



SBB Treasury Oyj

Business ID
3147399-4
Domicile
Helsinki

ANNUAL ACCOUNTS

Accounting period
01.01.2022 - 31.12.2022

Storage until 31.12.2032

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The company's Board of Directors approved the financial statements for publication on April 19, 2023.

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

Board of Directors' Report

The profit for the financial year was EUR 26,477,560.18, of which EUR 46,766,982.71 was interest income on intra-group loans and EUR 19,780,862.85 interest expenses.

Events during the financial period

In February 2022, the company issued an unsecured bond of EUR 700 million. The bond matures in two years and has a floating interest rate (3 months EURIBOR + 0.55%). Deutsche Bank acted as the bookrunner. In addition, the company has paid off the bond of EUR 600 million. The payment included EUR 15,000 in interest and took place through the bank account of the parent company Samhällsbyggnadsbolaget i Norden AB, which means that it does not appear in the cash flow statement. Bond's arrangement expenses were recognised in full as an expense for the period. The original maturity date of the bond was 1.2.2023. In November 2022, the company repurchased EUR 141,167,000 of the bond maturing in 2024.

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.

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

Main risks

SBB Treasury Oyj is exposed to financial and interest rate risks. Financial risk is the risk that SBB Treasury Oyj would not have access to financing, or the costs of financing would become too high. In addition, the bond terms contain conditions that may limit the possibilities of taking on new debt securities. If SBB Treasury Oyj is unable to manage the financing or the financing is obtained on less favourable terms, this may have a material adverse effect on the financial position of the SBB Group. Interest rate risk is described as a risk that may have adverse effects on SBB Group's interest expenses. Interest expenses are one of the 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 rate, the margins of credit institutions and the strategy of fixed interest periods. Interest rate risk may lead to changes in market value and cash flows, as well as fluctuations in SBB Group's earnings.

The financing risk is managed through targets in the finance policy striving to have good diversification in terms of the loans' maturity structure, forms of borrowing and lenders, and to have good advance planning for refinancing and a well-balanced liquidity reserve. As of 31 December 2022, the average remaining maturity of the loan portfolio was 3.9 years (4.1). At the same time, available liquidity, including cash and cash equivalents, financial investments, loan commitments and unutilized lines of credit, amounted to SEK 21,765m (45,846). The objective of SBB's interest rate risk strategy is to achieve stable cash flows to allow property investments and meet the requirements and expectations of external parties whilst achieving the best possible financial cash flow. The interest rate risk strategy's aim is to maintain a balanced combination of variable and fixed interest rates, taking into account the sensitivity of SBB's total cash flows to changes in the fixed income market over a long-term horizon. The average fixed interest term at the end of the year was 3.2 years (3.6) and the share of the loan portfolio with fixed interest terms through interest rate derivatives or fixed interest loans was 78 percent (74).

SBB Treasury Oyj's average remaining maturity on December 31, 2022, was 4.7 years. The average fixed-rate maturity at the end of the year was 6.5 per cent and the share of the fixed-rate loan portfolio through interest rate derivatives or fixed-rate loans was 75 per cent. At the same time, the available liquidity, including cash and cash equivalents and loan commitments, was 2,248MEUR.

Related party transactions

In 2022, the company issued bond with a nominal value of EUR 700 million, after which the funds received were transferred to the parent company. At the end of 2022, the company had accrued long term receivables from its parent company and related interest receivable amounting to EUR 2,247,955,896.83. The interest rate on mutual outstanding loans and liabilities within SBB Group is fixed at 2%.

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

The company's intra-group loan receivables are subject to credit loss risk. The company has no activities other than outstanding loans from the parent company Samhällsbyggnadsbolaget i Norden AB. Samhällsbyggnadsbolaget i Norden AB is dependent on its leases and payments received from its tenants, among other income. The financial performance and cash flow of the parent company may be negatively impacted if tenants are past due on rent or otherwise fail to meet their obligations, or the leases end earlier than expected for some reason, as the result of which SBB Treasury Oyj could be forced to recognise receivables from the parent company as credit losses and be unable to pay off the bond as agreed.

Receivables and liabilities are subject to the risk that their fair value changes due to floating interest rates, for example. Both the bond drawn during the reporting period and the long-term loan to the parent company are unsecured and have a fixed rate. In addition, both receivables and liabilities are denominated in euro and carry no foreign exchange risk. Some of the bonds are variable rate, which poses a risk due to the impact of changes in market interest rates on future interest rate movements. The company's interest expenses would rise by EUR 5.7 million in 2023 if market interest rates increased by 1 percentage point.

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

The company prepares a Corporate Governance Statement, which will be published separately at www.sbbtreasury.fi.

Board of Directors of the company

Chair:

Batljan Iljia

Members:

Karlsson Krister

Strid Sofia Eva-Lotta

The auditor is Ernst & Young Oy.

Principal auditor:

Rytilahti Mikko Jarmo Eelis

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 profit for the reporting period be transferred to the profit account and that no dividend be paid.

Comprehensive income statement

Currency EUR	Note	1.1.2022-31.12.2022	1.1.2021-31.12.2021
Financial income and expenses			
Interest income	8, 19	46 766 984	35 281 926
Interest expenses	7	-19 780 863	-11 565 242
Other financial income	12	9 921 545	0
Other financial expenses	7	-3 383 313	-2 535 959
Impairments of financial assets and credit losses	4, 7	1 806	-1 621 500
Total financial income and expenses		33 526 158	19 559 225
Administrative expenses	9	-214 984	-109 378
Profit before tax		33 311 174	19 449 847
Taxes	10	-6 833 614	-4 207 380
Profit for the period		26 477 560	15 242 467
Other comprehensive income		0	0
Total comprehensive income for the period		26 477 560	15 242 467
Breakdown of profit for the period			
To shareholders of the parent company	11	26 477 560	15 242 467
Total		26 477 560	15 242 467
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	26 478	15 242

Balance sheet

Currency EUR	Note	31.12.2022	31.12.2021
ASSETS			
VARIABLE ASSETS			
Receivables			
Long-term			
Receivables from Group companies	12	2 247 955 897	2 250 462 034
Deferred tax receivables	10	323 939	0
Total long-term receivables		2 248 279 836	2 250 462 034
Current			
Other current receivables	15	9 580	0
Total current receivables		9 580	0
Total receivables		2 248 289 415	2 250 462 034
Cash and cash equivalents	15	101 356	94 687
Total cash and cash equivalents		101 356	94 687
TOTAL VARIABLE ASSETS		2 248 390 772	2 250 556 720
TOTAL ASSETS		2 248 390 772	2 250 556 720
LIABILITIES AND SHAREHOLDER EQUITY			
Equity attributable to shareholders of the parent company			
Share capital	16	80 000	80 000
Retained earnings	16	15 612 018	369 552
Profit for the period		26 477 560	15 242 467
TOTAL EQUITY		42 169 578	15 692 018
LIABILITIES			
Long term			
Bonds	12	2 190 539 377	2 228 521 685
Liabilities to Group companies	19	7 574 255	708 621
Deferred tax liabilities	10	1 334 220	1 266 434
Total long-term liabilities		2 199 447 852	2 230 496 740
Short term			
Accrued liabilities	10, 18	3 581 221	2 971 946
Interest payable	18	3 192 121	1 396 016
Total short-term liabilities		6 773 342	4 367 962
TOTAL LIABILITIES		2 206 221 194	2 234 864 702
TOTAL LIABILITIES AND SHAREHOLDER EQUITY		2 248 390 772	2 250 556 721

Statement of changes in equity

Equity attributable to shareholders of the parent company

				31.12.2022
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
Oma pääoma 31.12.2022		80 000	42 089 578	42 169 578

				31.12.2021
Currency EUR	Note	Share capital	Retained earnings	Total equity
Share capital as of the beginning of the period	16	80 000	369 552	449 552
Profit for the period	16	0	15 242 467	15 242 467
Oma pääoma 31.12.2021		80 000	15 612 018	15 692 018

Cash flow statement

Currency EUR	Note	1.1.2022-31.12.2022	1.1.2021-31.12.2021
Cash flows from operating activities			
Profit for the period before tax		33 311 174	19 449 847
<i>Adjustments to profit for the period</i>			
Change in receivables from other Group companies	12	9 371 771	-19 979 057
Change in bonds	12	-37 982 308	
Paid taxes			
Other adjustments		-4 501 967	518 459
Net cash flow from operating activities		198 669	-10 751
Cash flows from investing activities			
Change in long-term receivables	12	-700 500 000	-1 539 113 226
Net cash flow from investing activities		-700 500 000	-1 539 113 226
Cash flows from financing activities			
Bonds, new	12	700 308 000	1 539 119 226
Net cash flow from financing activities		700 308 000	1 539 119 226
Change in cash and cash equivalents		6 669	-4 751
Cash and cash equivalents at the beginning of the period		94 687	99 438
Cash and cash equivalents at the end of the period		101 356	94 687

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 2022. The Board of Directors approved this Annual Report on 25 April 2023. 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 Mannerheiminaukio 1 A, 00101 Helsinki, Finland. 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 principles

The financial statements were prepared in accordance with International Financial Reporting Standards (IFRS). IFRS refers to standards and interpretations adopted for application in the EU in accordance with the procedure laid down in the Finnish Accounting Act and the provisions adopted pursuant to the EU Regulation (EC 1606/2002).

Assets and liabilities are valued at their original cost. Interest receivables and interest liabilities are 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% at the balance sheet date. Reported tax and 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 long-term receivables, others as current assets. Receivables are recorded in the amount expected to be received after an 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 was prepared in accordance with the indirect method. All amounts are expressed in euro, unless otherwise specified. The financial statements have been prepared on a going concern basis (continuity principle).

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 2022 or 2021.

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 which to 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 2022 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

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 arise during the lifetime of the asset. If the credit risk has not increased significantly since the credit was issued, the provision is based on 12 months of expected credit losses. The 12-month expected credit loss is part of the lifetime expected credit loss, which represents expected credit losses due to default events of the financial instrument that are possible within 12 months of the reporting date.

The company has estimated that its credit risk has not increased significantly during 2022 or 2021. The long-term receivables originate from Samhällsbyggnadsbolaget i Norden AB, whose credit rating is BBB- (Standard & Poor's).

The following table contains information on the credit risk associated with the company's receivables based on 12-month expected credit losses. The calculation is based on IFRS 9, which does not necessarily represent actual default in the future. The company does not expect long-term receivables to include actual credit losses in the future.

	31.12.2022	31.12.2021
Probability of default (PD)	0,16 %	0,16 %
Loss Given Default (LGD)	45 %	45 %
Nominal value of long-term receivables	2,249,575,590.92€	2,252,083,533.77€
Recognised credit losses	1,619,694.43€	1,621,500.00€
Book value of long-term receivables	2,247,955,896.83€	2,250,462,033.77€

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.

In February 2022, the company issued an unsecured bond of EUR 700 million. The bond matures in two years and has a floating interest rate (3 months EURIBOR + 0.55%). Deutsche Bank acted as the bookrunner. In addition, the company has paid off the bond of EUR 600 million. The payment included EUR 15,000 in interest and took place through the bank account of the parent company Samhällsbyggnadsbolaget i Norden AB, which means that it does not appear in the cash flow statement. Bond's arrangement expenses were recognised in full as an expense for the period. The original maturity date of the bond was 1.2.2023. In November 2022, the company repurchased EUR 141,167,000 of the bond maturing in 2024.

The loans were paid into the company's account and transferred to the parent company's bank account. The loan receivable is recognised as a long-term receivable on SBB Treasury Oyj's balance sheet. The interest rate is fixed at 2%.

Net gearing	31.12.2022	31.12.2021
Interest-bearing liabilities	2 197 210 479	2 236 475 355
Cash and short-term deposits	-101 356	-94 687
Net debt	2 197 109 123	2 236 380 668
Equity	42 169 578	15 692 018
Total equity and net debt	2 239 278 700	2 252 072 686
Net gearing	98,12 %	99,30 %

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 2022:

	Measurement date	Total	Level 1	Level 2	Level 3
Assets					
Receivables from Group companies	31.12.2022	2 247 955 897		2 247 955 897	
Others	31.12.2022	9 580		9 580	
Total		2 247 965 477		2 247 965 477	
Liabilities					
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	
Total		1 555 520 235	1 547 945 980	7 574 255	

Fair value measurement hierarchy as of 31 December 2021:

	Measurement date	Total	Level 1	Level 2	Level 3
Assets					
Receivables from Group companies	31.12.2021	2 250 462 034		2 250 462 034	
Total		2 250 462 034		2 250 462 034	
Liabilities					
Long-term liabilities at fixed and variable rates	31.12.2021	2 236 475 355	2 236 475 355		
Liabilities to Group companies	31.12.2021	708 621		708 621	
Total		2 237 183 976	2 236 475 355	708 621	

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

	1.1.2022	1.1.2021
Interest and financial expenses	-31.12.2022	-31.12.2021
Interest expenses, Bonds	-19 780 863	-11 565 242
Costs related to bonds	-2 349 189	-1 334 104
Impairments of financial assets and credit losses	0	-1 621 500
Unrealised changes in value	-1 034 124	-1 201 855
Total	-23 164 176	-15 722 701

8. Financial income

	1.1.2022	1.1.2021
Interest and financial income	-31.12.2022	-31.12.2021
Impairments of financial assets and credit losses	1 806	0
Other financial income	9 921 545	0
Interest income from Group companies, Samhällsbyggnadsbolaget i Norden AB	46 766 984	35 281 926
Total	56 690 334	35 281 926

9. Administrative expenses

	1.1.2022	1.1.2021
Administrative expenses	-31.12.2022	-31.12.2021
Audit	-65 791	-62 000
Legal and consultancy services	-109 433	-176
Other administrative expenses	-38 351	-36 412
Banking and financial transaction costs	-1 409	-10 790
Total	-214 984	-109 378

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.

	1.1.2022	1.1.2021
Tax calculation	-31.12.2022	-31.12.2021
Income tax for the period	-7 128 736	-2 940 946
Adjusted taxes for previous financial periods	38 970	0
Deferred taxes	256 152	-1 266 434
Total taxes on the income statement	-6 833 614	-4 207 380

	1.1.2022	1.1.2021
Reconciliation of actual tax rate	-31.12.2022	-31.12.2021
Profit before tax	33 311 174	19 449 847
Tax to the parent company at the rate applicable (20%)	-6 662 235	-3 889 969

Tax effect:

Other items	-171 379	-317 411
Taxes on the income statement	-6 833 614	-4 207 380

Effective tax rate	20,5%	21,6%
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	31.12.2022	31.12.2021
Deferred tax assets and liabilities		
Deferred tax assets, provision for expected credit losses	323 939	0
Deferred tax liabilities, expenses related to bonds	-1 334 220	1 266 434
Total	-1 010 282	1 266 434

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.

Earnings per share	31.12.2022	31.12.2021
Profit for the period	26 477 560	15 242 467
Number of shares	1 000	1 000
Profit per share	26 477,56	15 242,47

12. Financial assets and liabilities

Financial assets

	31.12.2022	31.12.2021
Long-term interest-bearing loan receivable, Samhällsbyggnadsbolaget i Norden AB	2 247 955 897	2 250 462 034
Total	2 247 955 897	2 250 462 034

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.

During the financial period, the company has paid off the bond of EUR 600 million. In February 2022, the company issued an unsecured floating rate bond of EUR 700 million, of which EUR 141 million had been repurchased in November. The terms and conditions of the new bond are stated below:

Issuer	SBB Treasury Oyj
Guarantee	Samhällsbyggnadsbolaget i Norden AB (publ)
LEI	549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer)
Classification	BBB- (Standard & Poor's), BBB- (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 2021 and until the maturity date

Interest-bearing financial liabilities, long-term	Nominal value, MEUR	Interest	Date of issue	Maturity date	31.12.2022
	700	0,75 %	14.12.2020	14.12.2028	694 702 222
	950	1.125%	26.5.2021	26.11.2029	943 291 237
	700	3kk Euribor + 0.55% markup	8.2.2022	8.2.2024	559 217 021

During the financial period, the company repurchased and amortised EUR 141,167,000 of the EUR 700 million bond issued in February 2022. The transaction generated EUR 9,921,545 in revenue, which is recognised in the income statement as other financial income

In 2021, the company issued two new bonds, the terms of which are listed below:

Issuer	SBB Treasury Oyj
Guarantee	Samhällsbyggnadsbolaget i Norden AB (publ)
LEI	549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer)
Classification	BBB- (Standard & Poor's), BBB- (Fitch)
Intermediaries	Deutsche Bank Aktiengesellschaft
Currency	EUR
Type	Floating rate
Nominal value of debt	EUR 600,000,000
Begins	1 February 2021 (T+5)
Matures	1 February 2023
Reference rate	3 months Euribor%
Markup	0,65 %
Interest payment dates	Quarterly, payable on February 1, May 1, August 1 and November 1 of each year starting from 1 May 2021 and until the maturity date

Issuer	SBB Treasury Oyj
Guarantee	Samhällsbyggnadsbolaget i Norden AB (publ)
LEI	549300HX9MRFY47AH564 (Guarantor) / 5493003HHOCW6FIMH724 (Issuer)
Classification	BBB- (Standard & Poor's), BBB- (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	31.12.2021
	700	0,75 %	14.12.2020	14.12.2028	693 839 174
		3kk Euribor +			
	600	0.65% markup	1.2.2021	1.2.2023	600 329 602
	950	1.125%	26.5.2021	26.11.2029	942 306 579

Financial assets and liabilities

Financial assets and liabilities in the company's balance sheet correspond to fair value:

	31.12.2022 Book value	31.12.2022 Fair value
Financial assets		
Long-term receivables from Group companies, interest-bearing	2 247 955 897	2 247 955 897
Total	2 247 955 897	2 247 955 897
Financial liabilities		
Long-term interest-bearing liabilities	2 190 539 377	1 547 945 980
Liabilities to Group companies	7 574 255	7 574 255
Total	2 198 113 632	1 555 520 235
	31.12.2021 Book value	31.12.2021 Fair value
Financial assets		
Long-term receivables from Group companies, interest-bearing	2 250 462 034	2 250 462 034
Total	2 250 462 034	2 250 462 034
Financial liabilities		
Long-term interest-bearing liabilities	2 228 521 685	2 228 521 685
Liabilities to Group companies	708 621	708 621
Total	2 229 230 306	2 229 230 306

13. Risk management

Interest rate risk

Receivables and liabilities are subject to the risk that their fair value changes due to floating interest rates. The long-term loan issued to the parent company during the financial year is fixed-rate. In addition, both receivables and liabilities are denominated in euro and carry no foreign exchange risk. Some of the bonds are floating rate, which poses a risk due to the impact of changes in market interest rates on future interest expenses. The company's interest expenses would rise by EUR 5.7 million in 2023 if market interest rates were to increase 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

	As of 31 December 2022					
	On request	< 3 months	3-12 months	1-5 years	> 5 years	Total
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

	As of 31 December 2021					
	On request	< 3 months	3-12 months	1-5 years	> 5 years	Total
Liabilities to Group companies	708 621	0	0	0	0	708 621
Bonds	0	0	0	600 329 602	1 649 670 398	2 250 000 000
Interest payments	0	0	16 803 688	64 736 221	41 910 938	123 450 846
	708 621	0	16 803 688	665 065 823	1 691 581 336	2 374 159 467

14. Changes in liabilities due to financial activities

	Changes in cash				
	1.1.2022	flow	Currency changes	Others	31 December 2022
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
Total	2 229 917 700	-37 982 308	0	1796105,17	2 193 731 497

	Changes in cash				
	1.1.2021	flow	Currency changes	Others	31 December 2021
Bonds	690 065 571	1 538 456 114	0	0	2 228 521 685
Short-term interest liabilities	247 917	0	0	1 148 099	1 396 015
Total	690 313 488	1 538 456 114	0	1148098,53	2 229 917 700

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 December 2022	31.12.2021
Bank account Handelsbanken	101 356	94 687
Total	101 356	94 687

Other receivables

	31 December 2022	31.12.2021
Standard & Poor, amortised expense	9 580	0
Total	9 580	0

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.

	31.12.2022	31.12.2021
Share capital at the beginning of the period	80 000	80 000
Share capital on 31 December	80 000	80 000
Profit/loss for previous financial periods	15 612 018	369 552
Profit/loss for the period	26 477 560	15 242 467
Total equity	42 169 578	15 692 018

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

17. Proposal on dividend distribution and use of retained earnings**Calculation of distributable funds as at 31 December 2022**

	31.12.2022	31.12.2021
Distributable unrestricted equity		
Profit/loss for previous financial periods	15 612 018	369 552
Profit for the period	26 477 560	15 242 467
Total distributable unrestricted equity	42 089 578	15 612 018

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 600 million (nominal value) bond is amortised monthly using the effective interest rate method but paid quarterly. The coupon rate for the bond is 3 months Euribor + a 0.65% markup. The bond was repaid in February 2022.

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

	31.12.2022	31.12.2021
Amortised interest expenses	3 192 121	1 396 016
Total	3 192 121	1 396 016

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

Accrued liabilities

	31.12.2022	31.12.2021
Audit expenses, EY	32 392	31 000
Newsec Asset Management Oy	165	0
Cision Ab	396	0
Eklips Digital AB	329	0
Income taxes for the period	3 547 939	2 940 946
Total accrued liabilities	3 581 221	2 971 946

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 2022, long-term receivables from the parent company and related interest receivables amounted to EUR 2,247,955,897. 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 1.6 million. During the financial period, approximately EUR 1,800 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 a long-term loan to the Group company SBB Finland Oy, which consists of purchase invoices and taxes paid from SBB Finland's account. From 2022 onwards, the interest rate on the loan is 2%.

Interest income from Group companies

	31.12.2022	31.12.2021
Samhällsbyggnadsbolaget i Norden AB	46 766 983	35 281 926
Total	46 766 983	35 281 926

Receivables from Group companies

	31.12.2022	31.12.2021
Long-term, Samhällsbyggnadsbolaget i Norden AB	2 247 955 897	2 250 462 034
Total	2 247 955 897	2 250 462 034

Liabilities to Group companies

	31.12.2022	31.12.2021
Long-term, SBB Finland Oy	7 574 255	0
Short-term, Tampere Holdco Oy	0	641 138
Short-term, SBB Finland Oy	0	67 484
Total	7 574 255	708 621

Interest expenses to Group companies

	31.12.2022	31.12.2021
SBB Finland Oy	-58 458	0
Total	-58 458	0

20. Standard changes

The new and revised standards, which will enter into force on 1 January 2023 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.

Signatures of the financial statements:

Helsinki, April 19, 2023

Batljan Ilija
Chair of the Board of Directors

Strid Sofia Eva-Lotta
Member of the Board of Directors

Karlsson Krister
Member of the Board of Directors

Auditor's note

A report on the completed audit has been issued today.

Helsinki, April 21, 2023

Ernst & Young Oy
Audit firm

Rytilahti Mikko
Authorised Public Accountant (KHT)