



Press release 25 April 2013

**Interim report 1 January – 31 March 2013**

## **Higher net interest and continued low loan losses**

### **SBAB Bank's CEO, Carl-Viggo Östlund, comments:**

SBAB's operating profit for the first quarter of 2013 rose by 19 percent compared with the preceding quarter, driven in particular by higher net interest income and continued low loan losses. The return on equity was 11.4 percent. During the quarter, we continued our efforts to build an everyday bank with the launch of a mutual fund offering, while we are also seeing stable growth in our core business, residential mortgages.

An important event in the first quarter was the launch of our mutual fund offering: three savings funds with different risk profiles for different kinds of savers. In April, this was also complemented with SBAB Fri – a mutual fund that is completely free of charges and that has the objective of shadowing the development of the 30 most traded companies on the Stockholm Stock Exchange. Together with our straightforward savings accounts with attractive interest rates, we now have a great offer within our Savings product area.

We have also developed a new responsive website which makes it easier to use our digital services, and a new graphic profile reflecting SBAB's challenger spirit. We are going to be what a bank should be – easy to understand, offering products that are value for money, and applying a business model that is sustainable in the long term.

It is also satisfying to see a continued stable trend in our lending. New lending for the quarter amounted to approximately SEK 8.4 billion, and the residential mortgage stock grew by approximately SEK 0.6 billion. At SBAB, there is no need for customers to haggle – they can always be certain of getting the best price we can offer. In addition, we have recently introduced a process whereby customers have the opportunity of being in contact with a single loan officer throughout the purchasing of their homes.

In the first quarter, we have, on the whole, taken several important steps to enhance the customer's experience. We are continuing this process with a clear vision: to create a new era in banking.

### **The first quarter of 2013 compared with the fourth quarter of 2012**

- Profit, excluding net result from financial instruments, amounted to SEK 339 million (263)
- Net interest income amounted to SEK 538 million (491)
- Expenses totalled SEK 184 million (194)
- Net result from financial instruments amounted to an expense of SEK 14 million (income: 10)
- Operating profit totalled SEK 325 million (273)
- Return on equity was 11.4 percent (9.0)
- The loan loss level was negative 0.02 percent (0.03)
- The Core Tier 1 capital ratio was 21.2 percent (16.4) without taking the transitional regulations into account and 6.9 percent (6.9) taking the transitional regulations into account

SBAB's Interim report is available for download from: [www.sbab.se/investor](http://www.sbab.se/investor)

**SBAB** offers residential mortgages and saving products through the Internet and telephone, and also grants loans to the corporate sector and housing associations. By offering products and services that challenge and simplify, SBAB contributes to increased competition in the Swedish market. The company was founded in 1985 and is wholly owned by the Swedish Government. In 2012, the company's lending volume amounted to SEK 255.9 billion and the deposit volume to SEK 27.7 billion. SBAB Bank has about 410 employees, of whom approximately 120 work at the headquarters in Stockholm. Learn more at [www.sbab.se/english](http://www.sbab.se/english)



**For further information, please contact:**

Carl-Viggo Östlund, CEO, SBAB

Telephone: +46 8 614 43 01, Mobile: +46 727 17 43 01, [carl-viggo.ostlund@sbab.se](mailto:carl-viggo.ostlund@sbab.se)

Bernd Schmitz, Chief Press Officer, SBAB

Phone +46 8-614 43 94, Mobile: + 46 727-44 43 94, [bernd.schmitz@sbab.se](mailto:bernd.schmitz@sbab.se)

**SBAB** offers residential mortgages and saving products through the Internet and telephone, and also grants loans to the corporate sector and housing associations. By offering products and services that challenge and simplify, SBAB contributes to increased competition in the Swedish market. The company was founded in 1985 and is wholly owned by the Swedish Government. In 2012, the company's lending volume amounted to SEK 255.9 billion and the deposit volume to SEK 27.7 billion. SBAB Bank has about 410 employees, of whom approximately 120 work at the headquarters in Stockholm. Learn more at [www.sbab.se/english](http://www.sbab.se/english)