



Press release 2014-02-07

Year-end report 2013

Strong growth in customers but lower earnings

SBAB's CEO, Per Anders Fash, comments:

SBAB's operating profit amounted to SEK 255 million for the fourth quarter and to SEK 1,085 million for the 2013 full-year. For the full-year, the return on equity was 9.5 percent. The capital base remained strong with a Core Tier 1 capital ratio of 23.3 percent.

In the fourth quarter, earnings continued to be affected by competition in residential mortgages and real-estate lending, which led to pressure on margins in both the retail and corporate markets. Combined with an increase in costs, to some extent of a non-recurring nature, profit was lower than in preceding quarters. These results lead to greater demands on cost and capital efficiency, so that we can provide a strong customer offering while achieving healthy profitability.

The strategy remains firm – customer experience is the key to success

On 13 January 2014, Carl-Viggo Östlund was dismissed as CEO. SBAB's strategy of broadening and developing its operations remains firm. This means that SBAB will also offer everyday banking services within payments and cards in addition to the current savings and loan products. I am convinced that customer experience is the key to success in the Swedish banking market. Part of that experience involves delivering new services and products in the most efficient manner possible, not least to be able to offer our customers attractive prices.

The growth in customer numbers bodes well ahead of our upcoming bank launch

During the final quarter of the year, strong customer growth persisted and SBAB's popular savings accounts continued to attract customers. More than 50,000 new customers opened saving accounts over the year. Deposits increased by slightly more than SEK 18 billion, corresponding to a growth of 66 percent. SBAB's market share of new deposits from households amounted to fully 22 percent. With more than 250,000 customers, we already have a firm foundation ahead of the forthcoming launch of our everyday banking services.

Fourth quarter 2013 compared with third quarter 2013

- Profit excl. net result from financial instruments amounted to SEK 135 million (291)
- Operating profit totalled SEK 255 million (246)
- NII amounted to SEK 443 million (480)
- Expenses totalled SEK 252 million (167)
- Loan losses amounted to SEK 29 million (positive 7), corresponding to a loan loss level of 0.05 percent (-0.01)
- Return on equity was 8.3 percent (8.3)
- The Core Tier 1 capital ratio was 23.3 percent (25.8) without taking the transitional regulations into account and 6.9 percent (7.3) taking the transitional regulations into account



January-December 2013 compared with Januari-December 2012

- Profit excl. net result from financial instruments amounted to SEK 1,046 million (1,101)
- Operating profit totalled SEK 1,085 million (500)
- NII amounted to SEK 1,963 million (1,941)
- Expenses totalled SEK 815 million (728)
- Loan losses amounted to positive SEK 7 million (loss 20), corresponding to a loan loss level of -0.00 percent (0.01)
- Return on equity was 9.5 percent (4.2)
- The Core Tier 1 capital ratio was 23.3 percent (16.4) without taking the transitional regulations into account and 6.9 percent (6.9) taking the transitional regulations into account

SBAB's year-end report for 2013 is available for download from: www.sbab.se/investor

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