102 868 544</b>	<b>56 690 334</b>

**9. Administrative expenses**

	1.1.2023 – 31.12.2023	1.1.2022 – 31.12.2022
Audit	-106 445	-65 791
Legal and consultancy services	-20 042	-109 433
Other administrative expenses	-43 145	-38 351
Banking and financial transaction costs	-1 113	-1 409
<b>Total</b>	<b>-170 745</b>	<b>-214 984</b>

**10. Income taxes**

During the financial period, the corporate tax rate in Finland was 20.0 per cent. The company is not included in the VAT register.

	1.1.2023 – 31.12.2023	1.1.2022 – 31.12.2022
<b>Tax calculation</b>		
Income tax for the period	-13 397 820	-7 128 736
Adjusted taxes for previous financial periods	-381 877	38 970
Deferred taxes	335 802	256 152
<b>Total taxes on the income statement</b>	<b>-13 443 894</b>	<b>-6 833 614</b>

	1.1.2023 – 31.12.2023	1.1.2022 – 31.12.2022
<b>Reconciliation of actual tax rate</b>		
Profit before tax	33 218 525	33 311 174
Tax to the parent company at the rate applicable (20%)	-6 643 705	-6 662 235

*Tax effect:*

Other items	-6 800 189	-171 379
<b>Taxes on the income statement</b>	<b>-13 443 894</b>	<b>-6 833 614</b>

Effective tax rate	40,5%	20,5%
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	31.12.2023	31.12.2022
<b>Deferred tax assets and liabilities</b>		
Deferred tax assets, provision for expected credit losses	0	323 939
Deferred tax liabilities, expenses related to bonds	-1 056 356	-1 334 220
<b>Total</b>	<b>-1 056 356</b>	<b>-1 010 282</b>

## 11. Earnings per share

Earnings per share are calculated by dividing the profit for the financial period by the number of shares.

During the financial period, the sole shareholder of the company is Samhällsbyggnadsbolaget i Norden AB. The number of shares has not changed during the financial period and stands at 1,000 pc. There has been no change in the share capital. No dividends will be paid for the financial period.

<b>Earnings per share</b>	<u>31.12.2023</u>	<u>31.12.2022</u>
Profit for the period	19 774 631	26 477 560
Number of shares	1 000	1 000
<b>Profit per share</b>	<b>19 774,63</b>	<b>26 477,56</b>

## 12. Financial assets and liabilities

<b>Financial assets</b>	<u>31.12.2023</u>	<u>31.12.2022</u>
Long-term interest-bearing loan receivable, Samhällsbyggnadsbolaget i Norden AB	1 844 645 004	2 247 955 897
<b>Total</b>	<b>1 844 645 004</b>	<b>2 247 955 897</b>

### Financial liabilities

Transaction costs are included in the original carrying amount of financial liabilities measured at amortised cost. Subsequently, all financial liabilities are valued at the cost amortised by the effective interest method.

All bonds issued by SBB Treasury Oyj are issued under the full guarantee of Samhällsbyggnadsbolaget i Norden AB. The organiser was Nordea Bank Abp. The programme is listed on the Dublin Stock Exchange.

<b>Interest-bearing financial liabilities, long-term</b>	<b>Nominal value, MEUR</b>	<b>Interest</b>	<b>Date of issue</b>	<b>Maturity date</b>
	700	0,75 %	14.12.2020	14.12.2028
	950	1,13 %	26.5.2021	26.11.2029
	700	3kk Euribor + 0.55% markup	8.2.2022	8.2.2024

During the financial period, the company repurchased and amortised EUR 417 247 000 of the EUR 700 million bond issued in February 2022. The transaction generated EUR 13 450 265 in revenue, which is recognised in the income statement as other financial income.

The terms and conditions of the bonds are set out below:

Issuer	SBB Treasury Oyj
Guarantee	Samhällsbyggnadsbolaget i Norden AB (publ)
LEI	549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer)
Classification	CCC+ (Standard & Poor's), CCC+ (Fitch)
Intermediaries	Deutsche Bank Aktiengesellschaft
Currency	EUR
Type	Floating rate
Nominal value of debt	EUR 700,000,000
Begins	8 February 2022 (T+10)
Matures	8 February 2024
Reference rate	3 months Euribor%
Markup	0,55 %
Interest payment dates	Quarterly, payable on February 8, May 8, August 8 and November 8 of each year starting from 8 May 2022 and until the maturity date

Issuer	SBB Treasury Oyj
Guarantee	Samhällsbyggnadsbolaget i Norden AB (publ)
LEI	549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer)
Classification	CCC+ (Standard & Poor's), CCC+ (Fitch)
Intermediaries	BNP Paribas, Citi, DNB, Deutsche Bank, Goldman Sachs International, Morgan Stanley, Nordea
Currency	EUR
Type	Fixed rate
Nominal value of debt	EUR 700 000 000
Begins	14 December 2020 (T+4)
Matures	14 December 2028
Coupon interest	0,75 %
Interest payment dates	December 14, annually from December 14, 2020 until due date

Issuer	SBB Treasury Oyj
Guarantee	Samhällsbyggnadsbolaget i Norden AB (publ)
LEI	549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer)
Classification	CCC+ (Standard & Poor's), CCC+ (Fitch)
Intermediaries	Citi, Danske Bank, Deutsche Bank, Goldman Sachs Bank Europe SE, J.P. Morgan, Nordea, Swedbank
Currency	EUR
Type	Fixed rate
Nominal value of debt	EUR 950,000,000
Begins	26 May 2021 (T+6)
Matures	26 November 2029
Coupon interest	1,125 %
Interest payment dates	November 26 of every year starting from 26 November 2021 until the maturity date

Interest-bearing financial liabilities, long-term	Nominal value, MEUR	Interest	Date of issue	Maturity date
	700	0,75 %	14.12.2020	14.12.2028
	950	1,125%	26.5.2021	26.11.2029
	700	3kk Euribor + 0.65% markup	8.2.2022	8.2.2024

#### Financial assets and liabilities

	31.12.2023 Book value	31.12.2023 Fair value
<b>Financial assets</b>		
Long-term receivables from Group companies, interest-bearing	1 844 645 004	1 844 645 004
<b>Total</b>	<b>1 844 645 004</b>	<b>1 844 645 004</b>

<b>Financial liabilities</b>		
Long-term interest-bearing liabilities	1 634 514 437	970 780 000
Liabilities to Group companies	141 582 536	138 697 646
<b>Total</b>	<b>1 776 096 973</b>	<b>1 109 477 646</b>

	31.12.2022 Book value	31.12.2022 Fair value
<b>Financial assets</b>		
Long-term receivables from Group companies, interest-bearing	2 247 955 897	2 247 955 897
<b>Total</b>	<b>2 247 955 897</b>	<b>2 247 955 897</b>

<b>Financial liabilities</b>		
Long-term interest-bearing liabilities	2 190 539 377	1 547 945 980
Liabilities to Group companies	7 574 255	7 574 255
<b>Total</b>	<b>2 198 113 632</b>	<b>1 555 520 235</b>

### 13. Risk management

#### Interest rate risk

Receivables and liabilities are exposed to the risk that their fair values will change due to variable interest rates. The long-term loan granted to the parent company during the financial year is at a fixed rate. In addition, both receivables and liabilities are denominated in euros, and changes in currencies do not have an impact on them. Some of the bonds have variable interest rates, which poses a risk due to the impact of changes in market interest rates on future interest rates. The company's interest expenses would increase by EUR 0.2 million in 2024 if market interest rates increased by 1 percentage point.

#### Credit risk

The other party's failure to meet their obligations in relation to a financial instrument or customer relationship results in a financial loss, i.e. the realisation of credit risk. Credit risk in operations is included, for example, in trade receivables, but also in deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial receivables carry the risk that the debt taker will not be able to meet their obligations, resulting in the company suffering credit losses. The company has a long-term mutual receivable from the parent company Samhällsbyggnadsbolaget i Norden AB. During the financial period, the company recognised a credit loss of EUR 1.6 million on this loan. More information about the credit loss can be found in notes 2 and 4.

#### Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its payment obligations in its financing. If the company's liquidity sources prove insufficient, it may have a significant adverse effect on the company's operations, performance and financial position. There is also a risk that the cost of acquiring cash to meet the company's payment obligations will increase significantly.

SBB Treasury Oyj is also exposed to risks arising from the potential illiquidity of the entire SBB Group portfolio. The types of real estate owned or potentially acquired by SBB Group as a whole may be illiquid. In the case of a sudden sale, there may be a significant difference between the fair value and the acquisition cost of a property. An illiquid market may result in a sale price that is lower than expected or delays the sale. Any such deficiencies may have a material negative impact on the business, performance or financial position of both SBB Group and SBB Treasury. In addition, SBB Group may be subject to restrictions on its ability to sell real estate on the basis of covenants and commitments which restrict the sale of assets.

Refinancing may prove impossible, or the costs of refinancing may rise sharply. Refinancing risk is the risk that financing costs may be higher and/or refinancing possibilities may be limited or non-existent when a debt of SBB Treasury or another company belonging to SBB Group matures. SBB Group's business is partly financed by capital provided externally. The development and acquisition of real estate requires large amounts of capital, which usually comes from banks, credit institutions or other lenders. There is a risk that lenders will not grant credit to SBB Group or that credit will be provided at a significantly higher cost than planned. In addition, certain loan agreements and terms of debt instruments contain conditions, which may limit SBB Group's ability to acquire new debts.

The following covenants are set out in the agreement, which SBB Group must comply with:

- solvency ratio must not exceed 65%
- credit rate must not exceed 45%
- the ratio of profit before financial items to net interest expenses must be at least 1.5

**Maturity table**

	<b>As of 31 December 2023</b>					<b>Total</b>
	On request	< 3 months	3-12 months	1-5 years	> 5 years	
Liabilities to Group companies	0	0	0	0	0	0
Bonds	0	141 586 000	0	700 000 000	950 000 000	1 791 586 000
Interest payments	0	1 599 198	16 203 125	64 431 771	9 796 875	92 030 969
	0	143 185 198	16 203 125	764 431 771	959 796 875	1 883 616 969

	<b>As of 31 December 2022</b>					<b>Total</b>
	On request	< 3 months	3-12 months	1-5 years	> 5 years	
Liabilities to Group companies	7 574 255	0	0	0	0	7 574 255
Bonds	0	0	0	558 833 000	1 650 000 000	2 208 833 000
Interest payments	0	0	25 384 225	65 783 336	25 752 083	116 919 644
	7 574 255	0	25 384 225	624 616 336	1 675 752 083	2 333 326 899

**14. Changes in liabilities due to financial activities**

	Changes in cash				<b>Per 31.12.2023</b>
	1.1.2023	flow	Currency changes	Others	
Bonds	2 190 539 377	-556 024 940	0	0	1 634 514 437
Short-term interest liabilities	3 192 120	0	0	-944 471	2 247 650
<b>Total</b>	<b>2 193 731 497</b>	<b>-556 024 940</b>	<b>0</b>	<b>-944 471</b>	<b>1 636 762 087</b>

	Changes in cash				<b>Per 31.12.2022</b>
	1.1.2022	flow	Currency changes	Others	
Bonds	2 228 521 685	-37 982 308	0	0	2 190 539 377
Short-term interest liabilities	1 396 015	0	0	1 796 105	3 192 120
<b>Total</b>	<b>2 229 917 700</b>	<b>-37 982 308</b>	<b>0</b>	<b>1 796 105</b>	<b>2 193 731 497</b>

Cash transfers related to the bond took place through the company's parent account, therefore the liability in question is not shown in the cash flow statement.

**15. Cash and cash equivalents and other receivables**

SBB Treasury Oyj's cash and cash equivalents consist of bank account deposits. The company has no cash.

**Cash at bank**

	31.12.2023	31.12.2022
Bank account Handelsbanken	100 254	101 356
<b>Total</b>	<b>100 254</b>	<b>101 356</b>

**Other receivables**

	31.12.2023	31.12.2022
Cision Sverige AB, amortised expense	1 316	0
Standard & Poor, amortised expense	0	9 580
<b>Total</b>	<b>0</b>	<b>9 580</b>

**16. Equity****Share capital**

The company's share capital is EUR 80,000.00 (registered on 15 July 2020) and the number of shares is 1,000. The shares have no nominal value, and all shares in the company have equal rights. During the financial period, there has been no change in the share capital. No funds have been set up for the company.

	31.12.2023	31.12.2022
Share capital at the beginning of the period	80 000	80 000
<b>Share capital on 31 December</b>	<b>80 000</b>	<b>80 000</b>
Profit/loss for previous financial periods	42 089 578	15 612 018
<b>Profit/loss for the period</b>	<b>19 774 631</b>	<b>26 477 560</b>
<b>Total equity</b>	<b>61 944 209</b>	<b>42 169 578</b>

The company has not paid any dividends during the financial period. No conversion or other currency differences have arisen during the financial period.

**17. Proposal on dividend distribution and use of retained earnings****Calculation of distributable funds as at 31 December 2023**

	<u>31.12.2023</u>	<u>31.12.2022</u>
Distributable unrestricted equity		
Profit/loss for previous financial periods	42 089 578	15 612 018
Profit for the period	19 774 631	26 477 560
Total distributable unrestricted equity	61 864 209	42 089 578

The Board of Directors proposes that the profit for the financial period be transferred to the profit account and that no dividend be paid.

**18. Interest and other liabilities**

The interest on the EUR 700 million (nominal value) bond is amortised monthly using the effective interest rate method but paid only once a year. The coupon interest rate on the loan is 0.75%.

The interest on the EUR 950 million (nominal value) bond is amortised monthly using the effective interest rate method but paid only once a year. The coupon interest rate on the loan is 1.125%.

The interest on the EUR 700 million (nominal value) bond drawn in February 2022 is amortised monthly using the effective interest rate method but paid quarterly. The coupon rate for the bond is 3 months Euribor + a 0.55% markup.

Arrangement costs are amortised by the effective interest rate method over the life of the loan.

**Interest and other short-term liabilities**

	<u>31.12.2023</u>	<u>31.12.2022</u>
Amortised interest expenses	2 247 650	3 192 121
<b>Total</b>	<b>2 247 650</b>	<b>3 192 121</b>

At the end of the financial period, the company had no accounts payable.

**Accrued liabilities**

	<u>31.12.2023</u>	<u>31.12.2022</u>
Audit expenses, EY	17 000	32 392
Newsec Asset Management Oy	0	165
Cision Ab	0	396
Eklips Digital AB	0	329
Income taxes for the period	3 384 386	3 547 939
Total accrued liabilities	<b>3 401 386</b>	<b>3 581 221</b>

**19. Related party transactions**

SBB Treasury Oyj's related parties include the company's executives, the company's parent company Samhällsbyggnadsbolaget i Norden AB (556981-7660; domiciled in Stockholm), which owns 100% of the company's shares, and all other entities belonging to the SBB Samhällsbyggnadsbolaget i Norden AB Group.

**Transactions with related party companies**

At the end of 2023, long-term receivables from the parent company and related interest receivables amounted to EUR 1 844 770 573,17. The interest rate on mutual outstanding loans and liabilities within SBB Group is a fixed 2%. At the end of the financial period, the amount of the provision for credit losses related to the loan to the parent company was EUR 32,4 million. During the financial period, approximately EUR 30,8 million of the credit loss provision was reversed through profit or loss. More information about the credit loss can be found in notes 2 and 4.

The company has had a long-term loan to SBB Finland Oy, a company in the same group, consisting of purchase invoices and taxes paid from SBB Finland's account. Starting from 2023, an interest rate of 4% has been calculated on the loan. In accordance with the netting agreement signed on 31.12.2023, SBB Treasury Plc's debt to SBB Finland Oy has been offset by deducting SBB Finland Oy's debt to Samhällsbyggnadsbolaget i Norden AB and Samhällsbyggnadsbolaget i Norden AB's debt to SBB Treasury Oyj by a corresponding amount.

**Interest income from Group companies**

	31.12.2023	31.12.2022
Samhällsbyggnadsbolaget i Norden AB	89 393 504	46 766 983
<b>Total</b>	<b>89 393 504</b>	<b>46 766 983</b>

**Receivables from Group companies**

	31.12.2023	31.12.2022
Long-term, Samhällsbyggnadsbolaget i Norden AB	1 844 645 004	2 247 955 897
<b>Total</b>	<b>1 844 645 004</b>	<b>2 247 955 897</b>

**Liabilities to Group companies**

	31.12.2023	31.12.2022
Long-term, SBB Finland Oy	0	7 574 255
<b>Total</b>	<b>0</b>	<b>7 574 255</b>

**Interest expenses to Group companies**

	31.12.2023	31.12.2022
SBB Finland Oy	-543 556	-58 458
<b>Total</b>	<b>-543 556</b>	<b>-58 458</b>

**20. Standard changes**

The new and revised standards, which will enter into force on 1 January 2024 or later, are not expected to have an impact on SBB Treasury Oyj's financial statements.

**21. Events after the balance sheet date**

There have been no material changes in the company's financial position or related parties after the reporting period.

SBB Treasury Plc and Samhällsbyggnadsbolaget i Norden AB, the parent company providing the bonds, have announced on 6.2.2024 that one holder of the 2020 and 2021 Euro Medium Term Note (EMTN) has initiated formal legal proceedings regarding its announcement on 9.11.2023 alleging that SBB is in breach of EMTN's covenants and requesting that their interest in SBB's bonds be returned. The announced holdings represent a total nominal value of approximately EUR 46 million divided into both bond series, corresponding to approximately one per cent of SBB's total bonds as at 30.6.2023. SBB firmly rejects the allegation that it breaches EMTN's covenants and considers the notification received from this bondholder to be ineffective. SBB will take all necessary legal measures to protect itself and its stakeholders' interests. Although all legal proceedings are inherently uncertain, SBB and its advisers estimate that litigation could take about 18 months to settle.

On 8.2.2024, the company redeemed the remaining EUR 143,219,000 of the bond maturing on that date.

On 26.3.2024, the company redeemed EUR 5,219,000.00 of the EUR 700 million bond maturing on 14.12.2028 and EUR 154,512,000.00 of the EUR 950 million bond maturing on 26.11.2029.

The company does not present other financial reports outside the financial statements.

3147399-4

Signatures of the financial statements:

Helsinki, April 30, 2023

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Leiv Synnes  
Member of the Board of Directors

Auditor's note

A report on the completed audit has been issued today.

Helsinki, April 30, 2023

Ernst & Young Oy  
Audit firm

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Rytilahti Mikko  
Authorised Public Accountant (KHT)