



Press release 29 October 2010

SBAB interim report 1 January – 30 September 2010

“SBAB’s operations continue to perform well with a sharp rise in net interest income, robust lending growth, low loan losses and increased deposit volumes. Operating profit, excluding the net result of financial instruments, totalled SEK 859 million (550), up 56%,” says SBAB’s CEO, Eva Cederbalk.

Favourable trend in operating profit

Operating profit, excluding the net result of financial instruments measured at fair value, developed well and amounted to SEK 859 million (550), a year-on-year increase of 56%. However, operating profit declined to SEK 425 million (1,091). The decline was due to negative development for the net result of financial instruments, in part because of the development in unrealised items and in part as a consequence of method development involving hedge accounting during the quarter.

The development in net interest income was positive and significantly higher year-on-year at SEK 1,377 million (1,062). The increase was primarily attributable to a favourable volume of business. Expenses increased to SEK 444 million (421), due to the high inflow of customers and the further development of SBAB’s operations.

The loan loss rate amounted to a low 0.02% (0.05) and loan losses declined to SEK 39 million (65), net.

Continued healthy inflow of customers to both deposit and lending operations

SBAB’s lending operations developed well, and new lending amounted to SEK 39.7 billion (47.0) during the period. Lending to the public totalled SEK 247.8 billion (226.0), an increase of 9.6%. SBAB’s total market share was 9.7% (9.5).

Lending to the retail market rose 10.0% to SEK 149.5 billion (135.8). New lending amounted to SEK 25.3 billion (25.5). Demand during the quarter resulted in SBAB’s market share increasing to 8.2% (8.0).

Lending to the corporate market and tenant-owner associations rose 9.0% to SEK 98.3 billion (90.1). New lending totalled SEK 14.4 billion (21.4), and SBAB increased its share in the market for lending to the corporate market and tenant-owner associations to 13.8% (13.4).

SBAB’s deposits amounted to SEK 5.5 billion (4.7). Despite generally low interest rates, SBAB’s deposit products, which are characterised by a competitive interest rate and straightforward product terms, continued to attract new customers in the retail and

SBAB offers residential mortgages and savings via the Internet and telephone, and also grants loans to the corporate sector. SBAB’s mission is to operate a profitable business that contributes to sharpening competition in the Swedish residential mortgage market. For further information, visit us at www.sbab.se



corporate markets, and tenant-owner associations. During the year to date, the number of deposit accounts has increased by 25%.

Funding

The total value of debt securities in issue rose SEK 14.9 billion during the year to SEK 264.0 billion (249.1). During the third quarter, SBAB issued a three-year bond under SBAB's EMTN programme in the amount of EUR 750 million. On 17 September 2010, the limit for SBAB's EMTN programme was raised from USD 11 billion to USD 16 billion.

Funding through the issuance of covered bonds takes place in SBAB's wholly owned subsidiary The Swedish Covered Bond Corporation, SCBC (publ). The total volume of covered bonds issued was SEK 148.6 billion (136.9).

Although SBAB was affiliated with the Swedish Government's guarantee programme for medium-term funding during 2009, the company discontinued its participation in the programme in November 2009. At the end of the period, the volume outstanding under the Government-guaranteed programme totalled SEK 14.7 billion (21.4).

For further information, please contact:

Eva Cederbalk, CEO SBAB
Telephone: +46-8-614 43 01
Mobile: +46-70-523 23 02
eva.cederbalk@sbab.se

Lena Hedlund, Chief Communication Officer, SBAB
Telephone: +46-8-614 38 49
Mobile: +46-70-858 07 25
lena.hedlund@sbab.se