

Press release, 20 July 2012

## Interim report 1 January – 30 June 2012 Market leading in new deposits

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

SBAB Bank reported an improved operating profit for the second quarter compared with the year-earlier period. This was the result of continued stable net interest income trend, lower expenses and the fact that the impact on earnings from the market valuation of financial instruments was not as negative as in the first quarter.

Our deposits through savings accounts are breaking records and, for the first five months of the year, we were the market leader in new deposits from households in Sweden, with a market share of 36 percent. This underscores the strength of our strategy of challenging the major banks by broadening our customer offering with straightforward and competitive products. During the quarter, we launched a new mobile site and will shortly challenge banks by featuring funds and also offer retail loans to customers who do not have a mortgage with us.

SBAB Bank is a bank focused on consumers and to further strengthen our focus, we will gradually reduce and streamline our corporate business to enable a sale of that part of the operation.

For many people, purchasing a residence is the largest private financial transaction that they will undertake during their lifetime. On our website, we try to facilitate matters for customers by clearly presenting our funding costs and how we determine our prices. SBAB has a history of believing that what is good for our customers is also good for SBAB Bank – which we live by in the continued advancement of SBAB Bank.

### **The interim period January – June 2012 compared with January – June 2011**

- Net interest income amounted to SEK 951 million (782).
- Net expense from financial instruments measured at fair value amounted to SEK 481 million (expense: 544).
- Expenses totalled SEK 376 million (335).
- The net effect of loan losses was a negative SEK 5 million (pos: 19).
- Operating profit totalled SEK 40 million (loss: 130).
- New lending amounted to SEK 16.7 billion (14.1) and deposits increased to SEK 18.3 billion (8.8).
- The core Tier 1 capital ratio amounted to 15.6 percent (15.0) without taking the transitional regulations into account and 6.6 percent (6.7) taking the transitional regulations into account.
- During the first five months of the year, SBAB Bank had a market share of new deposits from retail customers of 36 percent.

For balance sheet items and information concerning capital adequacy, all comparative figures in parentheses refer to the figures at the preceding year-end.

# SBAB BANK

## The second quarter of 2012 compared with the first quarter of 2012

- Net interest income amounted to SEK 522 million (429).
- Net expense from financial instruments measured at fair value amounted to SEK 91 million (expense: 390).
- Expenses totalled SEK 175 million (201).
- The net effect of loan losses was a negative SEK 11 million (pos: 6).
- Operating profit SEK 220 million (loss: 180).
- New lending amounted to SEK 8.5 billion (8.2) and deposits increased to SEK 18.3 billion (12.8).

For balance sheet items, all comparative figures in parentheses refer to the figures at the preceding year-end.

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

### For further information, please contact:

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**SBAB Bank** 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 Bank contributes to increased competition in the Swedish market. The company was founded in 1984 and is wholly owned by the Swedish Government. In 2011, the company's lending volume amounted to SEK 248.1 billion and the deposit volume to SEK 8.8 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)