

NOTE 1 LOAN LOSSES, NET, SEK MILLION

	GROUP	
	JAN-SEPT 2001	JAN-SEPT 2000
<i>Claims assessed individually</i>		
Write-downs of actual losses incurred for the period	70	92
Reversal of previous provisions for anticipated losses reported as actual losses in the accounts for the period under review	(52)	(71)
Provision for anticipated loan losses for the period *	46	42
Recovery of actual loan losses in previous years	(5)	(12)
Reversal of previous provisions for anticipated losses no longer required	(25)	(39)
Net cost for the period of claims assessed individually	34	12
<i>Claims assessed collectively</i>		
Provision for actual losses for the period	4	8
Recovery of actual loan losses in previous years	(9)	(10)
Allocation to/Withdrawal from provision for anticipated loan losses	1	(4)
Net cost for the period of claims assessed collectively	(4)	(6)
Total net cost of loan losses for the period	30	6

*of which general reserve 5 5
Both the provision for actual loan losses for the period and the reversal of previous years' provisions as specified above related to claims on the public.

NOTE 2 LENDING TO THE PUBLIC, SEK MILLION

	GROUP	
	30 SEPT 2001	30 SEPT 2000
Municipal housing companies	30 689	36 604
Housing co-operatives	39 765	39 470
Private rental housing	28 473	28 457
Owner-occupied homes	38 507	35 806
Commercial properties	5 861	5 488
Less reserve for anticipated loan losses	(331)	(361)
Total	142 964	145 464
<i>Non-performing loans and problem loans</i>		
a) Non-performing loans, not categorised as problem loans, on which interest is reported as income	438	363
b) Doubtful loans on which interest will not be taken up before payment	340	516
c) Loans for which the interest rate has been reduced in relation to prevailing market interest rates	48	56
d) Total problem loans (b+c)	387	572
e) Reserve for anticipated loan losses on doubtful loans	331	361
f) Estimated value of problem loans before write-downs for anticipated loan losses	718	933

Lending in the parent company consists of promissory note loans advanced to the subsidiaries – SBAB, Statens Bostadslåneaktiebolag and SBAB, Sveriges Bostadsfinansieringsaktiebolag. The security held by the parent company for these loans comprises the collateral held by the subsidiaries for their lending.

NOTE 3 REPOSSESSED PROPERTY, SEK MILLION

	GROUP	
	30 SEPT 2001	30 SEPT 2000
Buildings and land	0	1
Total	0	1

NOTE 4 EQUITY CAPITAL, SEK MILLION

	GROUP		PARENT COMPANY	
	2001	30 SEPT 2000	2001	30 SEPT 2000
	TOTAL EQUITY CAPITAL	TOTAL EQUITY CAPITAL	TOTAL EQUITY CAPITAL	TOTAL EQUITY CAPITAL
Equity capital brought forward	3 935	3 686	2 548	2 566
Dividend	(103)	(89)	(103)	(89)
Net profit for the year	308	256	63	58
Equity capital to be carried forward	4 140	3 853	2 508	2 535

NOTE 5 ACTUAL AND NOMINAL VALUES OF DERIVATIVES, SEK MILLION

	30 SEPT 2001		30 SEPT 2000	
	NOMINAL VALUE	ACTUAL VALUE	NOMINAL VALUE	ACTUAL VALUE
<i>Derivatives with positive or zero values – not reported in the Balance Sheet</i>				
Interest linked swaps	44 413	1 826	46 614	1 581
Interest and currency linked swaps	65 735	6 543	49 535	7 109
Equity linked derivative contracts	225	30	663	446
Total	110 373	8 399	96 812	9 136
<i>Derivatives with negative values – not reported in the Balance Sheet</i>				
Interest linked swaps	58 200	1 763	39 642	1 320
Interest and currency linked swaps	16 753	888	18 213	1 780
Equity linked derivative contracts	594	67	149	17
Total	75 547	2 718	58 004	3 117

All borrowing in foreign currencies is hedged with interest and currency swaps and/or equity linked contracts in order to take SBAB off risk.

Stockholm 25 October 2001

CHRISTER MALM
Managing Director/President

AUDITORS' REPORT

We have carried out a broad examination of this interim report, and in doing so we have followed the recommendations issued by the Swedish Institute of Authorised Public Accountants. There are significant limitations in a broad examination, compared with an audit. Nothing has emerged to suggest that this interim report does not meet the requirements under the Stock Exchange Act and the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm 26 October 2001

KPMG
PER BERGMAN
Authorised Public Accountant

HANS LINDÉN
Authorised Public Accountant
Appointed by the Swedish Financial Supervisory Authority



STATENS BOSTADSFINANSIERINGSAKTIEBOLAG, SBAB (publ.)

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Interim report for The Swedish National Housing Finance Corporation, SBAB, 1 January – 30 September 2001

Summary for the SBAB Group	Sept 2001	Sept 2000
Net operating income, SEK million ¹⁾	430	356
Loan losses, SEK million ¹⁾	30	6
Return on equity, %	10.3	9.0
Capital ratio, %	9.2	9.4
Primary capital ratio, %	6.5	6.4
Equity ratio, %	2.9	2.6
Problem loans after provisions, SEK million	388	572
Income/Expenditure ratio, excluding loan losses	2.2	2.3
Income/Expenditure ratio, including loan losses	2.1	2.2
Rating, long-term debt		
Standard & Poor's	AA-	AA-
Moody's	A1	A1
Rating, short-term debt		
Standard & Poor's	A-1+	A-1+
Moody's	P-1	P-1
Volume of international borrowing, SEK million	65 343	50 094
Lending, SEK million	142 964	145 466
Loans securitised, SEK million	9 259	1 010
Average number of employees	362	356
of whom temporary employees	31	15

1) January– September 2001

NET OPERATING INCOME, NET INTEREST INCOME AND LOAN LOSSES

Net operating income for the first nine months of 2001 was SEK 430 million, a 21 per cent improvement over the corresponding period last year. This reflected increased lending, increased adaptation of pricing in relation to lending risk, reduced lending covered by municipal guarantees and a shift in the loan portfolio towards the higher yielding retail market, bringing higher net interest income at SEK 790 million (650 million). Expenses increased by 12 per cent compared to the same period last year, in part due to continued IT-investments with a new technical environment.

In September, a sum of SEK 9 million (17 million) was received from SPP (a pension/insurance company) representing surplus pension contributions. This sum has been taken up as income and mainly, as last year, used in covering pension commitments during the year.

Return on equity for the period has increased and amounted to 10.3 per cent (9.0 per cent).

Loan losses at SEK 30 million (6 million) remain at a very low level; recoveries partly accounted for the very low figure reported earlier. Problem loans, after provisions, at SEK 388 million (572 million) constitute 0.27 per cent (0.39 per cent) of the loan portfolio and continue to decrease.

SBAB's LENDING

In the property-company market (multi-family housing) mortgage lending remains on the increase while lending against municipal guarantee continues to decrease. Where mortgages provide the only collateral, loans are normally restricted to 70 per cent of the market value of the property concerned. Some 88 per cent

INCOME STATEMENT, SEK MILLION

	GROUP				PARENT COMPANY	
	Jan–Sept 2001	Jan–Sept 2000	July–Sept 2001	July–Sept 2000	Jan–Sept 2001	Jan–Sept 2000
Interest income	6 153	6 367	2 015	2 035	5 769	5 773
Interest expenses	(5 363)	(5 717)	(1 727)	(1 792)	(5 717)	(5 705)
Net interest income	790	650	288	243	52	68
Dividends received	0	0	0	0	0	0
Commission income	24	18	8	6	–	–
Commission expenses	(36)	(22)	(12)	(8)	(14)	(8)
Other operating income	4	1	2	0	15	13
Total operating income	782	647	286	241	53	73
General administration expenses	(275)	(238)	(82)	(62)	(19)	(12)
Depreciation/Writing down of tangible assets	(11)	(12)	(4)	(4)	(11)	(12)
Other operating expenses	(36)	(36)	(14)	(10)	(2)	(2)
Total operating expenses	(322)	(286)	(100)	(76)	(32)	(26)
Operating income before loan losses	460	361	186	165	21	47
Loan losses, net	NOTE 1 (30)	(6)	(11)	(5)	–	–
Change in value of repossessed property	–	1	–	1	–	–
Net operating income	430	356	175	161	21	47
Allocations	–	–	–	–	67	32
Minority share of the profit for the year	(1)	–	(1)	–	–	–
Change in deferred tax liability	(10)	(9)	(6)	(6)	–	–
Taxes	(111)	(92)	(43)	(40)	(25)	(22)
Net profit for the period	308	255	125	115	63	57

of the loans falling due for renewal this year, totalling SEK 64 111 million, have been renewed. A necessary improvement in margins for lending to multi-family housing has largely been achieved.

SBAB's lending to the retail market continues to grow. A considerable proportion of the year's lending relates to tenant-owner apartments within the Stockholm region. New lending to the retail market for the first nine months amounted to SEK 11 993 million (7 838 million). SBAB's co-operation partners generate around 40 per cent of the lending to the retail market. Some 60 per cent of own lending originated from loan applications received via the internet. Tenant-owner apartments constitute 21 per cent of the retail market's loan portfolio.

SBAB's total lending at the end of September amounted to SEK 142 964 million (145 466 million). This figure does not include securitised loans totalling SEK 9 259 million. The loan portfolio in the property-company market amounted to SEK 104 792 million (109 669 million) and in the retail market SEK 38 507 million (35 797 million). A large part of the year's lending, around 58 per cent, has been undertaken at floating interest rates.

SBAB's lending, including loans securitised, increased from SEK 146 476 million to SEK 152 223 million since 30 September last year. SBAB's total market share was about 13.4 per cent, the market share in the

property-company housing market being around 21.1 per cent and in the retail market around 7.3 per cent.

The proportion of lending secured by government or municipal guarantees has fallen to 27 per cent (31 per cent) as a result of the shift in the loan portfolio mentioned above.

FUNDING AND CAPITAL ADEQUACY

Long-term funding for the first nine months amounted to SEK 31 733 million (13 754 million), SEK 11 186 million (855 million) being raised in the international market and SEK 20 546 million (12 899 million) in the domestic bond market. Short-term debt amounted to SEK 50 927 million (45 057 million).

The capital ratio of 9.2 per cent (9.4 per cent) and the primary capital ratio of 6.5 per cent (6.4 per cent) include the nine months' profit after deductions for tax estimated at the standard rate and dividend. SBAB's capital base totalled SEK 5 918 million (5 582 million).

The parent company's capital ratio was 166.5 per cent (151.9 per cent), the primary capital ratio 99.3 per cent (91.2 per cent) and the capital base SEK 4 394 million (4 527 million).

SBAB's Interim Reports will be published for the periods ending 31 March, 30 June and 30 September. Reports will only be published at SBAB's web site www.sbab.se; printed copies will be available by mail by special arrangement.

BALANCE SHEET, SEK MILLION

ASSETS	GROUP		PARENT COMPANY	
	30 Sept 2001	31 Dec 2000	30 Sept 2001	31 Dec 2000
Cash in hand and balances at central banks	0	0	0	0
Eligible Treasury bills, etc.	161	8 607	161	8 607
Lending to credit institutions	1 893	1 214	1 889	137 967
Lending to the public, short-term	NOTE 2 1 554	0	–	0
Lending to the public	NOTE 2 141 410	139 732	–	0
Claims on subsidiaries	–	–	140 135	–
Bonds and other interest-bearing instruments	108	177	108	177
Shares and participations, etc.	0	0	0	0
Shares and participations in group companies	–	–	2 722	2 722
Tangible assets	NOTE 3 28	32	28	32
Other assets	695	416	62	75
Pre-paid costs and accrued income	969	915	73	57
TOTAL ASSETS	146 818	151 093	145 178	149 637

LIABILITIES AND EQUITY CAPITAL

LIABILITIES				
Debt to credit institutions	2 399	11 856	2 393	11 855
Bonds issued, etc.	134 690	129 206	134 890	129 206
Other liabilities	304	875	113	734
Accrued costs and pre-paid income	2 570	2 739	2 570	2 720
Provision for deferred tax	198	188	–	–
Subordinated debt	2 418	2 221	2 418	2 221
Total liabilities	142 579	147 085	142 384	146 736
Untaxed reserves	–	–	286	353
Minority share holding	99	73	–	–
EQUITY CAPITAL				
NOTE 4				
<i>Tied equity capital</i>				
Share capital	1 958	1 958	1 958	1 958
Legal reserve	392	392	392	392
Share of untaxed reserves included in equity capital	509	483	–	–
<i>Unrestricted equity capital</i>				
Profit brought forward	973	765	95	127
Profit for the period	308	337	63	71
Total equity capital	4 140	3 935	2 508	2 548
TOTAL LIABILITIES AND EQUITY CAPITAL	146 818	151 093	145 178	149 637

Accounting principles applied are the same as in the Annual Report 2000

CASH FLOW ANALYSIS SEK MILLION

	GROUP		PARENT COMPANY	
	30 Sept 2001	30 Sept 2000	30 Sept 2001	30 Sept 2000
Liquid funds at the beginning of the period	825	802	773	792
Cash flow from current operations	(4 028)	4 707	(4 178)	4 702
Cash flow from investment operations	(7)	(21)	(7)	(21)
Cash flow from financing operations	5 102	(2 587)	5 302	(2 587)
Increase/Decrease in liquid funds	1 067	2 099	1 117	2 094
Liquid funds at the end of the period	1 893	2 901	1 889	2 887

Liquid funds are defined as cash in hand and balance at banks.