

Q1 2025

Results Presentation

SBAB Bank AB (publ)

SBAB!

Q1 2025 highlights



- Continued strong growth in residential mortgages



- Overall stable development for deposits



- Decreasing profitability following intense competition and margin pressure



- Continued best-in-class asset quality



- Strengthened capital position amid Basel 4 implementation

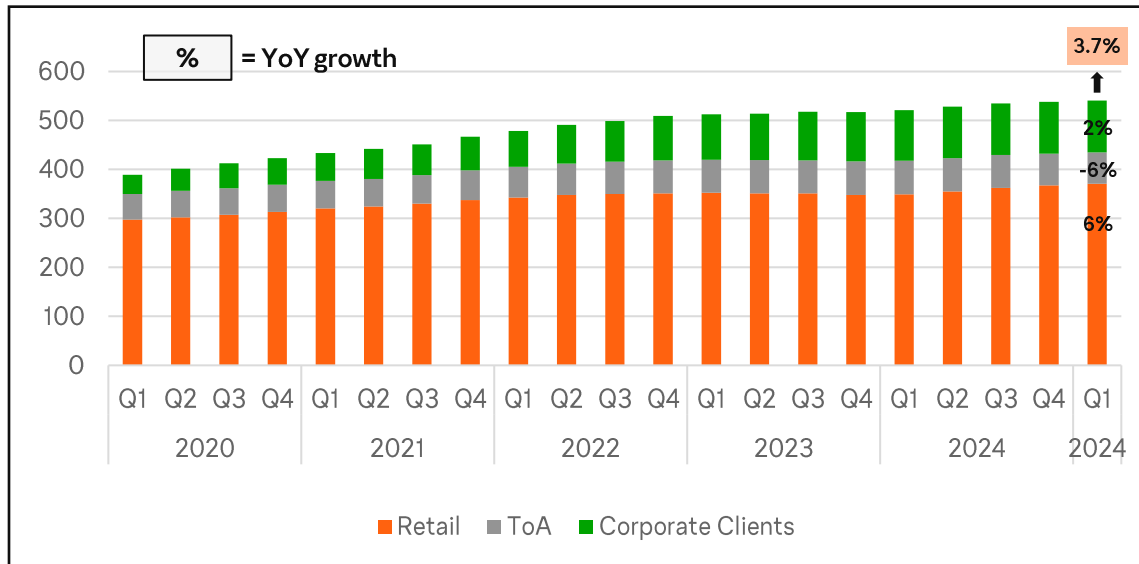


- Increased funding activity in Q1



Q1 highlights: Continued strong growth in residential mortgages

Lending (SEK bn)

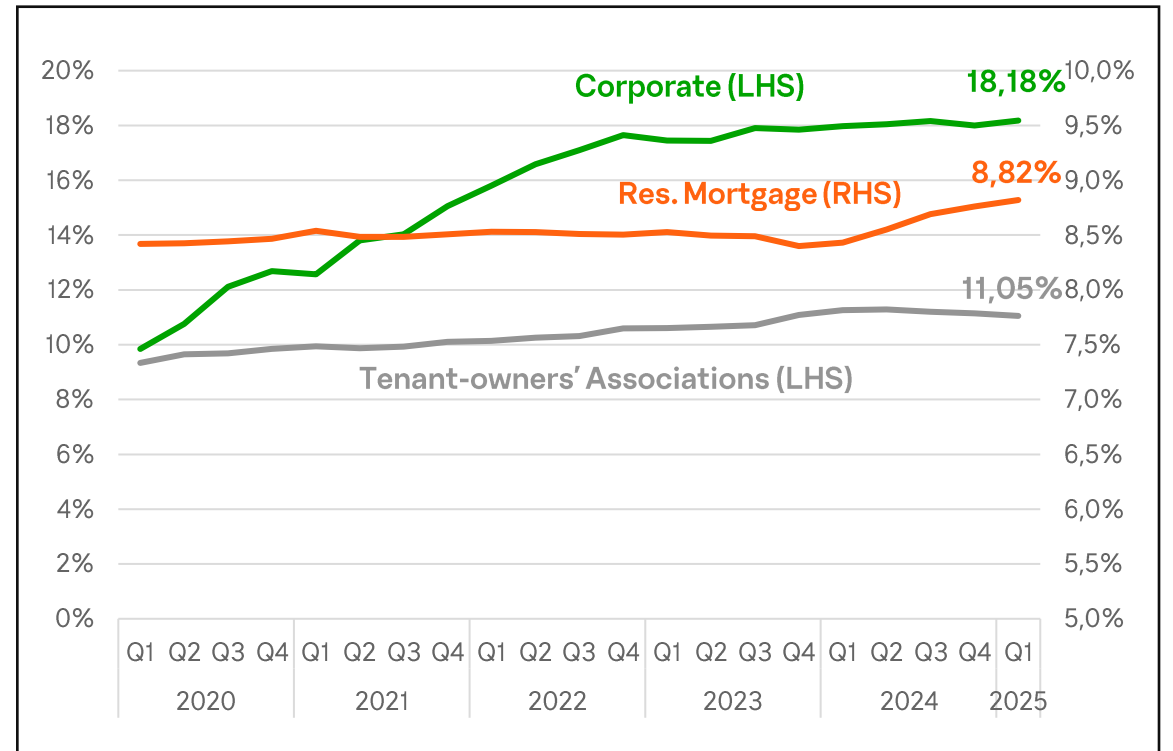


Growth in lending
(QoQ / YoY)

+0.5%

+3.7%

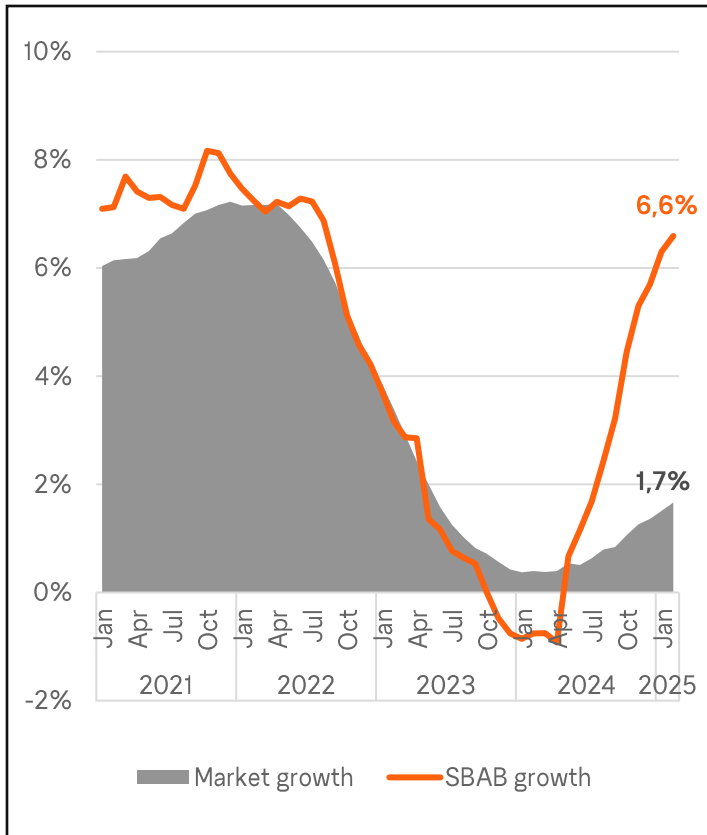
Market shares (%)



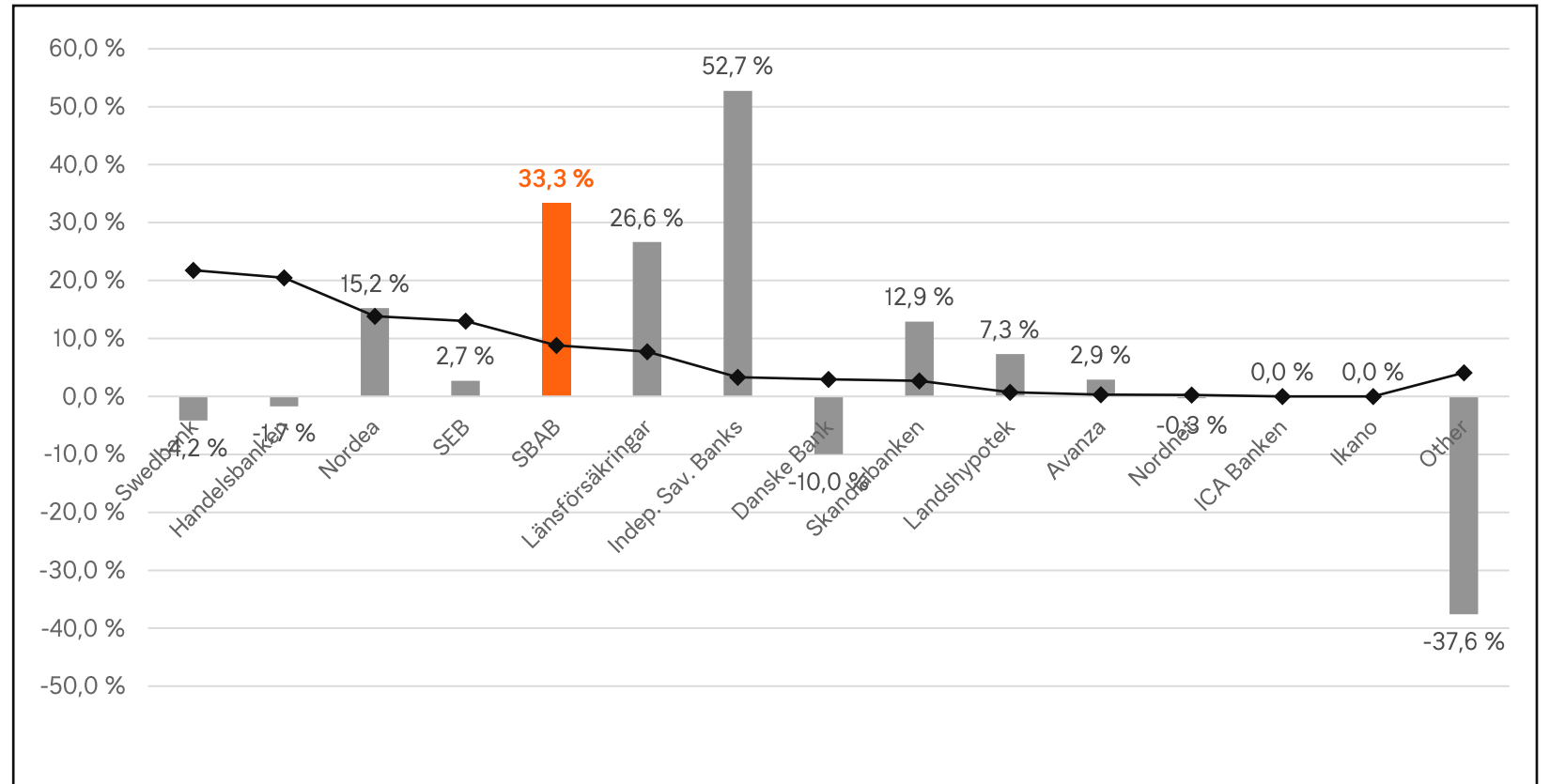
Mortgage market dynamics

- SBAB performs well in a market characterized by tough competition, compressed margins and muted credit growth

Total market growth



Share of net market growth (R12) vs back book market share

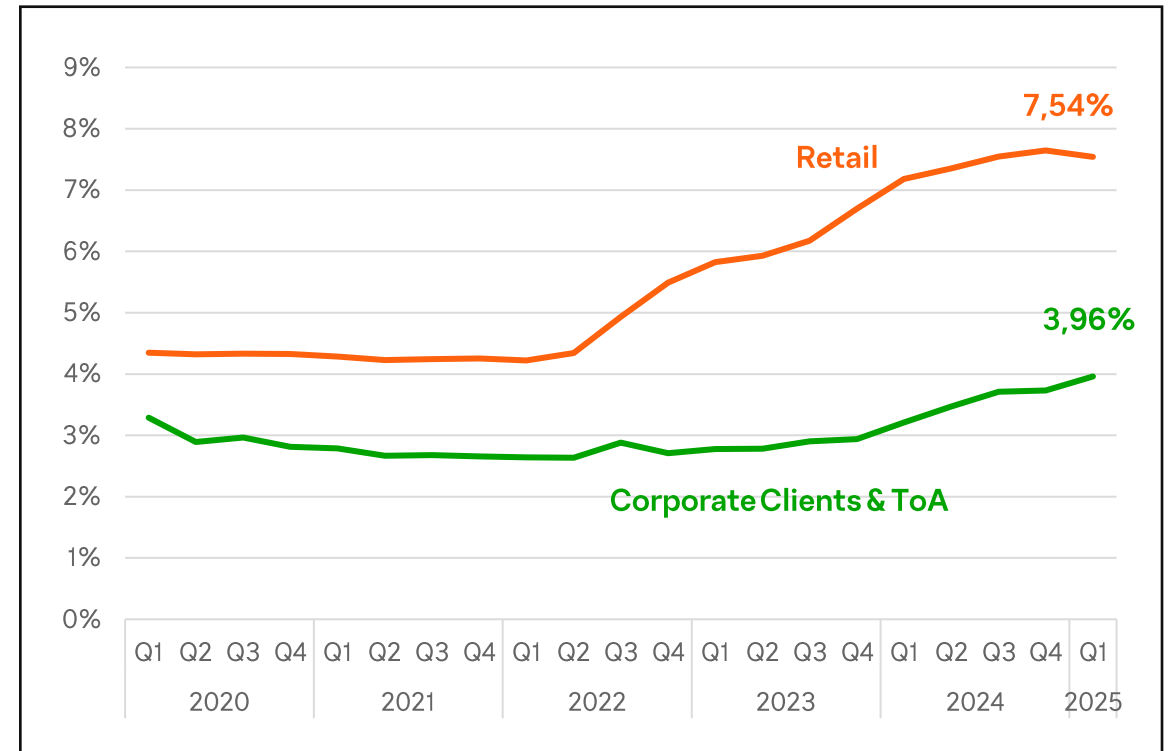


Q1 highlights: Overall stable development for deposits

Lending (SEK bn)



Market shares (%)



Growth in deposits
(QoQ / YoY)

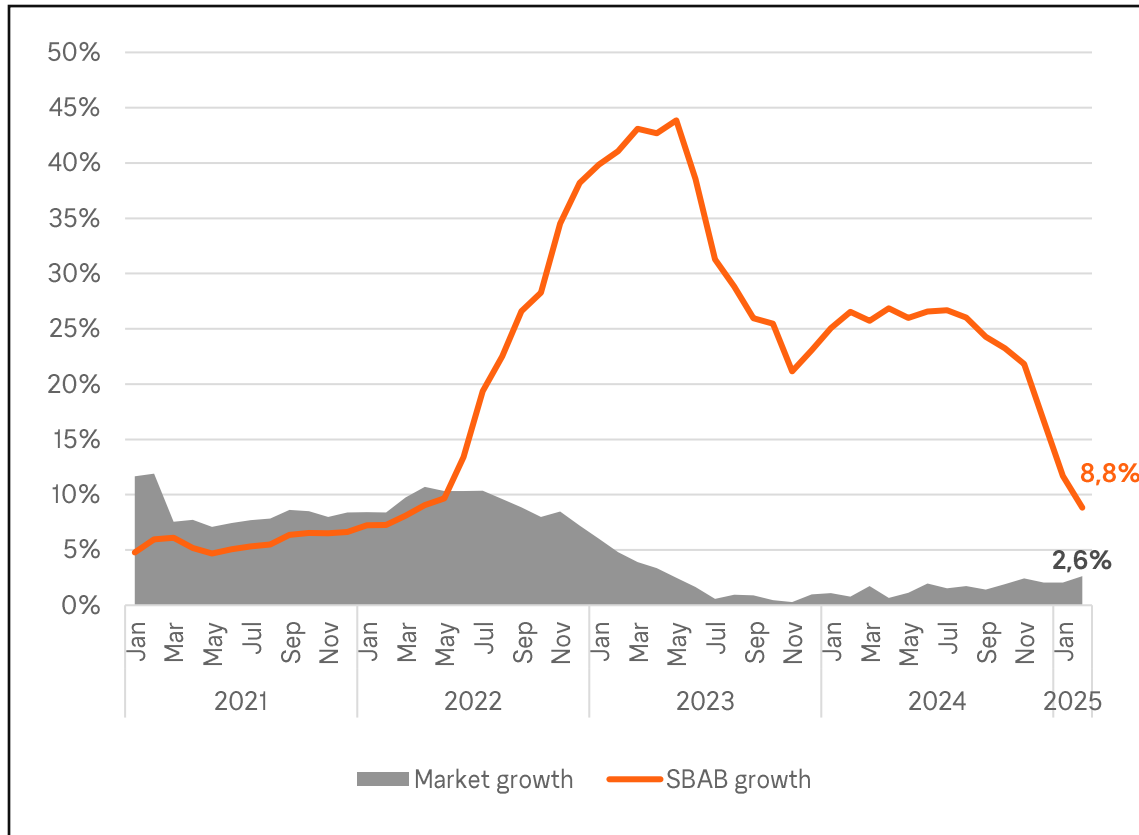
-0.3%

+10.5%

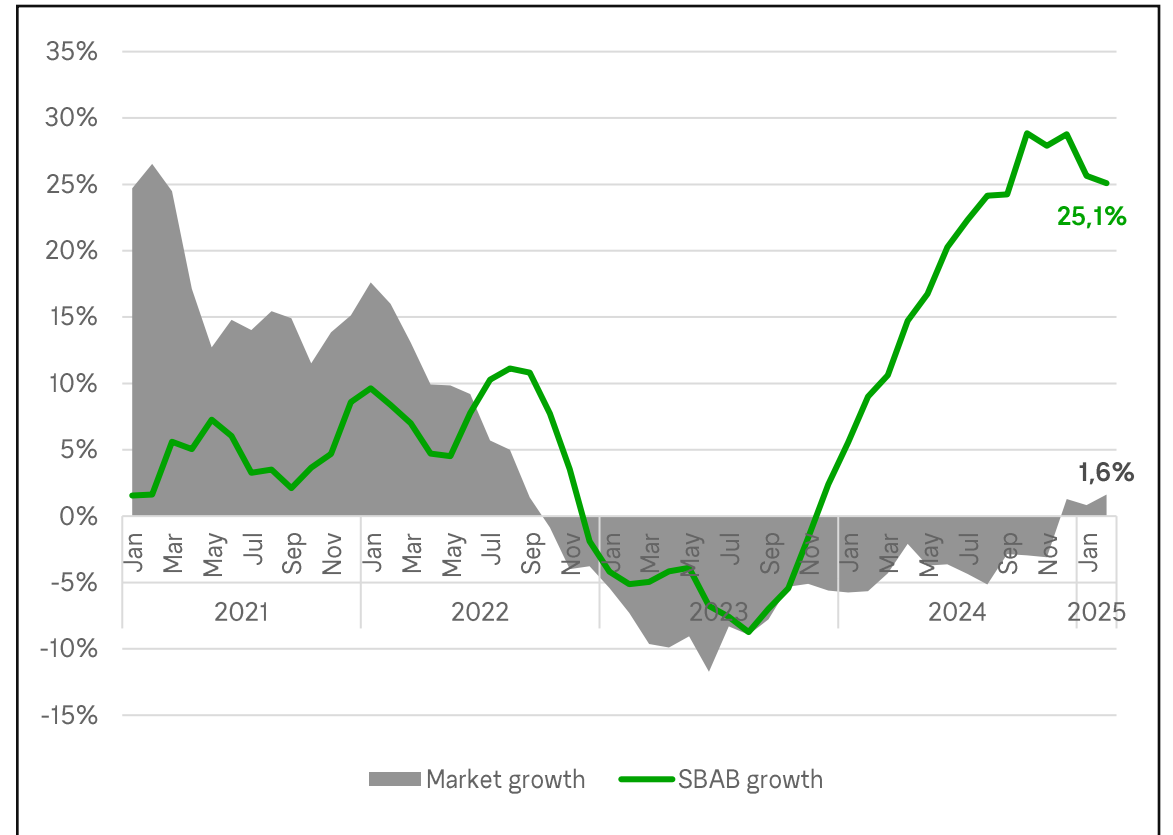


Deposit growth vs. market

SBAB growth vs. market growth (Retail deposits)



SBAB growth vs. market growth (Corporate deposits)

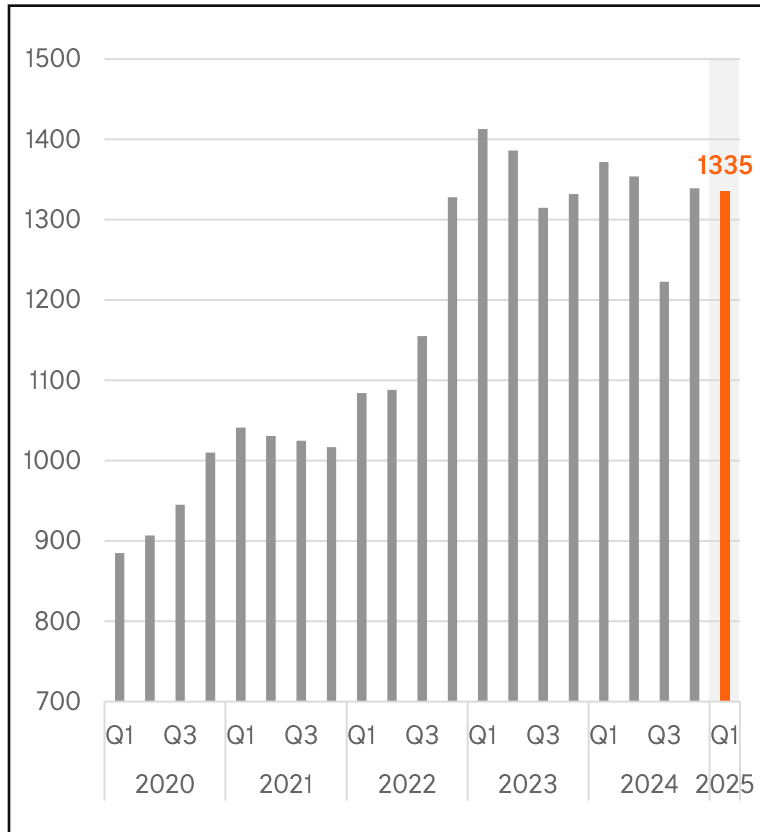


Q1 highlights: Decreasing profitability following intense competition and margin pressure

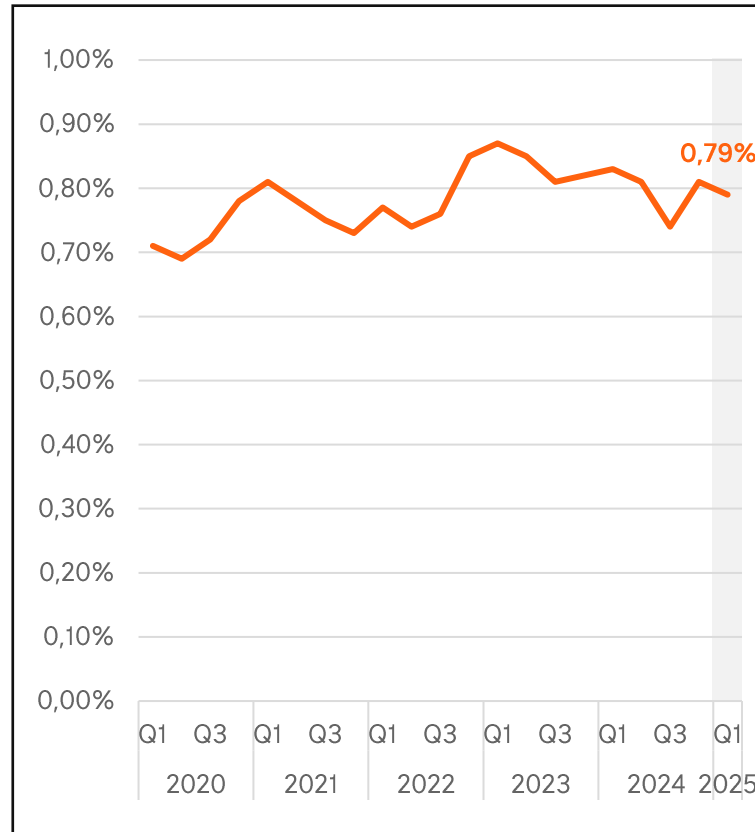
SEK mn	Q1 2025	Q4 2024	▲	Q1 2025	Q1 2024	▲	FY 2024
Lending (SEK bn)	540.4	537.8	+0.5%	540.4	521.3	+3.7%	537.8
Deposits (SEK bn)	255.0	255.9	-0.3%	255.0	230.7	+10.5%	255.9
Net interest income	1,335	1,339	-0.3%	1,335	1,372	-2.7%	5,288
Net commission	-16	-13	-3 mn	-16	-17	+1 mn	-54
Net result financial transactions	-3	73	-76 mn	-3	40	-43 mn	86
Costs	-473	-545	-13.2%	-473	-439	+7.7%	-1,907
Loan losses	-6	5	-11 mn	-6	-23	+17 mn	0
Imposed fees (risk tax and resolution fee)	-146	-143	-3 mn	-146	-142	-4 mn	-570
Operating profit	710	731	-2.9%	710	805	-11.8%	2,900
C/I ratio (%)	35.4%	38.5%	-3.1 pp	35.4%	31.2%	+4.2 pp	35.5%
Return on equity (%)	10.1%	10.1%	0 pp	10.1%	11.9%	-1.8 pp	10.4%
Loan loss ratio (%)	0.00%	0.00%	0 pp	0.00%	-0.02%	+0.02 pp	0.00%

NII & NIM development

Net Interest Income (NII) YoY (SEK mn)



Net Interest Margin* (NIM) YoY (%)



* Calculated as NII in relation to total assets in balance sheet

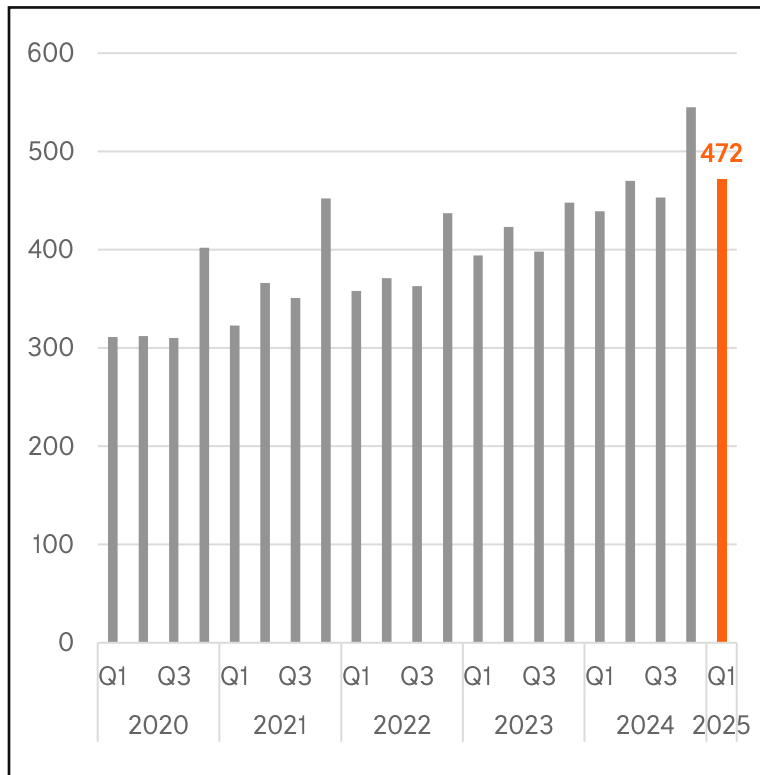
Comments

- NII marginally down QoQ, mainly due to a quarter-on-quarter increase in expenses linked to the national deposit guarantee (non-recurring reversal of SEK 8 million in Q4 2024)
- After adjustment for the above, the trend for underlying NII was positive, mainly driven by marginally higher deposit margins, partly offset by slightly lower lending margins.

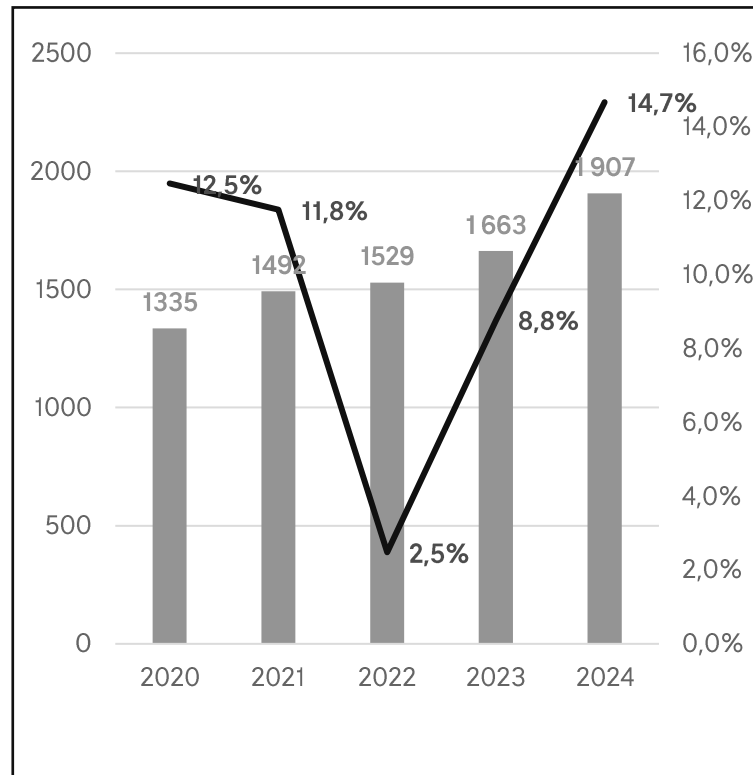


Continued investments for future competitiveness

Cost development QoQ (SEK mn)



Cost development YoY (SEK mn)



Comments

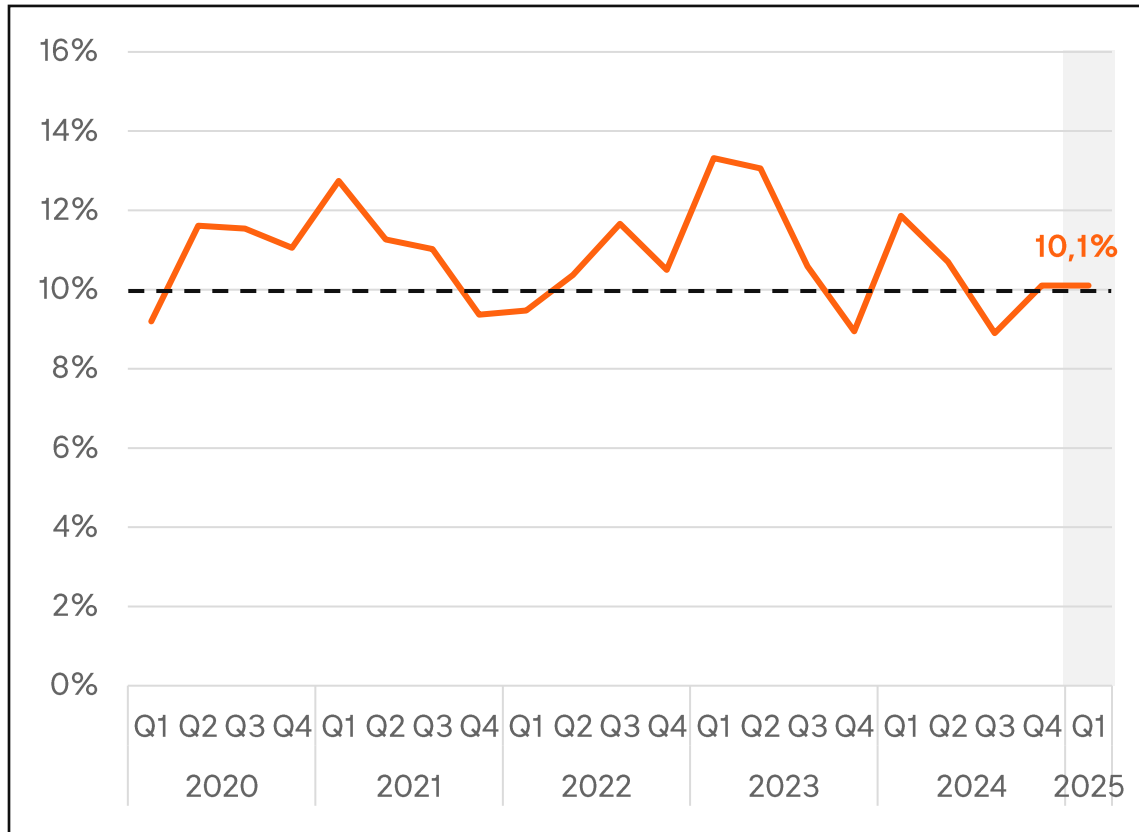
Overall trend of increased costs mainly attributable to investments for future competitiveness:

- Increased number of employees
- Replacement of IT-infrastructure
- Regulatory compliance
- Digitalisation & customer offering (incl. increased distribution power, customer service & customer experience)

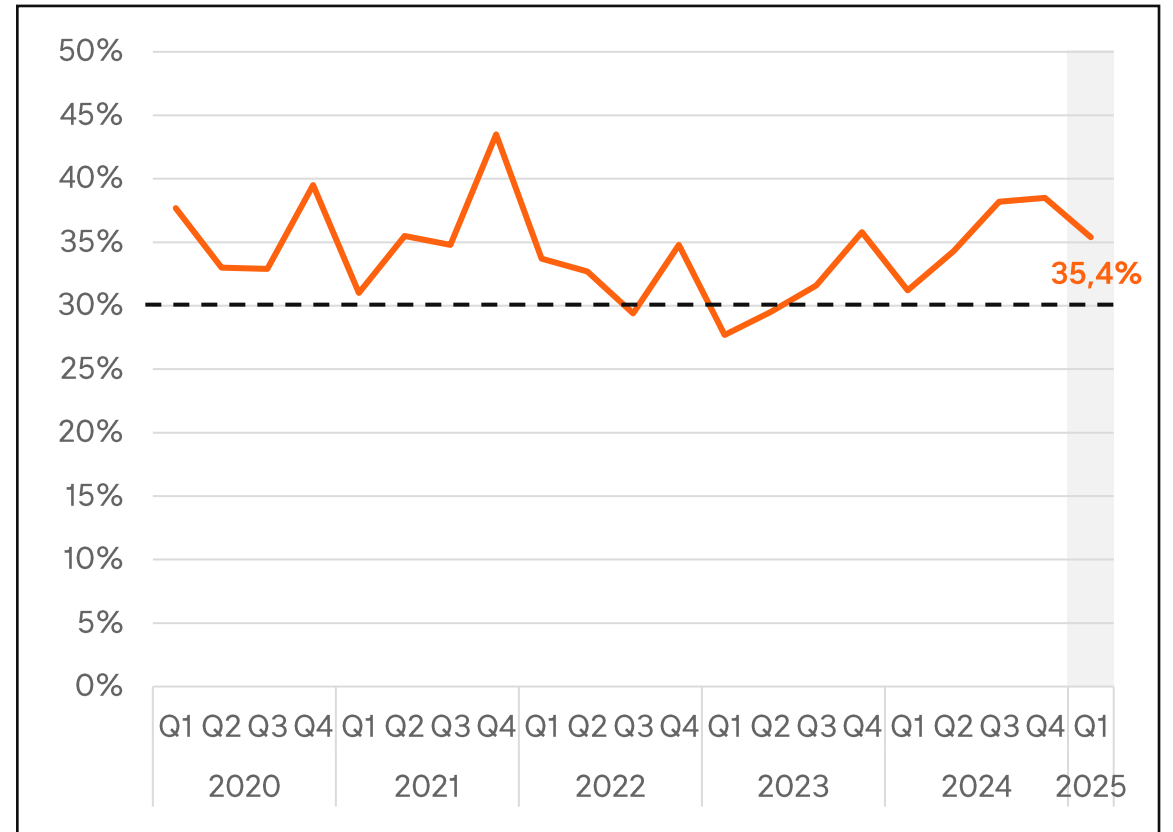


Profitability and cost efficiency

Return on equity, %



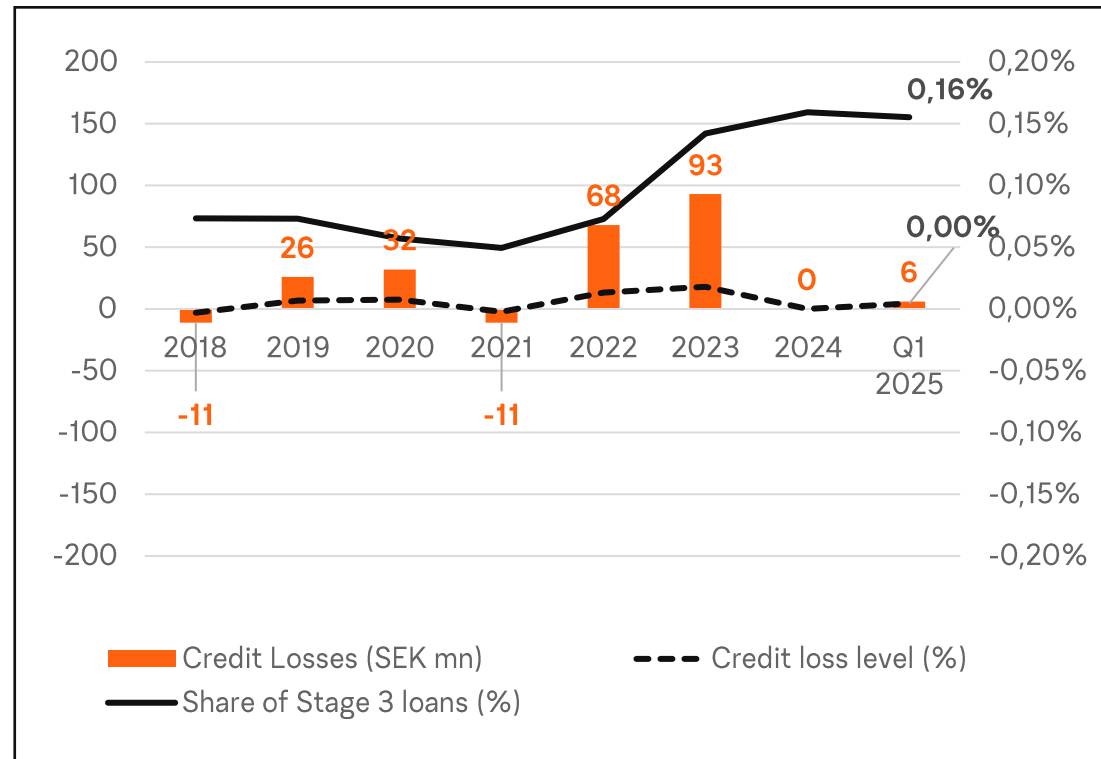
C/I-ratio, %



Q1 highlights: Continued best-in-class asset quality

- Low-risk loan portfolio focused on collateralised residential lending in Sweden
- Strong resilience towards recent economic downturn

Credit quality metrics



6 MSEK

Credit losses
Q1 2025

0.00%

Credit loss ratio
Q1 2025

0.16%

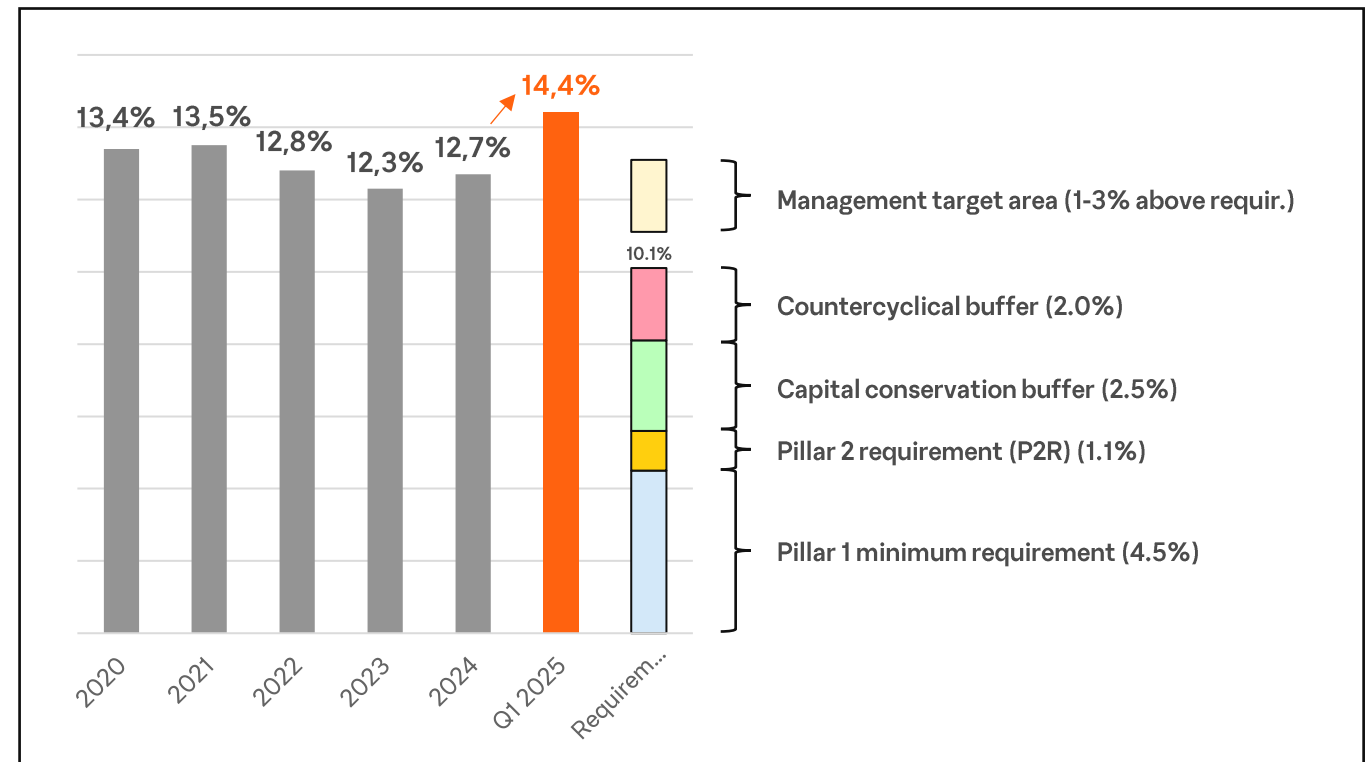
Share of stage 3 loans
31 Mar 2025



Q1 highlights: Strengthened capital position amid Basel 4 implementation

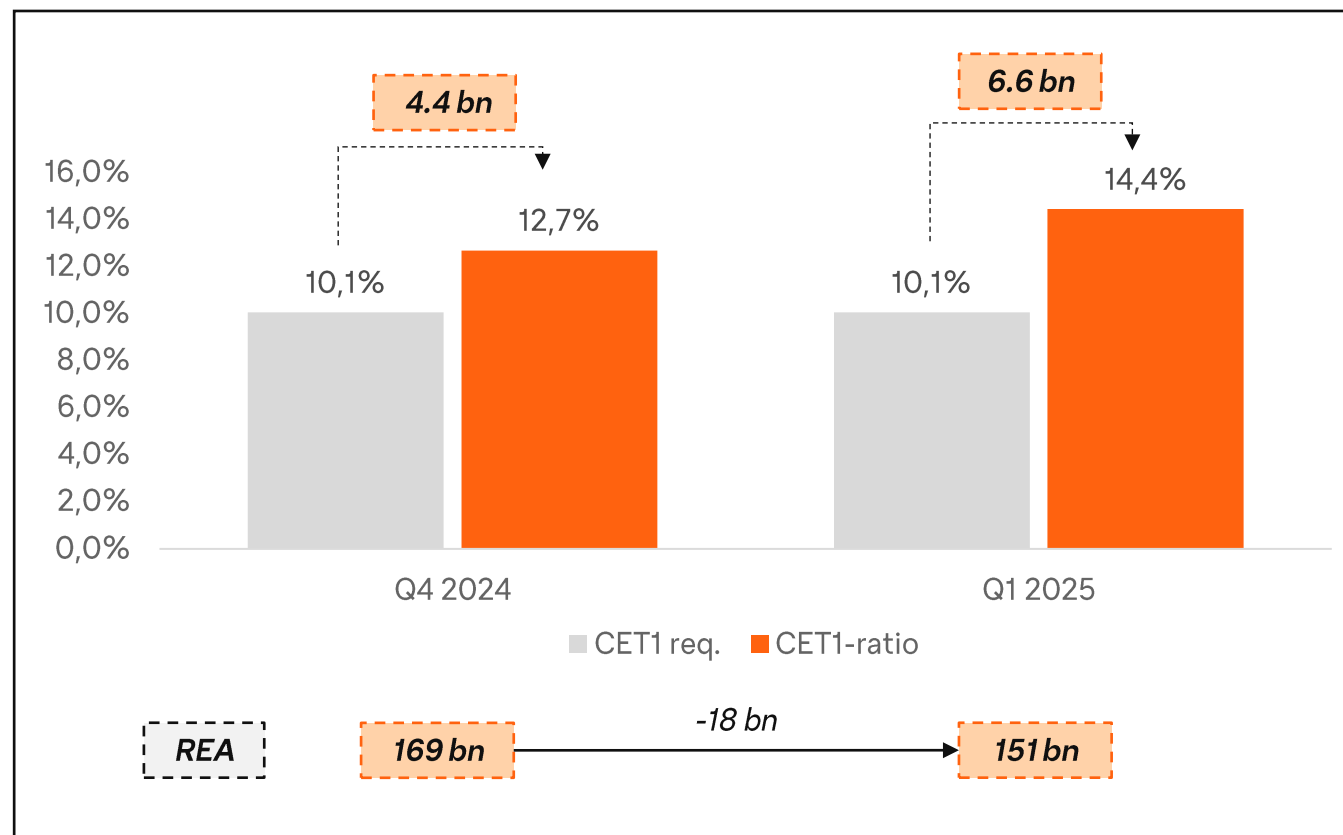
- CET1 capital ratio management target of 1-3% above regulatory requirement from the Swedish FSA. The margin to the requirement was 4.3% at Q1 2025
- Increased CET1 capital ratio Q1 2025 vs. Q4 2024 mainly attributable decreased risk weights for exposures to corporates and tenant-owners' associations in conjunction with the implementation of the new Banking Package (the CRR 3 regulations)

CET1 capital ratio vs. target



CRR 3 effects on capital position

Impact on REA and CET1 capital ratio



Comments

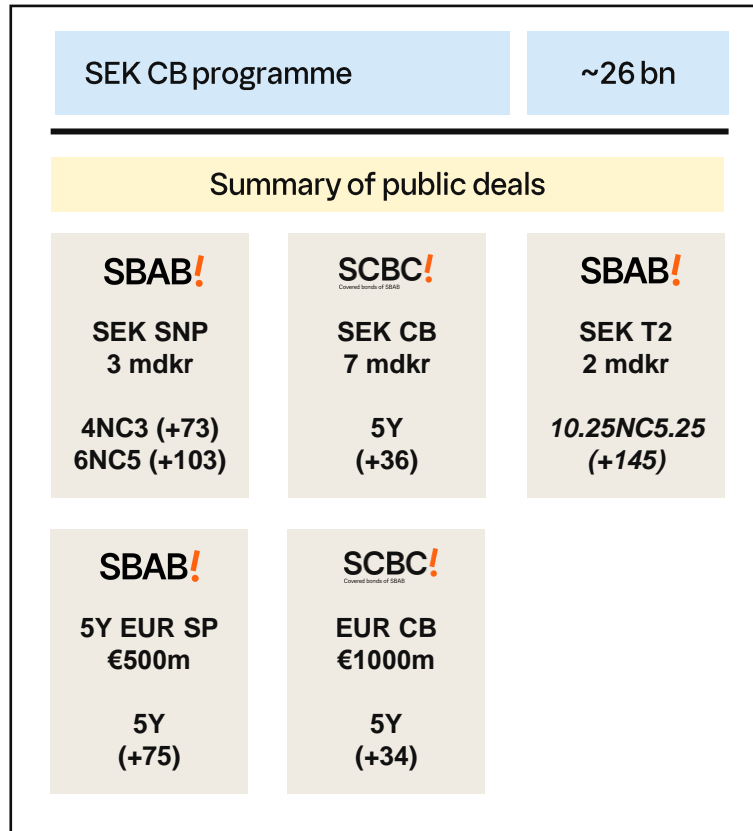
- Changes in the standardised values for loss given default (LGD) in CRR 3 significantly improve SBAB's risk weights for corporates and tenant-owners' associations, owing primarily to lower standardised LGD values for exposures secured by immovable property
- Since Q4 2024, REA has decreased by SEK 17.6 bn
- SBAB is not bound by the aggregated output floor, due to the current risk weight floors in Sweden (Article 458)
- In summary, the above has resulted in a significant improvement in margin to CET1 requirement (approx. 1.7 percentage points or SEK 2.2 bn)
- Due to the relief in REA from CRR 3, leverage ratio will be the requirement with the lowest CET1 headroom going forward



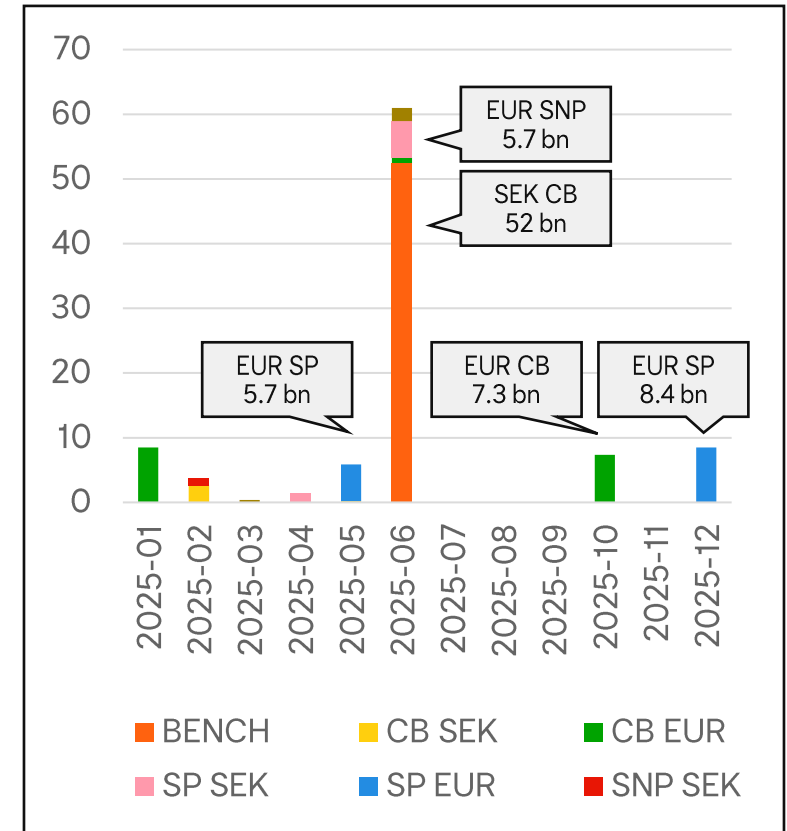
Q1 highlights: Increased funding activity in Q1

- Guidance for funding 2025 at approximately SEK 90 bn
- Front-loaded Q1 funding driven by higher 2025 needs, large redemptions, and market risk
- By the end of Q1, SBAB had secured just over half of its estimated full-year funding needs, leaving it well positioned for the remainder of the year
- SBAB has been active in both the SEK and EUR capital market with five public deals successfully completed

Overview Q1 issuance



Maturity profile (SEK bn)



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