







# INVESTOR PRESENTATION

Inaugural SEK Non-Preferred Green Senior Debt Issue  
SBAB Bank AB (publ)  
June 2019

**SBAB!**

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# *EXECUTIVE SUMMARY.*



# Executive summary

## A short introduction to SBAB

- Founded in 1985 & 100% owned by the Kingdom of Sweden
- Swedish mortgage portfolio, predominantly residential mortgages. 5<sup>th</sup> largest residential mortgage provider in Sweden
- Savings accounts offered to retail customers, corporate clients and tenant-owners' associations
- Financial targets from owner covering profitability, capitalisation & dividend
- Total funding needs for 2019 expected to be around SEK 60 billion

### Lending

SEK **366** bn

### Deposits

SEK **126** bn

MOODY'S

A1

STANDARD & POOR'S  
RATINGS SERVICES  
McGRAW HILL FINANCIAL

A

## Key figures Q1 2019

### STABLE PROFITABILITY

RoE: **12.4%**

### HIGH COST EFFICIENCY

C/I ratio: **33%**

### STRONG ASSET QUALITY

Loan loss ratio: **0.01%**

### SOLID CAPITALISATION

CET1 ratio: **12.4%**

## THE SWEDISH RESIDENTIAL MORTGAGE MARKET 2018

MARKET SHARE DEC 2018

**8.4%**

SHARE OF NET GROWTH FY 2018

**17%**



# Transaction rationale

**SBAB!**  
Inaugural SEK  
Non-Preferred  
Green Senior  
Debt Issue



## Transaction rationale

- Ensure compliance with the MREL requirement as set by the SNDO
- Debut SEK NPS issuance forms part of SBAB's expected SEK 17 bn equivalent NPS funding plan to YE 2021
- Build-up of S&P ALAC buffer (Additional Loss Absorbing Capacity)
- Supports Moody's LGF assessment
- Green bond issuance part of funding strategy

## Expected rating of notes

MOODY'S

Baa2\*



BBB+\*\*

\* Expected rating (SBAB assumption)

\*\* Expected rating

***BUSINESS UPDATE.***



# Business overview

## Business overview

- Founded in 1985 & 100% owned by the Kingdom of Sweden
- Mortgage bank with >98% collateralized lending
- Straightforward business model (lending & savings) & customer operations only in Sweden
- >600 employees in five offices
- Two business areas; Retail business area and Corporate Clients & Tenant-owners' Associations business area

## Retail business area

- Retail customers
- Residential mortgages (5th largest player in Sweden), savings accounts and consumer loans
- Cost efficient origination through internet (since 1998), call-centre and digital partnerships

76% of lending

## Corporate Clients & Tenant-owners' Associations business area

- Property companies and tenant-owners' associations
- Financing of multi-family dwellings; existing buildings or new construction
- Personal service. Three offices in Stockholm, Gothenburg and Malmö

24% of lending

## Geographical distribution of lending

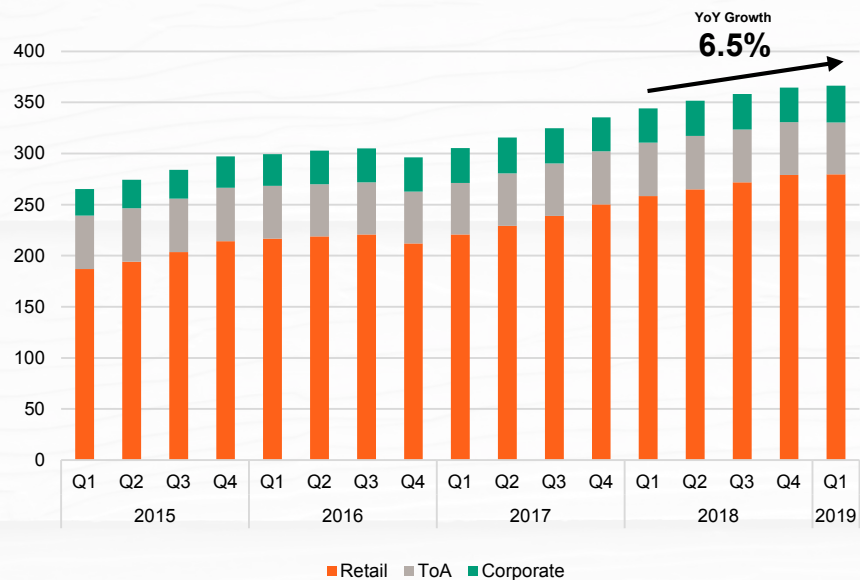
*Lending concentrated to areas around Stockholm, Gothenburg, Malmö, and other university cities and growth regions*



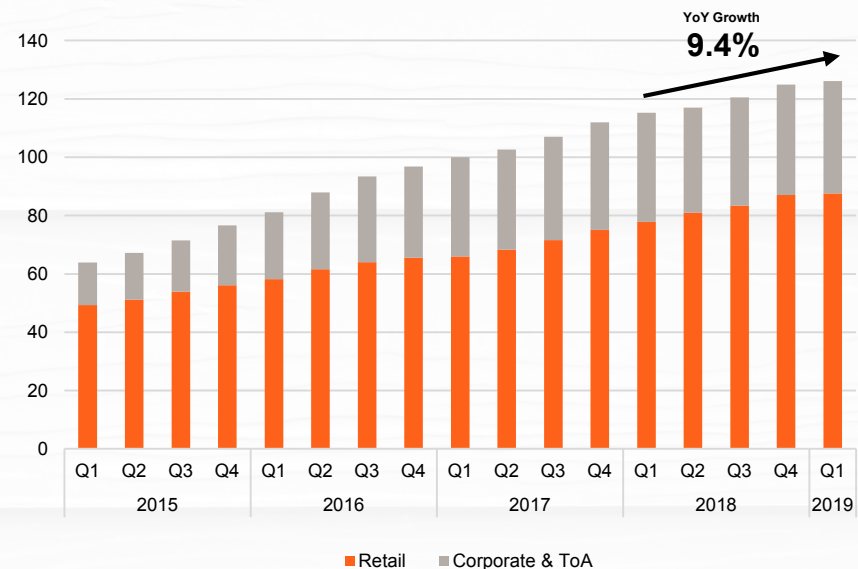
# Business volumes

– Solid growth during recent years for both lending and deposits

## Lending (SEK bn)



## Deposits (SEK bn)

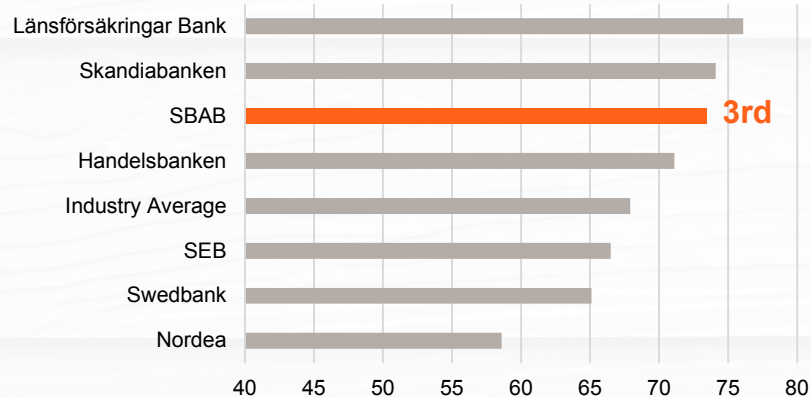




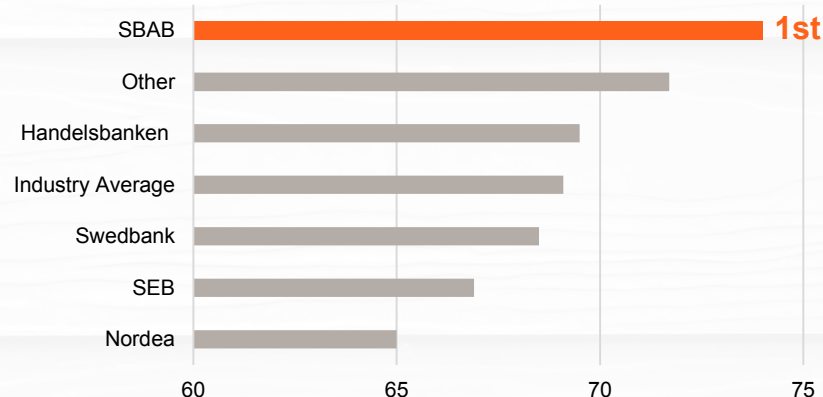
# Customer satisfaction



Residential mortgages (2018)



Property loans to corporates (2018)



# Financial targets from the Swedish state

	Target 2018	Result Q1 2019	Result 2018	Result 2017
<b><u>Profitability:</u></b> Return on equity over a business cycle	≥ 10%	12.5%	12.1%	12.5%
<b><u>Dividend:</u></b> Ordinary dividend based on profit for the year after tax, taking the Group's capital structure into account	≥ 40%	40% (expected)	40%	40%
<b><u>Capitalisation:</u></b> CET1 capital ratio and total capital ratio above regulatory requirement communicated by the Swedish FSA	CET1 capital ratio: ≥ 0.6%*	2.2%*	2.2%*	6.0%
	Total capital ratio: ≥ 0.6%*	3.6%*	3.7%*	10.7%

\* Adjusted for the Swedish FSA's new method for applying risk-weight floors for Swedish residential mortgages, which entered force 31 December 2018. Previous target = 1.5%

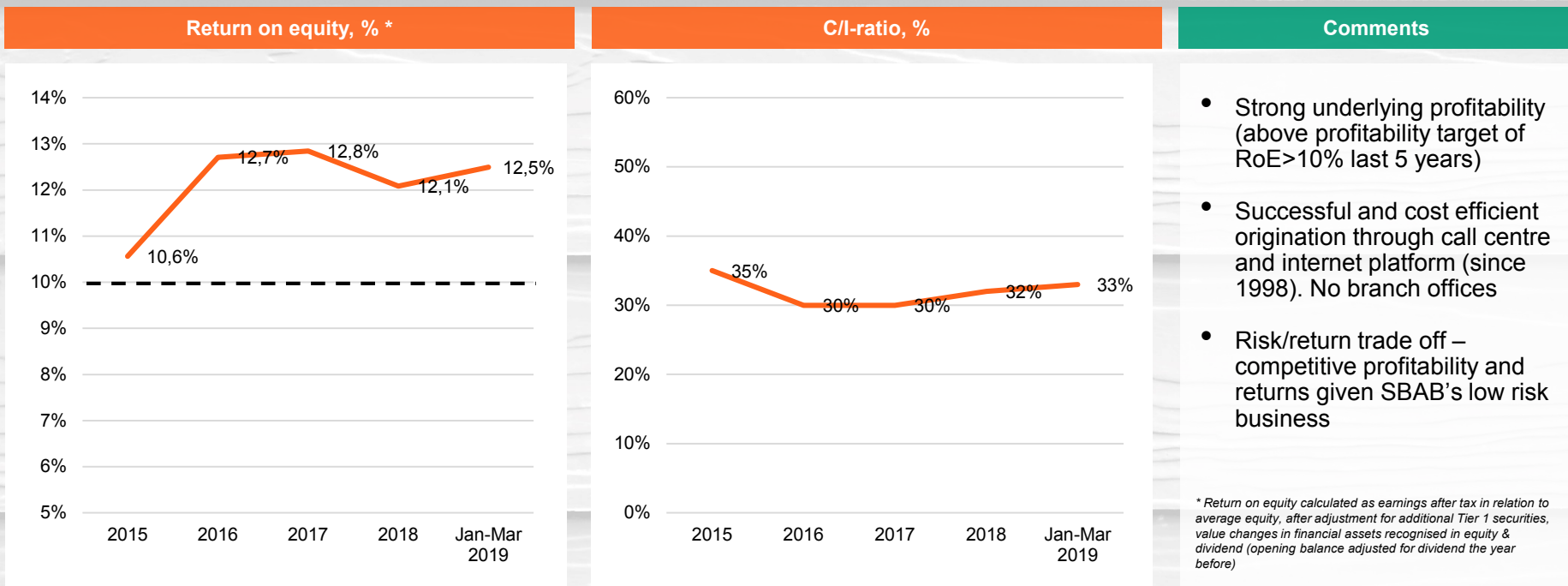
# Financial performance

SEK million	Q1 2019	Q4 2018		▲	2018	2017		▲
NII	883	848	▲	+4.1%	3,362	3,149	▲	+6.8%
Costs	-292	-297	▼	-1.7%	-1,049	-959	▲	+9.4%
Loan losses	-9	-7	▲	+2mn	11	24	▲	+13mn
Operating profit	590	576	▲	+2.4%	2,241	2,228	▲	+0.6%
Lending (SEK bn)	366.3	364.2	▲	+0.6%	364.2	335.1	▲	+8.7%
Deposits (SEK bn)	126.1	124.9	▲	+0.9%	124.9	111.9	▲	+11.6%
Deposit/lending, %	34.4%	34.3%	▲	+0.1 pp	34.3%	33.4%	▲	+0.9 pp
C/I ratio, %	32.8%	33.7%	▼	-0.9 pp	32.0%	30.3%	▲	+1.7 pp
RoE, %	12.5%	11.9%	▲	+0.6 pp	12.1%	12.5%	▼	-0.4 pp
Loan loss ratio, %	-0.01%	-0.01%	→	0.00 pp	0.00%	0.01%	▲	-0.01pp
CET1 capital ratio, %	12.4%*	12.5%*	▼	-0.1 pp	12.5%*	32.2%	▼	-19.7 pp

\* From 31 December 2018, the method for applying the existing risk-weight floor for Swedish mortgages has been amended.

# Strong financial KPIs

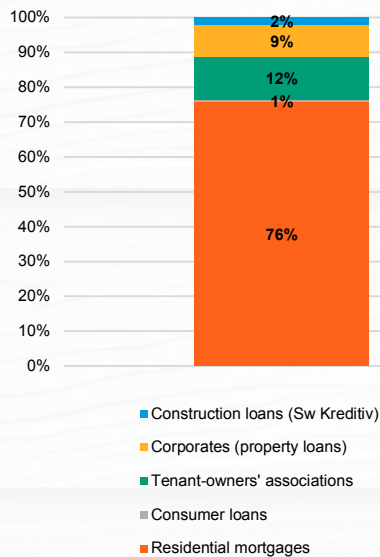
– Competitive profitability given SBAB's low risk business & best in class cost efficiency



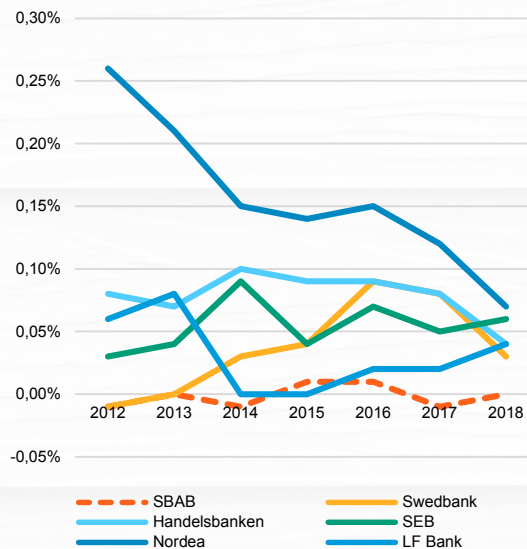
# Asset quality

– Thorough credit evaluations and low risk assets consistently achieves low credit losses

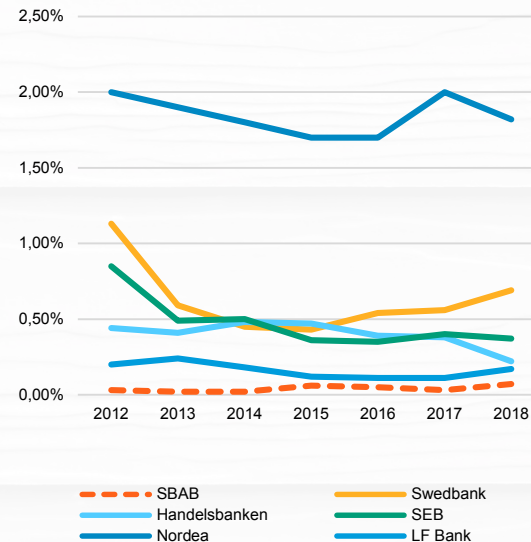
SBAB lending 31 Mar 2019 >98% collateralized



Net credit losses 2012–2018 vs. other banks



Impaired loans 2012–2018 vs. other banks

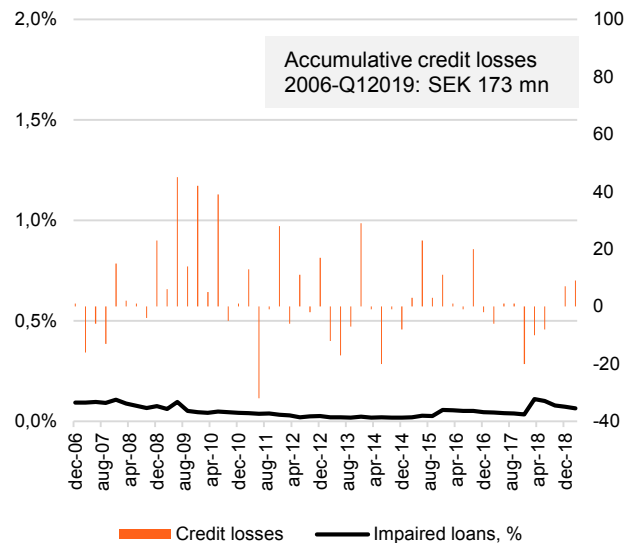




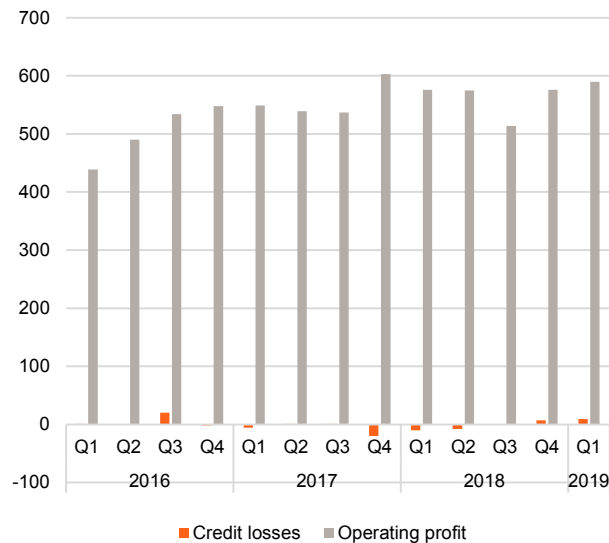
# Asset quality

– Exposure only to the lowest risk lending segment → superior asset quality over time

Imp. loans (%) & credit losses (SEK mn) 2006–2019



Op. profit & credit losses (SEK mn) Q1 2016–Q1 2019



Comments

- SBAB's Swedish lending portfolio demonstrates very low loan losses over time
- During Q1 2016 – Q1 2019, accumulative net credit losses amounted to reversals of SEK 8 mn
- During the same period, accumulative operating profit amounted to SEK 7,707 mn

# FUNDING, CAPITAL STRUCTURE & MREL POSITION

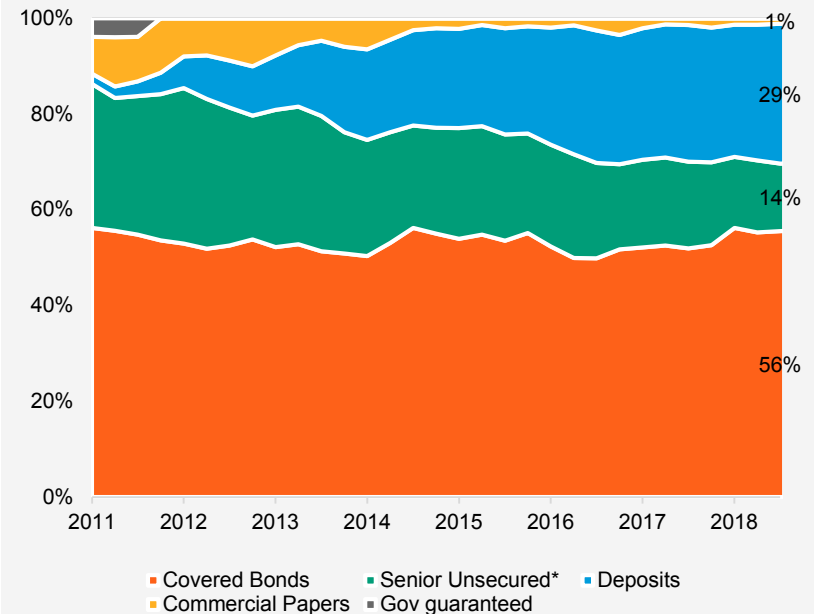


# Funding strategy & development

## Funding strategy

- Maintain access to core funding markets - SEK- and EUR-market
  - Regular benchmark issuance in Covered Bond format as well as in Senior Unsecured format
  - Private placements in niche currencies
- Reduce wholesale funding reliance through growing deposit volumes. Maintain a low reliance on foreign currency funding.
- Continuous and committed investor work in core markets and towards core investors to further increase name recognition and transparency
- Efficient use of Covered Bond Funding ~ 50% of total funding. Utilising the depth and stability of the Swedish Covered Bond Market
- Limited use of short dated funding through CP-programs and of interbank funding
- Intermediate (5y+) bond tenors to support funding duration
- Committed to increase green bond issuances subject to green lending volumes

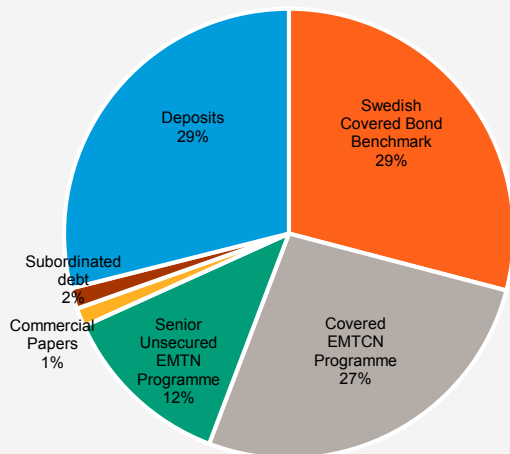
## Development of funding sources



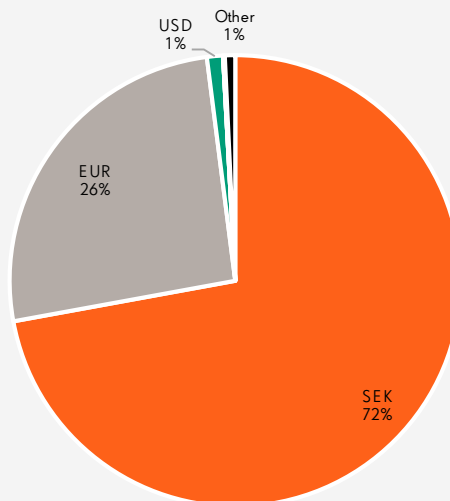
# Funding & liquidity

– Total funding portfolio SEK 433 billion (as of 31st Mars 2019)

## Funding sources



## Currency split



\* incl. deposits

## Key figures - liquidity

Liquidity portfolio

**73<sub>bn</sub>**

LCR

**303%**

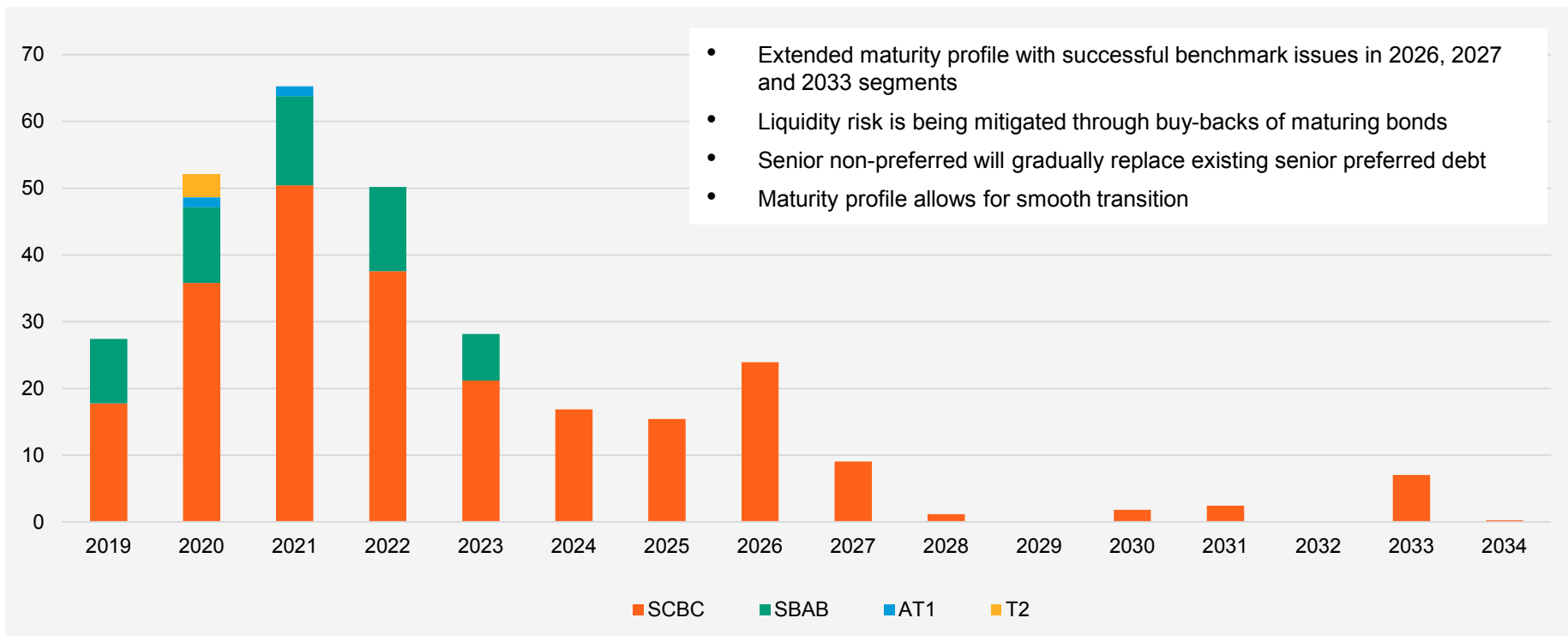
NSFR

**117%**

Survival horizon

**443<sub>days</sub>**

# Maturity profile

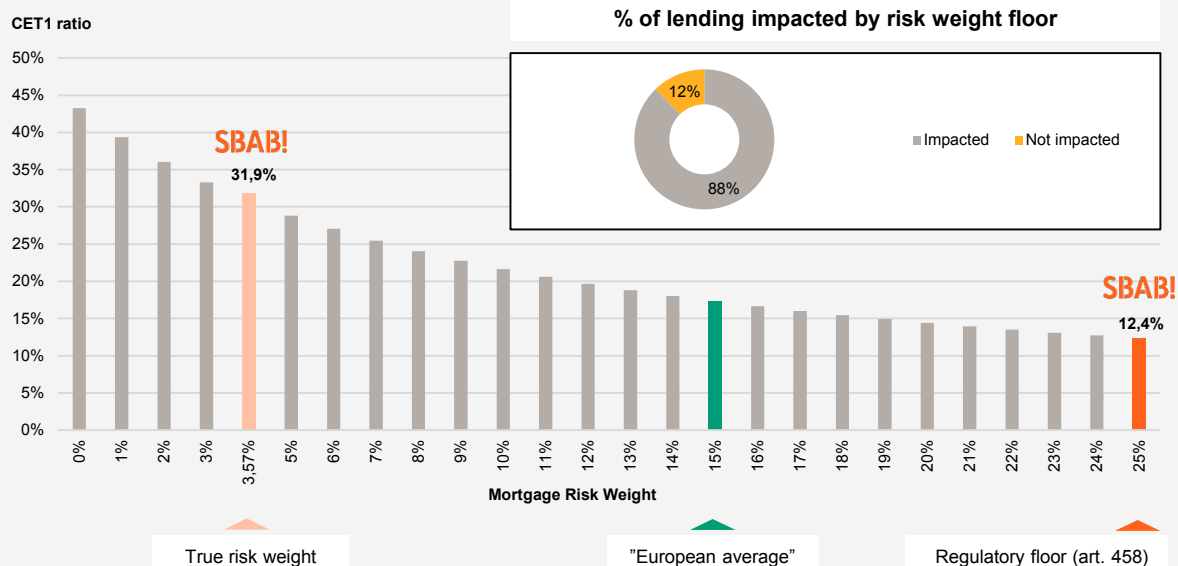




# Capital position

– Solid capitalisation, SBAB well above external and internal requirements

## Move of RW-floor (art. 458) & impact on SBAB's CET1 ratio



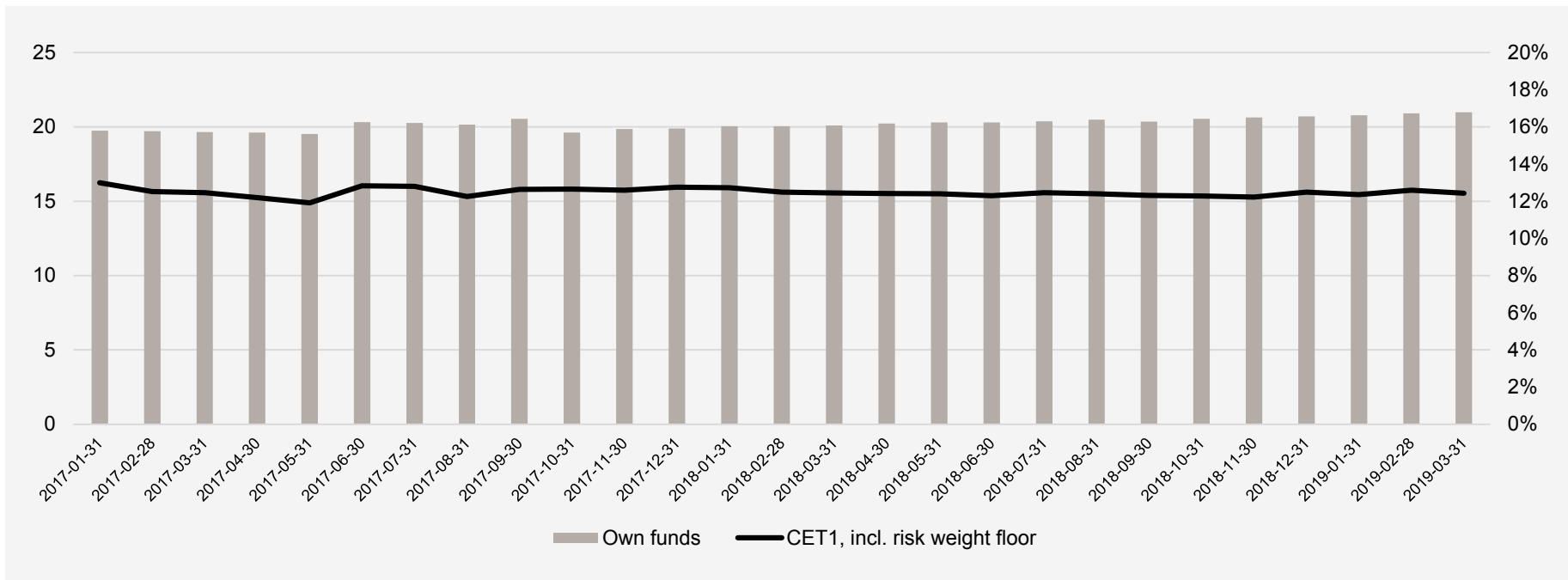
## Comments

- Capital target: CET1 and total capital ratio at least 0.6% above the requirement communicated by the Swedish FSA \*
- CET1 capital ratio of 12.4% well above external (10.2%) and internal (10.8%) requirements

\* Adjusted from 1.5% as per 31 Dec 2018 as a result of decision from the Swedish FSA to change the method it uses to apply the 25% risk weight floor for Swedish mortgages previously captured through Pillar 2 by replacing it with a capital requirement within the framework of Article 458 of CRR. In nominal terms, a buffer level of 0.6% corresponds to 1.5% before moving the risk-weight floor.

# Capital position

Development of own funds (SEK bn) & CET 1 capital ratio (%) according to art. 458



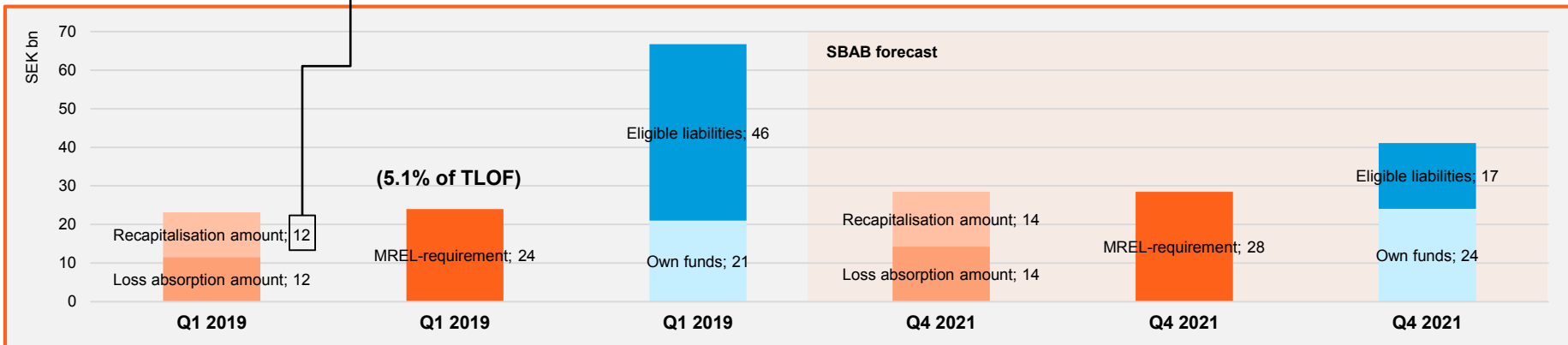
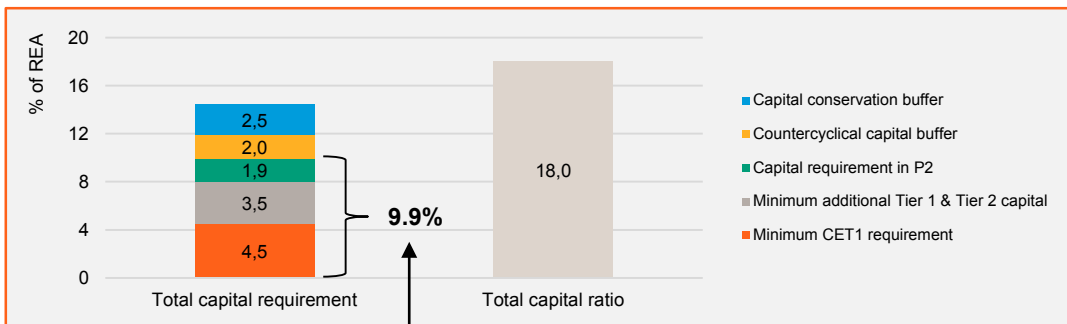
# MREL-requirement 2019 – 2021 (1/2)

## Overview

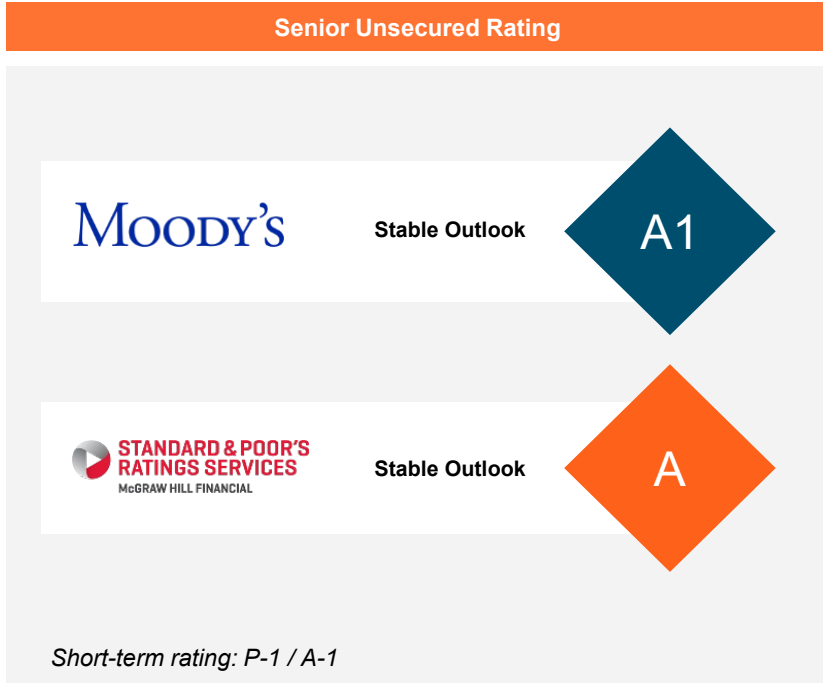
- In June 2018, SNDO (Riksgälden) made public that the principle of subordinated liabilities shall also apply to the six mid-sized institutions that are critical for the financial system. Phase in period until end 2021
- SBAB's total MREL-requirement is currently set at 5.1% of Total Liabilities and Own Funds (TLOF)\*
  - Total need for MREL debt around SEK 24 bn, where approximately SEK 12 bn is the recapitalisation amount (to be covered with senior non preferred debt)
  - Compliant with requirement with current outstanding senior unsecured debt
  - SBAB's estimated balance sheet growth and buffer will add to regulatory MREL requirement
  - Future MREL requirement subject to implementation of BRRD2 might have an impact of SNP issuance
- Senior non preferred need (requirement + growth + buffer) of approximately SEK 17 bn by end of 2021
  - SEK issuance, EUR and other currencies as a complement
- Gradual build up of eligible liabilities (senior non preferred) over next three years (subject to regulatory developments) with start in 2019
- Existing senior unsecured debt eligible until end of 2021

\* Source: <https://www.riksdagen.se/contentassets/d8e4e8a07bf24347808d47e70de2b030/mrel-tabell-dec-2018.pdf>

# MREL-requirement 2019 – 2021 (2/2)



# Rating overview



Moody's

STANDARD & POOR'S  
RATINGS SERVICES  
McGRAW HILL FINANCIAL

Investment Grade	Moody's	S&P
	<b>Aaa</b> <i>Sov. rating</i>	<b>AAA</b> <i>Sov. rating</i>
	Aa1	AA+
	Aa2	AA
	Aa3	AA-
	<b>A1</b> <i>Senior Preferred</i>	A+
	A2	<b>A</b> <i>Senior Preferred</i>
	A3	<b>A-</b> <i>SACP</i>
	<b>Baa1</b> <i>BCA</i>	<b>BBB+</b> <i>SNP (E**)</i>
	<b>Baa2</b> <i>T2 / SNP (E*)</i>	<b>BBB</b> <i>T2</i>
	Baa3	BBB-
Non Investment Grade	<b>Ba1</b> <i>AT1</i>	<b>BB+</b>
	Ba2	<b>BB</b> <i>AT1***</i>
	[...]	[...]









\* Expected rating (SBAB assumption)

\*\* Expected rating

\*\*\* Revised 2019/22/05 from BB+











# Expected SNP rating vs. peers

Moody's	Adjusted Financial Profile	Qualitative Adjustments	Resulting BCA range	Assigned BCA	Affiliate Support	Adjusted BCA	SNP Adjustments	SNP Rating
	baa2	-	baa1-baa3	baa1	-	baa1	-1	baa2
	a2	-1 (business diversification)	a2-baa1	baa1	-	baa1	n/a	n/a
	a3	-	a2-baa1	a3	-	a3	-1	baa1
	a3	-	a2-baa1	a3	-	a3	n/a	n/a
	a3	+1 (corporate behaviour)	a1-a3	a2	-	a2	n/a	n/a
	a3	-	a2-baa1	a3	-	a3	n/a	n/a
	a3	-	a2-baa1	a3	-	a3	n/a	n/a
	a3	-1 (business diversification)	a3-baa2	baa1	-	baa1	-1	baa2 *

\* Expected rating (SBAB assumption)

\*\* Expected rating

STANDARD & POOR'S RATINGS SERVICES MOODY'S BILFRÅNDEL	Anchor	Business Position	Capital & Earnings	Risk Position	Funding & Liquidity	SACP	SNP Adjustments	SNP Rating
	bbb+	Strong (+1)	Strong (+1)	Moderate (-1)	Average/Adequate (0)	a-	-1	BBB+
	bbb+	Adequate (0)	Strong (+1)	Adequate (0)	Average/Adequate (0)	a-	-1	BBB+
	a-	Strong (+1)	Strong (+1)	Adequate (0)	Average/Adequate (0)	a+	-1	A
	a-	Adequate (0)	Strong (+1)	Adequate (0)	Average/Adequate (0)	a	n/a	n/a
	a-	Strong (+1)	Adequate (0)	Strong (+1)	Average/Adequate (0)	a+	n/a	n/a
	a-	Strong (+1)	Strong (+1)	Adequate (0)	Average/Adequate (0)	a+	n/a	n/a
	a-	Moderate (-1)	Strong (+1)	Adequate (0)	Average/Adequate (0)	a-	n/a	n/a
	a-	Moderate (-1)	Strong (+1)	Adequate (0)	Average/Adequate (0)	a-	-1	BBB+ **

# SBAB GROUP GREEN BOND FRAMEWORK 2019.



# SBAB's sustainability focus

## A TRULY SUSTAINABLE STRATEGY

Three target areas that form the basis of a common approach of SBAB's contribution to sustainable global development

Responsibility  
and transparency

Attractive  
workplace

Sound  
finances



## EXAMPLES OF SBAB'S SUSTAINABILITY EFFORTS

### Rebated green mortgages

ENERGY CLASS **A**: -10 bps  
ENERGY CLASS **B**: -10 bps  
ENERGY CLASS **C**: -5 bps



### Homelessness in society

Undeclared labour and unacceptable working conditions in the housing construction market

### Respect, diversity & equality in the workplace

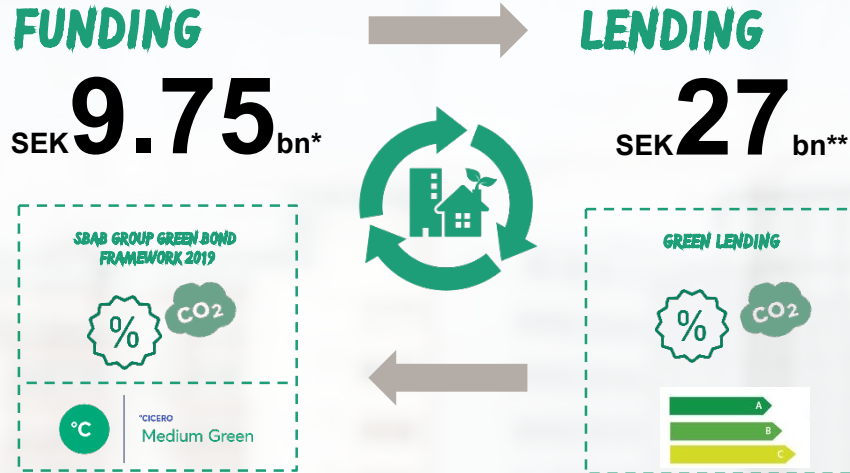


**IN Q1 2019, SBAB BECAME THE FIRST BANK IN SWEDEN TO ISSUE A GREEN COVERED BOND BACKED BY MORTGAGES**



# A green cycle of funds

## Linking green lending to green funding



\* Outstanding green bonds as of 2019/03/06

\*\* Estimated Eligible volumes within SBAB Group Green Bond Framework 2019

## Rationales for SBAB's green efforts

- Green lending to stimulate demand for energy efficient housing as well as creating opportunities and incentives (e.g. by offering discounted loans) for customers to invest and implement energy improving measures in their homes and properties
  - SBAB's most recent green lending product is a Green Mortgage (Sw. Grönt Bolån), which is a discounted residential mortgage available for all customers living in properties with an EPC evidencing an energy class equivalent to or better than the national building standards, i.e. energy class A, B or C.
  - Since 2015, SBAB offers discounted Green Loans (Sw. Gröna Lån) to corporate clients and tenant-owners' associations
  - Focus on financing new construction, as newly built properties more energy-efficient than the older housing stock
- Enable investors to invest their money in a responsible way as well as contributing to a sustainable transition of the Swedish housing and real estate market



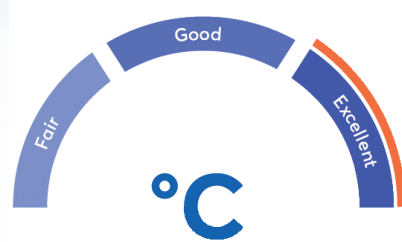
# SBAB Group Green Bond Framework



°CICERO  
Medium Green

“Overall, the SBAB Green Bond Framework provides **a detailed and sound framework for climate-friendly investments.** The Green Bond Framework lists eligible projects that are supportive of the objective of promoting a transition to low-carbon and climate-resilient growth and is **supported by a strong governance structure.**”

“Based on an overall assessment of the activities that will be financed by the green bonds, SBAB’s Green Bond Framework gets the **Medium Green shading.**”



“The overall assessment of the governance structure of SBAB gives it a **rating of Excellent.** The high score is mainly an acknowledgement of the issuer’s **detailed plans for the selection and reporting aspects of green bond eligible projects.**”



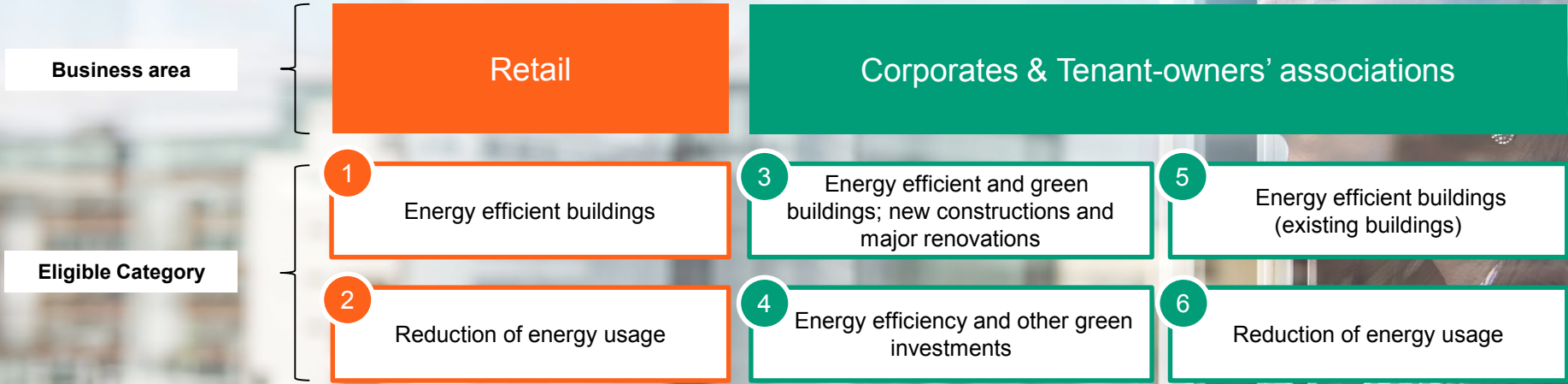
# SBAB Group Green Bond Framework

- The Green Bond Framework (available at sbab.se) enables (i) SBAB to issue notes in the form of green bonds under SBAB's Euro Medium Term Note Programme and (ii) SCBC to issue covered bonds in the form of green bonds under SCBC's Euro Medium Term Covered Note
- The framework is built upon the guidelines established by "The Green Bond Principles" published by the International Capital Market Association
- Second opinion provided by CICERO



# 1. Use of Proceeds

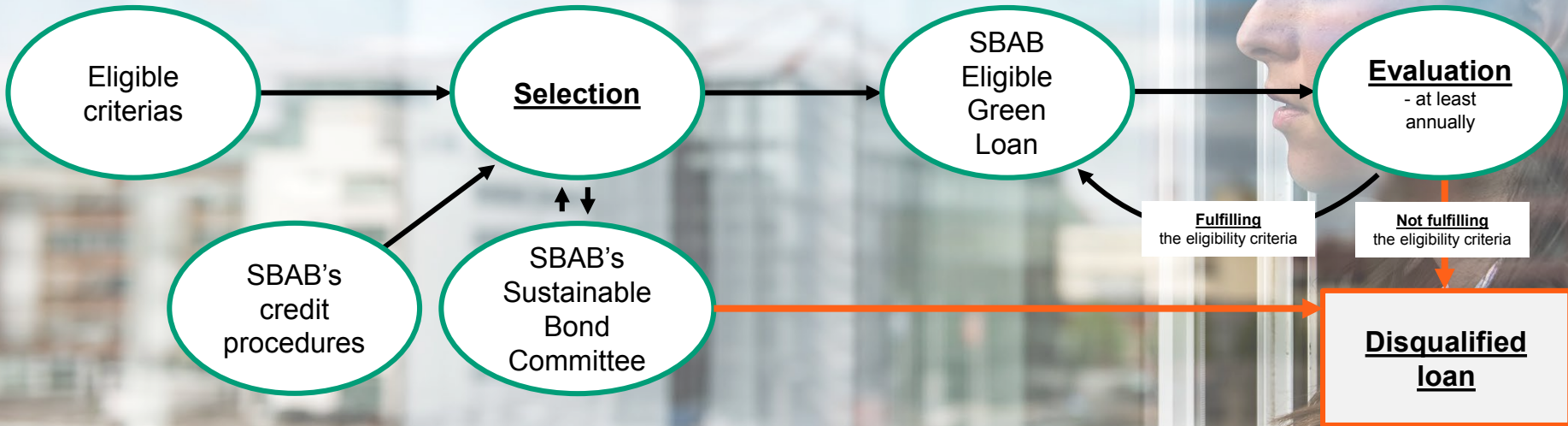
- A loan will become an eligible loan if it is used to finance or refinance a project which fulfils one of the below criteria. Each Eligible Green Loan (other than a consumer loan) is primarily secured either by mortgages (Sw. *pantbrev*) pledged in favour of an entity in the SBAB Group if the loan relates to a property (Sw. *fast egendom*) or by a pledge in favour of an entity in the SBAB Group if the loan relates to a tenant-owners' right. In certain cases, the Eligible Green Loans are also secured by a share pledge or through a guarantee





# 2. Project Evaluation and Selection

- SBAB Eligible Green Loans will be **selected and approved by the SBAB Group's Sustainable Bond Committee** consisting of a representative from Treasury, Head of Corporate Clients & Tenant-owners' Associations (corporate lending), Head of Customer Experience (private lending), Head of Property Valuation, and sustainability strategists from the corporate and private lending divisions based on the eligibility criteria and SBAB's applicable credit procedures





# 3. Management of Proceeds

- The net proceeds received by the SBAB Group through the issuance of SBAB Group Green Bonds will be managed by the SBAB Group in a **portfolio approach**. The net proceeds from an SBAB Group Green Bond will thus be allocated to a **portfolio of Eligible Green Loans** (selected in accordance with the process set out under “Use of proceeds”) where an **Eligible Green Loan may be held by either SBAB or SCBC\***



- The SBAB Group has assigned specific series and identification numbers to its SBAB Group Green Bonds separating them from the companies' other bonds in issue. Similarly, **each loan that fulfils the eligibility criteria will be marked and thus designated as an Eligible Green Loan**



- The SBAB Group will hold or invest any unallocated SBAB Group Green Bond net proceeds, at its own discretion, in its liquidity portfolio managed by SBAB in accordance with SBAB's liquidity portfolio policy. Details of the composition of the liquidity portfolio are on a yearly basis set out in the SBAB Group's consolidated annual report.



\*It is the SBAB Group's intention to designate sufficient Eligible Green Loans to the group portfolio of Eligible Green Loans to ensure that the size thereof always exceeds the total balance of all outstanding SBAB Group Green Bonds.

# 4. Reporting & Transparency

## Reporting and Transparency

- The SBAB Group will annually, and until the maturity of all SBAB Group Green Bonds issued, provide at least the following information to investors on its website [www.sbab.se](http://www.sbab.se):
  - (i) a summary of Green Bond developments;
  - (ii) the outstanding amounts of issued SBAB Group Green Bonds;
  - (iii) the total proportion of Green Bond net proceeds used to finance new assets and the proportion of Green Bond net proceeds used to refinance existing assets;
  - (iv) the total aggregated proportion of Green Bond net proceeds per category of the eligibility criteria;
  - (v) verification by third party; and
  - (vi) SBAB Group Green Bonds Impact Reporting
- SBAB reports sustainability in an integrated annual report (since 2015)
  - In accordance with GRI Standards: Core option
  - Also constitutes SBAB's Communication on Progress (COP) to the UN Global Compact

## Basis for Impact Reporting

- The SBAB Group intends to show reduced or avoided greenhouse gas emissions in proportion to the eligible part financed or refinanced with net proceeds from SBAB Group Green Bonds. SBAB will use a baseline calculation method taking into consideration energy savings \*
- Given the potential large number of Eligible Green Loans, and with reference to the requirements in relation to SBAB's customers and the General Data Protection Regulation (GDPR), SBAB intends to show an aggregation of the loan volume and greenhouse gas avoided or reduced as a result of the Eligible Green Loans financed through the issuance of the SBAB Group Green Bonds
- The following metrics for impact reporting will be included:
  - (i) brief description of, at least, two examples of by Eligible Green Loans financed through the issuance of SBAB Group Green Bonds (subject to customer approval being obtained);
  - (ii) annual expected aggregated energy savings (kWh); and
  - (iii) expected aggregated annual greenhouse gas emissions avoided (tonnes)

*\*The impact assessment is provided with the reservation that not all related data can be covered and that calculations therefore will be on a best intention basis*

# Eligible volumes within current framework

As of 31 dec 2018, a total of approx. **SEK 27bn\*** has been identified as eligible projects, which corresponds to approximately **7% of SBAB's total lending**

## Retail\*

1

Energy efficient buildings  
("SBAB Green Mortgages")

SEK  
14bn

2

Reduction of energy usage

n/a

## Corporates & Tenant-owners' associations\*

3

Energy efficient and green  
buildings; new constructions  
and major renovations

SEK  
7bn

4

Energy efficiency and other  
green investments ("SBAB  
Green Loans")

SEK  
140mn

5

Energy efficient buildings  
(existing buildings)

SEK  
6bn

6

Reduction of energy usage

n/a

**SBAB BANK INAUGURAL  
NON-PREFERRED GREEN  
SENIOR DEBT ISSUE.**



# Summary of key provisions – Term Sheet

<b>Issuer</b>	<ul style="list-style-type: none"><li>• SBAB Bank AB (publ)</li></ul>
<b>Expected issue rating</b>	<ul style="list-style-type: none"><li>• Baa2 (SBAB assumption) by Moody's and BBB+ by S&amp;P</li></ul>
<b>Currency</b>	<ul style="list-style-type: none"><li>• SEK</li></ul>
<b>Maturity</b>	<ul style="list-style-type: none"><li>• 5 year, fixed and/or floating</li></ul>
<b>Status</b>	<ul style="list-style-type: none"><li>• Senior Non-Preferred Notes</li><li>• - <i>Rank senior to share capital and subordinated obligations and rank junior to unsubordinated creditors</i></li></ul>
<b>Interest rate</b>	<ul style="list-style-type: none"><li>• [TBD]%, payable [annually/quarterly] in arrear on [TBD] in each [year/quarter]</li></ul>
<b>Set-off</b>	<ul style="list-style-type: none"><li>• No set-off right</li></ul>
<b>Redemption</b>	<ul style="list-style-type: none"><li>• 100.00% of the Nominal Amount</li></ul>
<b>Early Redemption</b>	<ul style="list-style-type: none"><li>• Call option if certain events occur, e.g. an MREL Disqualification Event</li></ul>
<b>Substitution and Variation</b>	<ul style="list-style-type: none"><li>• The terms may be substituted or varied if certain events occur, e.g. an MREL Disqualification Event, or to ensure the effectiveness and enforceability of the contractual recognition of Swedish statutory bail-in powers</li></ul>
<b>Statutory bail-in powers</b>	<ul style="list-style-type: none"><li>• Noteholders will be bound by the exercise of any Bail-in Power by the Swedish National Debt Office and accept that rights may be varied</li></ul>
<b>Listing</b>	<ul style="list-style-type: none"><li>• Irish Stock Exchange plc, Euronext Dublin</li></ul>
<b>Documentation</b>	<ul style="list-style-type: none"><li>• €13bn EMTN programme</li></ul>
<b>Governing Law</b>	<ul style="list-style-type: none"><li>• English law, except Swedish law for status</li></ul>
<b>Target Market</b>	<ul style="list-style-type: none"><li>• Eligible counterparties and professional clients only</li></ul>
<b>Denomination</b>	<ul style="list-style-type: none"><li>• SEK 2 million + 1 million</li></ul>

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# SBAB!

**APPENDIX.**



# Contacts

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For further  
information,  
please  
contact:

Fredrik Jönsson, Head of Treasury <a href="mailto:fredrik.jonsson@sbab.se">fredrik.jonsson@sbab.se</a>	+46 8 614 3822
Anders Hult, Head of Funding <a href="mailto:anders.hult@sbab.se">anders.hult@sbab.se</a>	+46 8 614 3864
Emma Holmberg, Head of Investor Relations <a href="mailto:Emma.holmberg@sbab.se">Emma.holmberg@sbab.se</a>	+46 702 556 266
Pontus Nilehn, Manager Financial Communications <a href="mailto:pontus.nilehn@sbab.se">pontus.nilehn@sbab.se</a>	+46 706 912 444



# Retail customers

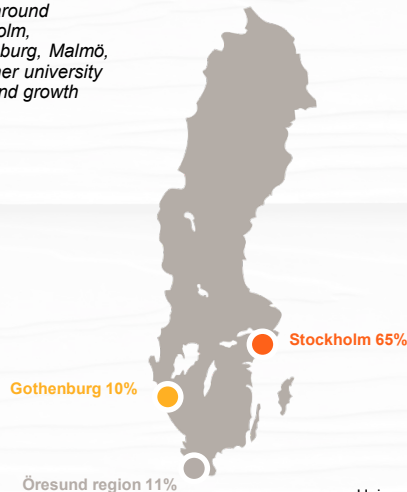
## Summary

- Core product residential mortgages (5<sup>th</sup> largest player in Sweden) supplemented with savings accounts and consumer loans
- No traditional bank branches, products and services offered online or by telephone
- Services within housing and household finances to add to customer value, e.g. insurance brokering, search engine for housing and real estate-agent services
- Customers primarily located in areas around Stockholm, Gothenburg, Malmö, and other university cities and growth regions

**SBAB!** **booli** HittaMäklare

## Geography

*Lending concentrated to areas around Stockholm, Gothenburg, Malmö, and other university cities and growth regions*



University and growth areas: 9%  
Other regions: 5%

## Key figures

Lending (SEK)

**279.5<sub>bn</sub>**

Mortgage market share

**8.35%**

Mortgage customers

**270,000**

Deposits (SEK)

**87.6<sub>bn</sub>**

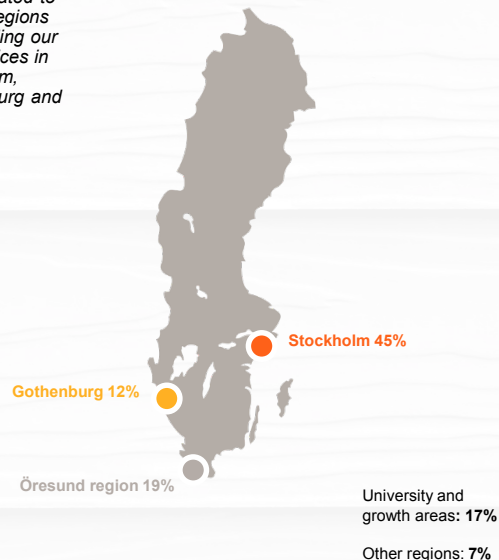
# Corporate Clients & Tenant-Own. Assoc.

## Summary

- Housing financing and savings products to property companies (“corporates”) and tenant-owners’ associations
- Multi-family dwellings, both privately owned and owned by tenant-owners’ associations
- Existing buildings or new construction
- Personal service. Three offices in Stockholm, Gothenburg and Malmö
- Primarily target major residential developers, property owners and tenant-owners’ associations
- Credit granting concentrated to growth regions surrounding our three offices in Stockholm, Gothenburg and Malmö

## Geography

*Credit granting concentrated to growth regions surrounding our three offices in Stockholm, Gothenburg and Malmö*



## Key figures

Lending (SEK)

86.8<sub>bn</sub>

Market share (Corporates)

11.3%

Market share (ToA)

9.4%

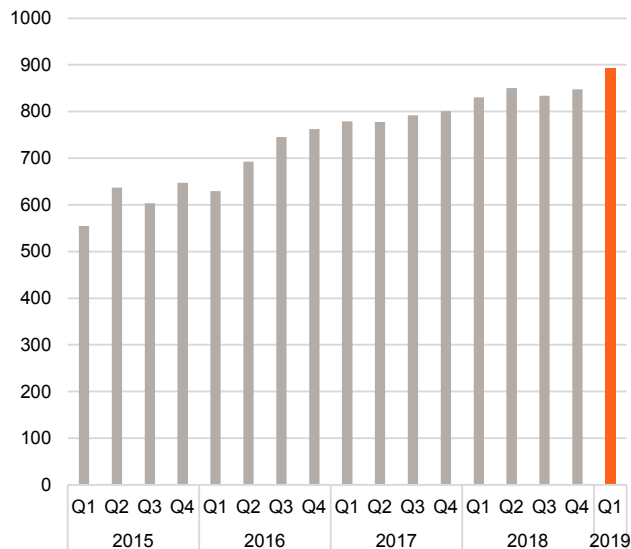
Deposits (SEK)

38.5<sub>bn</sub>

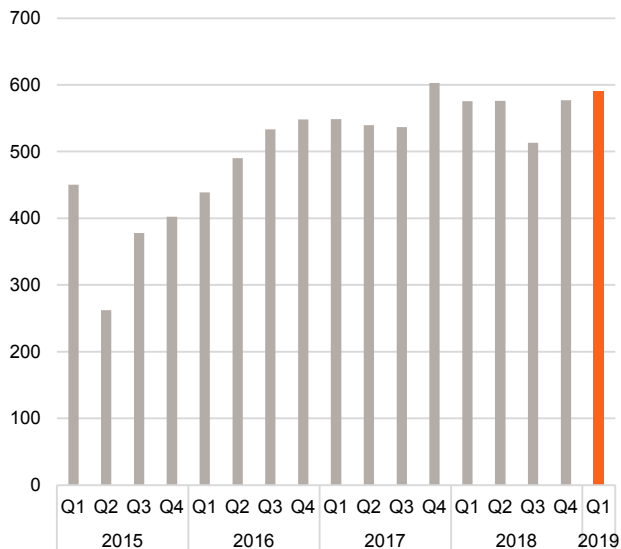
# Financial development

– Continued growth and stability. Recurring income dominates SBAB's revenue stream

Net Interest Income (SEK mn)



Operating profit (SEK mn)



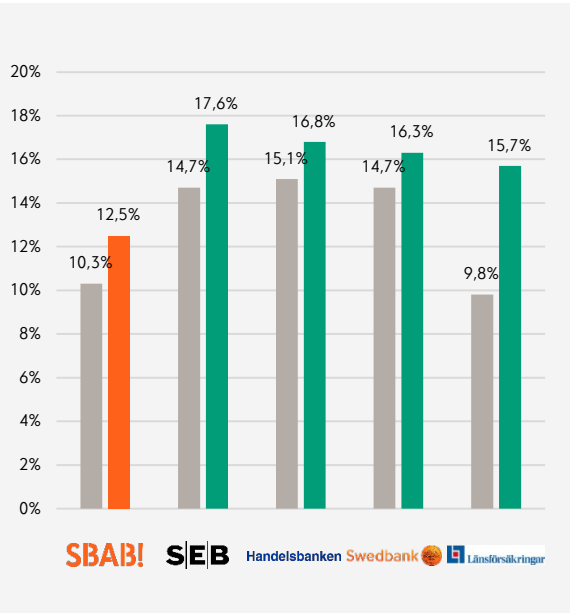
Comments

- An efficient business model which delivers solid returns
- Strong growth metrics demonstrated for a sustained period of time
- SBAB's business model is in its nature of a strong recurring character

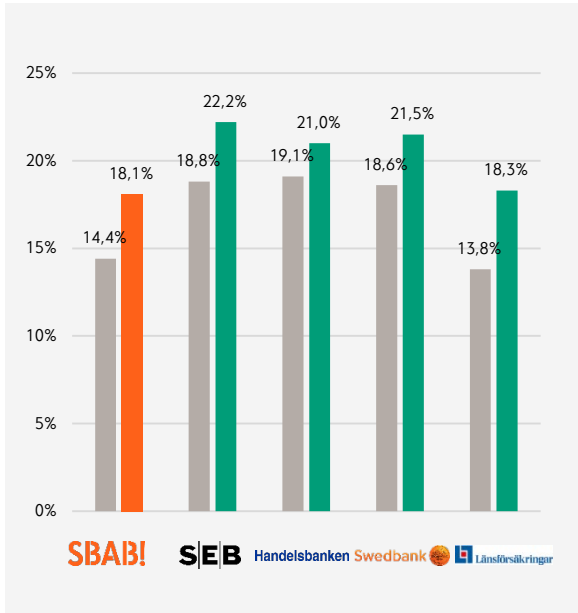
# Capital position (Q4 2018)

– Continued strong capital buffers – SBAB well above external requirements

## CET 1 capital ratio, %



## Total capital ratio, %



## Comments

- Capital target: CET1 and total capital ratio at least 0.6% above the requirement communicated by the Swedish FSA \*
- SBAB well above external and internal requirements

Available Q4 2018 Requirement Q4 2018

\* Revised from 1.5% as per 31 Dec 2018 as a result of decision from the Swedish FSA to change the method it uses to apply the 25% risk weight floor for Swedish mortgages previously captured through Pillar 2 by replacing it with a capital requirement within the framework of Article 458 of CRR. In nominal terms, a buffer level of 0.6% corresponds to 1.5% before moving the risk-weight floor.

# Outstanding green bonds & read more

Issuer	Issue date	Amount issued	Format	Maturity	Coupon	ISIN
SBAB	16 June, 2016	SEK 1.0bn	Senior unsecured	23 June, 2021	1.048%	XS1436518606
		SEK 1.0bn		23 June, 2021	3M Stibor +95 bps	XS1436728916
SBAB	4 October, 2017	SEK 1.0bn	Senior unsecured	11 October, 2022	0.98%	XS1697577556
		SEK 750mn		11 October, 2022	3M Stibor +75 bps	XS1697766951
SCBC	23 January, 2019	SEK 6.0bn	Covered bond	28 March, 2024	0.75%	XS1943443769

Read more

## SBAB Group Green Bond Framework 2019

- SBAB Group Green Bond Framework 2019
- Second Opinion from CICERO 2019
- Q&A on SBAB Group Green Bond Framework 2019

## SBAB Green Bond Framework 2016

- Green Bonds Impact Report 2018
- SBAB Green Bond Framework 2016
- Second Opinion from CICERO 2016