

Press release, 7 February 2013

Year-end report 2012

Earnings improvement of 36 percent

SBAB Bank's CEO, Carl-Viggo Östlund, comments:

SBAB's operating profit excluding net result from financial instruments improved by 36 percent for the full-year, mainly driven by higher net interest income. We have entered an exciting phase, in which we are broadening our business with new products and offerings, while maintaining good control over our expenses and with loan losses remaining at low levels.

In the past year, we saw growth in both lending and deposits. It is satisfying that so many customers appreciate our savings account offering, as reflected in our being the leading company in Sweden for retail deposits in 2012. Our recipe for success is simple: competitive interest rates on money saved – something that we regard as a matter of course to offer to customers.

The healthy growth in deposit levels is having a positive impact on SBAB's funding. An increasing level of deposits from the public will enable SBAB to gradually reduce its dependency on funding from the international capital market. Over time, this will lead to reduced complexity and more stabilised earnings.

The Swedish Quality Index annual survey of savings and loans confirms that SBAB is on the right track. For the ninth consecutive year, SBAB secured first place for customer satisfaction among tenant-owner associations. Among private individuals, we advanced from the third to second place.

The confidence of customers is a prerequisite for SBAB efforts to be a successful and sustainable company. We endeavour to treat every customer as unique and to provide them with a new banking experience. To succeed in this regard, we are developing new products and, by the spring of 2013, we will be launching mutual funds. Our vision is clear. We want to provide customers with the best customer experience and to create a new era in banking.

Summary of full-year 2012 compared with 2011

- Operating profit, excluding net income/expense from financial instruments, was SEK 1,104 million (813).
- Net interest income amounted to SEK 1,941 million (1,618).
- Expenses totalled SEK 725 million (707).
- The net effect of loan losses was a loss of SEK 20 million (loss: 8).
- Net income/expense from financial instruments amounted to an expense of SEK 601 million (expense: 349).
- Operating profit totalled SEK 503 million (464).
- New lending amounted to SEK 34.9 billion (31.1).
- Deposits increased to SEK 27.7 billion (8.8).
- The Core Tier 1 capital ratio was 16.4% (15.0) without taking the transitional regulations into account and 6.9% (6.7) taking the transitional regulations into account.
- During the year, SBAB had a share of 15.9% of the market for new retail deposits.
- In November, a new subordinated debenture of SEK 1 billion was issued.

SBAB Bank offers residential mortgages and saving products through the Internet and telephone, and also grants loans to the corporate sector and housing associations. By offering products and services that challenge and simplify, SBAB Bank contributes to increased competition in the Swedish market. The company was founded in 1984 and is wholly owned by the Swedish Government. In 2011, the company's lending volume amounted to SEK 255.9 billion and the deposit volume to SEK 27.7 billion. SBAB Bank has about 410 employees, of whom approximately 120 work at the headquarters in Stockholm. Learn more at www.sbab.se/english

SBAB BANK

Summary of the fourth quarter of 2012 compared with the third quarter of 2012

- Operating profit, excluding net income/expense from financial instruments, amounted to SEK 265 million (318).
- Net interest income amounted to SEK 491 million (499).
- Expenses totalled SEK 192 million (157).
- The net effect of loan losses was a loss of SEK 17 million (gain: 2).
- Net income/expense from financial instruments amounted to an income of SEK 10 million (expense: 130).
- Operating profit totalled SEK 275 million (188).
- New lending amounted to SEK 10.1 billion (8.1).
- Deposits increased to SEK 27.7 billion (24.6).

For balance sheet items and information concerning capital adequacy, all comparative figures in parentheses refer to the figures at the preceding year-end, except individual quarterly figures, which are compared with the preceding quarter for all amounts.

SBAB Bank's year-end report for 2012 is available for download from: www.sbab.se/investor

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