

# Quarterly results

*SBAB Bank AB (publ)*

*Stockholm, April 2017*

*Klas Danielsson*

# SBAB

# Continued positive development

(SEK mn)	Q1 2017	Q4 2016	▲ QoQ	2016	2015	▲ YoY
NII	779	762	↑	2,829	2,442	↑
Costs	232	239	↓	889	809	↑
Loan losses, net	6 (pos)	2 (pos)	↓	18	40	↓
Operating profit	549	548	↑	2,011	1,492	↑
Deposits (SEK bn)	100.0	96.8	↑	96.8	76.6	↑
Lending (SEK bn)	305.1	296.0	↑	296.0	297.0	↓
Deposit/lending	32.8%	32.7%	↑	32.7%	25.8%	↑
C/I-ratio	30%	31%	↓	30%	35%	↓
RoE	12.6%	12.5%	↑	12.3%	10.2%	↑
CET1 ratio	29.9%	32.2%	↓	32.2%	28.6%	↑

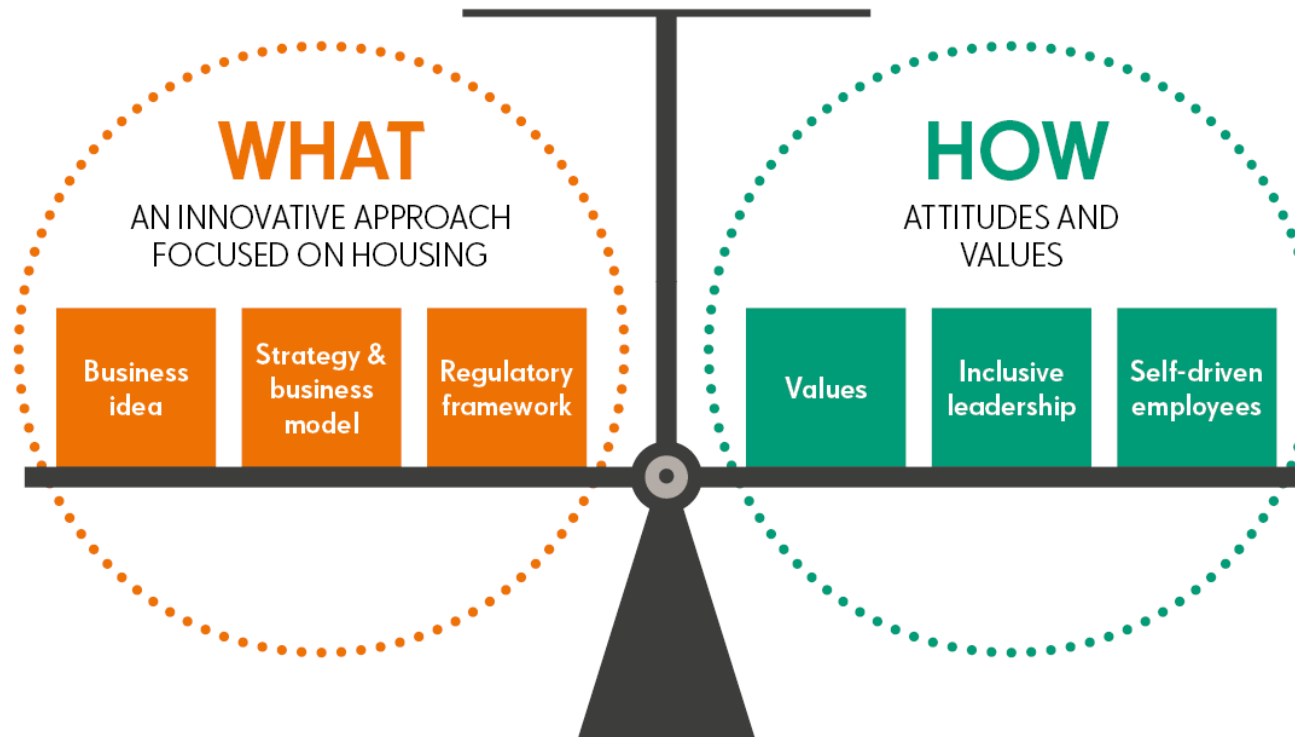
A kitchen windowsill is decorated with various items. On the left, there is a potted basil plant in a terracotta pot. Next to it is a stack of two books; the top one is 'IBREAD EXCHANGE' and the bottom one is 'Great Kitchen Trends'. Behind the books is a wooden box with 'Cirebro' written on it in red. To the right of the box is a brass pitcher on a small white plate. In the center, a yellow tray holds several clear glass glasses. To the right of the tray is a potted plant with white flowers in a terracotta pot. On the far right, a light green KitchenAid stand mixer is visible. The background shows a window with a view of green foliage and a brick building.

# STRATEGIC DIRECTION

# Strategic direction and steering

## WHERE

TO OFFER THE BEST RESIDENTIAL MORTGAGE IN SWEDEN  
TO HELP IMPROVE HOUSING QUALITY AND HOUSEHOLD FINANCES

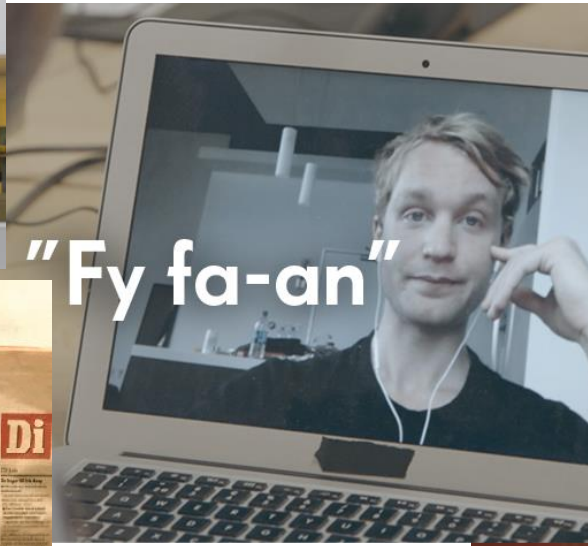




# ”Boendekonomi är jättekul!”

– SBAB’s marketing campaign (“Making household finances fun!”)

15th November,  
in Globen



**SBAB!**

# ”Boendekonomi är jättekul!”

– Campaign development in March

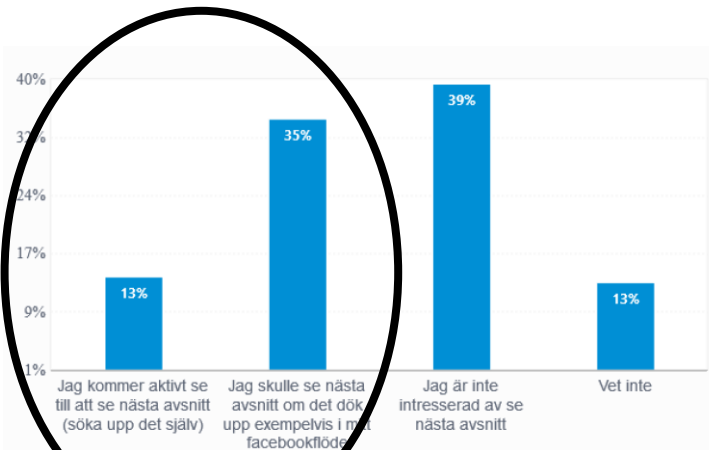


Digital channels: Facebook, Youtube, Rocketfuel, Unruly, Woo, TV4play, Expressen, Spotify

# ”Boendekonomi är jättekul!”

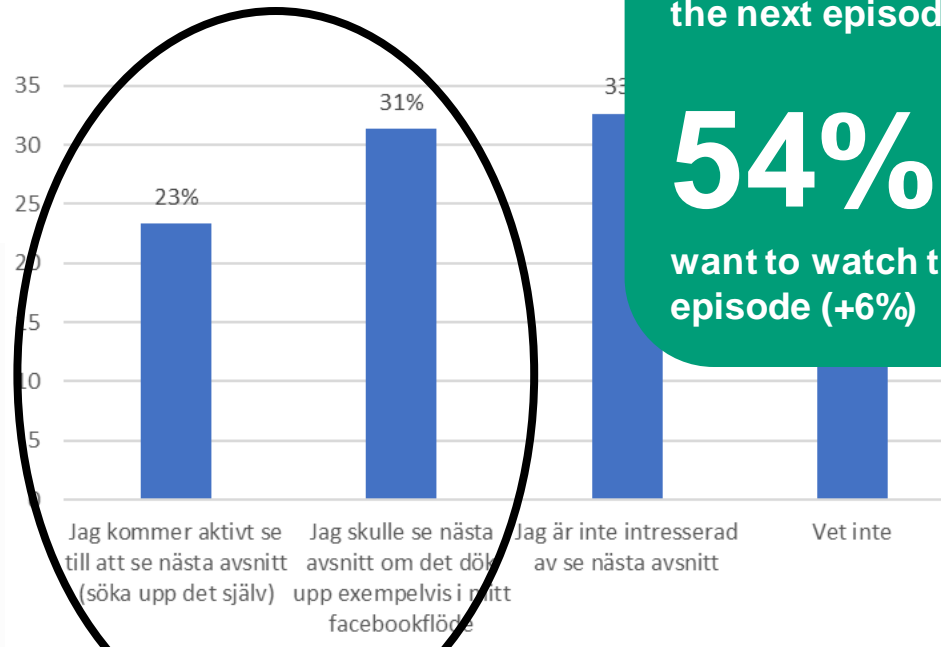
– High expectations for next episode

## Episode 1



48%

## Episode 2



54%

23%

will actively search for the next episode (+10%)

54%

want to watch the next episode (+6%)

# SBAB.se in March

Sessions

849.235

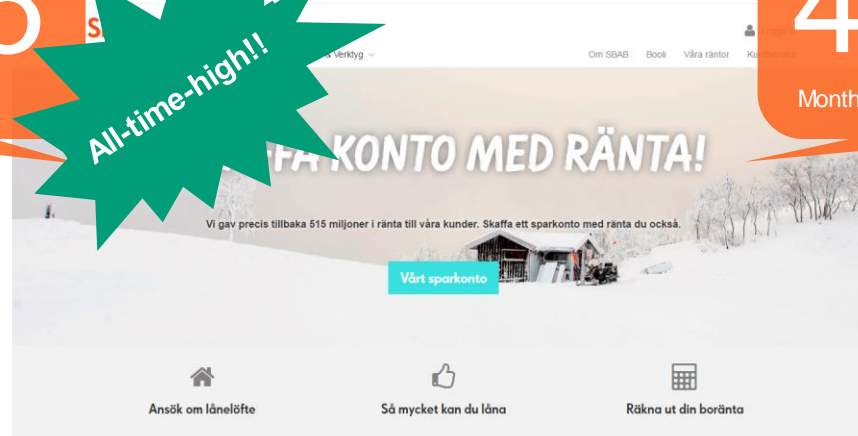
Month +11% YoY +16%

All-time-high!!

Sessions via mobile devices

46%

Month +12% YoY +19%



Conversions

10.509

Month +15% YoY +17%

All-time-high!!

Flytta bolånet till oss,  
bli en av Sveriges nöjdaste.

Conversions via mobile devices

34%

Month +15% YoY +48%



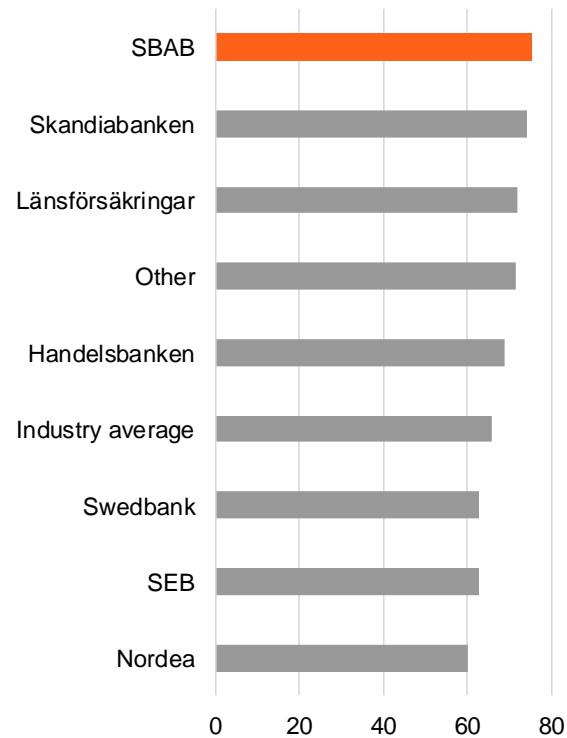
# No 1 in 2014, 2015 and 2016

”Sweden’s most satisfied residential mortgage customers”



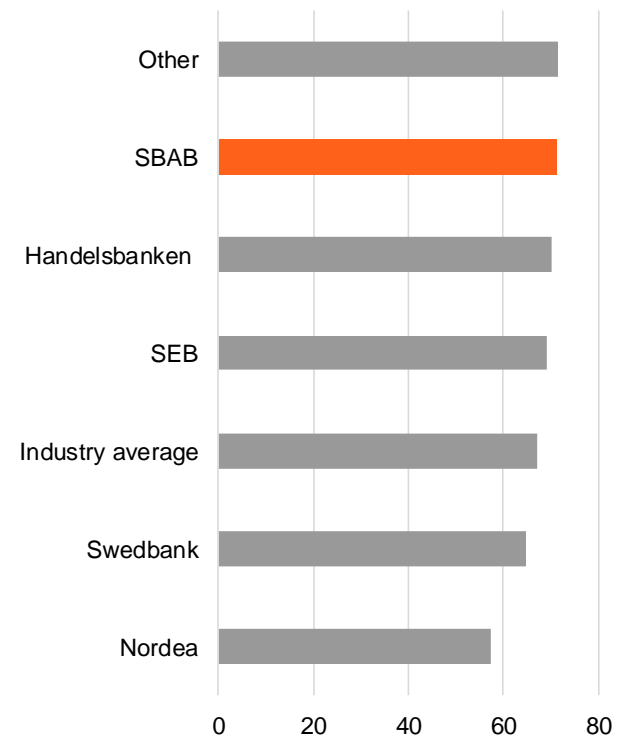
## Retail

Customer satisfaction 2016



## Corporate

Customer satisfaction 2016



# Our value proposition



## ACCESSIBILITY

Mortgages online and over the phone, seven days a week, covering all circumstances.

## TRANSPARENCY

Fair prices and appropriate terms and conditions from the start.



## CONSIDERATION

Housing specialists who care.

# SKI results

Service

71.6

Industry average  
66.5

Product quality

80.7

Industry average  
74.3

Loyalty

80.3

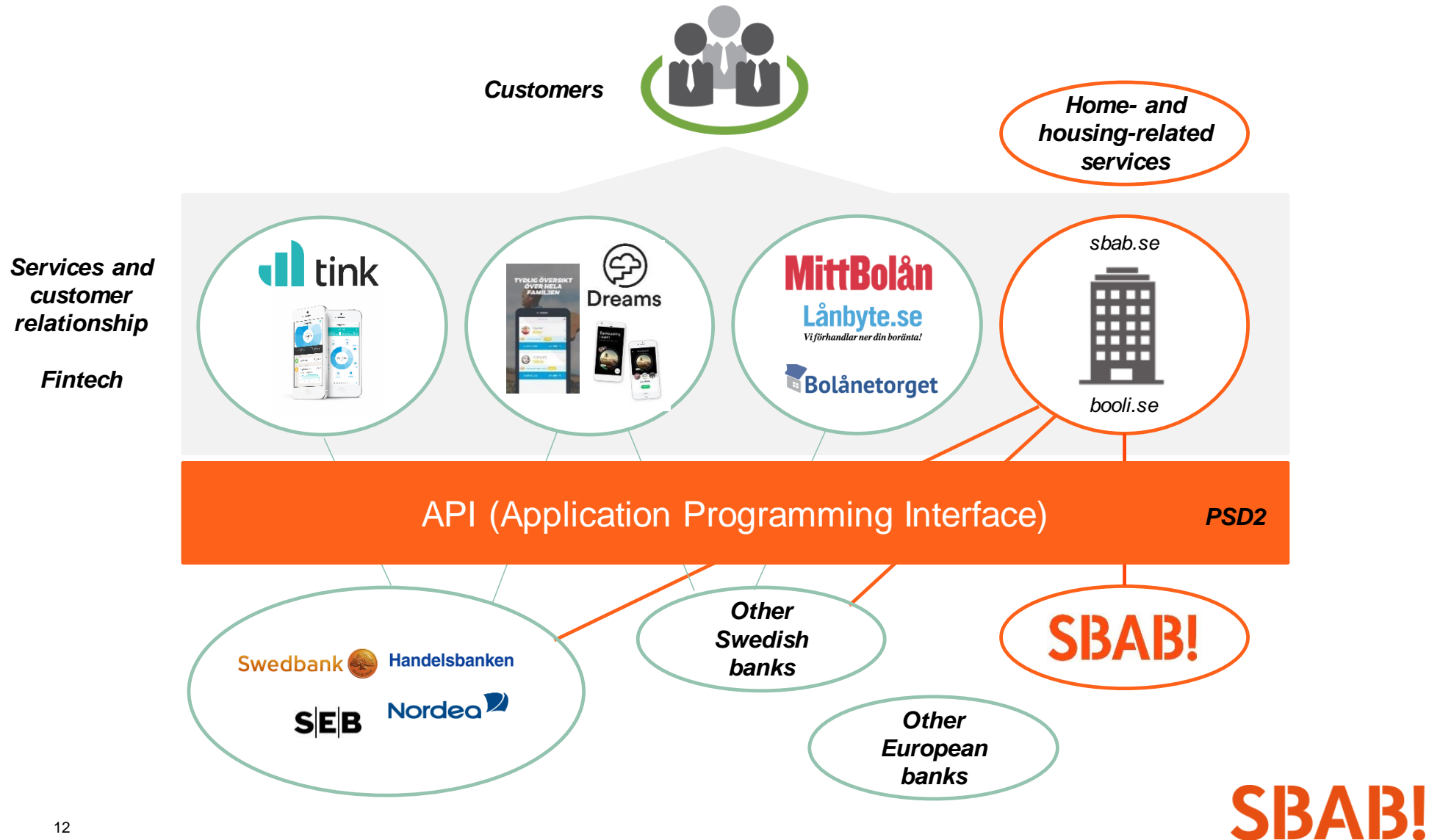
Industry average  
69.2

Affordability

75.0












Industry average  
64.8

# Value chain



# Transforming the bank

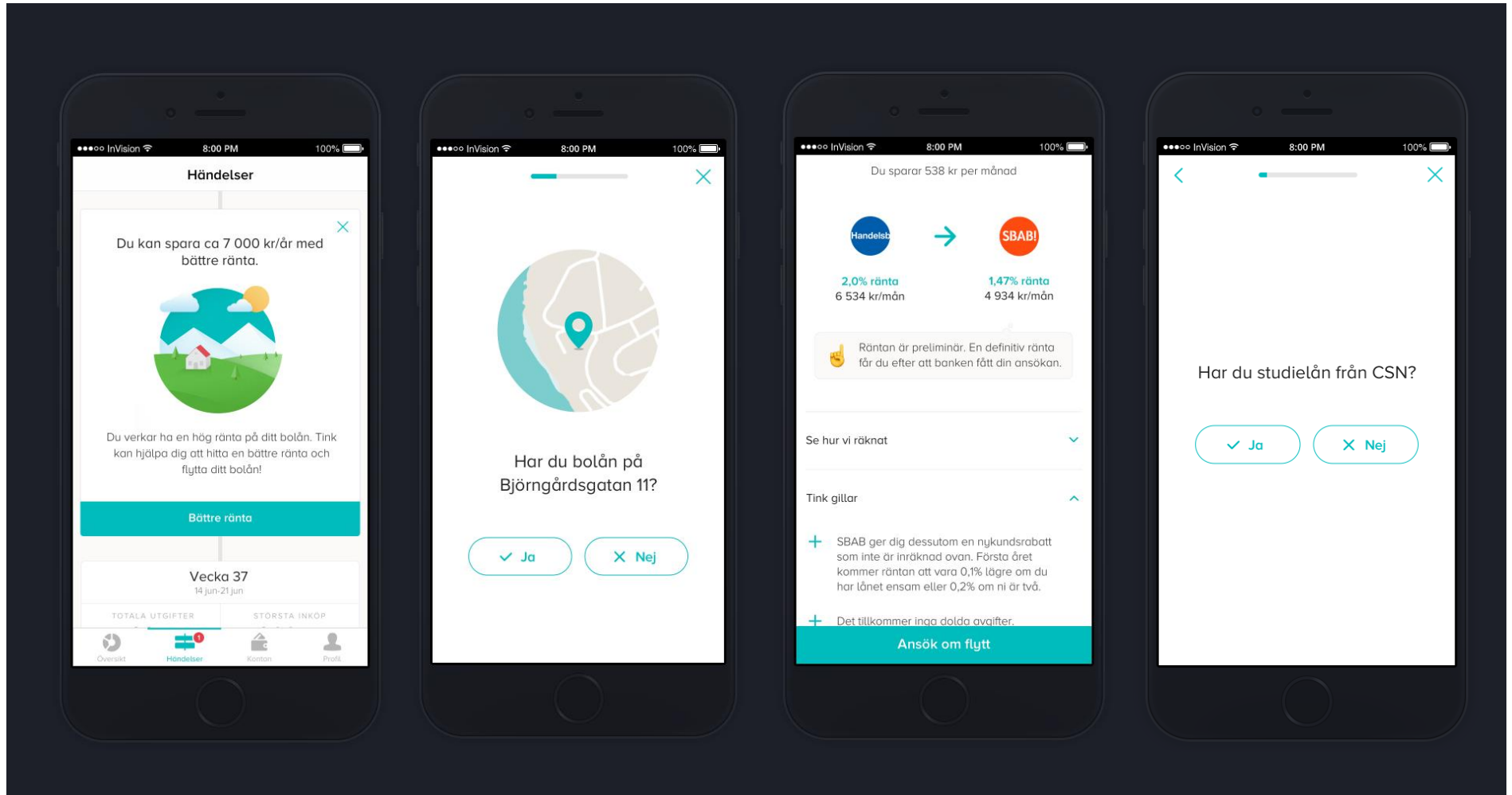
– Trippel R agenda. Strategic activities.

Resilience	Reorientation	Renewal
Ensure short-term viability of business	Fundamentally rethink the business model of the future	Develop fundamental skills
Protect revenues through repricing and greater intermediation 	Redefine the customer experience 	Create a motivating culture of change, with shared vision and values 
Downsize and reduce short-term costs 	Rethink the operating model 	Develop new organizational constructs 
Manage capital and risk 	Meet the spirit of regulation 	Develop the digital skills needed to compete 
Safeguard the customer franchise as well as human capital 	Find pockets of growth 	
<b>Current focus of many developed market banks</b>	<b>Industry leaders</b>	

McKinsey Global Banking Annual Review 2016 – A Brave New World for Global Banking

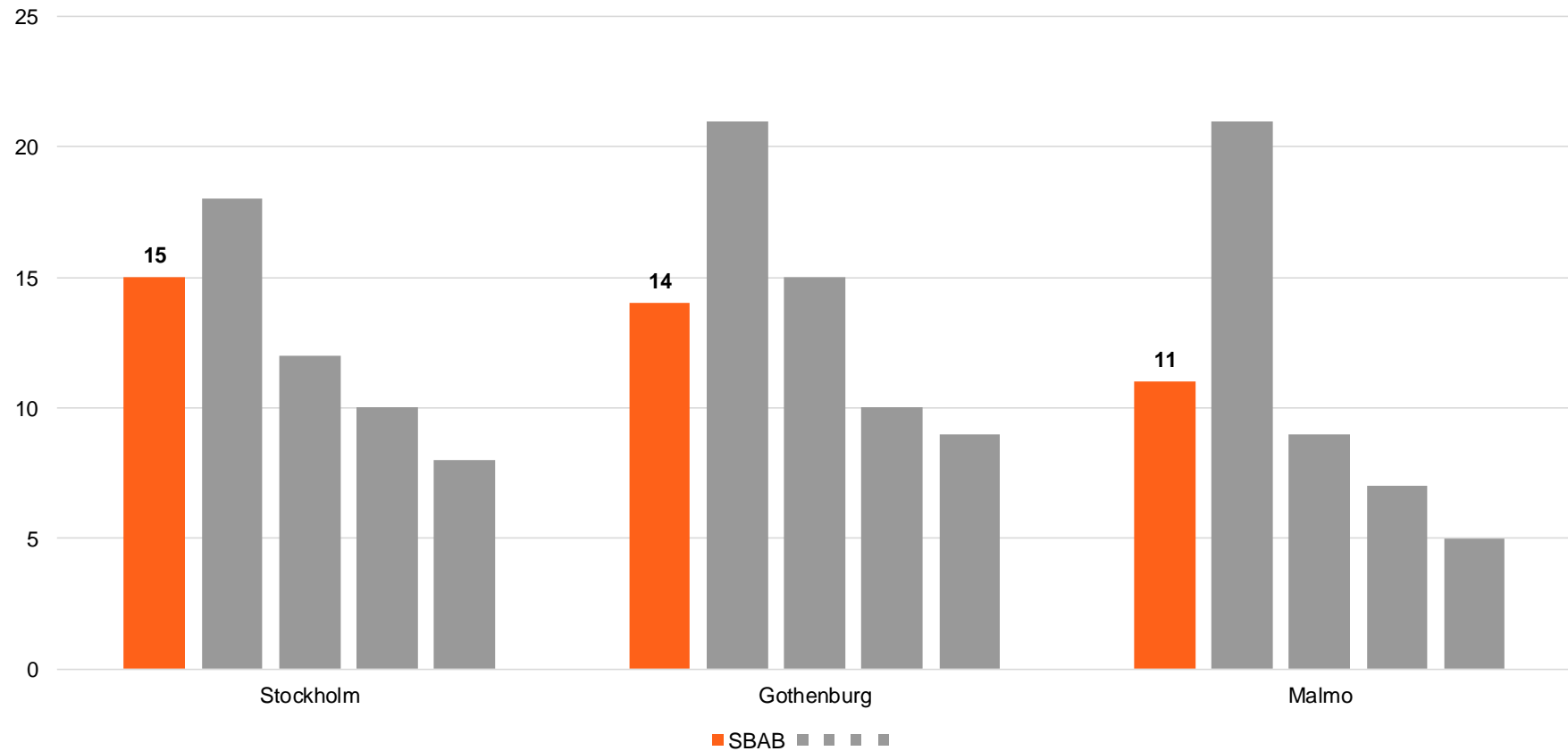


# Mortgage mediation via TINK



# Strong position & awareness

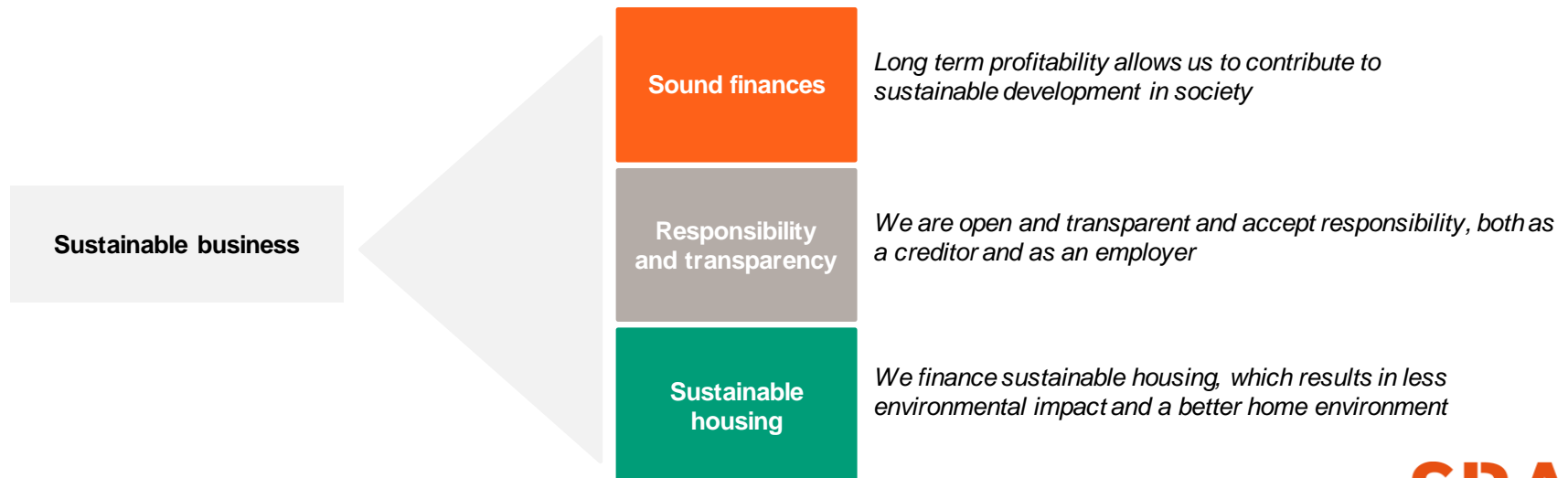
”Which companies offering mortgages do you know of?” (first mentioned)



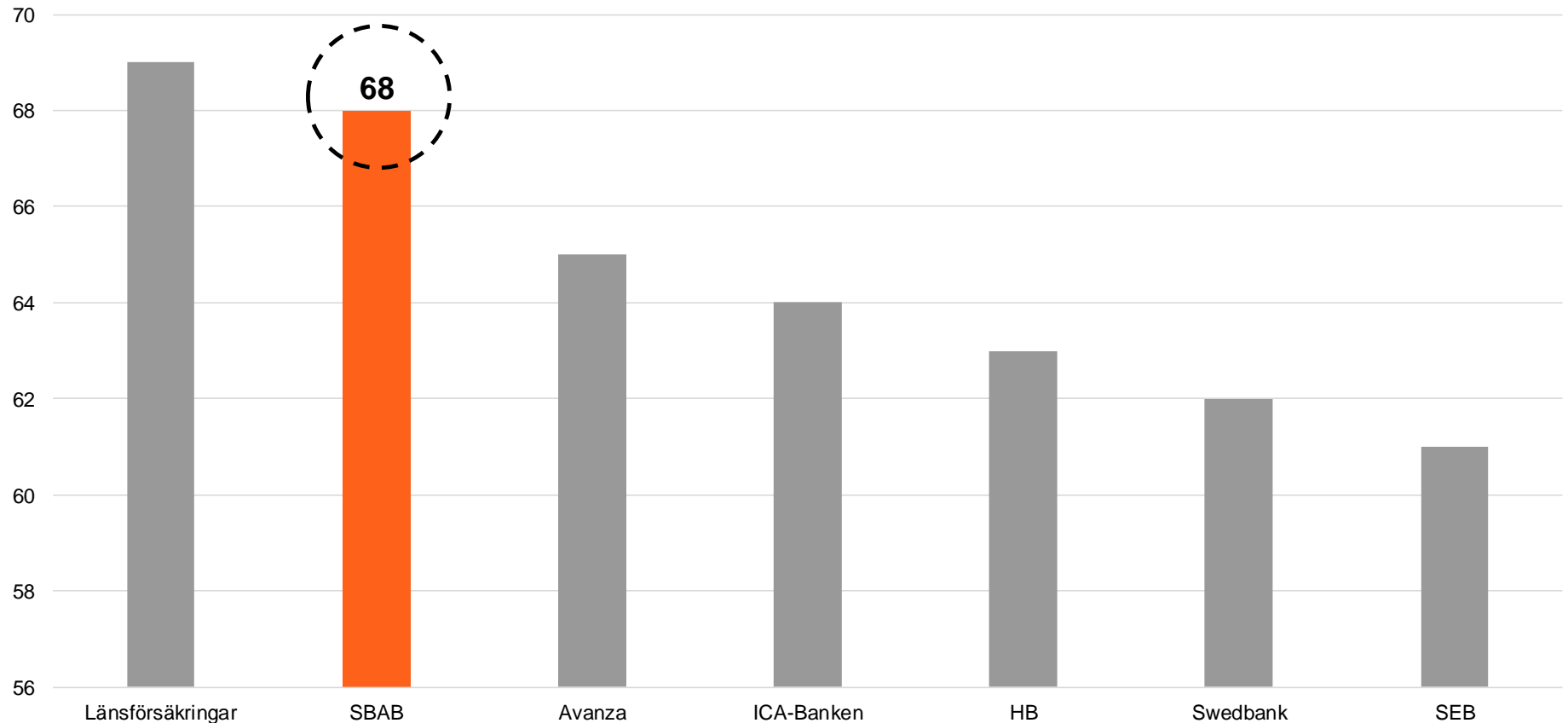
# A sustainable bank

**Mission: To help improve housing quality and household finances**

- Sustainable lending (Green loans)
- Sustainable funding (Green bonds)
- Sustainable services (Energy efficiency)
- Social responsibility (Homelessness – housing for everyone)



# Strong reputation (anseende)



A kitchen windowsill with various items including potted plants, a brass pitcher, a light green stand mixer, and books. The scene is brightly lit by natural light from the window. The text "FINANCIAL DEVELOPMENT" is overlaid in the center in a bold, black, brush-stroke font.

# FINANCIAL DEVELOPMENT

IBREAD EXCHANGE

Great Kitchen Trends



# Q1 in short

Lending

**305**<sub>bn</sub>

Deposits

**100**<sub>bn</sub>

C/I-ratio

**29,9**%

RoE

**12,6**%

NII

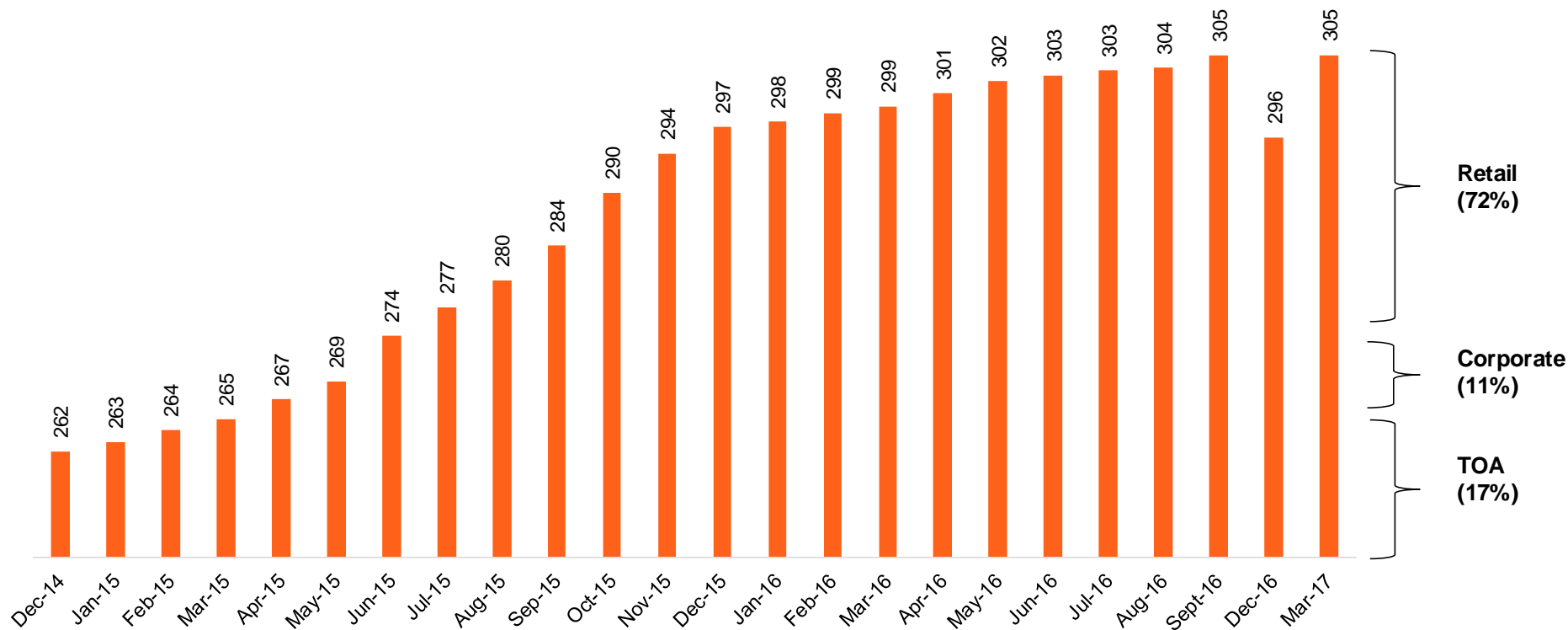
**779**<sub>mn</sub>

Operating profit

**549**<sub>mn</sub>

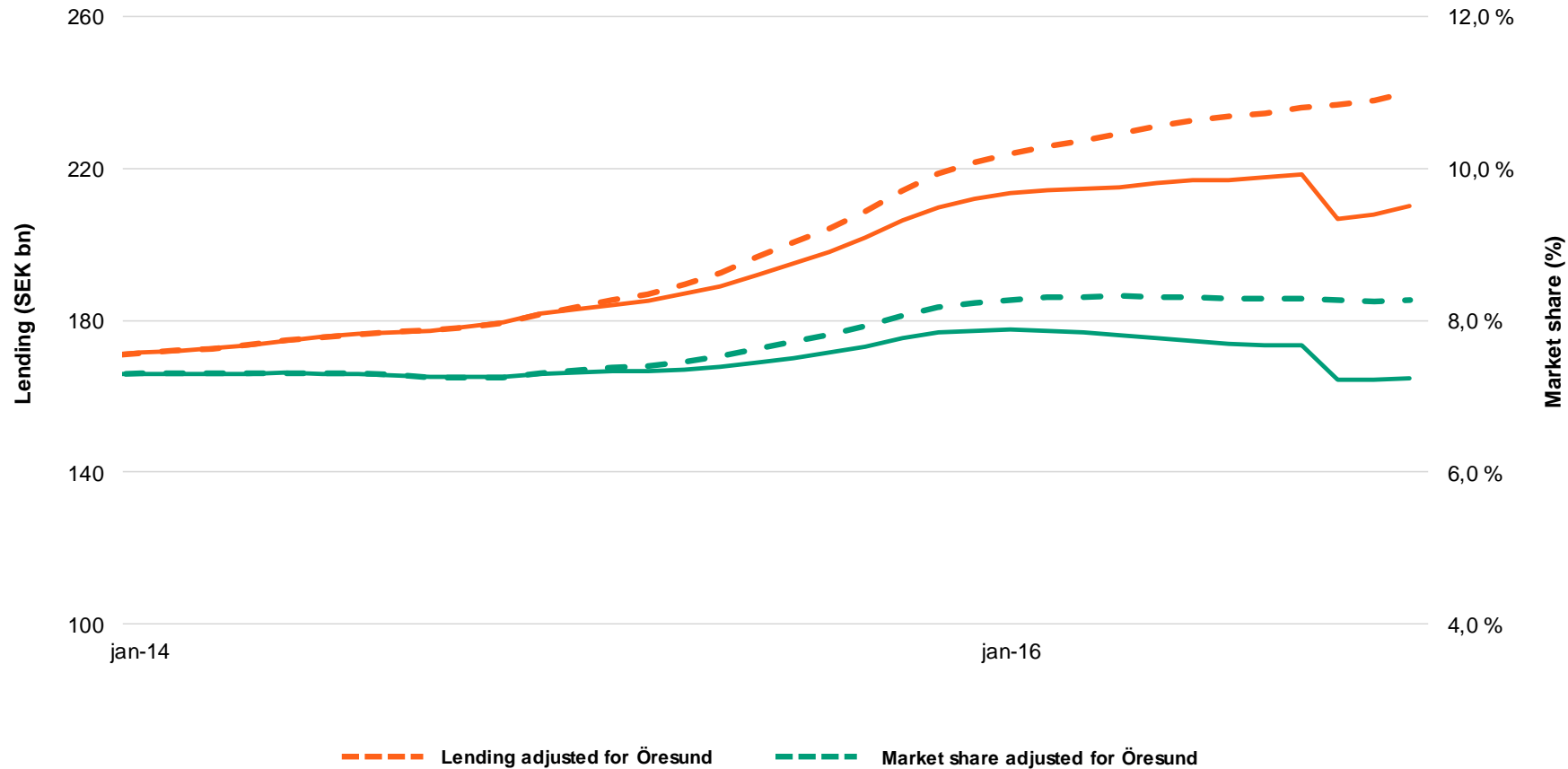
# Lending growth

– Total SEK 305.1bn



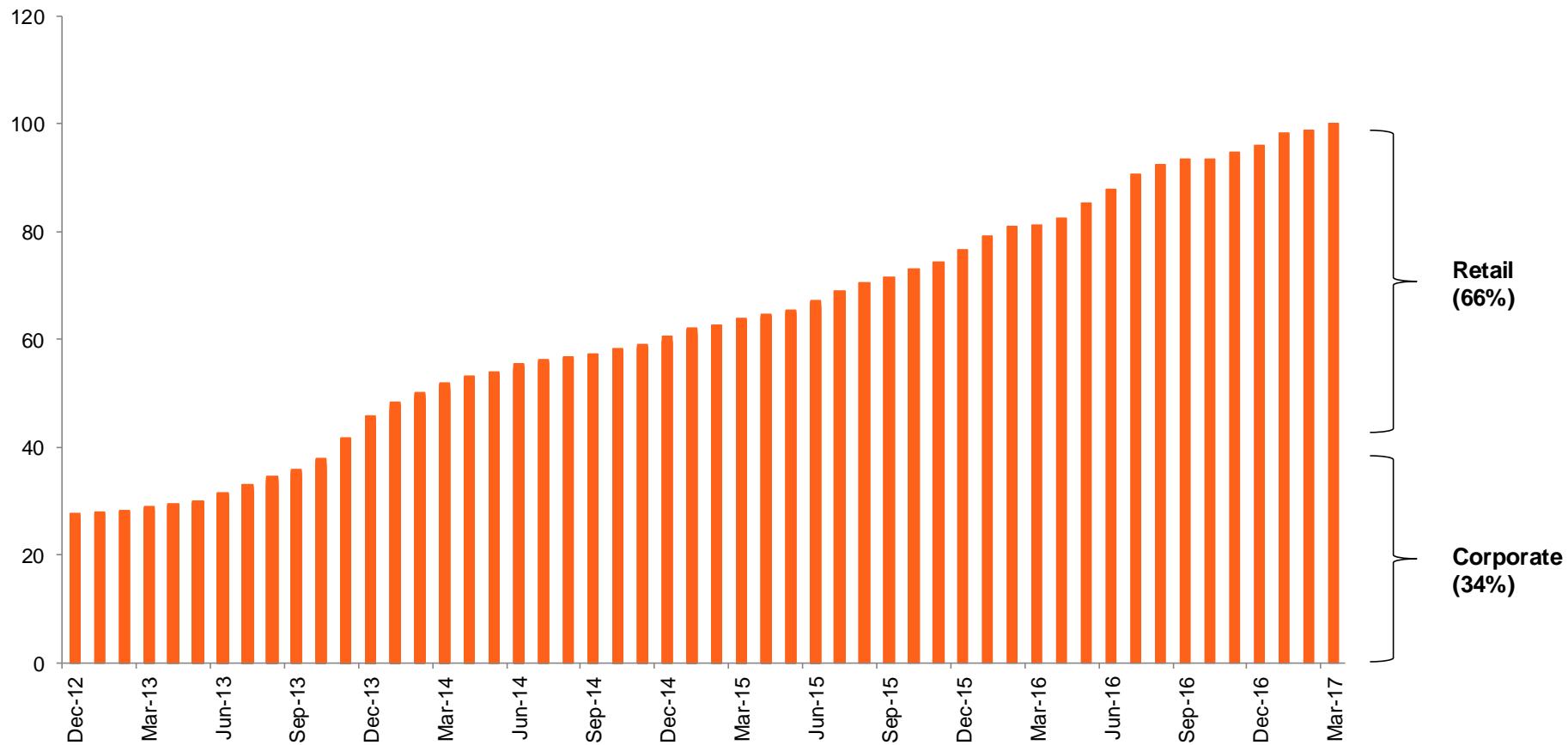
The decrease in total lending during Q4 2016 attributable to the transfer from SBAB, to Swedbank, of the remaining mortgages amounting to SEK 12.7 billion from the previous partnership with Sparbanken Öresund. In total, around SEK 20.5 billion was transferred during 2016.

# Market share (Retail)

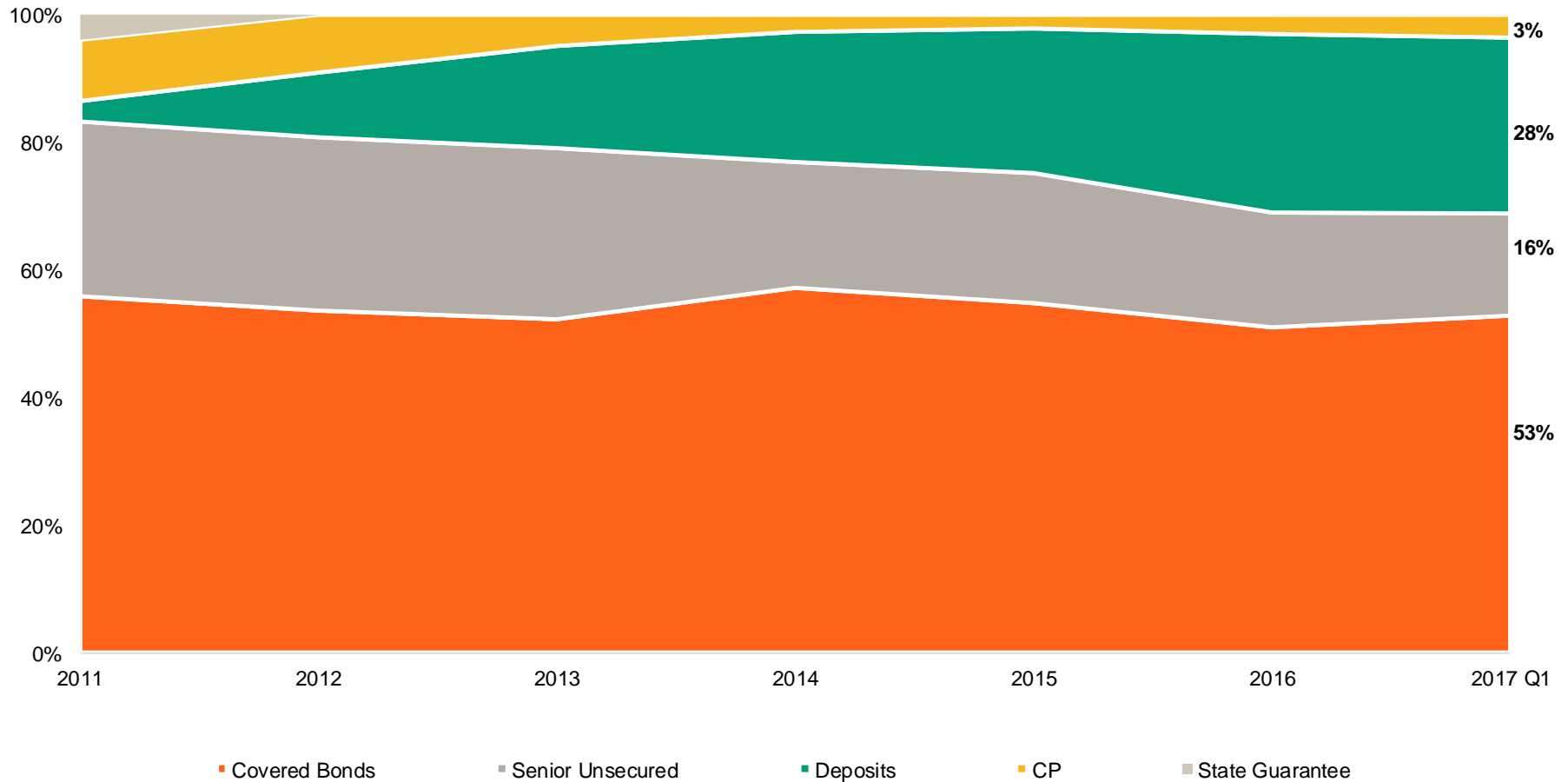


# Deposit growth

– Total SEK 100.0 bn



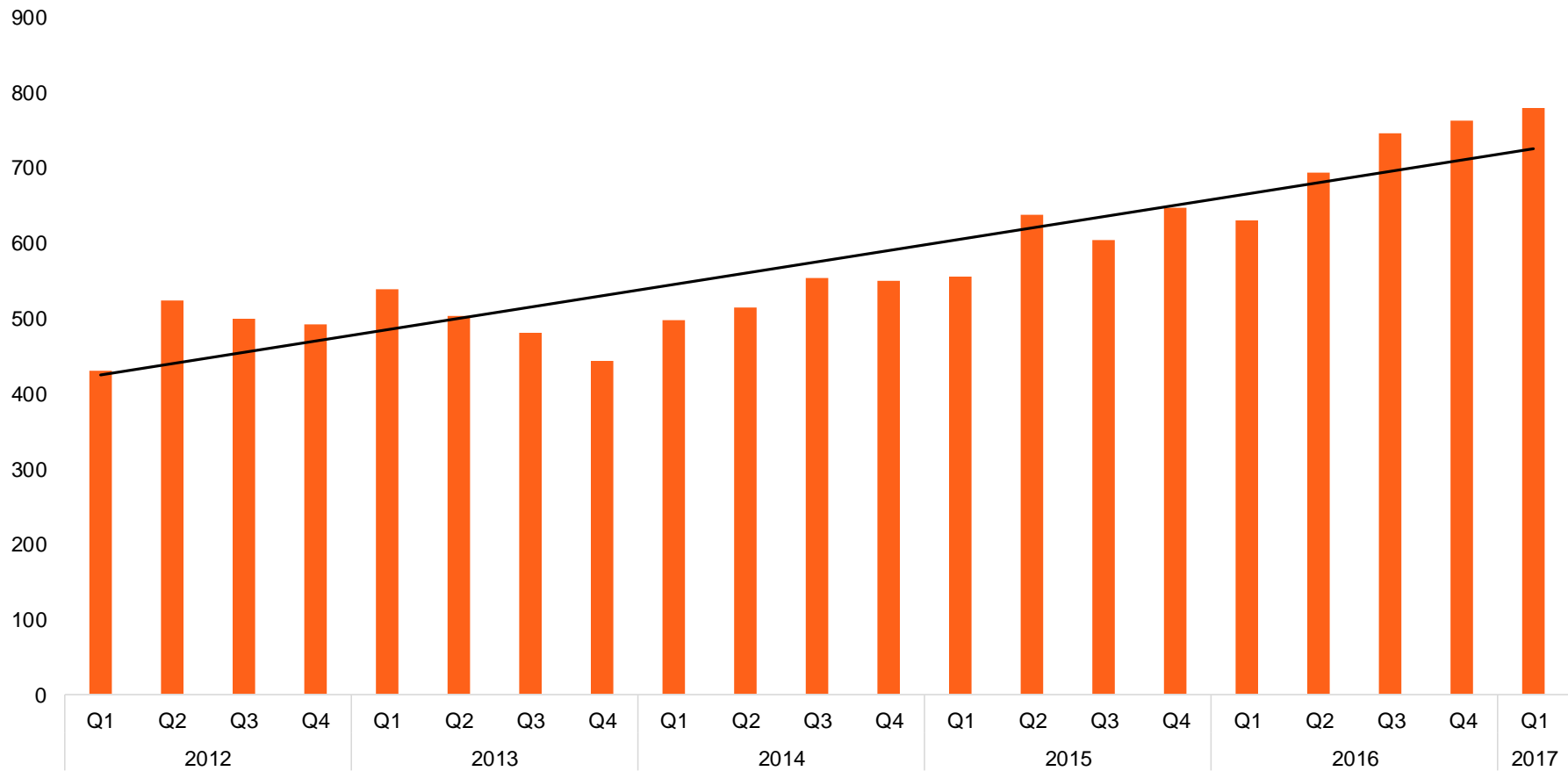
# Development of funding sources



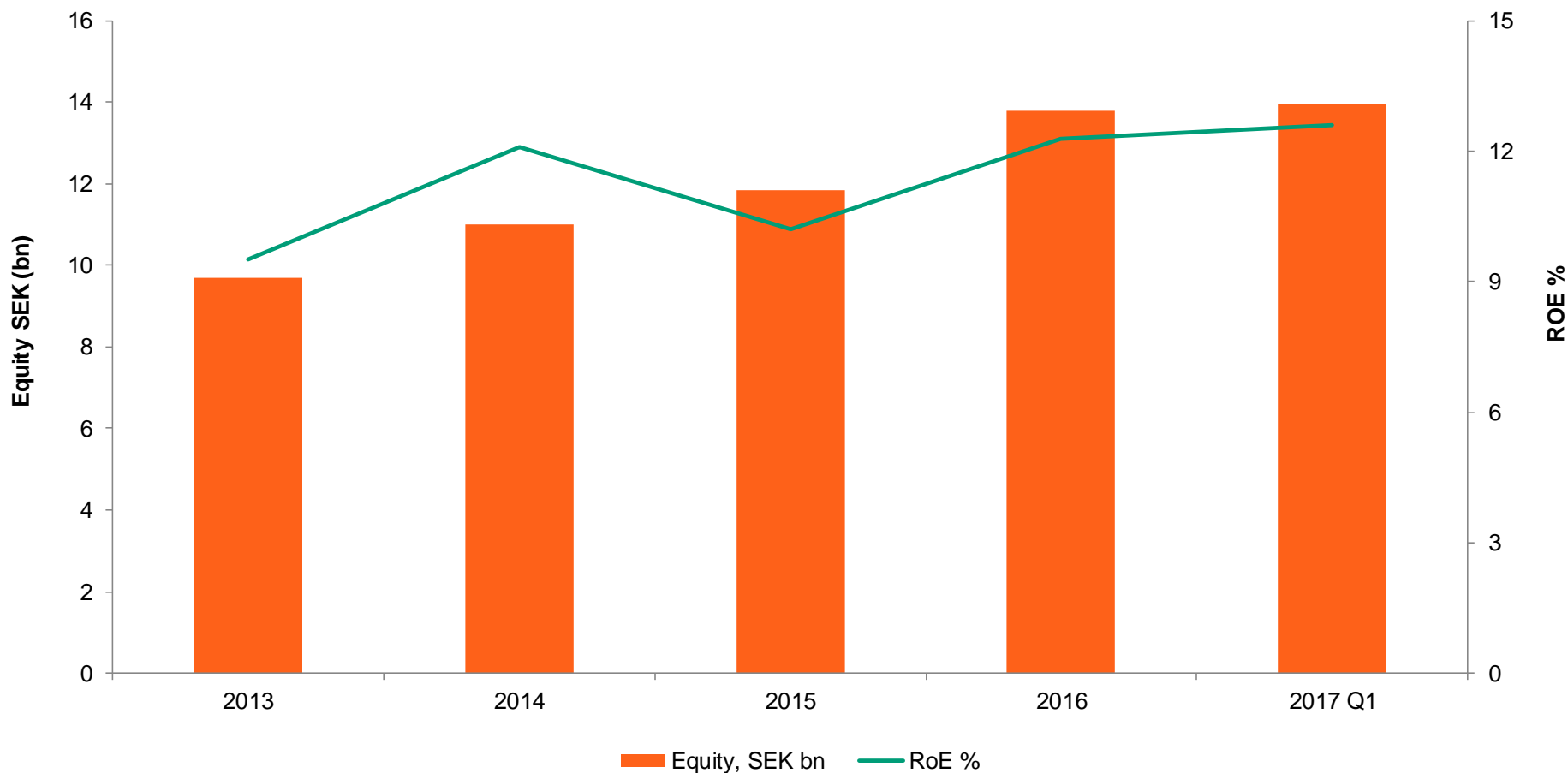


# Net interest income

– Continued stability and growth



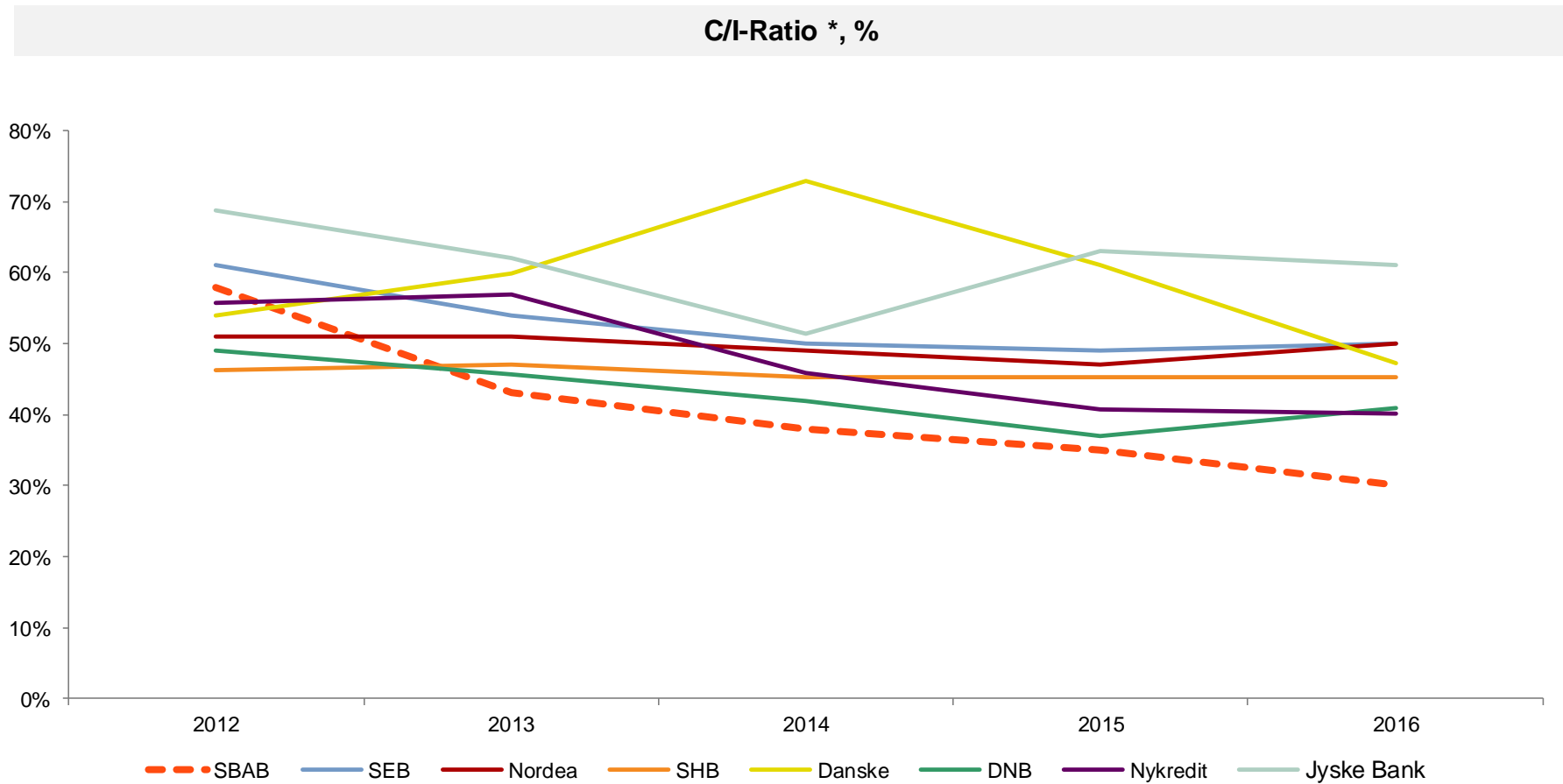
# Equity and RoE



\* Equity adjusted for additional Tier 1 securities.

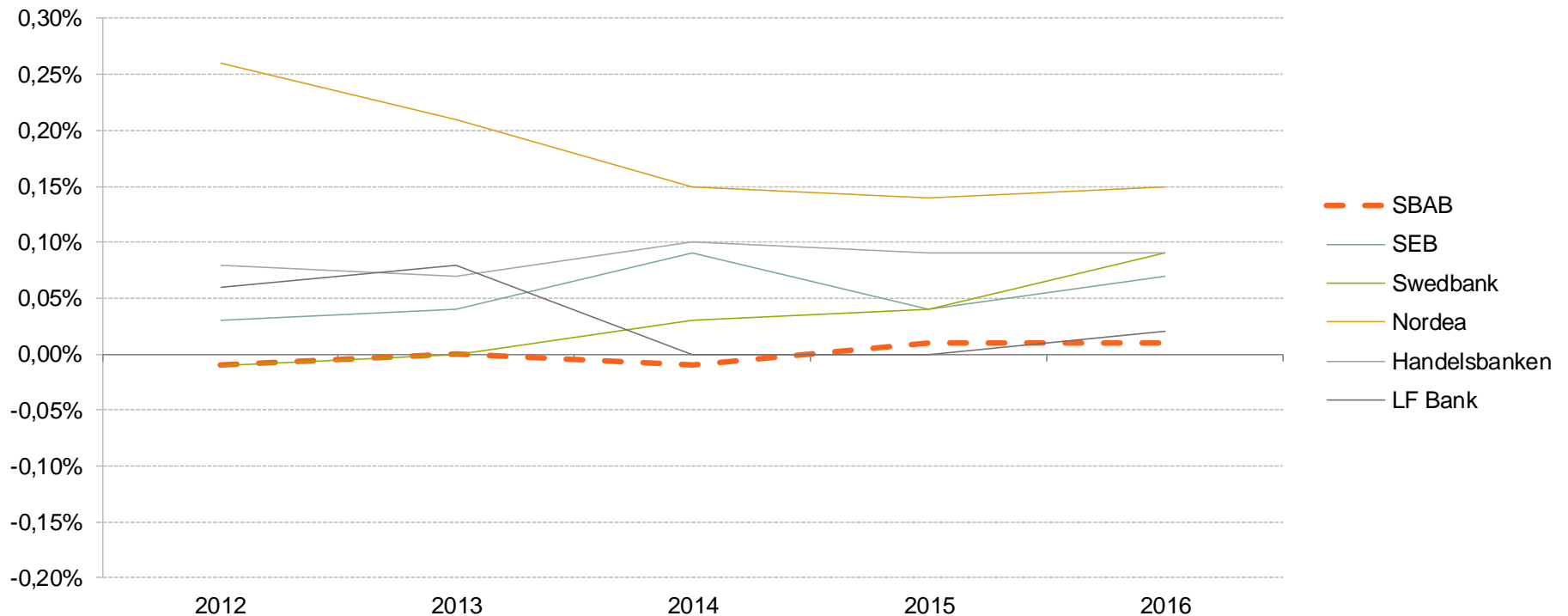
\*\* From Q1 2017, SBAB has used a new definition to calculate the return on equity. The return on equity is calculated as earnings after tax in relation to average equity, after adjustment for additional Tier 1 securities and value changes in financial assets recognised in equity. The comparative figures for 2013-2016 have not been restated.

# C/I-ratio vs. peers (2016)



# Credit losses vs. peers (2016)

Net credit losses FY16\* vs. other banks



Thorough credit evaluations and low risk assets consistently achieves low credit losses

\* As reported by each bank, definition of credit losses/impairments may vary between banks

# Summary Q1 2017

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- Strong business development both in lending and deposits
  - Record net interest income
  - Continued low loan losses
  - Competitive cost/income ratio
  - Improved funding profile
  - Strong capitalisation
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[www.sbab.com](http://www.sbab.com)  
[www.scbc.se](http://www.scbc.se)  
[www.ascb.se](http://www.ascb.se) - Association of Swedish Covered Bond issuers

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