



Press release 28/10/2013

**Interim Report 1 January – 30 September 2013**

## **Stable result and strong growth in deposits**

### **CEO Carl-Viggo Östlund's comments:**

SBAB's operating profit amounted to SEK 246 million for the third quarter of 2013 and to SEK 830 million for the first nine months of the year. Excluding net result from financial instruments, profit amounted to SEK 291 million and SEK 911 million respectively. Net interest decreased as a consequence of increasing competition in the mortgage market. For the nine-month period, the return on equity was 9.9 percent and the Core Tier 1 capital ratio continued to strengthen.

### **Strong growth in deposits**

SBAB's savings accounts continue to attract additional customers. In the third quarter, deposits increased by SEK 4.3 billion to a total of SEK 35.9 billion. Since the beginning of the year, the growth is nearly 30 percent. We currently hold slightly more than 2 percent of the deposit market, but fully 16 percent of new deposits.

### **People are interested in mortgages**

The total lending volume was stable during the quarter, while increased competition within residential mortgages is being felt through a continued pressure on margins. People are clearly interested in the subject of mortgages and the general debate is being focused on strengthening customers' position in relation to the banks. Among current issues, it is to become easier to switch banks during the commitment period and there is to be greater transparency regarding how interest is set. I welcome these customer-driven changes and hope they will also have a positive impact on the low level of confidence in the banks that prevails.

### **Bank building process continues**

During the quarter, we put our unit for the financing of multi-family dwellings in place, generating favourable conditions to be able to offer companies and tenant-owner associations a straightforward, customer-driven offering in both loans and savings. At the same time, efforts continue to develop an everyday bank with the objective of being able to offer a palette of loan, savings and payment services to consumers in 2014. A superior customer experience is our point of departure in building the bank and this leads us towards our vision of creating a new era in banking.

### **Third quarter of 2013 compared with the second quarter of 2013**

- Profit, excluding net result from financial instruments, amounted to SEK 291 million (281)
- NII amounted to SEK 480 million (502)
- Expenses totalled SEK 167 million (212)
- Loan losses amounted to a positive SEK 7 million (positive 17), corresponding to a loan loss level of a negative 0.01 percent (negative 0.03)
- Operating profit totalled SEK 246 million (259)
- Return on equity was 8.3 percent (10.0)
- The Core Tier 1 capital ratio was 25.8 percent (23.8) without taking the transitional regulations into account and 7.3 percent (7.0) taking the transitional regulations into account

**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)



### **January-September 2013 compared with January-September 2012**

- Profit, excluding net result from financial instruments, amounted to SEK 911 million (838)
- NII amounted to SEK 1,520 million (1,450)
- Expenses totalled SEK 563 million (534)
- Loan losses amounted to a positive SEK 36 million (3), corresponding to a loan loss level of negative 0.02 percent (0.00)
- Operating profit totalled SEK 830 million (227)
- Return on equity was 9.9 percent (2.6)
- The Core Tier 1 capital ratio was 25.8 percent (16.2) without taking the transitional regulations into account and 7.3 percent (6.7) taking the transitional regulations into account

SBAB's interim report can be downloaded from: [www.sbab.se/ir](http://www.sbab.se/ir)

#### **For further information, please contact:**

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