

INVESTOR PRESENTATION

SBAB Bank AB (publ)

Full-year 2017

SBAB!

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Executive summary

- 100% owned by the Kingdom of Sweden
- Swedish mortgage portfolio, predominantly residential mortgages
- Focus on core business, mortgages in the retail segment
- Business targets:
 - Profitability: RoE \geq 10%
 - Capitalisation: CET1 Capital Ratio 1.5% above requirement from the Swedish FSA
 - Dividend: \geq 40% of profits after tax
- Total funding needs for full 2018 expected to be around SEK 60-70 billion

	2017	2016
Total lending, SEK bn	335.1	296.0
Total deposits, SEK bn	111.9	96.8
Net Interest Income, SEK mn	3,149	2,829
Loan losses, SEK mn	24	-18
RoE, %	12.5	12.3
C/I ratio, %	30.3	30.5
CET1 Capital Ratio, %	32.2	32.2

Rating	Moody's	S&P's
SBAB		
- Short term funding	P-1	A-1
- Long term funding	A1	A
SCBC		
- Long term funding	Aaa	

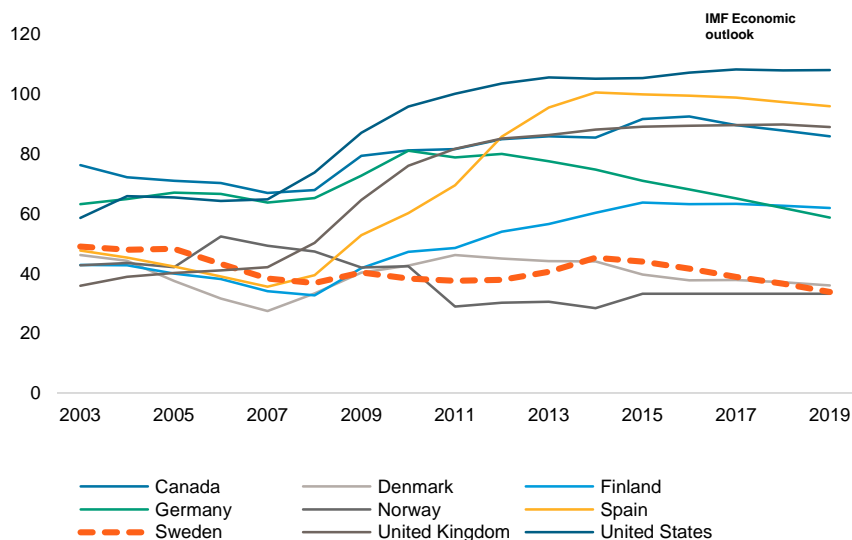
THE SWEDISH ECONOMY & MORTGAGE MARKET.

The Swedish economy

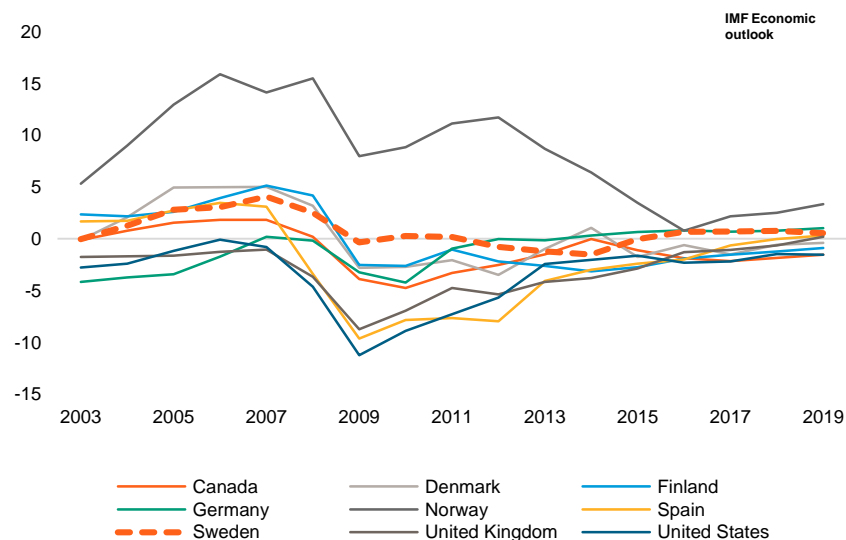
– AAA / Aaa / AAA (stable)

- **Public finances are very strong in an international comparison**
- **Government debt is low and declining**
 - Public debt-to-GDP of 38,8% in 2017, 36,5% in 2018 and 33,8% 2019 (IMF, January 2018)
- **Budget currently close to balance**
 - Average budget balance has been +0.25% of GDP over the past 15 years

General government gross debt (% of GDP)



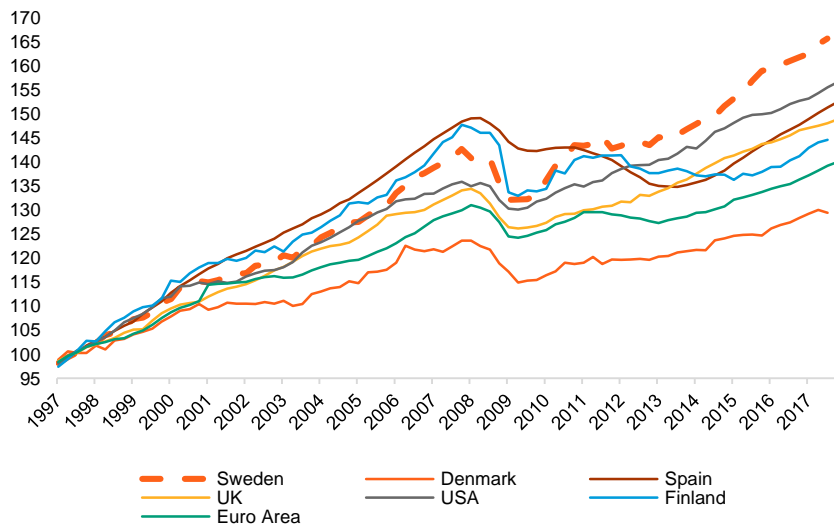
General government net lending/borrowing (% of GDP)



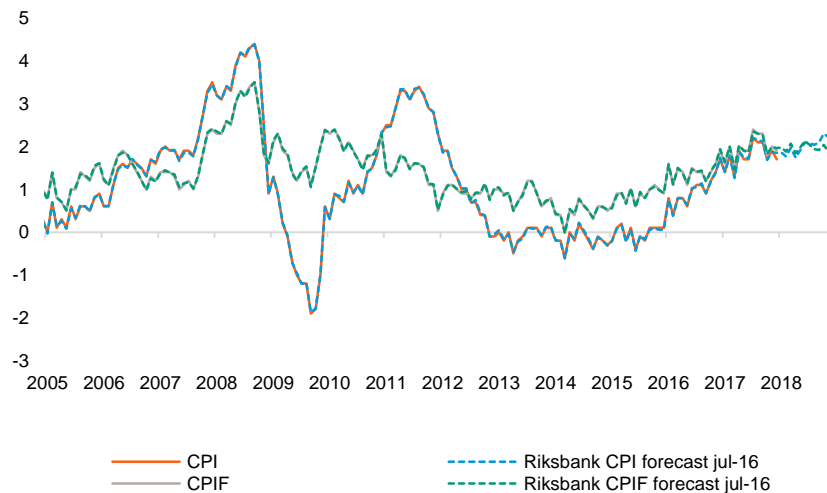
Growth and inflation

- The economy has been characterized by strong domestic demand, stable public finances, strong population growth, increasing employment, low inflation, low interest rates and rising house prices over the past years. Export demand has been picking up over the latest quarters.
- **Average annual GDP-growth has been 2.3% over the last 15 years vs 1.1% in the Euro area**
 - GDP growth is expected to slow down from 3.2% in 2016 to 3.1% in 2017 and 2.4% in 2018 (IMF, January 2018)
- **Average inflation has been 1.1% over the last 15 years, well below the target of 2%**
 - Core HICP inflation of about 1.5 percent is expected in 2018 (IMF, September 2017)

GDP (1997=100)



Inflation (y/y)



Mortgage lending in Sweden

– A low risk business

Affordability Assessment

Mortgage lending in Sweden is based on household affordability in the long term, i.e. funds left to live on after interest payments (including stressed interest rate), housing expenses and other general living expenses

Credit Information Agency

National computerized data base with information regarding civil status, income and changes in income, assets, debt, payment complaints and recent inquiries at the agency. Used in every credit process regarding loans

Mortgage Deed System

A Mortgage Deed for every house is registered and controlled by the Swedish mapping, cadastral and land registration authority (Lantmäteriet)

Enforcement Authority

Lender can initiate an enforcement order with this office to enforce his claim, this process normally takes up to 90 days

Mortgage lending in Sweden

– A low risk business

“Originate and hold” model

No “originate to distribute” model, no subprime lending

Restricted Buy-to-Let Market

Restricted buy-to-let market due to regulated rental market and tenant owner subletting restrictions

Personal Liability

A borrower is personally liable even after a default and foreclosure procedure, i.e. full and personal recourse

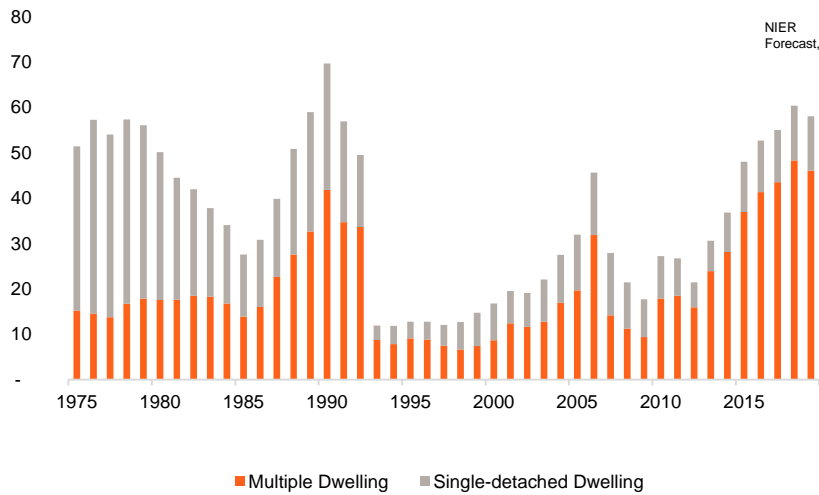
Social Security

Well developed welfare system raising households’ ability to service debt even during times of unemployment

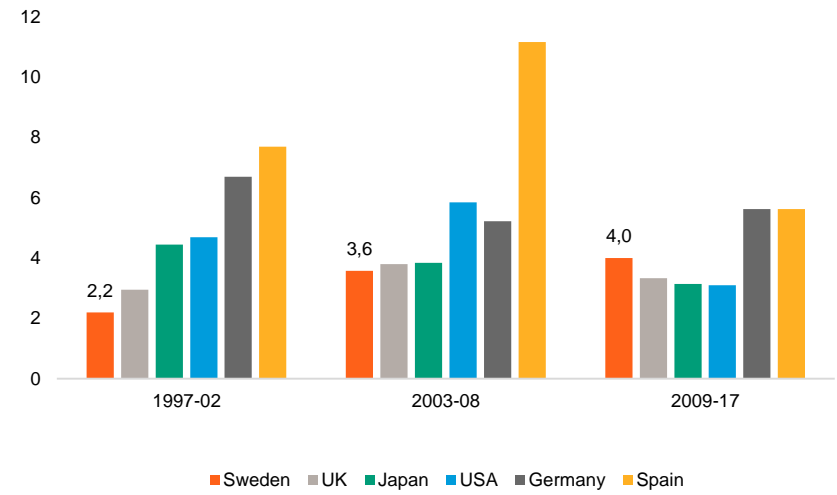
Housing construction

- **Low level of housing construction for a long time, fast increase the last years**
 - After the real estate crisis in the early 1990s, construction were low in comparison to both history and to other countries
 - Over the last 3-4 years housing construction has almost doubled
- **Strong housing demand, easy acces to financing and low interest rates are stimulating construction**
 - Growing signs of overheating in the construction industry due to the acceleration in production
 - 50-60 000 new dwellings per year are needed just to keep the stock of dwellings growing at the same pace as the population in the coming ten years

Housing construction (number of dwellings, 1000s)



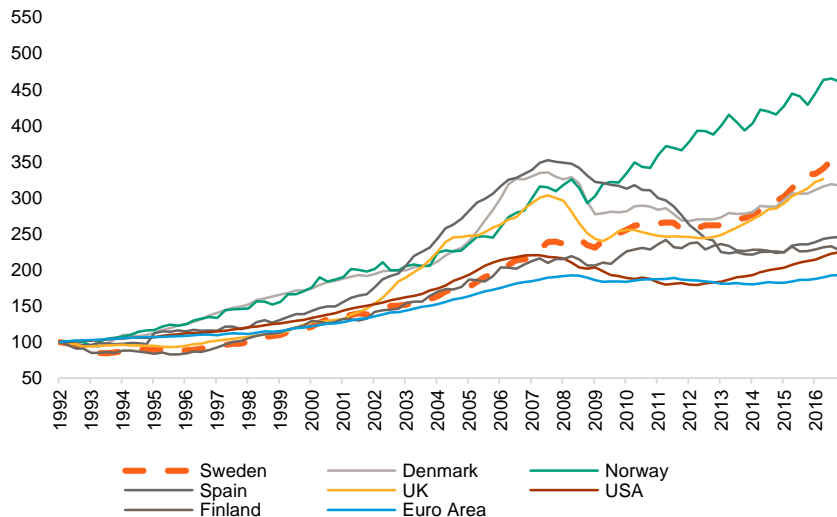
Residential investment (% of GDP)



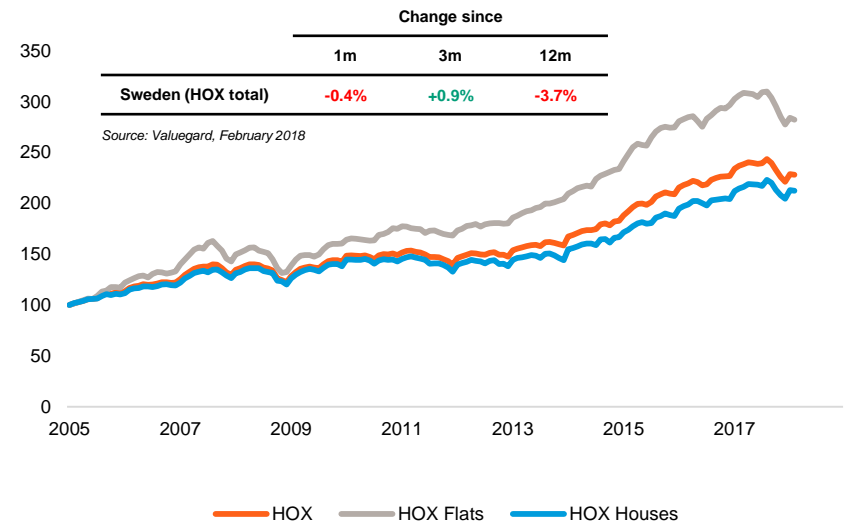
House price performance

- **House prices have increased by an average of 6.5% over the last 15 years. Declined in 2017**
 - Increases have been higher in cities and growth regions than in the countryside. Prices on flats have risen more than prices on houses
 - On average prices on flats and houses increased by 9% during 2016, and decreased by 2.5% in 2017
- **The Swedish housing market contrasts with the “bubble markets” in a number of ways**
 - Strict regulations on buy-to-let
 - No subprime mortgage market
 - Limited speculative building activity

House Prices (index 1992=100)



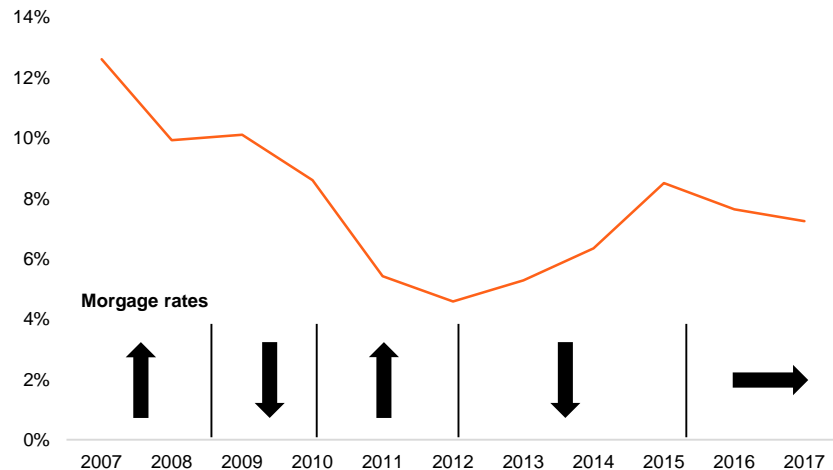
Prices on flats and houses (Index 2005=100)



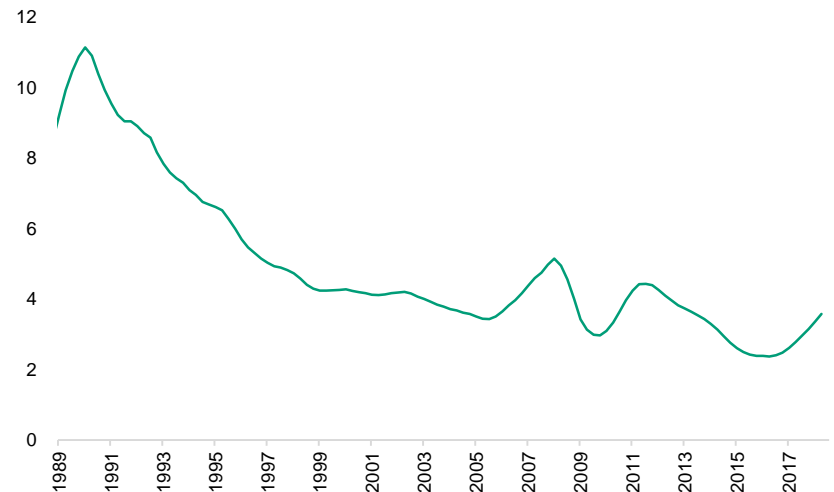
Strong lending growth

- **Household lending is increasing by an annual rate of approx. 7 percent**
 - Lending still increases faster than household income
 - Measures taken has probably not had any major effects on growth rate, but on the composition
- **No increase in debt service costs**
 - There are strong links between interest rates, house prices and lending
 - The interest ratio is at historically lows

Household lending growth (y/y)



Interest expenditure as % of disposable income



Low costs of owning a dwelling

- **Mortgage rates have been on a downward trend for almost 25 years**
 - Mortgage rates and house prices have been highly correlated
 - Interest costs are deductible to 30% (20% on amounts above 100,000 SEK)
- **No increase in debt service costs**
 - Interest rate cost of acquiring an average house have historically been 23% of average disposable per capita income over the past 20 years. Now it's around 12%
- **Relaxation of taxes connected to housing**
 - Inheritance & gift tax abolished in 2005, wealth tax abolished in 2007
 - Residential real estate tax lowered 2008
 - Capital gains taxation applies to dwellings (flat rate 22%)

Mortgage lending rates (average of 5 Swe banks, %)



Interest rate cost for acquiring an average house



After tax yearly interest rate cost of acquiring an average house with 15 percent downpayment (% of average disposable income)

High savings ratio, high net wealth

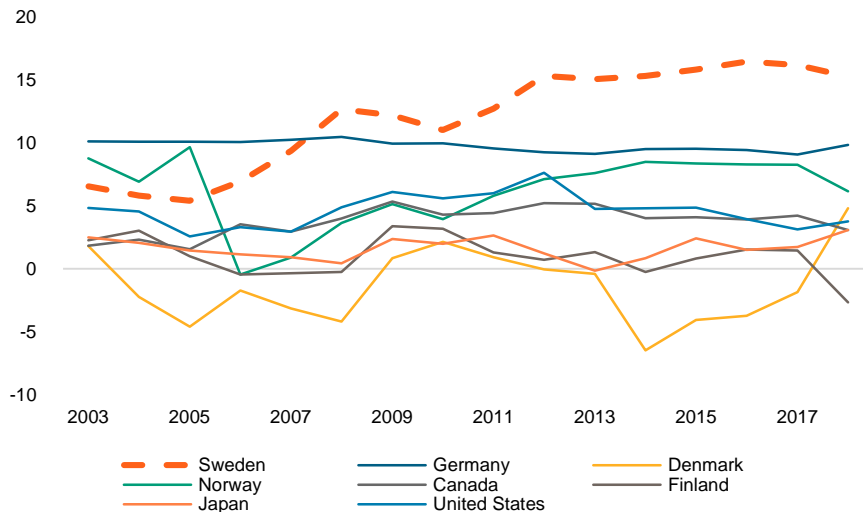
- **High savings ratio**

- Swedish households have a savings ratio above 15%, which is very high in comparison to other countries
- Household deposits has risen from 40% of yearly disposable income in the beginning of the 2000s to almost 80%

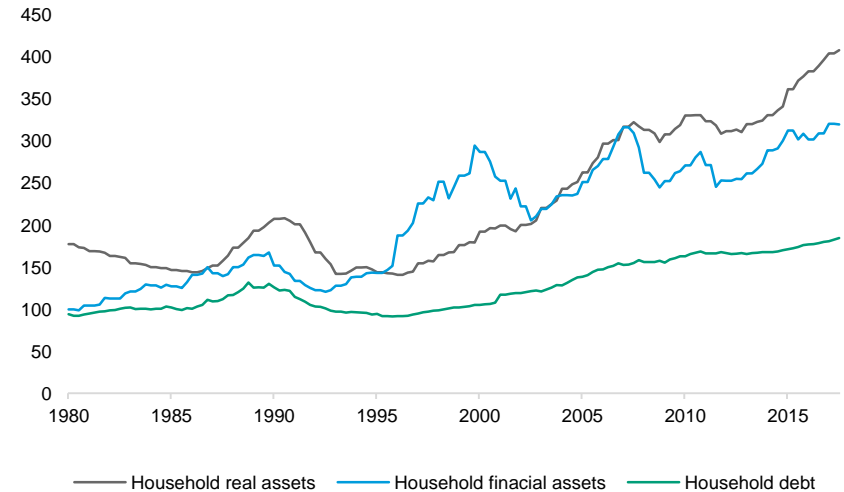
- **High net wealth**

- Both financial assets and housing assets have been rising faster than debt. Average net wealth stands at almost 5 times yearly disposable income

Household savings (net savings as % of household income)



Household debt and assets (% of disposable income)

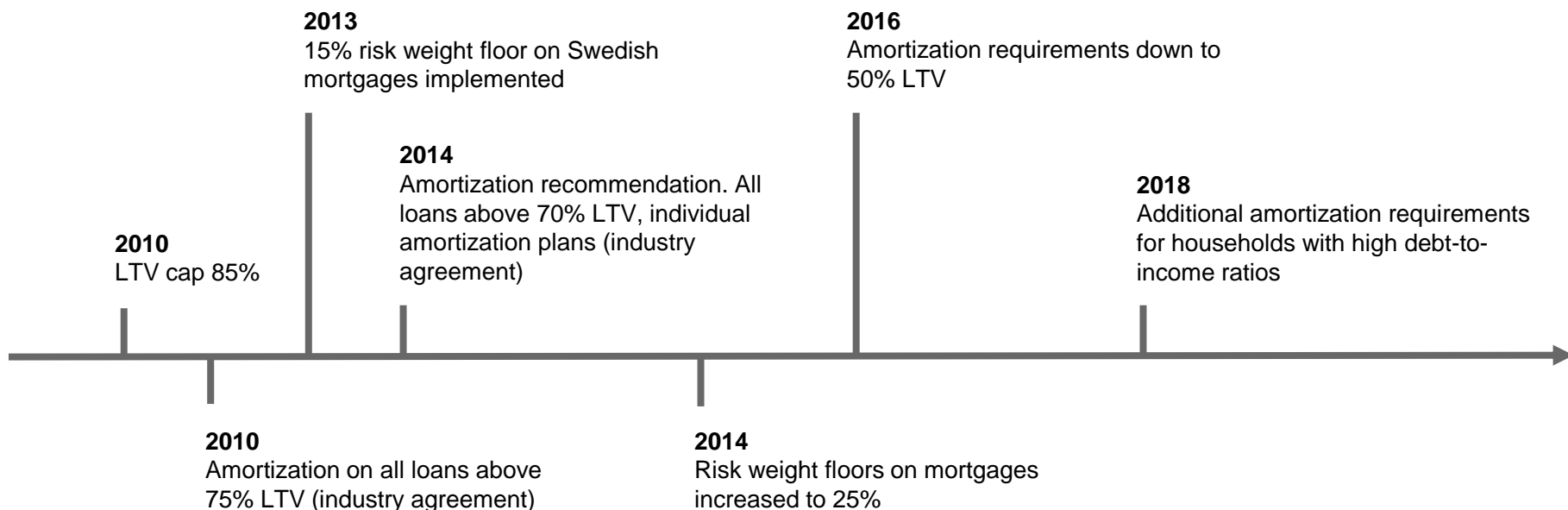


The Swedish mortgage market

– Measures introduced to slow down the market

Ongoing discussions

- Reduction of tax relief on interest expenditure
- Minimum levels in discretionary income calculations
- Reducing the use of variable interest rate



OUR BUSINESS.

Introducing SBAB

- 100% owned by the Kingdom of Sweden (founded in 1985)
- Two product offerings:
 - **Lending:** Mortgages & housing financing offered to retail (75%), tenant-owners' associations (15%) and property companies (10%). **Total lending SEK 335bn**
 - **Savings:** Savings accounts offered to retail (67%), corporate clients and tenant-owners' associations (33%). **Total deposits SEK 112bn**

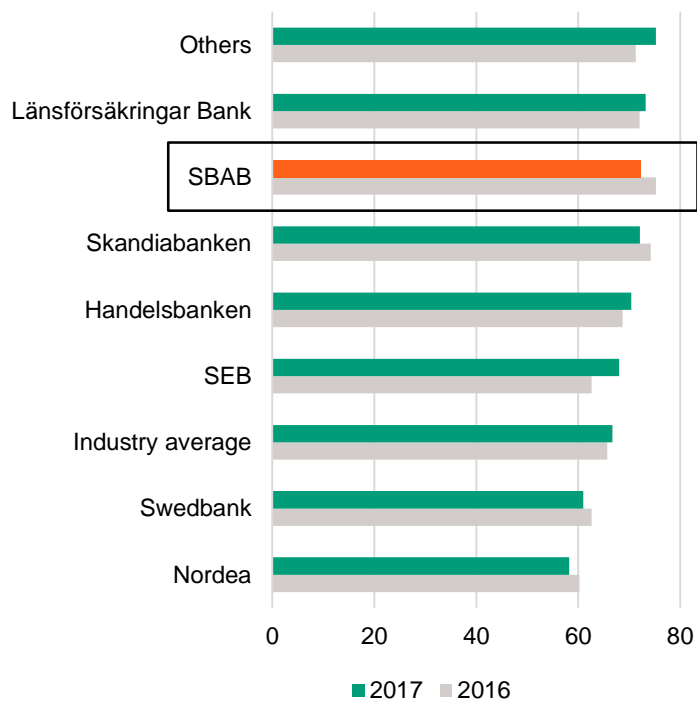


No 3 in 2017, No 1 in 2016

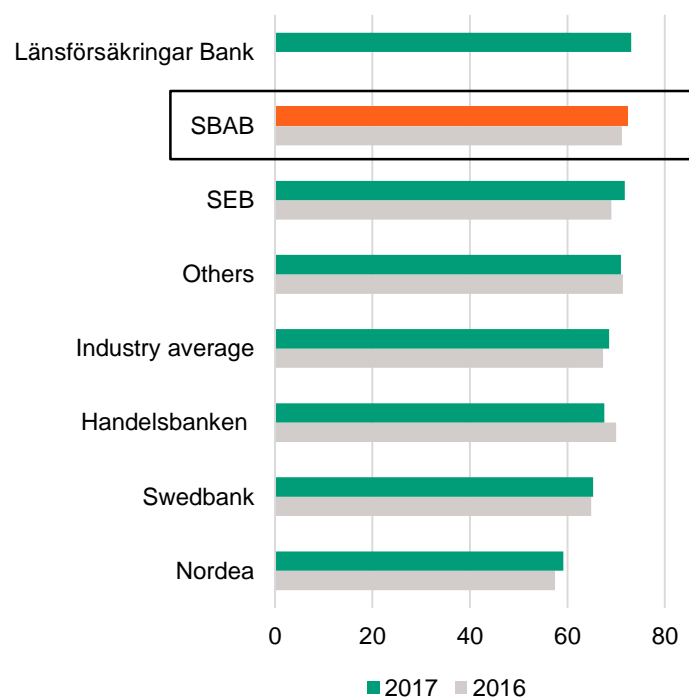
”Sweden’s most satisfied residential mortgage customers”



Retail (SBAB no 3 in 2017)
Customer satisfaction 2016 & 2017



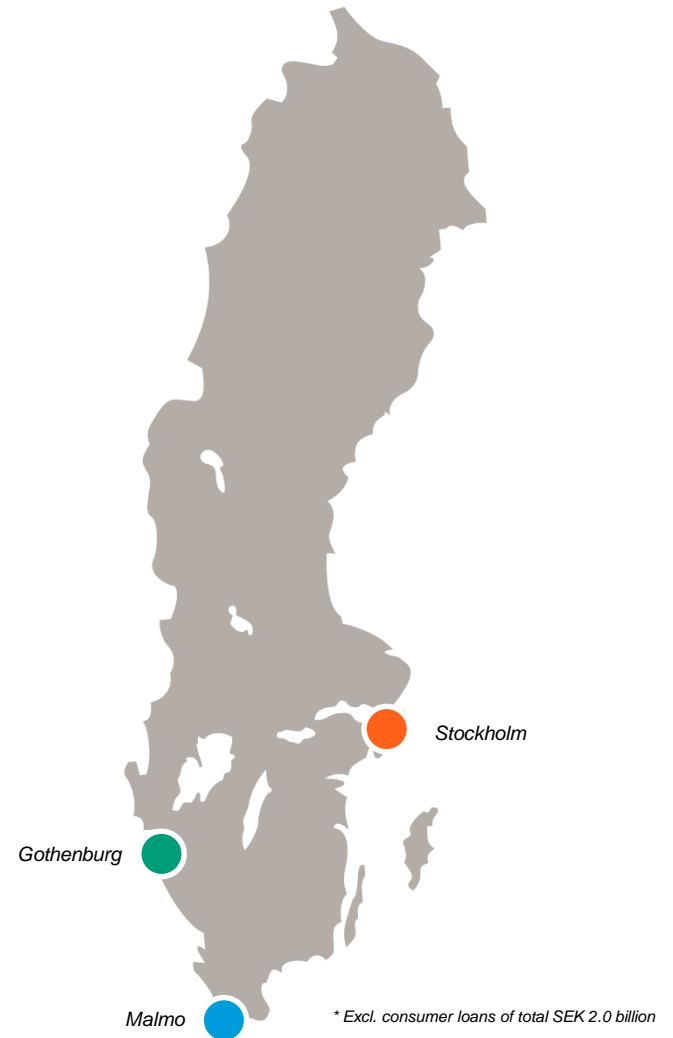
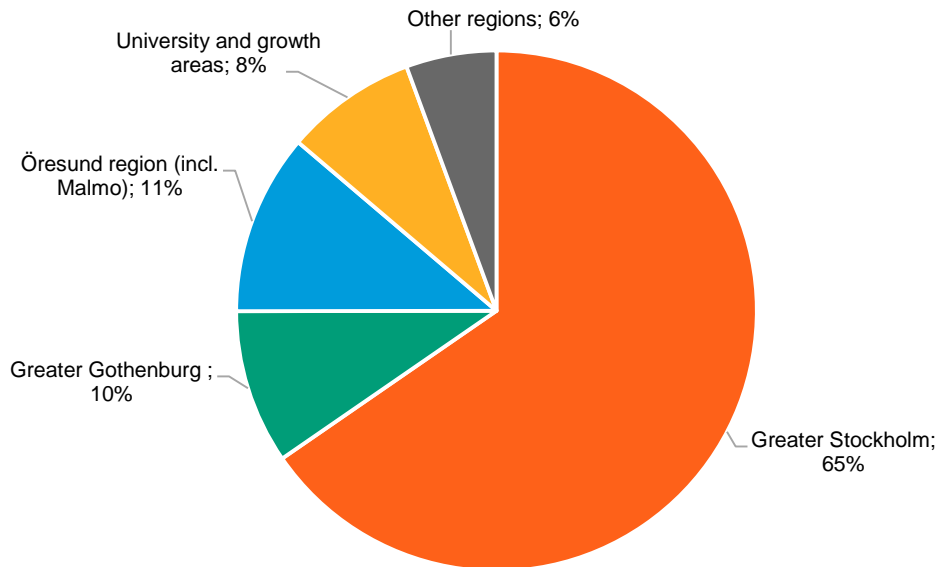
Corporate (SBAB no 2 in 2017)
Customer satisfaction 2016 & 2017



Retail lending

– Total retail lending SEK 251.1 million

- Cost efficient origination through internet (since 1998), call-centre and digital partnerships
- Lending is only offered in Sweden in Swedish Kronor
- SBAB's retail lending is concentrated to the economic hubs (greater Stockholm, Gothenburg and Malmo)



Our value proposition



ACCESSIBILITY

Mortgages online and over the phone, seven days a week, covering all circumstances.

TRANSPARENCY

Fair prices and appropriate terms and conditions from the start.

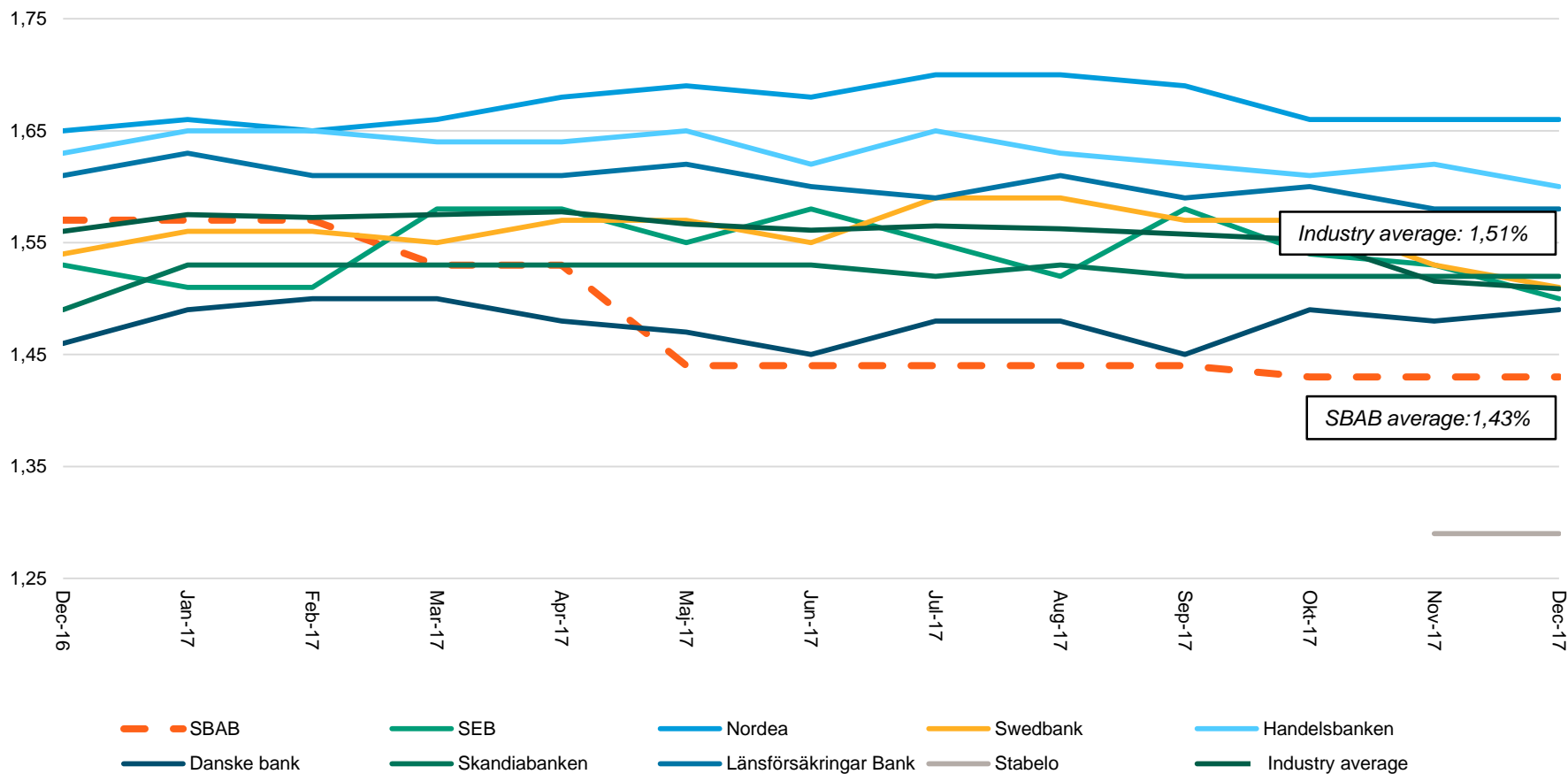


CONSIDERATION

Housing specialists who care.

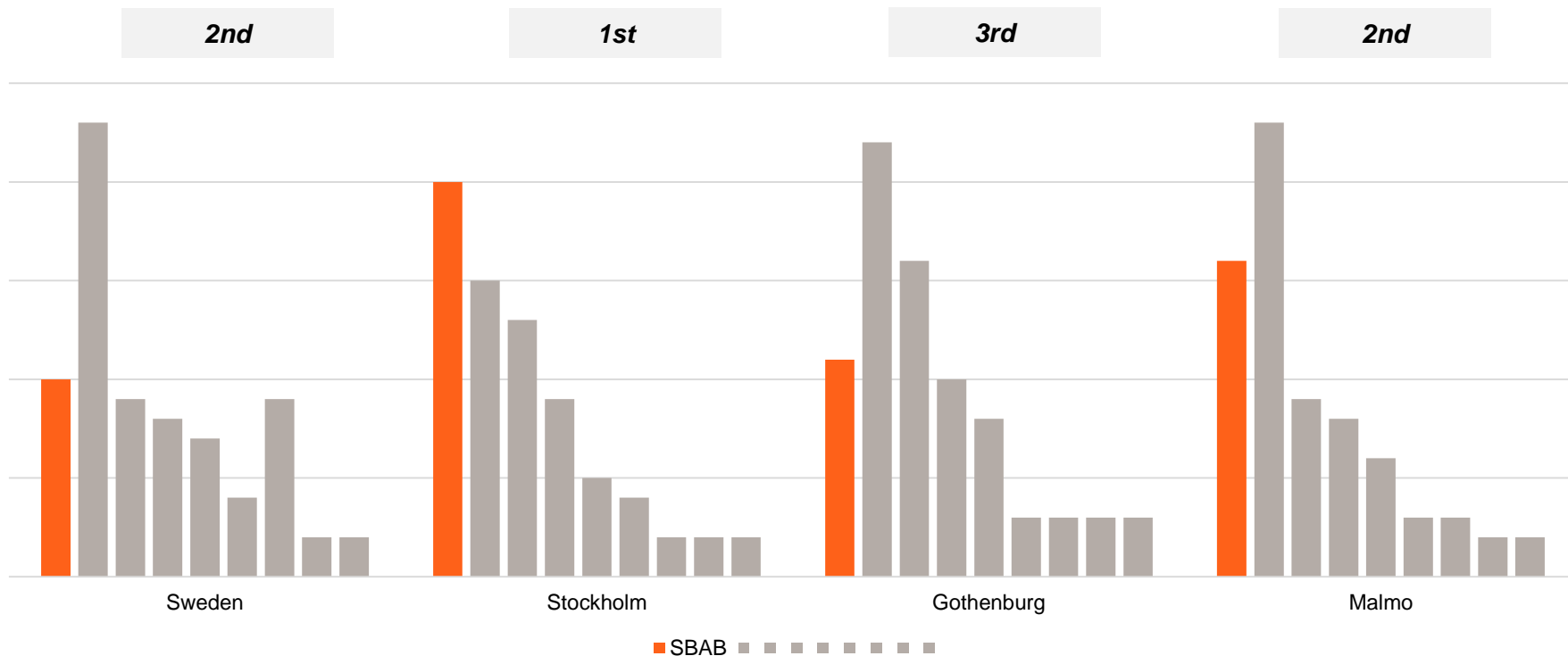
Average interest rates

3-month variable rates, actual monthly averages (residential mortgages)



Strong position & awareness

"Which companies offering mortgages do you know of?" (first mentioned)

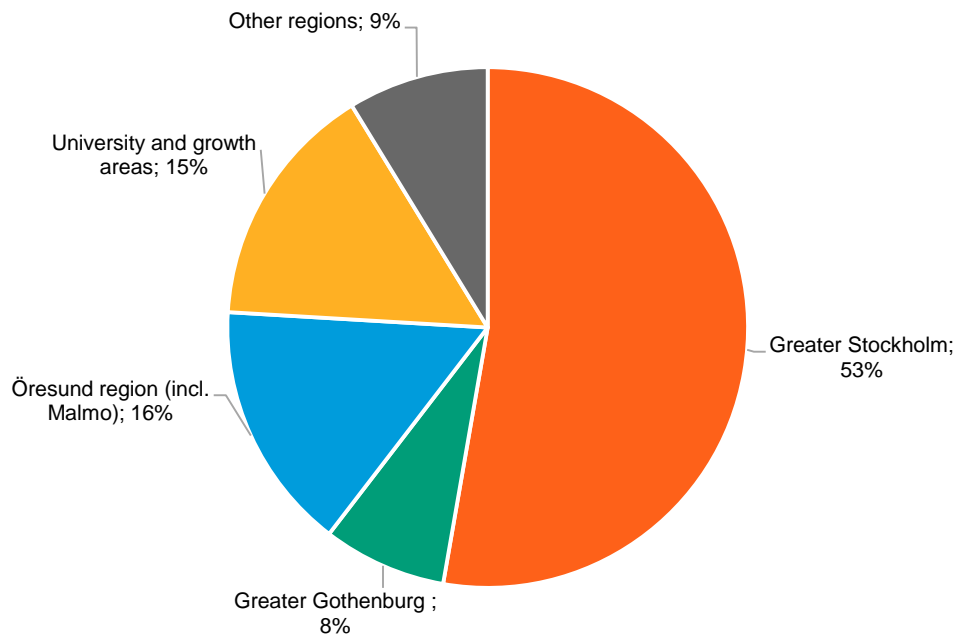


SBAB is the 5th largest mortgage provider in Sweden, but the 2nd most recognised in Sweden and 1st - 3rd most recognised in the largest cities, supporting further growth

Corporate lending

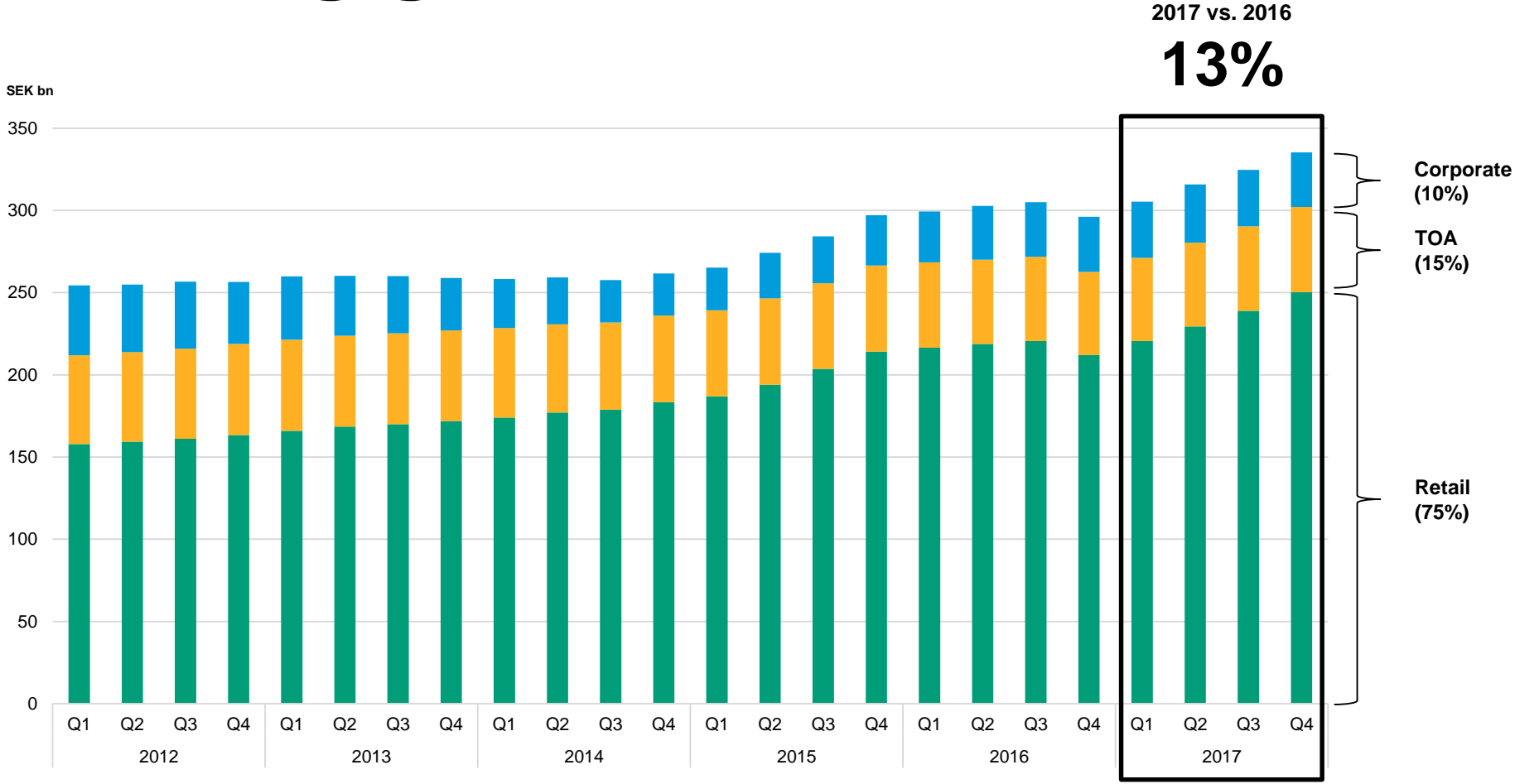
– Total corporate lending SEK 85.0 million

- Housing financing to property companies and tenant-owners' associations
- Focus on customers located in middle and south parts of Sweden, with property holdings mainly concentrated in major cities and in growth regions



**BUSINESS & FINANCIAL
DEVELOPMENT.**

Lending growth

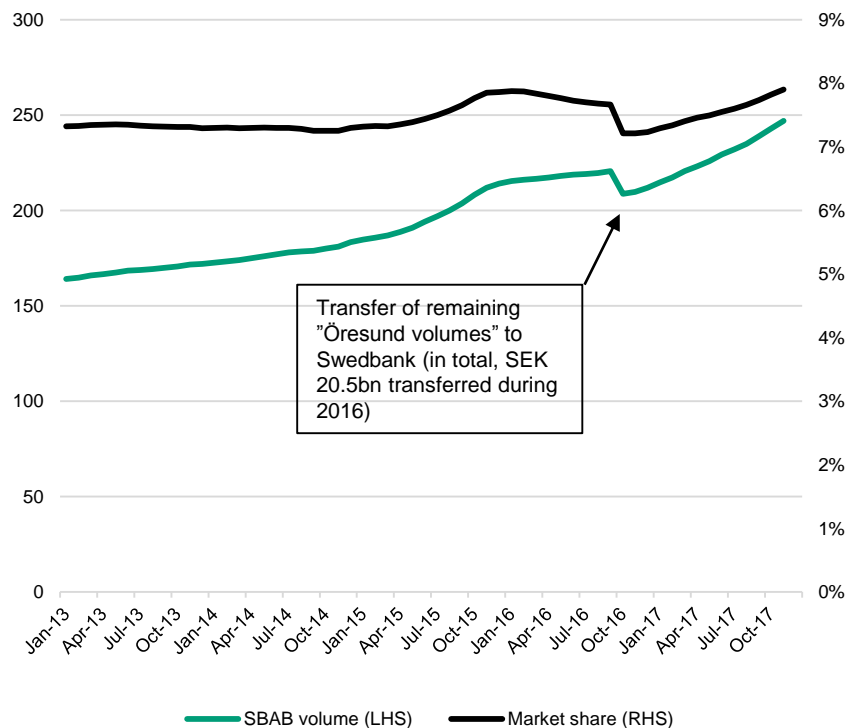


Approximately SEK 20.5bn of assets transferred from SBAB during 2016 due to option exercised by former partner Sparbanken Öresund (acquired by Swedbank)

Retail

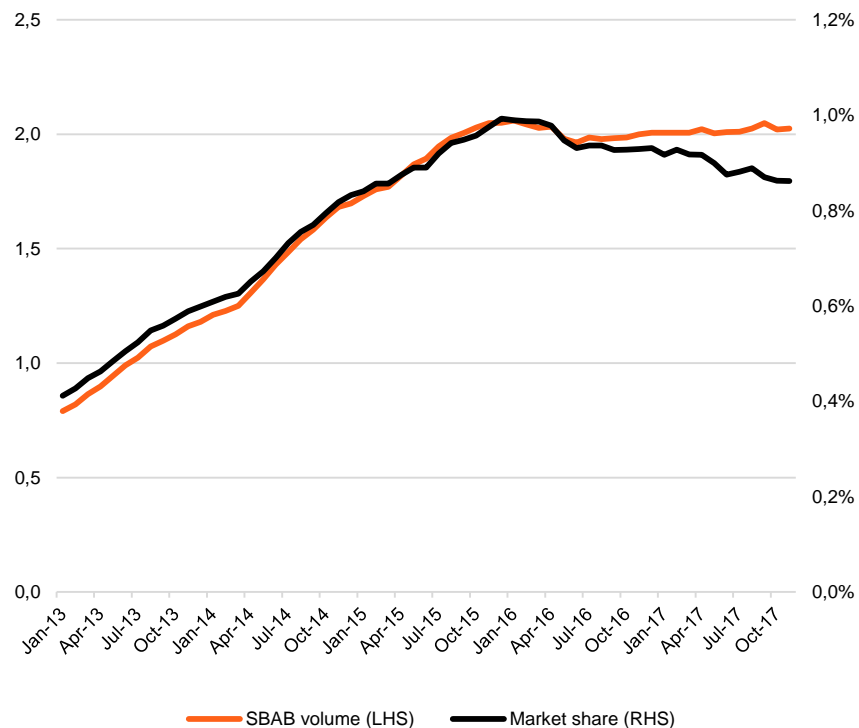
SEK **248.1** bn

Residential mortgages (lending & market share)



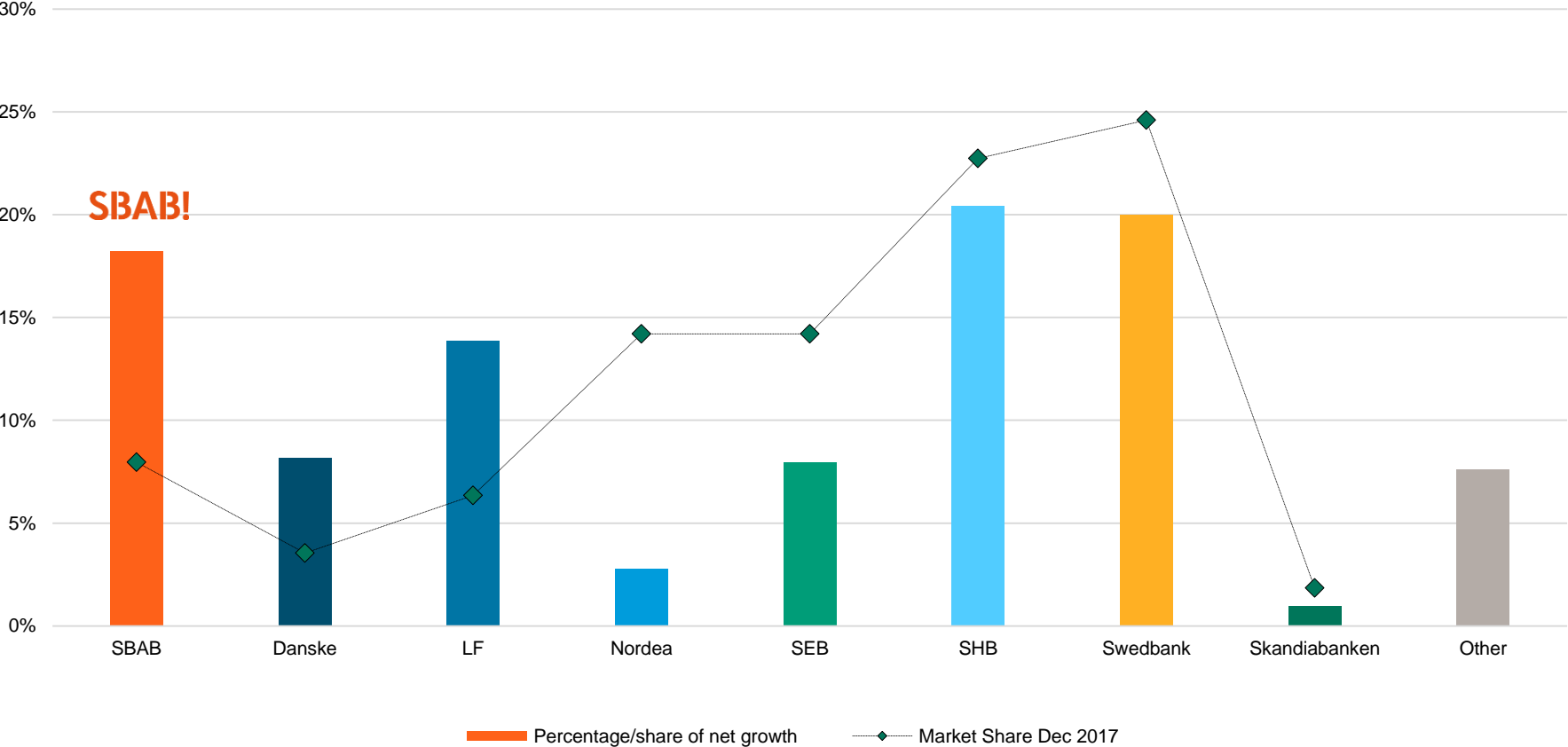
SEK **2.0** bn

Consumer loans (lending & market share)



Residential mortgages

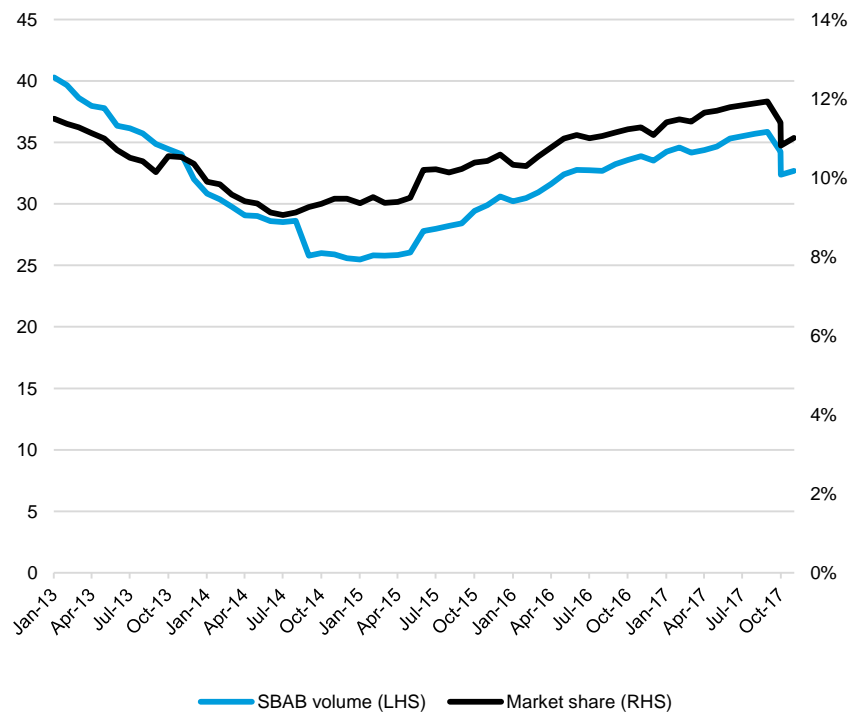
Percentage/share of net growth in the Swedish residential mortgage market for the period Jan-Dec 2017



Corporates & TOA

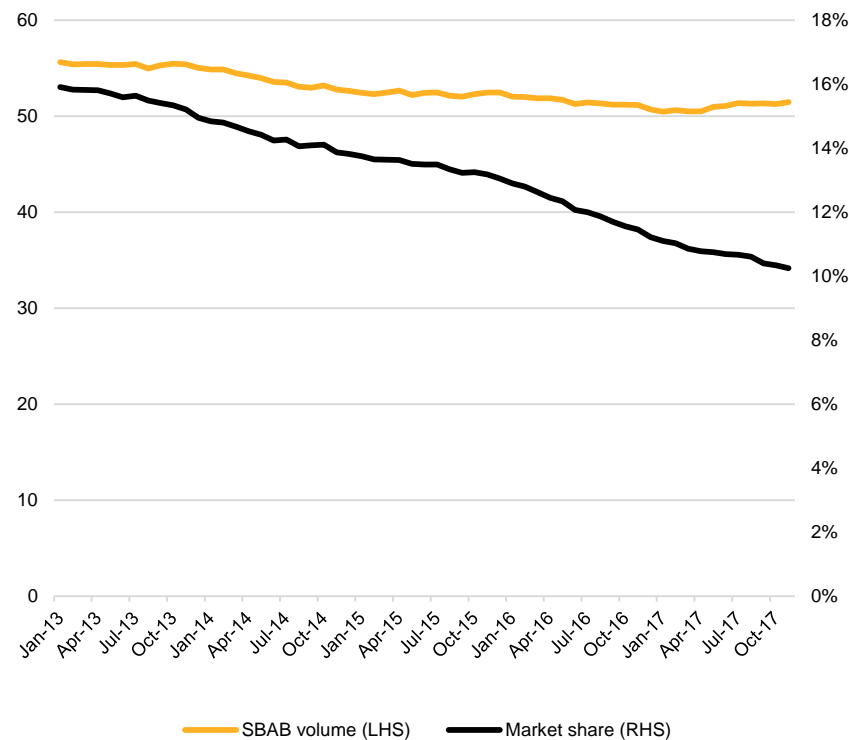
SEK **33.2** bn

Corporates (lending & market share)



SEK **51.8** bn

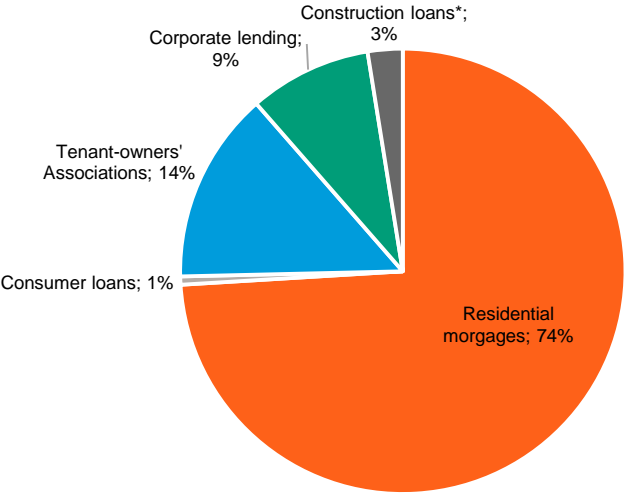
Tenant-owners' associations (lending & market share)



Loan split exposure

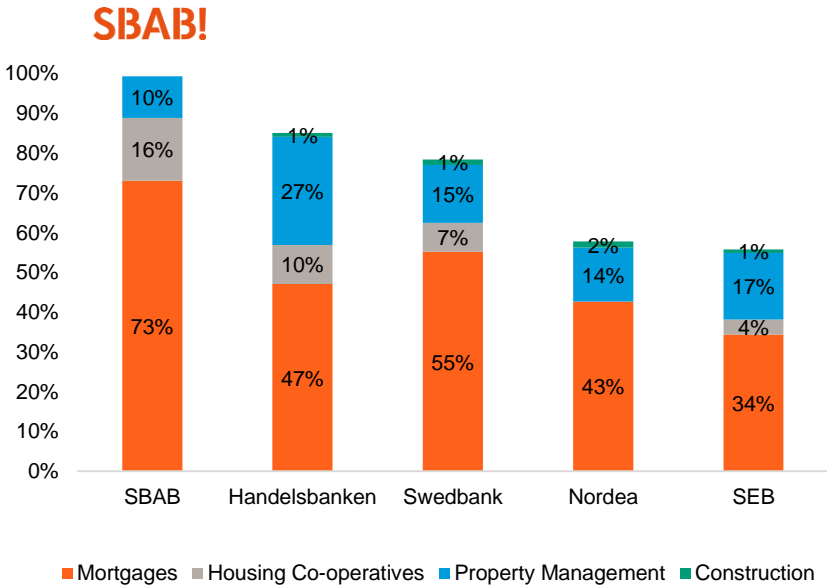
– Superior asset quality (>98% secured)

SBAB's loan split exposure

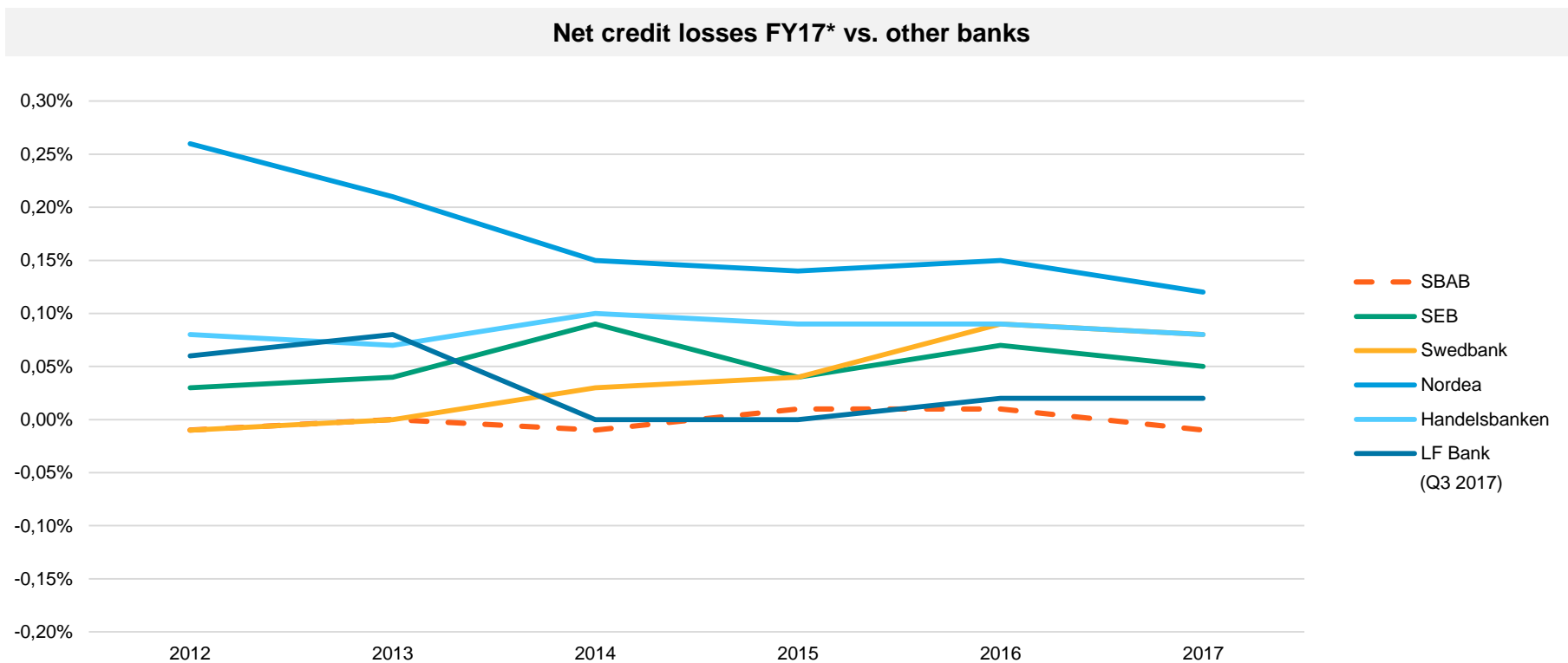


* Disbursed construction loans.

Loan split exposure vs. peers



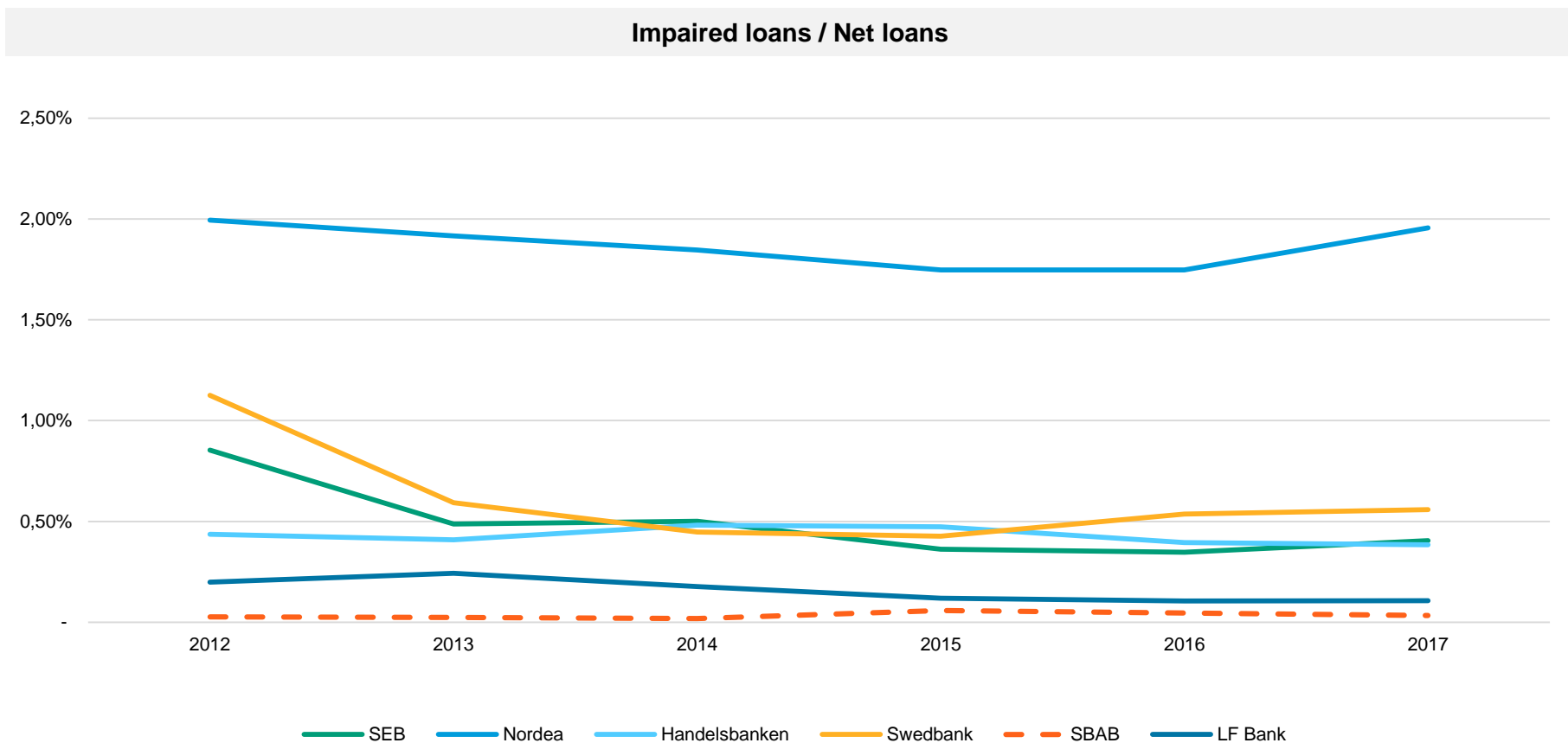
Credit losses vs. peers



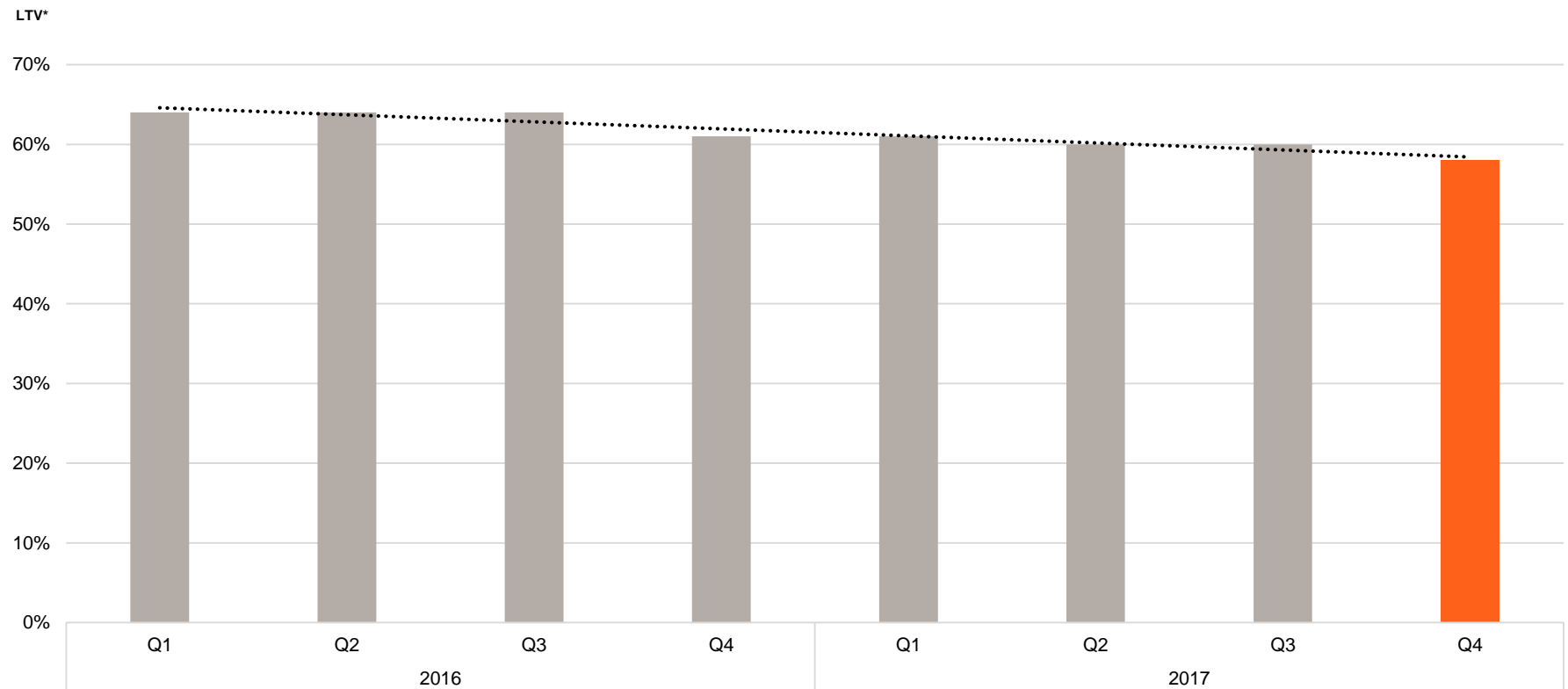
Thorough credit evaluations and low risk assets consistently achieves low credit losses

* As reported by each bank, definition of credit losses/impairments may vary between banks

Impaired loan development



LTV development (Retail)

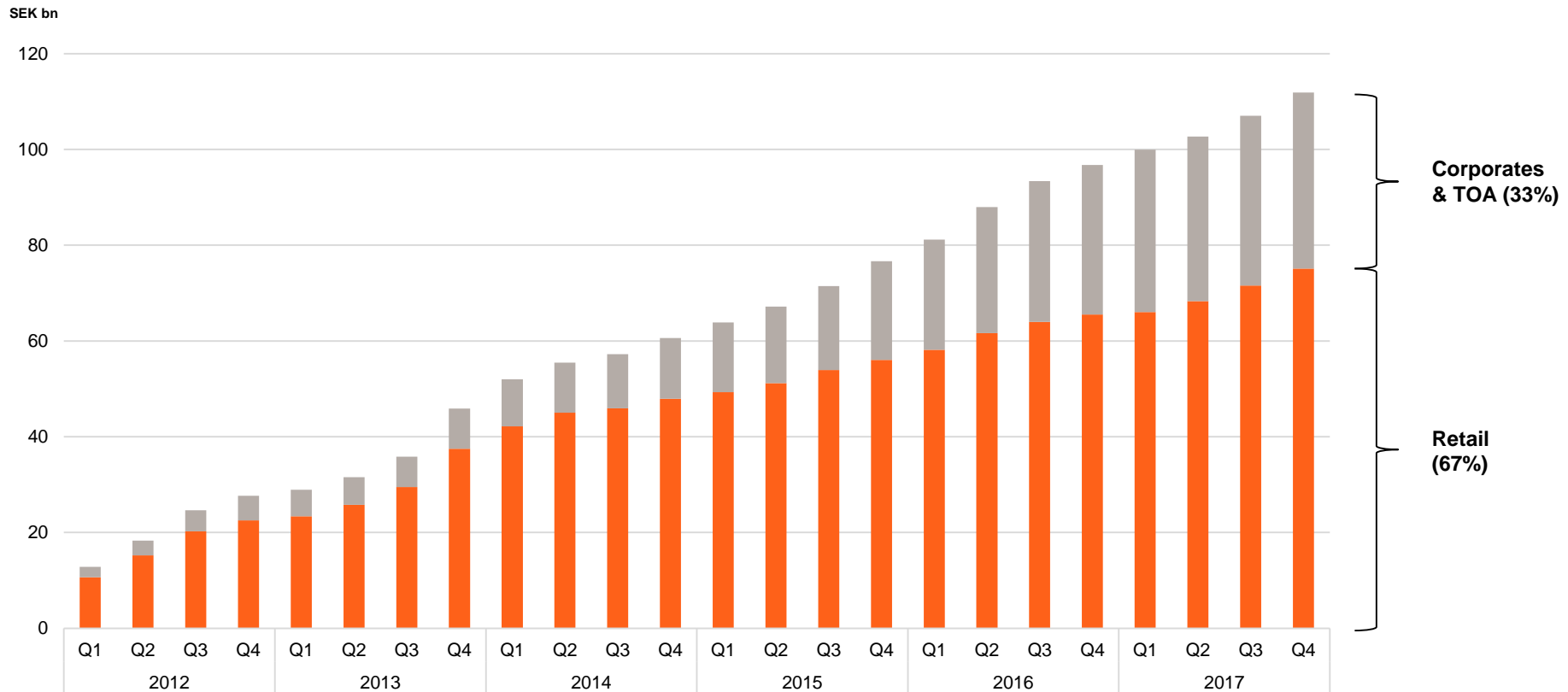


SBAB has gradually imposed stricter underwriting standards during recent years which has improved credit metrics in new lending

*The loan-to-value ratio is defined as the size of a loan in relation to the market value of pledged collateral. Where applicable, the calculation takes into consideration contributory factors such as guarantees and the collateral's lien priority.

Deposit growth

– Deposit-to-loan ratio of 33.4% at year-end 2017



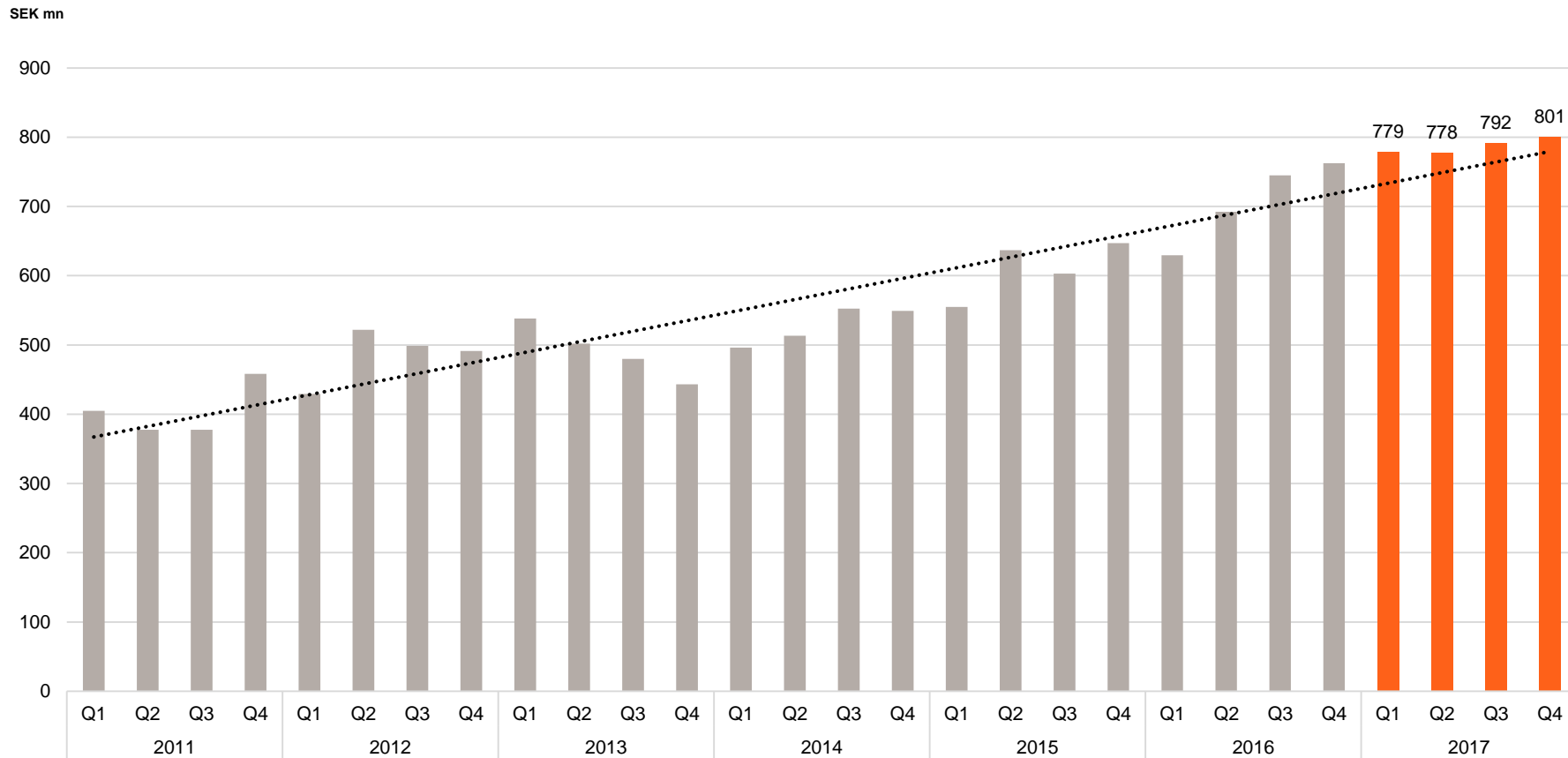
Deposits has grown significantly over past years leading to reduced reliance on capital markets funding and adding to earnings stability

Continued strong development

(SEK mn)	2017	2016	▲ YoY
NII	3,149	2,829	↑
Costs	-959	-889	↑
Loan losses, net	24	-18	↓
Operating profit	2,228	2,011	↑
Deposits (SEK bn)	111.9	96.8	↑
Lending (SEK bn)	335.1	296.0	↑
Deposit/lending, %	33.4%	32.7%	↑
C/l ratio, %	30.3%	30.5%	↓
RoE, %	12.5%	12.3%	↑
CET1 capital ratio, %	32.2%	32.2%	→

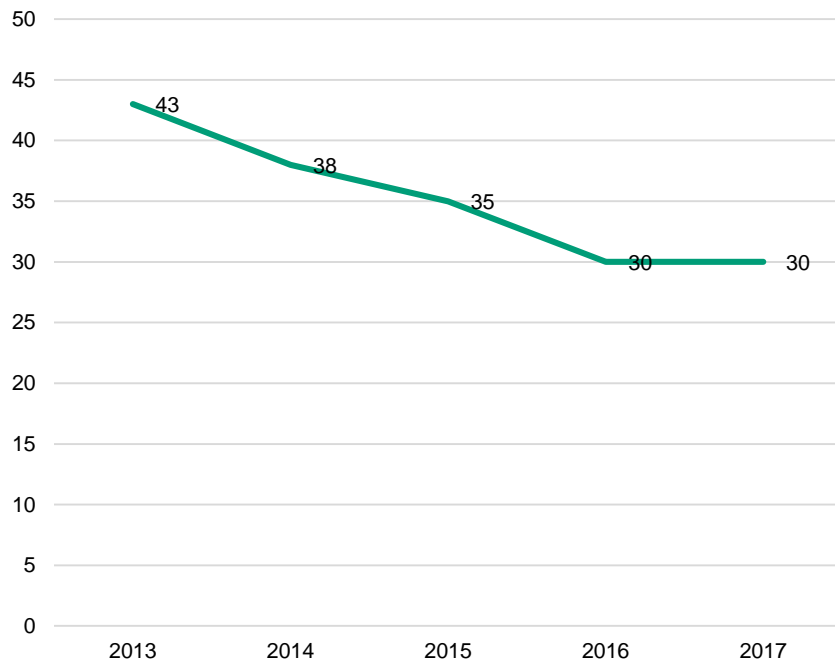
Net interest income QoQ

– Continued stability and growth

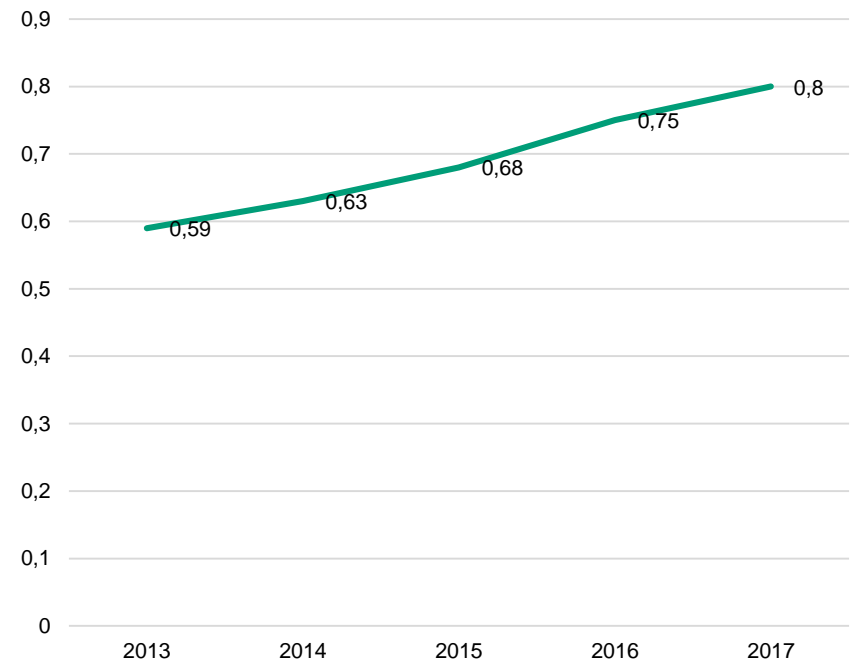


Competitive C/I ratio and NIM

C/I ratio, %

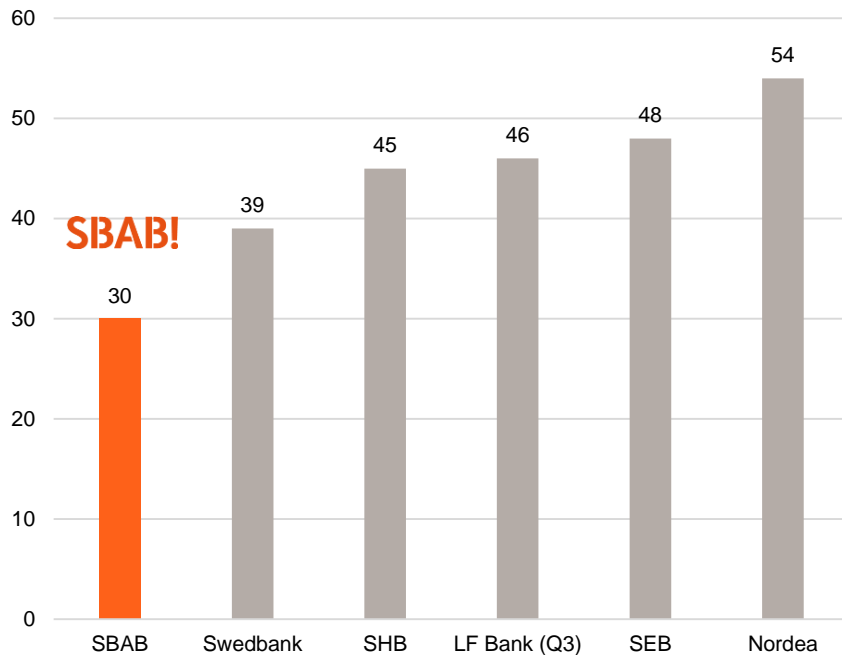


Net Interest Margin (NIM), %

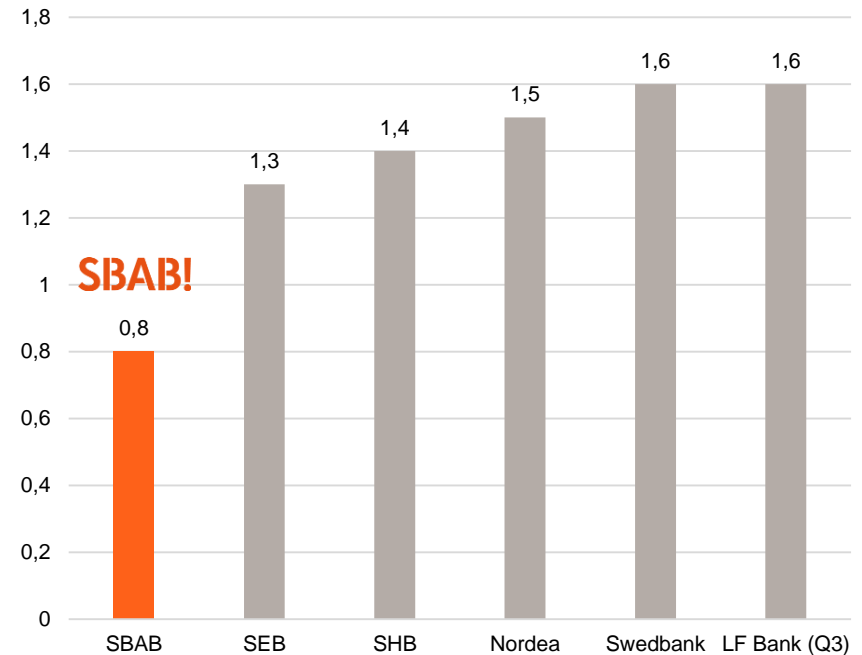


C/I ratio and NIM FY17 vs. peers

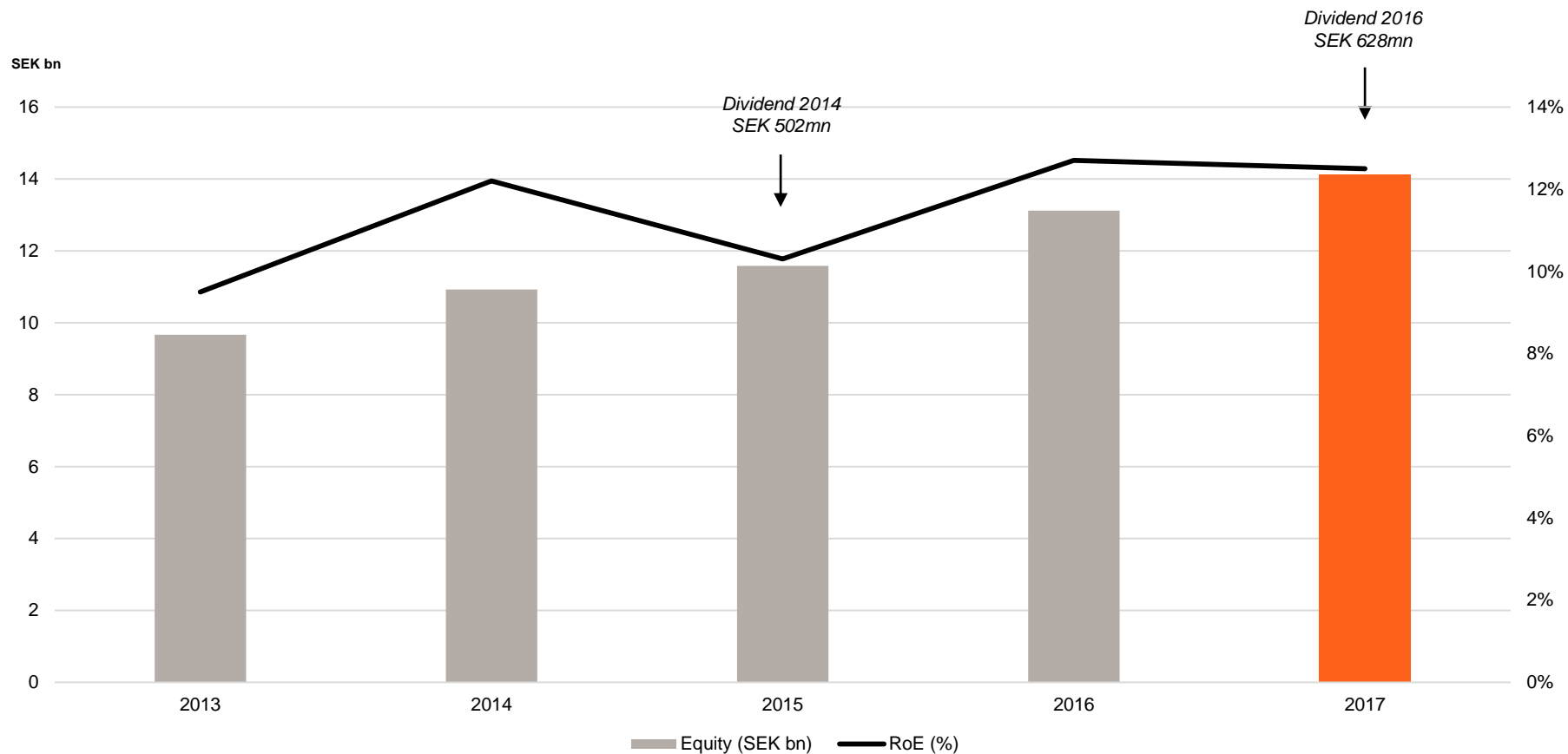
C/I ratio, %



Net Interest Margin (NIM), %

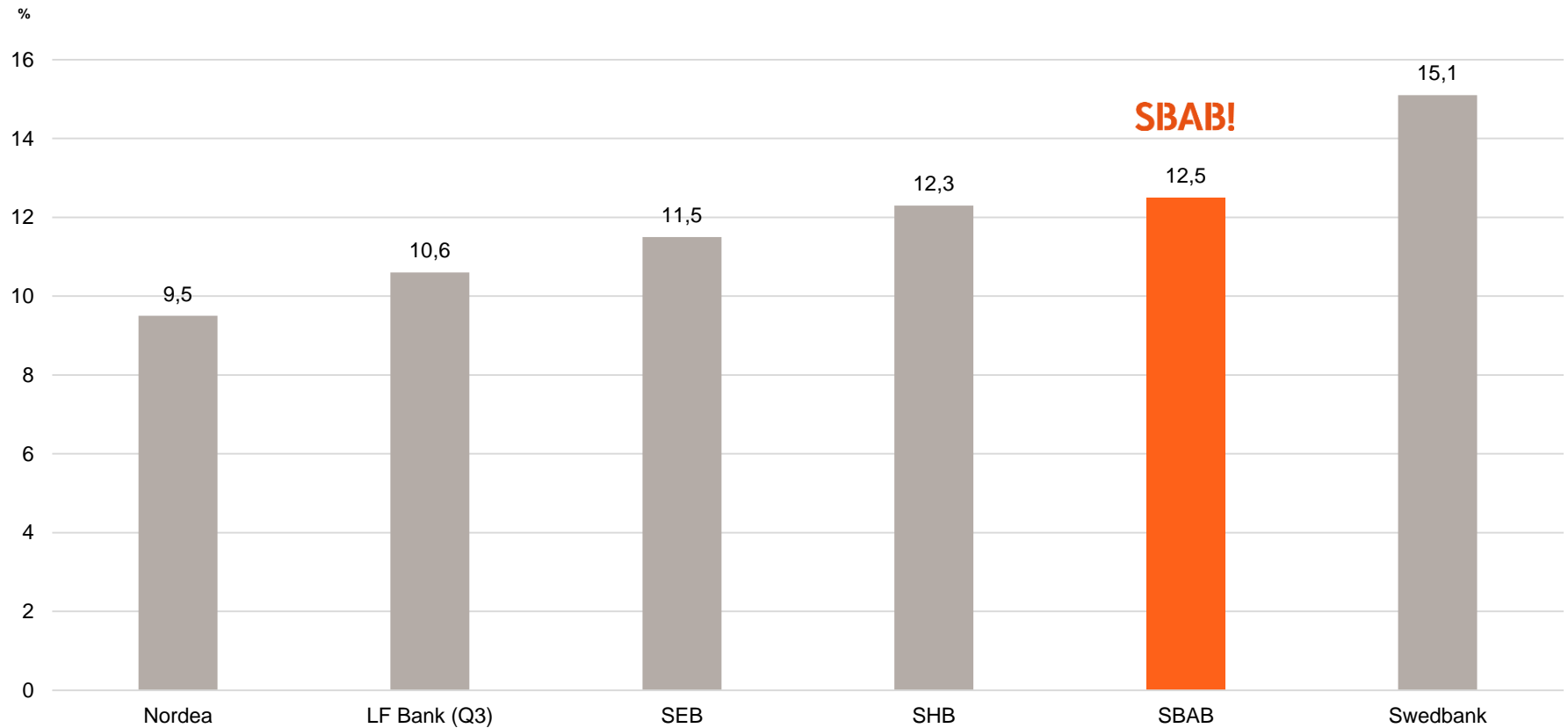


Equity and RoE



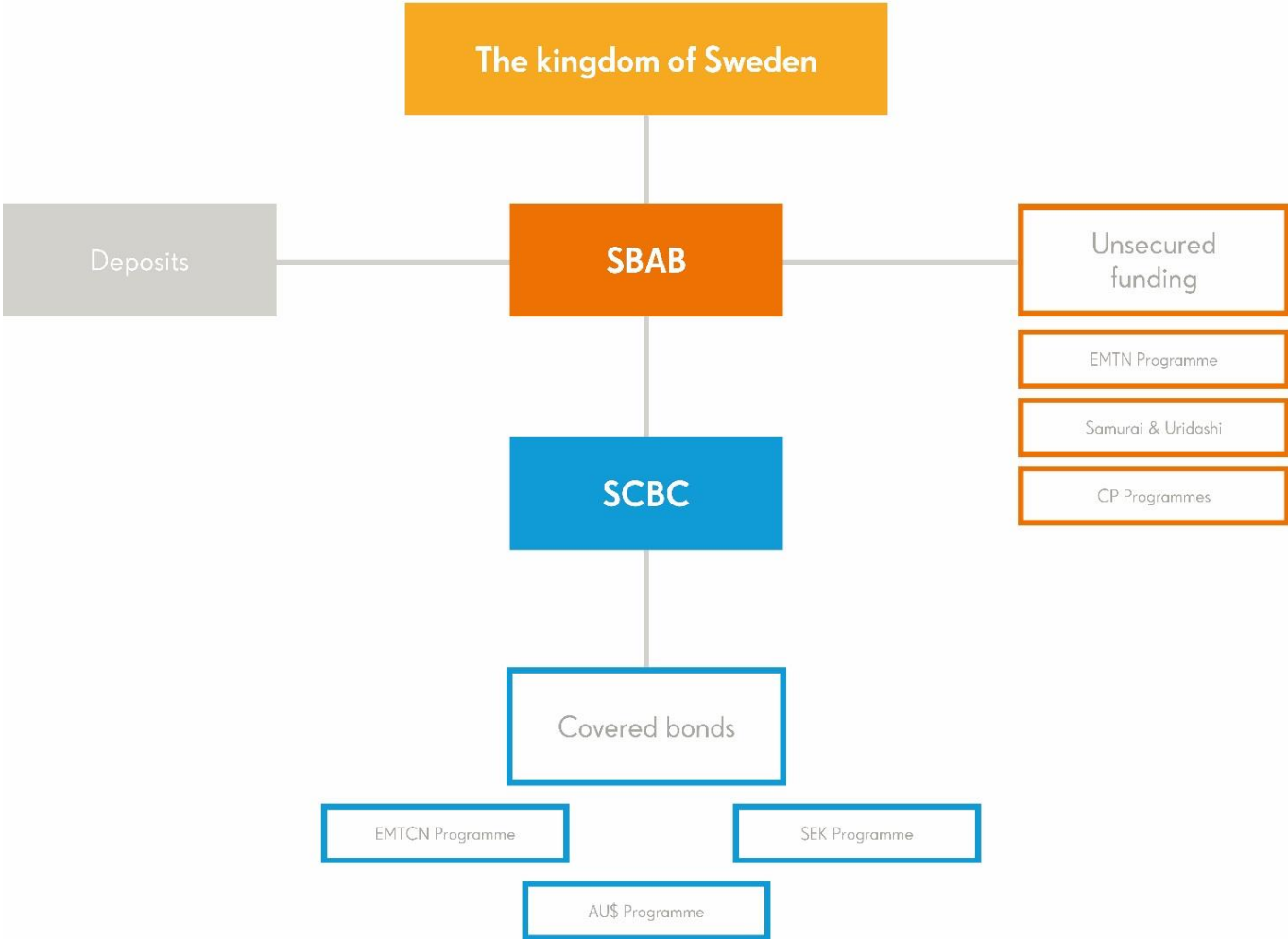
Equity adjusted for additional Tier 1 securities and value changes in financial assets recognised in equity. Return on equity calculated as earnings after tax in relation to average equity, after adjustment for additional Tier 1 securities and value changes in financial assets recognised in equity.

RoE FY17 vs. peers



FUNDING, LIQUIDITY & CAPITAL.

Funding structure



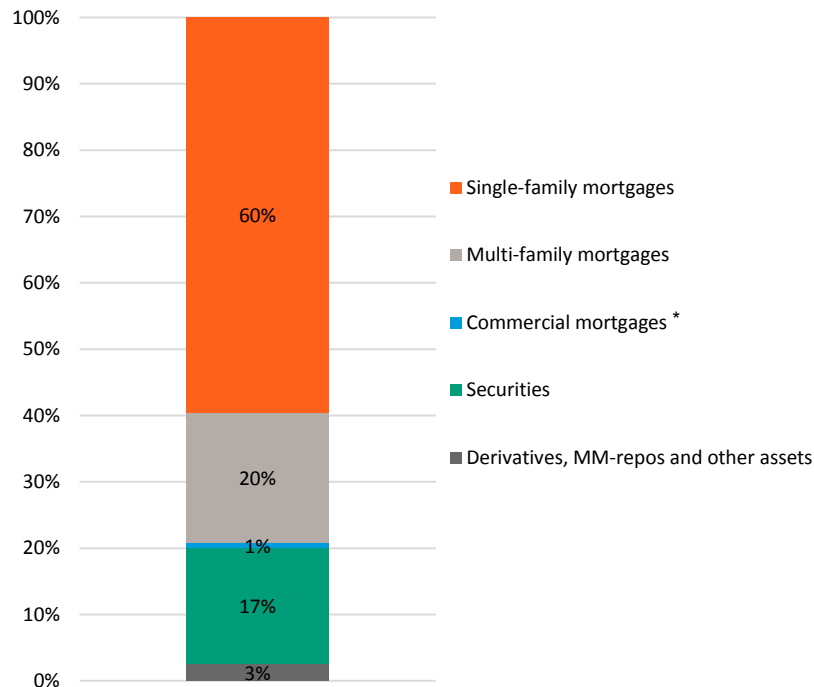
Overall funding strategy

- Continuous and committed investor work in core markets and towards core investors to further increase name recognition and transparency
 - Reduce wholesale funding reliance through growing deposit volumes. Maintain a low reliance on foreign currency funding
 - 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
 - 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
 - Intermediate (5y+) bond tenors to support funding duration
-

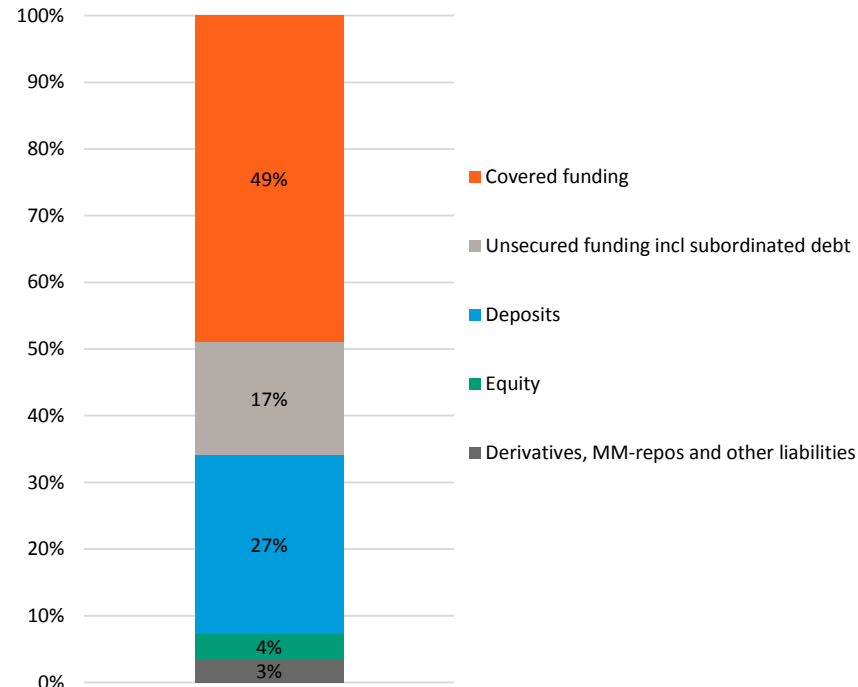
SBAB Group balance sheet

– Total balance sheet SEK 417bn, as of 31st December 2017

Assets



Liabilities and Equity

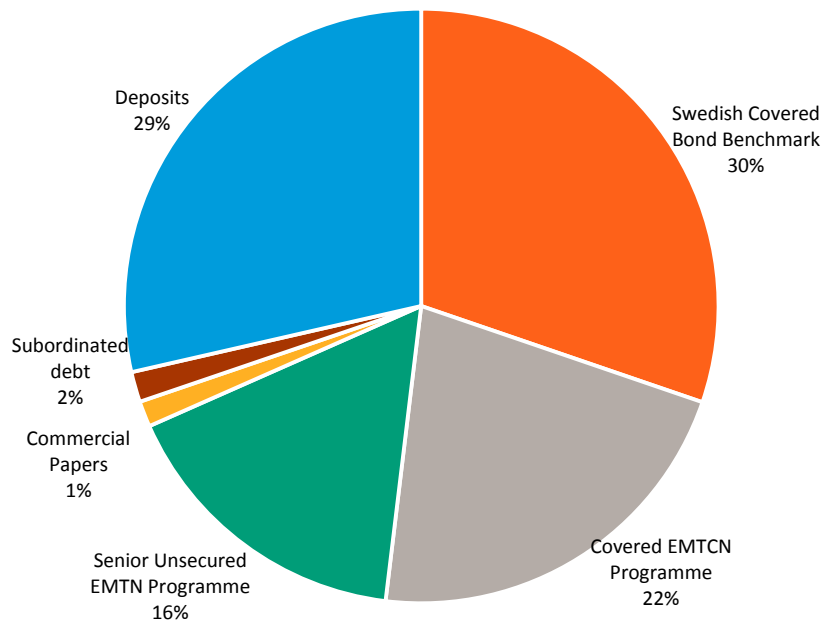


*Capped at 3%

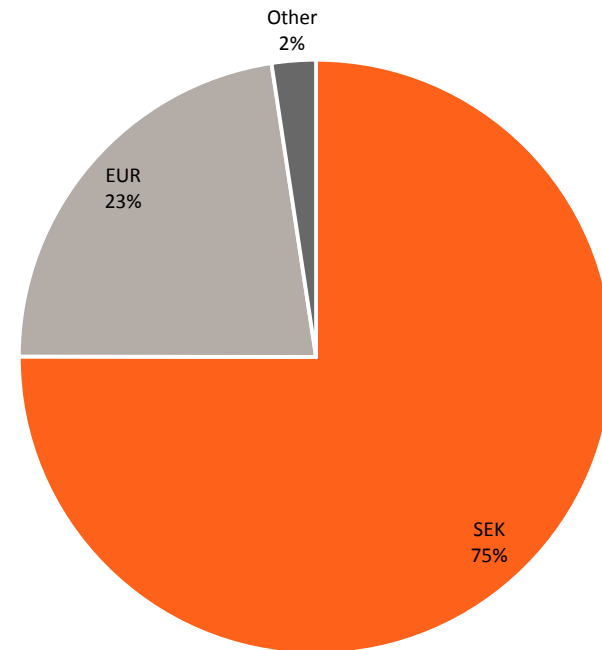
Funding sources

– Total funding portfolio SEK 392bn, as of 31th December 2017

Funding sources

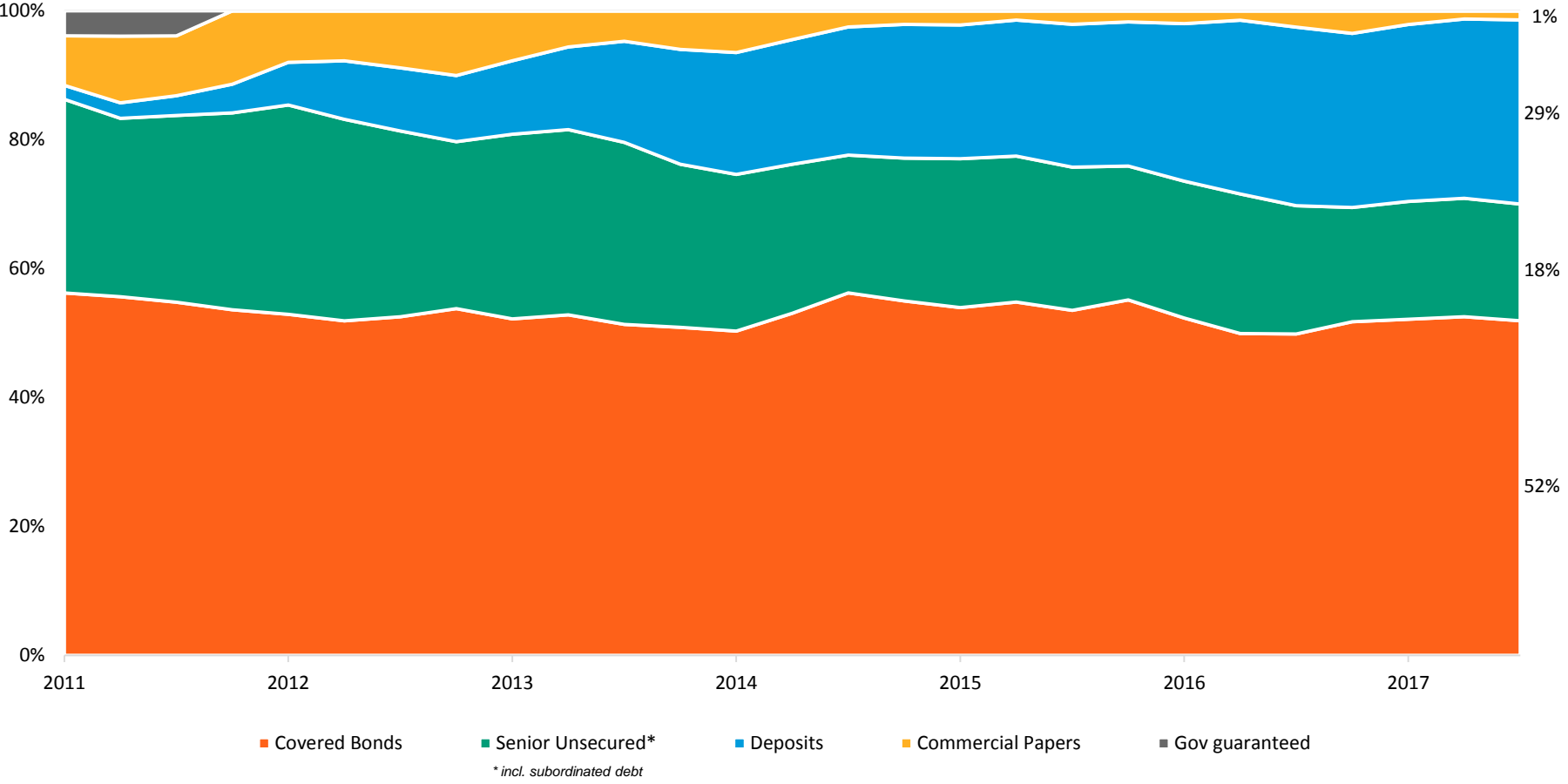


Currency profile*



* incl. deposits

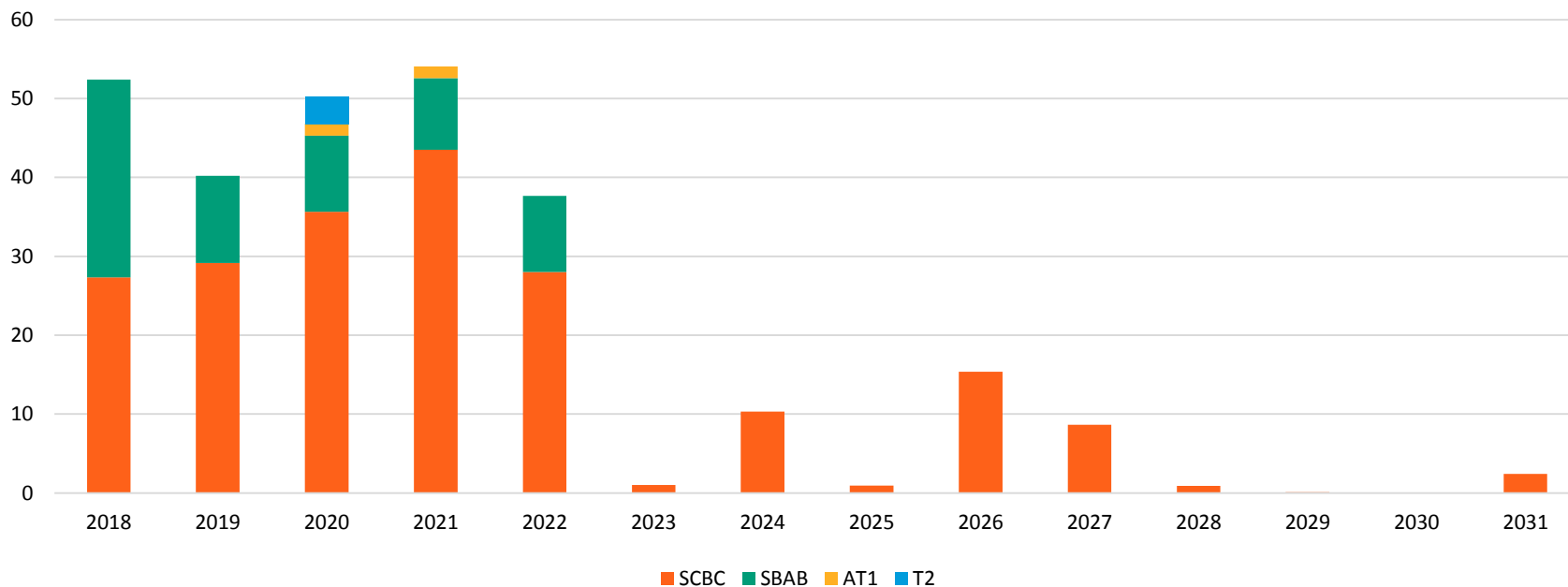
Development of funding sources



Maturity profile

- Smooth funding profile reduces refinancing risk
- Extended maturity profile with successful benchmark issues in 2026 and 2027 segments
- Liquidity risk is being mitigated through buy-backs of maturing bonds

Maturity profile (SEK bn)

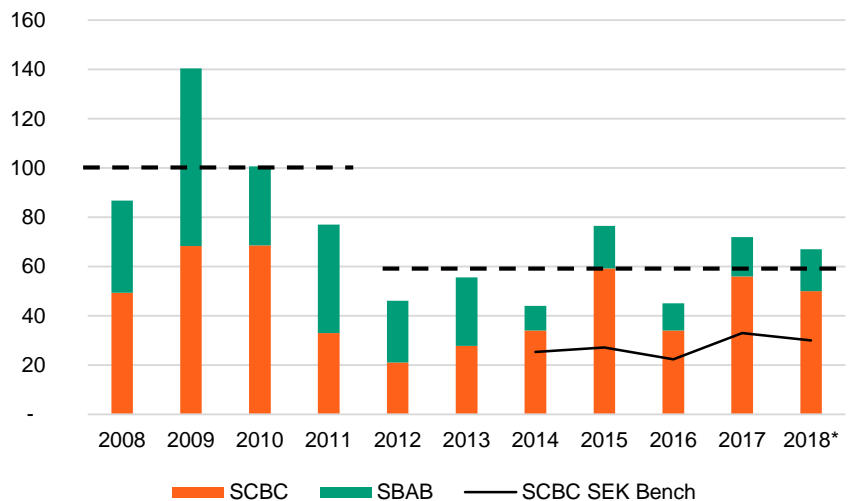


SBAB Group funding

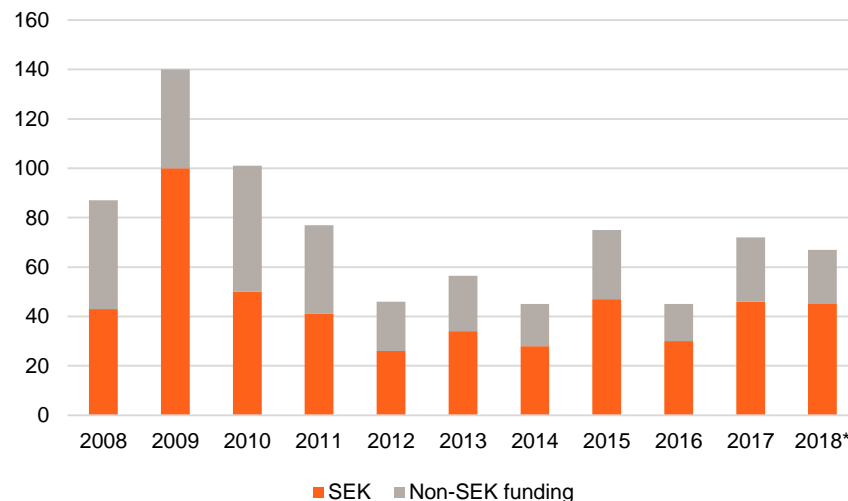
– Moderate funding needs ahead

- SBAB Group operates in a number of funding markets. A broad and efficiently diversified investor base is an important part of the Group's funding strategy
- Long term funding volume for 2017 around SEK 70bn and for 2018 to SEK 60-70bn, of which a majority in SEK
- Intermediate tenors to support duration

Annual issuance, SEK (bn)



Currency split, SEK (bn)

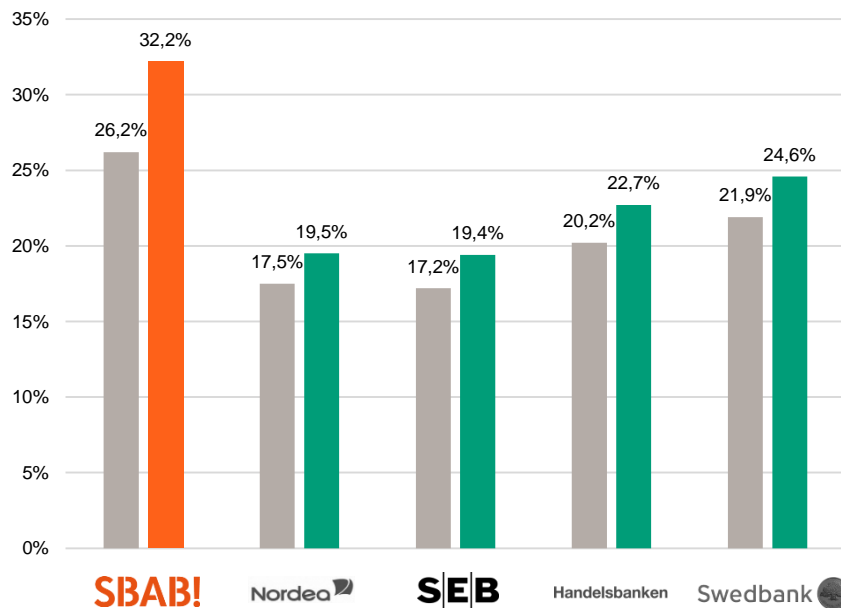


* Expected Issuance

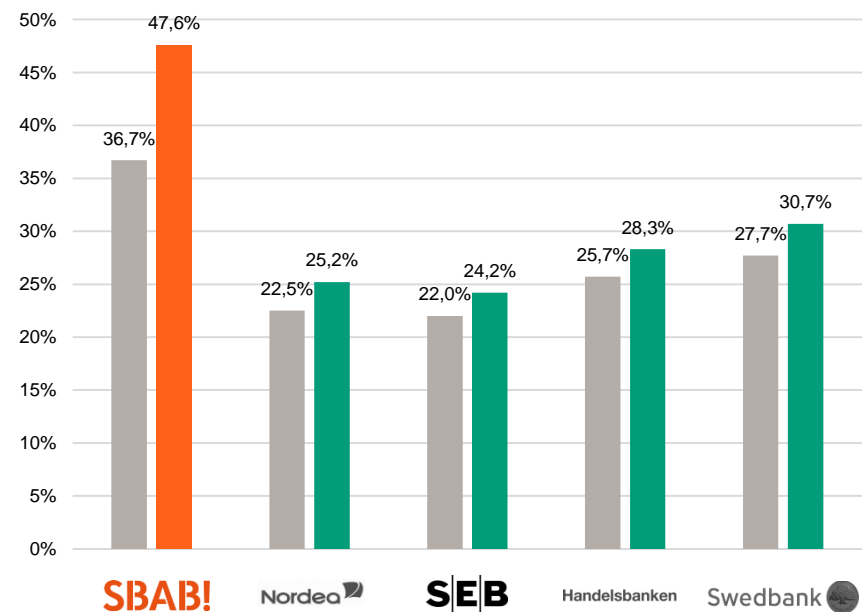
Strong capital buffers

– SBAB well above requirements

CET1 capital ratio



Total capital ratio



Available Q4 2017 Requirement Q4 2017

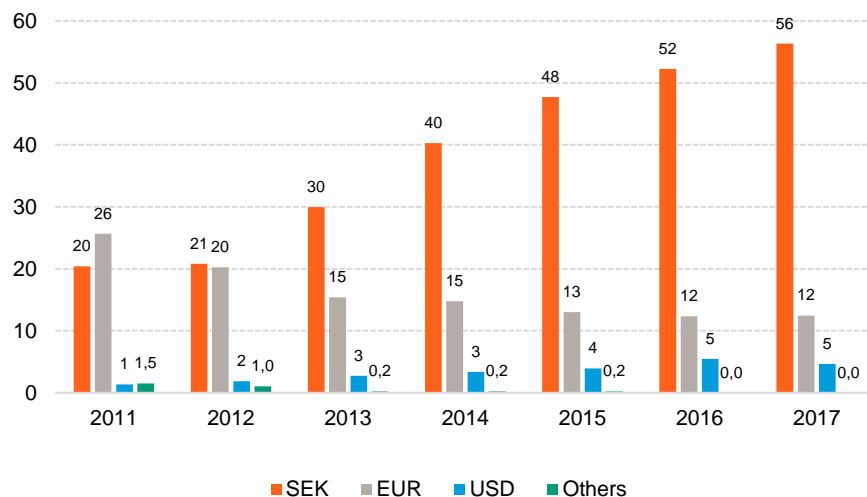
Liquidity portfolio

– SEK 73.4bn as of 31th December 2017

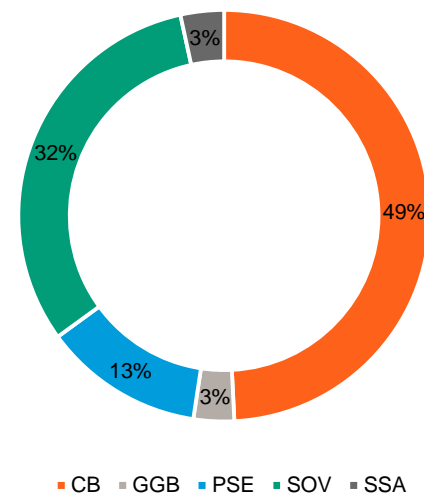
- LCR compliant since 1st January 2013
 - at the end of Q4 2017, LCR* stood at 226% for all currencies combined
- New investment only AAA (95.9% currently AAA)
- Maximum 10y maturity
- We have increased our portfolio to extend survival horizon
- NSFR at 117%

* Liquidity coverage ratio under the Swedish FSA's regulation regarding requirements for a liquidity coverage ratio and reporting of liquid assets and cash flows.

Currency distribution



Securities type



Funding programme

- Total long term funding for 2018 expected to approximately SEK 60-70bn
 - Overall funding strategy is to maintain presence and regularity in core funding markets (predominantly EUR and SEK)
 - **New SEK covered bond benchmark/benchmarks per year**
 - **One EUR covered transaction in international funding markets per year**
 - **One EUR public senior in international funding markets per year**
 - Private placements in SEK and international funding markets
 - SBAB's focus is to use intermediate (5y+) tenors to support duration
 - **Regular future issuance:** Dedicated to SEK and expected to return to EUR senior and covered bond market once a year going forward
-

Regular presence in EUR market

<p>SBAB!</p> <p>Senior Unsecured €750mn</p> <p>2.375% 7y due Sep '20</p> <p>Aug 2013</p>	<p>SBAB!</p> <p>Senior Unsecured €750 mn</p> <p>FRN 3y due Jun '18</p> <p>May 2015</p>	<p>SBAB!</p> <p>Senior Unsecured €500mn</p> <p>0.5% 5y due May '21</p> <p>April 2016</p>	<p>SBAB!</p> <p>Senior Unsecured €500mn</p> <p>0.25% 5y due Sept '22</p> <p>August 2017</p>
<p>SCBC — Covered Bonds of SBAB —</p> <p>Covered Bond €1bn</p> <p>0.25% 5y due Jan '21</p> <p>Jan 2016</p>	<p>SCBC — Covered Bonds of SBAB —</p> <p>Covered Bond €1bn</p> <p>0.375% 7y due Feb '24</p> <p>Jan 2017</p>	<p>SCBC — Covered Bonds of SBAB —</p> <p>Covered Bond €750 mn</p> <p>0.875% 10y due Mar '27</p> <p>March 2017</p>	<p>SCBC — Covered Bonds of SBAB —</p> <p>Covered Bond €750 mn</p> <p>0.5% 7y due Jan '27</p> <p>Jan 2018</p>

Key highlights SBAB

- **100%** owned by the Kingdom of Sweden
 - Extremely **low risk business** - purely Swedish mortgage portfolio, predominantly residential mortgages; **extremely low loan losses**
 - Sustainable **profitability**
 - **Competitive cost income ratio**
 - **Strong liquidity position**
 - **Solid capitalization**
 - **Deposit growth**
 - **Stable funding mix** with good access to both domestic and international capital markets
 - International funding **diversification** strategically important
 - **Regular** future issuance
-

SBAB!

Contact information

For further information, please contact:

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

Information on the Internet:

www.sbab.com
www.scbc.se
www.ascb.se - Association of Swedish Covered Bond issuers

Bloomberg codes:

SBAB Corp - joint code both for SBAB and SCBC

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APPENDIX I.

SCBC

The SCBC product

– The limited activities of SCBC provide additional benefits to investors

Robust structure

- Strength of a regulated entity combined with a restricted activity vehicle reduces number of other potential creditors
- As a result, in addition to the eligible assets, investors also benefit from over-collateralisation provided by:
 - Non-eligible assets
 - Regulatory capital held by SCBC

Subordination of SBAB interests

- Fees for services provided by SBAB are subordinated to SCBC's senior creditors
- Where a mortgage certificate serves as collateral for 2 different mortgage loans, SBAB has subordinated its interest to SCBC

Loans in arrears

- Loans 30 days in arrears are normally removed from the cover pool in SCBC

Other features

- Dynamic OC in compliance with Aaa requirements
- UCITS Compliant
- Swedish covered bonds are eligible for repo at Riksbank
- ECBC Harmonised Transparency Template, HTT
- National Template, NTT

SCBC Cover Pool

– Key characteristics as of 31st December 2017

Collateral	100% Swedish residential mortgages *
Over Collateralization	39.3 %
Weighted average LTV	55%
Weighted average seasoning	4.5 years
Loans in arrears	Arrears below 0.01% (loans in arrears > 30 days are excluded from the Cover Pool)
Number of loans	382 946
Average loan size	SEK 736 651
Geographical location	Spread throughout Sweden; concentrated in economic hubs
Pool type	Dynamic
Originator	SBAB Bank Group
Interest rate type	61% floating, 39% fixed / 51% amortising, 49% interest only

* Occasionally, minor volumes of substitute collateral consisting of AAA rated securities, can be included in the cover pool

National Template

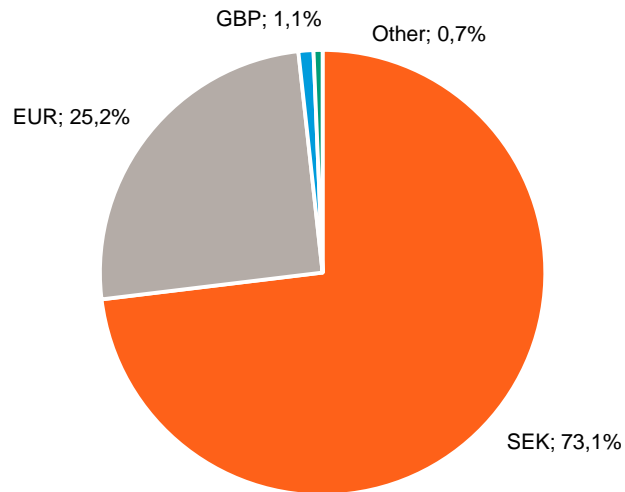
Details published monthly on: www.sbab.com (both in PDF and Excel-format)



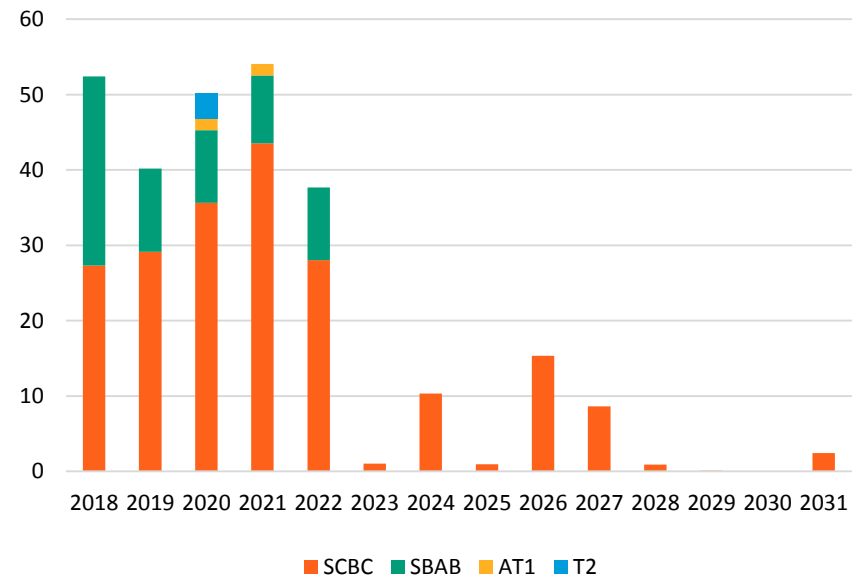
SCBC funding

– Total covered bonds outstanding: SEK 203bn as of 31th December 2017

Currency profile



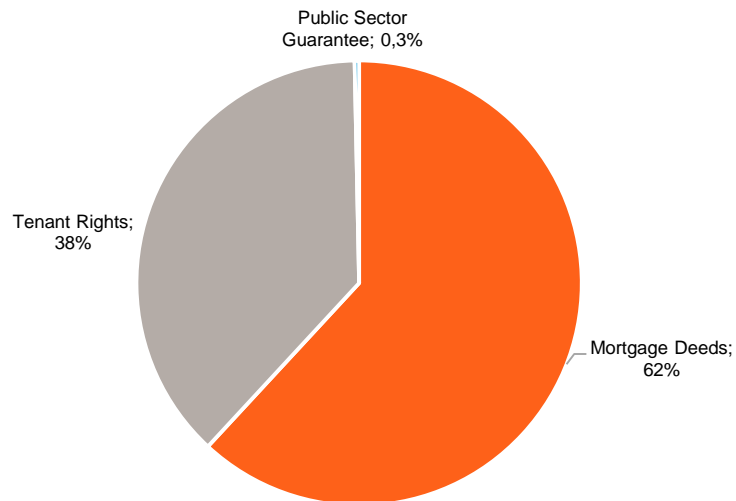
Maturity profile



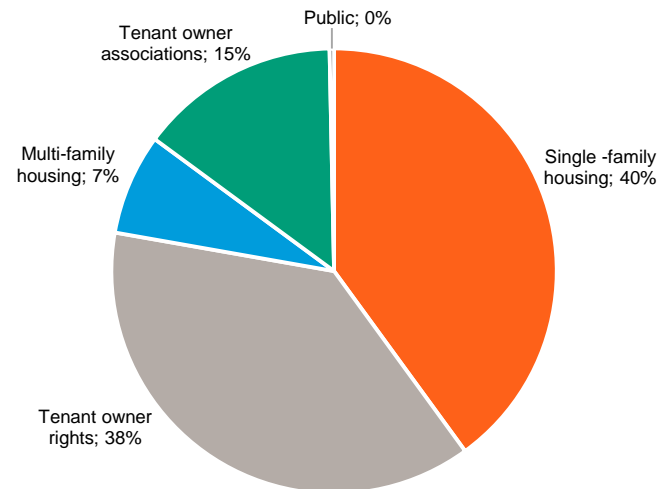
SCBC Cover Pool

– Distribution by Collateral and Owner as of 31 December 2017

Breakdown by collateral



Breakdown by owner



OC

– OC changes with houseprice valuations

- Lending is originated from SBAB and assets are transferred to the cover pool via true sale - typically once a year or when needed according to funding plan
- Large buffer to a significant fall in house prices - simulation of decline in house prices and the corresponding effect on eligible assets, LTV and OC is shown in the table below as of 31st December 2017

Houseprice change	Eligible assets in cover pool (SEK bn)	WA LTV (%)	OC* (%)
0%	281.1	53.2	39.3
-5%	278.9	55.3	38.3
-10%	275.8	57.2	36.7
-15%	271.3	59.1	34.5
-20%	265.6	60.8	31.7
-25%	258.2	62.4	28.0
-30%	249.2	63.8	23.6

* OC calculated in accordance with requirements from the Swedish FSA

The Swedish covered bond market

– One of the best functioning bond markets in the world

- The bond market has been open and well functioning throughout the crisis, providing reliability and liquidity.
- Key distinction of the market is the tap issuance format via contracted market makers. Tap issuances can be made on a daily basis in small to medium sizes.
- Market is supported by market makers with separate market making agreements and repo functionality providing issuers with enhanced liability management options.
- Typically issuers start reducing their outstanding debt about 6-9 months before maturity via successive buy-backs and switches

APPENDIX II.

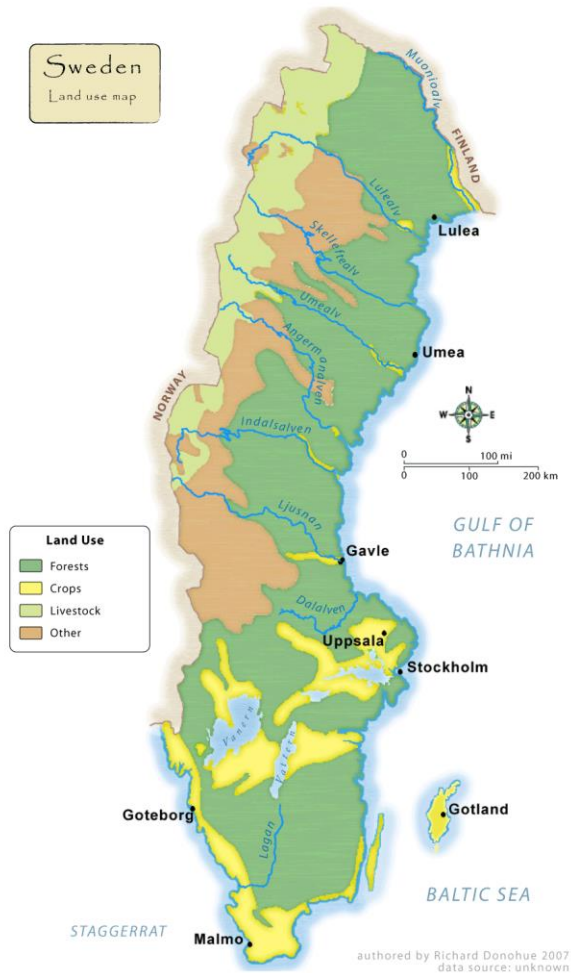
SWEDISH KEY ECONOMIC FIGURES

Kingdom of Sweden



- Area: 450 295 sq km
- Population: 10 081 396 (August 2017)
- Urban population: 85% of total population
- 21 Counties, 290 Municipalities
- Capital: Stockholm
- Constitutional monarchy
- Unicameral Parliament (Riksdag) with 349 seats
- Elections: last held on 14 September 2014 (next to be held on 9 September 2018)
- Government: Coalition of Social Democrats and Greens
- The Swedish economy rests on a capitalist system mixed with public-private partnership, centralized wage negotiations and substantial welfare elements
- Sweden has one of the world's highest per capita income (IMF)

Kingdom of Sweden

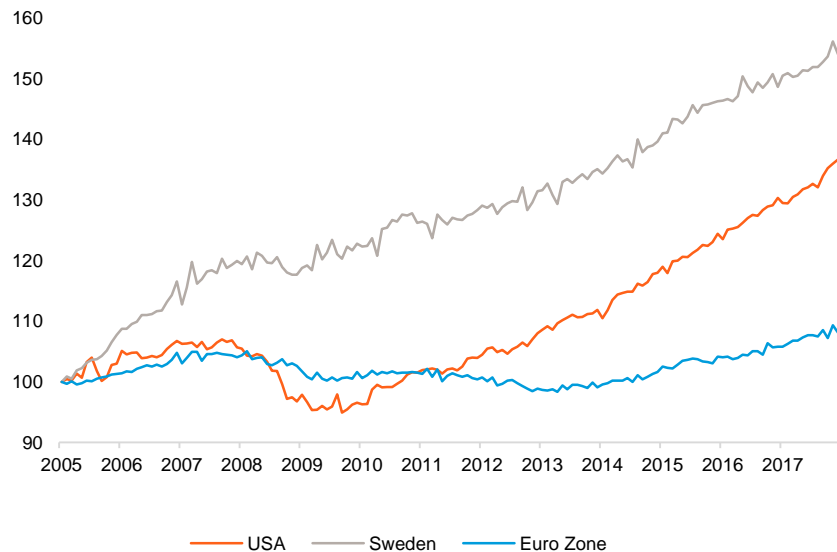


- Approx. 45% of GDP is exported. Largest goods trading partners are the Scandinavian countries, Germany, Netherlands and UK
- Sweden joined the EU in 1995, but the euro was rejected in a public referendum 2003
- The currency, the krona, has been floating since 1992 when the fixed exchange rate regime was abandoned
- The Centralbank, Sveriges Riksbank, operates monetary policy under an inflation target of 2%, +/- 1%
- Sweden ranks third in The Economist's Democracy Index 2016, fourteenth in the United Nations' Human Development Index 2016, sixth in the World Economic Forum Global Competitiveness Index 2016/17 and second in the Global Innovation Index 2016

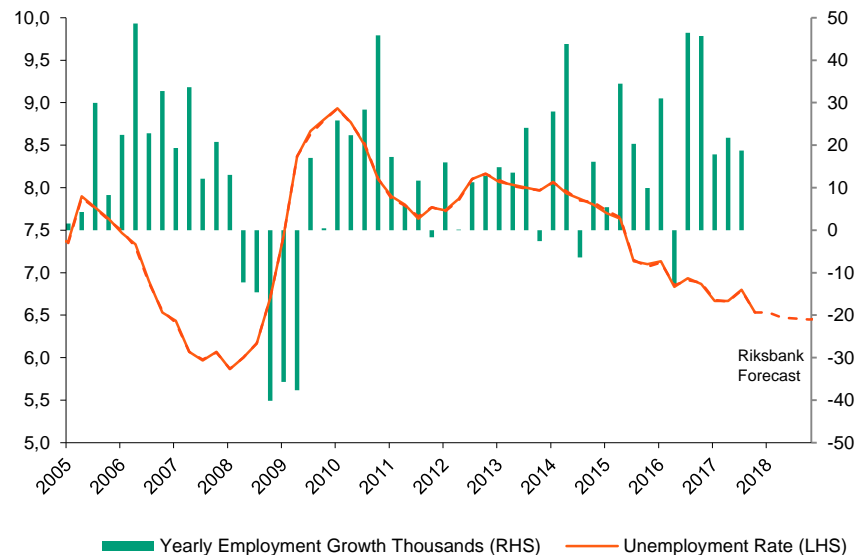
Strong domestic economy

- **Stable public finances, low inflation, low interest rates and rising house prices has stimulated the domestic economy over the past years**
 - Retail sales has risen by more than 50% since 2005
- **The labour market has strengthened**
 - Employment has increased by 1.0% on average and hours worked by 1.1% per year over the past ten years. The activity rate (16-64y) has gone from below 80% in 2009 to above 83%

Retail Sales, constant prices (index 2005=100)



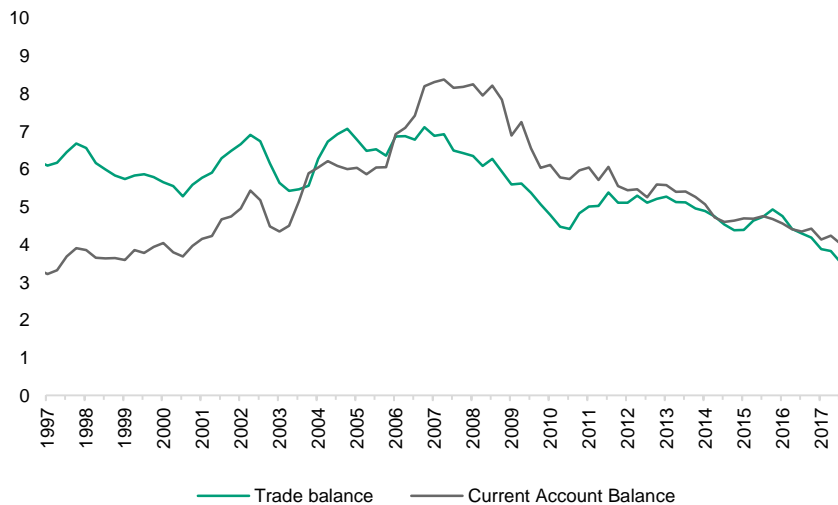
Unemployment Rate and Employment Growth



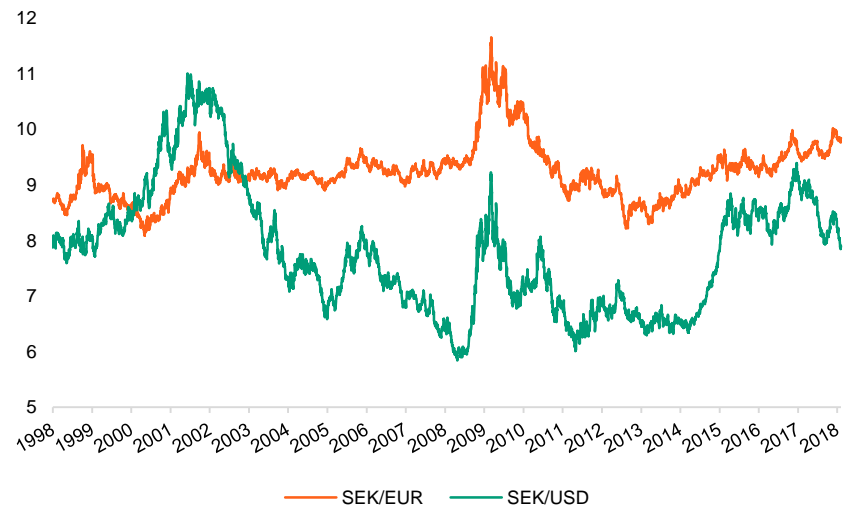
Foreign trade and the Krona

- **Very strong current account**
 - Exports make up about 45% of GDP. Foreign trade has shown a surplus since the mid-1990s
- **The Krona has been floating since 1992**
 - As a fairly small currency it is rather sensitive to changes in international risk appetite and business flows. It has however historically been highly correlated with the Euro
- **The Krona is weaker than its historical average...**
 - ...if compared to a trade weighted basket. Factors contributing to a strong krona are a strong current account, high relative growth, solid public finances while low interest rates are dampening the krona

Trade balance (share of GDP)



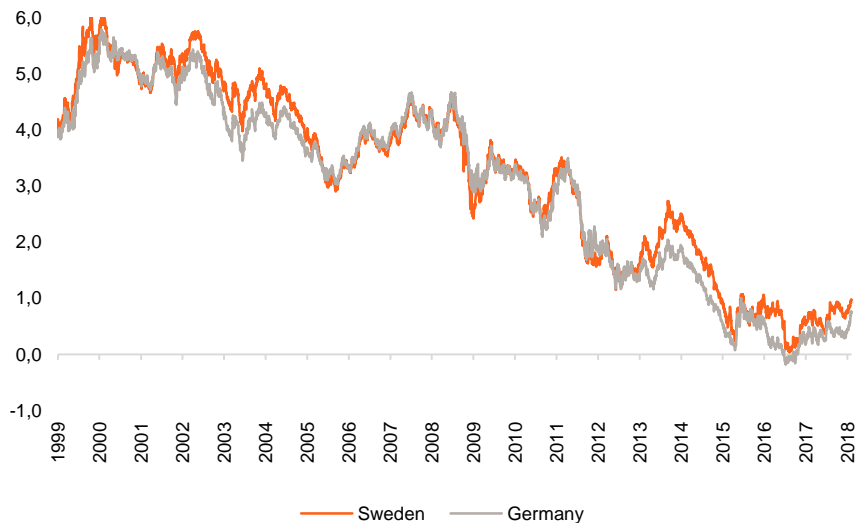
The Krona



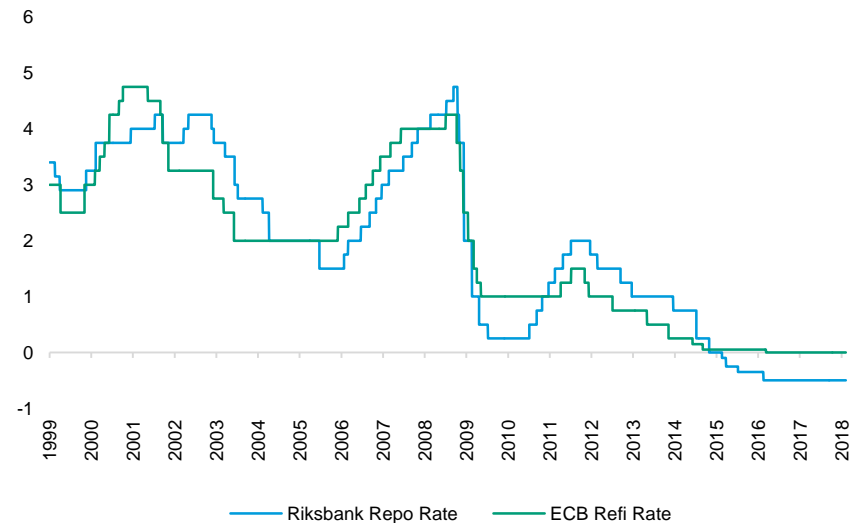
Interest rates

- **Long and short interest rates have a high correlation with European (i.e. German) rates**
 - The ten year spread against Germany has on average been +18bp, over the last 15 years, correlation has been 0.98
- **Sweden has gained something of a safe haven status over the last 10-15 years**
 - Strong public finances, a stable financial system, low inflation and international flight to quality have been holding down long term interest rates

10y government bond rates



Policy rates



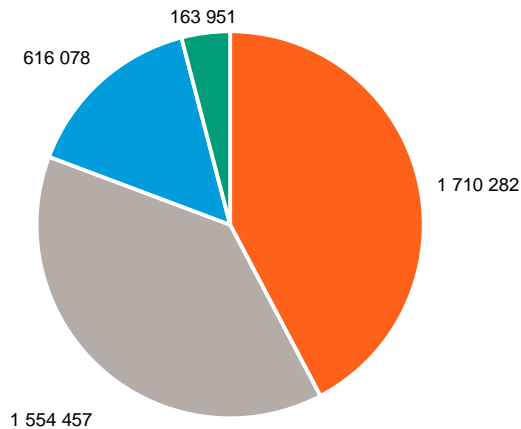
APPENDIX III.

THE SWEDISH MORTGAGE MARKET

The Swedish housing market

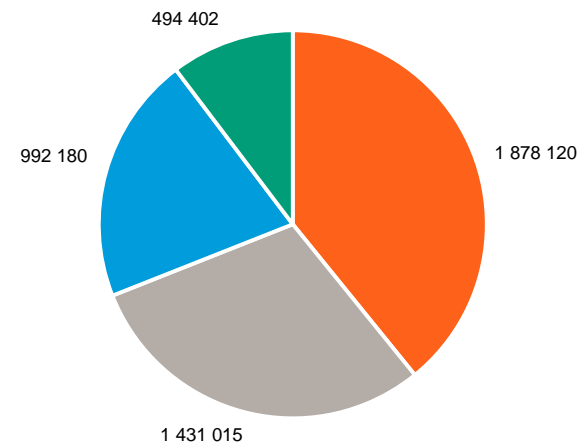
- **Most Swedes own their dwelling**
 - 65 % of the dwelling stock is owner occupied and 35 % is rented
- **The rental market is highly regulated**
 - Rent controls are strong and a large part is owned by property companies controlled by municipalities. The share of rented apartments has been declining due to rent regulations making it unprofitable to build new units where demand is high (large cities)
- **The number of tenant owned apartments has risen**
 - Price increases have made it highly profitable for private (and public) landlords to sell their properties to tenant-owner associations

Number of dwellings 1990



■ One- or two-dwelling houses ■ Rented Apartments ■ Tenant Owned Apartments ■ Others

Number of dwellings 2016



■ One- or two-dwelling houses ■ Rented Apartments ■ Tenant Owned Apartments ■ Others

Household debt has increased

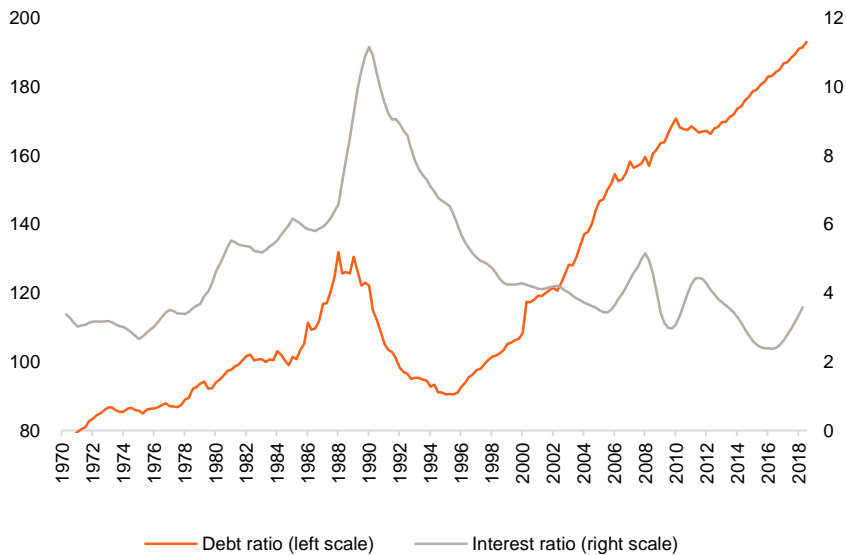
- **High debt to income ratio but low interest costs**

- The household debt to income ratio has increased from around 90% in 1995 to above 180%. The rise in the debt ratio is strongly connected to the decline in interest rates and rising homeownership

- **Average household exposed to interest rate risk**

- The interest ratio is historically low. Rising interest rate levels will eventually push up the interest ratio in the coming years. This effect will be reinforced by the increased use of floating interest rates

Household debt and interest cost share of income



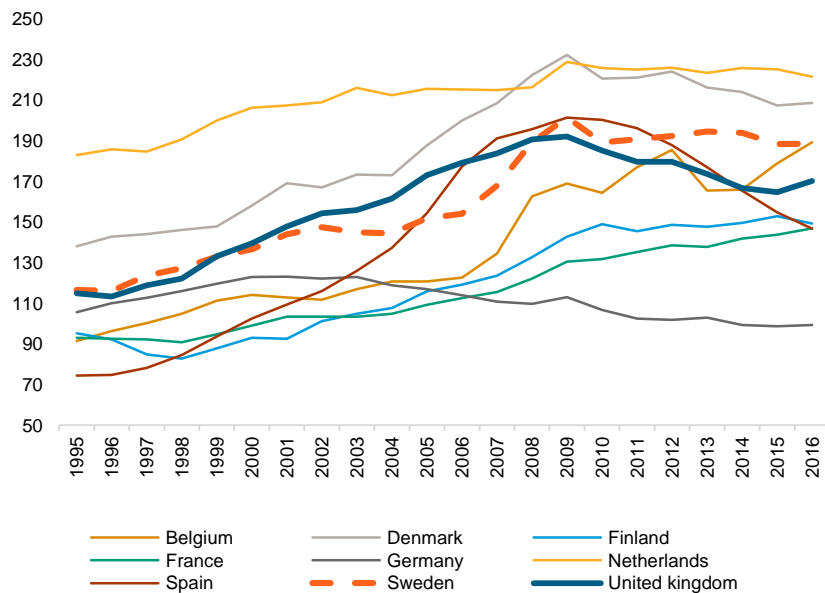
Share of mortgage loans with floating interest rates



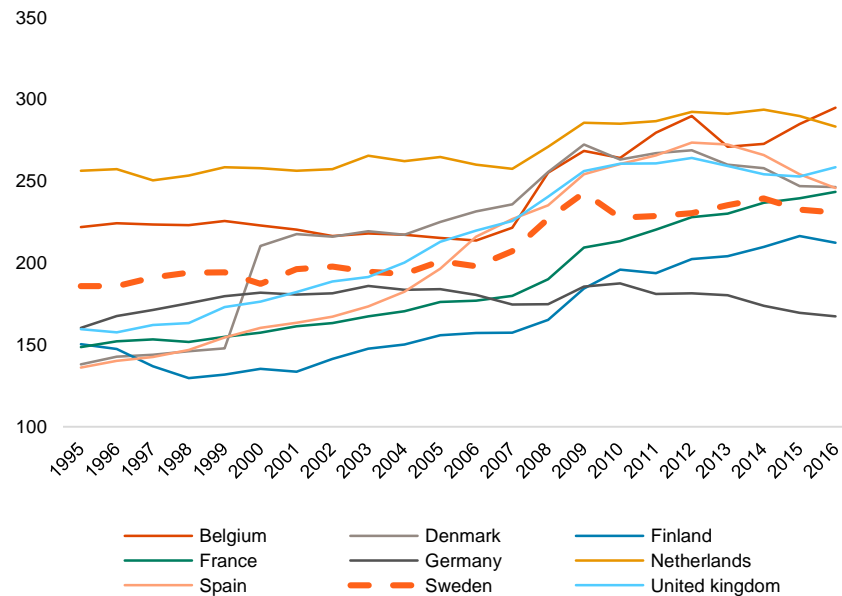
Debt compared to other countries

- **Household debt to income is rather high compared to some other countries**
 - The general conclusion from authorities is that household debt is not a threat to financial stability but future growth should be contained
- **Total debt (household, company (non-financial and financial) and public) around average in an international comparison**
 - Strong public finances puts Sweden in a favorable position

Private debt (share of GDP)



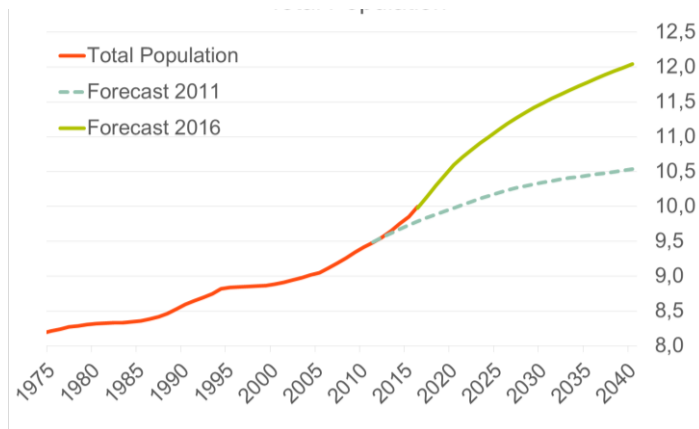
Private and Public Debt (share of GDP)



Demographics

- **Population growth has been unexpectedly strong**
 - Population is currently growing by
 - Both migration and birth excess are strong
- **Rising number of potential First Time Buyers (20-34 year olds)**
 - Puts further pressure on housing market
 - Other important demographic changes such as ageing population, urbanization adds to pressure

Total population



Share of population 20-34 years (first time buyers)



APPENDIX III.

SBAB

Average interest rates

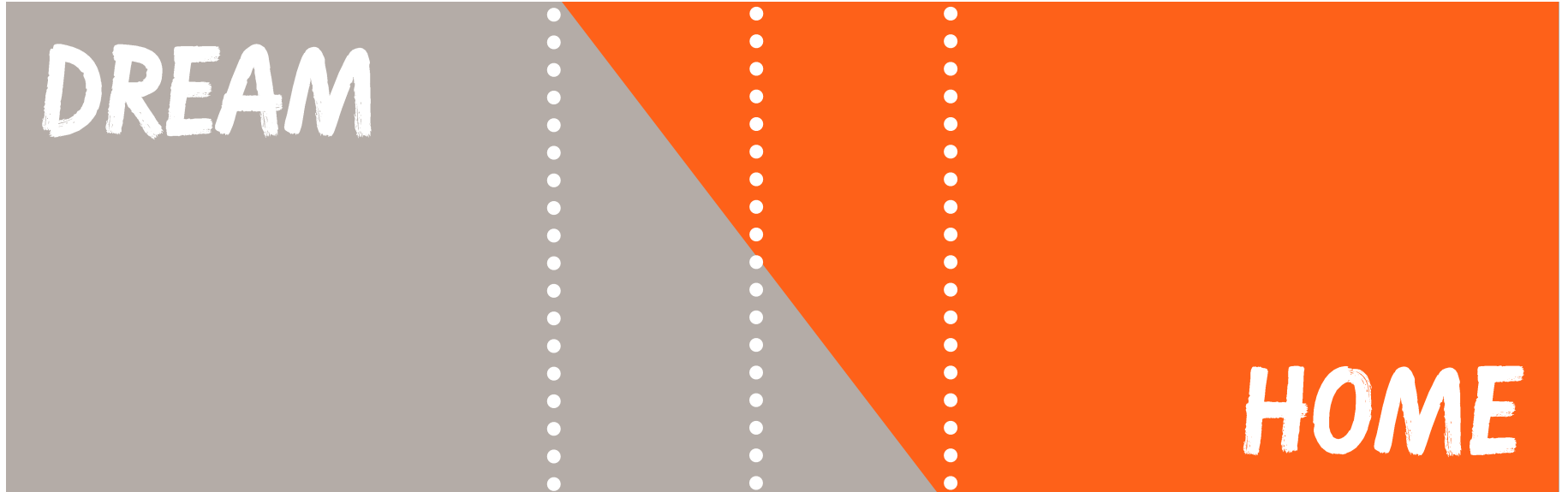
Residential mortgages									
Bank (Dec 2017)	3m	1y	2y	3y	4y	5y	7y	8y	10y
SBAB	1.43% (1.43%)	1.46% (1.47%)	1.55% (1.57%)	1.78% (1.77%)	1.97% (1.94%)	2.19% (2.23%)	2.66% (2.59%)	---	---
SEB	1.50% (1.53%)	1.50% (1.52%)	1.53% (1.53%)	1.55% (1.54%)	---	1.88% (1.85%)	2.46% (2.43%)	---	2.97% (3.03%)
Nordea	1.66% (1.66%)	1.55% (1.64%)	1.59% (1.60%)	1.61% (1.63%)	1.96% (1.94%)	2.02% (2.04%)	---	3.32% (2.97%)	---
Swedbank	1.51% (1.53%)	1.60% (1.67%)	1.62% (1.62%)	1.58% (1.59%)	1.84% (1.85%)	1.89% (1.90%)	2.38% (2.36%)	2.64% (2.58%)	2.98% (3.00%)
Handelsbanken	1.60% (1.62%)	1.58% (1.61%)	1.56% (1.60%)	1.57% (1.59%)	---	1.90% (1.93%)	---	2.74% (2.82%)	3.00% (2.99%)
Danske Bank	1.49% (1.48%)	1.75% (1.63%)	1.64% (1.54%)	1.60% (1.58%)	---	2.07% (2.02%)	---	---	3.20% (---)
Skandiabanken	1.52% (1.52%)	1.62% (1.59%)	1.60% (1.56%)	1.59% (1.63%)	---	2.01% (2.04%)	---	---	---
Länsförsäkringar	1.58% (1.58%)	1.55% (1.52%)	1.58% (1.59%)	1.68% (1.75%)	1.95% (1.92%)	2.07% (2.05%)	2.63% (2.60%)	---	3.03% (2.94%)
Landshypotek (does not show average)	1.55% (1.72%)	1.01% (1.01%)	---	---	---	---	---	---	---
Stabelo * List price	1.29% (1.29%)	---	---	1.40% (1.40%*)	---	1.76%* (1.76%*)	---	---	2.80%* (2.80%*)
Industry average	1.51% (1.52%)	1.58% (1.58%)	1.58% (1.58%)	1.60% (1.61%)	1.93% (1.91%)	1.97% (1.98%)	2.53% (2.50%)	2.90% (2.79%)	3.00% (2.98%)
SBAB vs. average	-0.08% (-0.09%)	-0.12% (-0.11%)	-0.03% (-0.01%)	+0.18% (+0.16%)	+0.04% (+0.03%)	+0.22% (+0.25%)	+0.13% (+0.09%)	N/A (N/A)	N/A (+0.15%)

(Previous month)

A digital customer offering

– Adding content and services relating to housing and household finances

booli



E.g. 'Värdeguiden'
(The Valuation Guide)

SEARCH

BUY

*Additional services to be launched in
the future*

SBAB!

E.g. 'Mitt Boende'
("My Home").

