

DEFINITIONS

Definitions of Alternative Performance Measures (APMs)
SBAB Bank AB (publ)

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ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures (APMs) are financial metrics of historical or future performance, financial position or cash flows that are not defined in the applicable rules for financial reporting (for example, IFRS or the Swedish Annual Accounts Act) or in the EU Capital Requirements Regulation and Directive CRR/CRD IV.

SBAB uses APMs when these are relevant for the presentation and follow-up of the Group's financial position and when these metrics are deemed to provide additional valuable information to readers of the financial reports. SBAB has also chosen to present the APMs as they are in common use within the industry. APMs can be calculated with various approaches and, accordingly, SBAB's metrics are not directly comparable with similar metrics presented by other companies.

NEW LENDING

Definition: Gross lending for the period.

The APM aims to provide the reader with an image of the inflow of new business during the period.

DEPOSITS/LENDING

Definition: Ratio of total deposits to total lending (closing balances).

The APM aims to provide the reader with additional information about the size of total deposits in relation to total lending.

Group	2016	2015
Deposits from the public, SEK bn	96.8	76.6
Lending to the public, SEK bn	296.0	297.0
Deposits/lending, %	32.7	25.8

LOAN LOSS RATIO

Definition: Loan losses in relation to lending to the public (closing balance).

The APM aims to provide the reader with additional information about the Group's loan losses in relation to total lending.

Group	2016	2015
Loan losses, SEK mn	-18	-40
Lending to the public, SEK mn	296,022	296,981
Loan loss ratio, %	-0.01	-0.01

RETURN ON EQUITY

Definition as of 2017/31/03: Earnings after tax in relation to average (calculated using the opening and closing balances) equity, after adjustment for additional Tier 1 securities and value changes in financial assets recognised in equity.

Definition before 2017/31/03: Earnings after tax in relation to average (calculated using the opening and closing balances) equity, after adjustment for additional Tier 1 securities.

Comparative figures before 2017/31/03 have not been restated.

The APM aims to provide the reader with additional information about the Group's profitability. The definition was changed 2017/31/03 in order to better reflect the Group's profitability in relation to its distributable equity. The revised definition is also in line with industry practice.

Group	2016	2015
Earnings after tax, SEK mn	1,570	1,162
Average equity, SEK mn	12,815	11,425
Return on equity, %	12.3	10.2

NET INTEREST MARGIN

Definition: Net interest income in relation to average (calculated using the opening and closing balances for the reporting period) total assets.

The APM aims to provide the reader with additional information about the Group's profitability.

Group	2016	2015
Net interest income, SEK mn	2,829	2,442
Average total assets, SEK mn	374,854	356,769
Net interest margin, %	0.75	0.68

C/I RATIO

Definition: Total expenses before loan losses in relation to total operating income.

The APM aims to provide the reader with additional information about the Group's cost efficiency.

Group	2016	2015
Total expenses before loan losses, SEK mn	889	809
Total income, SEK mn	2,918	2,341
C/I ratio, %	30.5	34.6