



SBAB Interim Report for the third quarter 2025

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SBAB's Interim Report for the third quarter 2025 and the period January-September 2025 is now available for download on www.sbab.se/IR.

Q3 2025 (Q2 2025)

- Total lending increased 0.7% to SEK 544.5 billion (540.9).
- Total deposits increased 1.0% to SEK 264.8 billion (262.3).
- Operating profit grew to SEK 707 million (671), primarily due to higher net interest income and lower costs.
- Net interest income increased to SEK 1,278 million (1,258), mainly due to higher deposit margins and increased deposit volumes. However, these trends were partially offset by lower lending margins, in particular for mortgages.
- Expenses decreased to SEK 453 million (482), mainly due to lower costs for consultants and for marketing.
- Net credit losses amounted to total recoveries of SEK 20 million (recoveries: 26), mainly attributable to reduced provisions. Confirmed credit losses totalled SEK 6 million (loss: 9).
- The return on equity amounted to 9.6% (9.3) and the C/I ratio was 35.3% (38.0).
- The Common Equity Tier 1 (CET1) capital ratio was 14.8% (14.5).

Financial information

	2025	2025		2025	2024
	Q3	Q2		Jan-Sep	Jan-Sep
Total lending, SEK bn	544.5	540.9		544.5	535.0
Total deposits, SEK bn	264.8	262.3		264.8	248.1
Net interest income, SEK million	1,278	1,258		3,871	3,949
Net commission, SEK mn	-5	-12		-33	-41
Net result of financial transactions, SEK million	-6	6		-3	13
Expenses, SEK million	-453	-482		-1,407	-1,362
Net credit losses, SEK million	20	26		40	-5
Imposed fees: Risk tax and resolution fee	-144	-141		-431	-427
Operating profit, SEK million	707	671		2,088	2,169
Return on equity, %	9.6	9.3		9.6	10.5
C/I ratio, %	35.3	38.0		36.2	34.4
CET1 capital ratio, %	14.8	14.5		14.8	12.4

CEO statement from Mikael Inglander

Global trade policy, geopolitical uncertainty and a slightly weaker than expected performance by the Swedish economy continued to dominate in the third quarter. Nonetheless, from many aspects, especially considering the increasingly tough competition on the lending side, SBAB has delivered a stable performance.

Limited credit growth in the residential mortgage market is leading to continued high competition for customers. We continue to be successful and captured a healthy share of the quarter's net market growth. During the quarter, our mortgage volumes increased 1.1% to a total of SEK 375.3 billion. In our role as a challenger to traditional conventions and rules in the residential mortgage market, simplicity and transparency are, as usual, important guiding principles for us at

SBAB. In this context, I would like to take this opportunity to encourage all customers to review their terms and conditions, both for their loans and savings with their existing banking providers. Moreover, I encourage all customers to be wary of time-limited discounts, often on mortgage rates, and any product bundling, where you as a customer risk being overcharged for other products and services.

We are growing and capturing market shares, which is both in line with our goals and important for SBAB's long-term value creation and competitiveness. However, in the near term, limited credit growth, high competition and the resulting pressure on mortgage margins have posed additional challenges for maintaining operational profitability. In our planning, we expect conditions to persist in the short and medium terms, and when conditions change, we will need to be flexible and adapt. We remain committed to our long-term plan, namely to create a strong foundation and the right preconditions for competitiveness, scalability and efficiency, and to continuously grow our business volumes. However, given the increased pressure on revenue, we are placing additional focus internally on controlling and monitoring our costs. As I have previously communicated, it is essential that we are disciplined and diligent in terms of our costs, and that we continuously ensure that the investments we make add clear value for our customers.

A mixed outlook applies for the housing market as well as for credit growth for mortgages and housing finance. To stimulate economic growth, the Riksbank cut the policy rate further from 2.00% to 1.75% in the quarter. The policy rate cut comes as welcome news for many households and businesses, whose overall confidence and consequent willingness to consume and invest has contracted sharply in recent years. Future market growth for mortgages should be supported by the lower policy rate, together with a more expansive autumn budget and proposed easing of amortisation requirements. Annual residential mortgage market growth amounted to 2.4% at the end of August, compared with 0.9% at the same point last year. We expect growth to continue increasing through 2025 and 2026, despite added uncertainty in the form of trade policy, geopolitical developments and trends for supply, prices, turnover and new construction in the housing market.

The lending portfolio's overall credit quality remains very good and, to date this year, credit losses have had a positive net impact on the income statement due to reduced provisions. The Swedish FSA announced its decision in the quarter on the supervisory review and evaluation process (SREP) for SBAB. The decision entails that the Swedish FSA retains its Pillar 2 guidance (P2G) for the risk-weighted capital requirement of 0% while lowering the P2G for the leverage ratio from 0.50% to 0.15%. The announcement is welcome and confirms SBAB's low risk profile. Our good credit quality was also confirmed by the European Banking Authority (EBA) and its EU-wide stress test, which examines the resilience of financial institutions when it comes to dramatic disruptions in the operating environment and economy. The test showed once again that SBAB has very strong capital resilience and ability to generate capital, with a result in the top tier of the participating banks.

All the progress we are making as a company is gratifying to see and there are numerous good examples of positives to showcase. Our updated online banking service for our corporate and tenant-owners' association clients provides a faster, simpler and more user-friendly experience for our customers. SBAB is easy to do business with, and this initiative makes us even easier.

I look forward confidently to an exciting and eventful autumn and would like to take this opportunity to extend my sincere appreciation to all of SBAB's competent and caring staff.

Mikael Inglander
CEO of SBAB

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About SBAB Bank AB (publ)

SBAB's business idea is to be innovative and considerate in our offering of loans and savings products and other services for better housing and household finances to private individuals, tenant-owner associations and property companies in Sweden. SBAB was founded in 1985 and is owned by the Swedish state. Read more at sbab.se, twitter.com/sbabbank, facebook.com/sbabbank.

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