

Third Quarter Report 2006

AB Sveriges Säkerställda Obligationer (publ),
The Swedish Covered Bond Corporation

A wholly-owned subsidiary of
Sveriges Bostadsfinansieringsaktiebolag, SBAB (publ).

For more information please visit:

www.scbc.se



www.sbab.se

Interim Report for AB Sveriges Säkerställda Obligationer (publ), reg. no. 556645-9755 , 1 January - 30 September 2006

SUMMARY	Sep 2006	Sep 2005
Net operating income, SEK thousand 1)	82 323	-
Net interest income, SEK thousand	154 060	-
Loan losses, SEK thousand	-	-
Capital ratio, %	8.5	-
Primary capital ratio, %	8.5	-
Lending, SEK thousand	89 802 783	-

1) The period refers to Jan - Sep

General

AB Sveriges Säkerställda Obligationer (publ), hereinafter referred to as SCBC, is a wholly-owned subsidiary of Sveriges Bostadsfinansieringsaktiebolag, SBAB (publ), hereinafter referred to as SBAB.

SCBC's activities are mainly focused on issuing covered bonds to the Swedish and international capital market. For this purpose, the company currently uses two loan programmes that have both received the highest possible credit ratings Aaa/AAA from the rating institutes Moody's and Standard & Poor's.

During the period 8 – 12 June 2006, the offer was executed that SCBC addressed to holders of SBAB's Swedish mortgage bonds to exchange their holding for covered bonds issued by SCBC, under the Swedish bond loan programme for issuance of covered bonds, and on corresponding financial conditions. The mortgage bonds concerned were SBAB's Loan nos. 118, 121, 122 and 123 with a total outstanding nominal capital debt of approximately SEK 38 billion. The offer was accepted by bondholders whose holding corresponded to approximately 97 % of the outstanding loan debt.

SCBC's €10,000,000,000 Euro Medium Term Covered Note Programme was completed on 20 June 2006.

SCBC has entered into derivative contracts, under what is known as ISDA agreements, with SBAB and with a number of external counterparties to handle interest rate and currency risks. SCBC has also entered into a master sale agreement with SBAB for continuous acquisition of loans and an outsourcing agreement according to which SBAB shall perform the services necessary for SCBC to carry out SCBC's business operations. Furthermore, SCBC has entered into a subordination agreement for subordination of all claims that SBAB is entitled to make on SCBC due to the agreements in the event of SCBC's bankruptcy.

Lending

SCBC does not conduct any lending operations in its own name but acquires loans from SBAB regularly or when required. The purpose of these acquisitions of loans is for these, as a whole or in part, to be included in the cover pool that serves as collateral for the investors who hold SCBC's covered bonds. In May, SCBC acquired an initial portfolio of loans of approximately SEK 64 billion. Loans also have been regularly acquired and divested between SBAB and SCBC during the remaining part of the period. The ambition is for SCBC's acquisitions of loans to be made in such a way as for these to broadly represent a cross-section of SBAB's loan portfolio.

During September, SCBC acquired an additional more extensive portfolio of loans from SBAB of approximately SEK 27 billion.

Borrowing and capital adequacy

SCBC's borrowing consists largely of the issuance of covered bonds and to a certain extent of entry into repo transactions. In addition to this, SCBC also receives deposits from SBAB in the form of subordinated loans.

The capital ratio and the primary capital ratio amounted to 8.5%.

SCBC's capital base amounts to SEK 4,059 million. The capital base has been strengthened by SEK 3,950 million during the period by conditional shareholders' contribution from SBAB. At the shareholders' meeting on 24 March 2006, SCBC decided to increase the share capital by SEK 49.5 million. The share capital thus amounts to SEK 50 million.

Accounting principles

The interim report has been prepared in accordance with the provisions of the Annual Accounts Act concerning Credit Institutions and Securities Companies (ÅRKL) and the directives and general guidelines (FFFS 2002:22) with supplements and adaptations in accordance with the transitional regulations to the Swedish Financial Supervisory Authority, Finansinspektionen's directives and general guidelines (FFFS 2005:33). SCBC has been granted consent by Finansinspektionen to apply older accounting directives (FFFS 2002:22) when preparing its interim report and annual report for the 2006 financial year.

INCOME STATEMENT, SEK thousand

	Jan - Sep 2006	Sep 2005
Interest income	928 790	-
Interest expenses	(774 730)	-
Net interest income	154 060	-
Commission income	1 411	-
Commission expenses	(2)	-
Other operating income	1	-
TOTAL OPERATING INCOME	155 470	-
General administration expenses	(73 147)	-
Other operating expenses	-	-
TOTAL OPERATING EXPENSES	(73 147)	-
OPERATING INCOME BEFORE LOAN LOSSES	82 323	-
Loan losses, net	-	-
NET OPERATING INCOME	82 323	-
Allocations	0	-
Tax on profit for the year	(23 051)	-
NET PROFIT FOR THE PERIOD	59 272	-

BALANCE SHEET, SEK thousand

	30.09.06	31.12.05
ASSETS		
Lending to credit institutions	0	-
Lending to the public NOTE 1	89 802 783	-
Bonds and other interest-bearing securities	0	-
Other assets	2 176 265	-
Prepaid expenses and accrued income	194 942	-
TOTAL ASSETS	92 173 990	-
LIABILITIES AND EQUITY CAPITAL		
Liabilities to credit institutions	10 611 878	-
Securities issued, etc.	46 726 653	-
Other liabilities	165 064	-
Accrued expenses and prepaid income	1 430 738	-
Subordinated debt	29 180 385	-
Total liabilities	88 114 718	-
UNTAXED RESERVES	0	-
EQUITY CAPITAL		
<i>Restricted equity</i>		
Share capital	50 000	500
Legal reserve	0	-
<i>Non-restricted equity</i>		
Shareholders' contribution	3 950 000	-
Profit brought forward	0	-
Net profit for the period	59 272	-
Total equity capital	4 059 272	500
TOTAL LIABILITIES AND EQUITY CAPITAL	92 173 990	500

Changes in equity capital

SEK thousand	Jan - Sep 2006	Jan - Dec 2005
Equity capital at the end of the period	500	500
Shareholders' contribution	3 950 000	-
New issue	49 500	-
Net profit for the period	59 272	-
Equity capital at the end of the period	4 059 272	500

Note 1 Lending to the public, SEK thousand

	30.09.2006		31.12.2005	
	LENDING	RESERVE	LENDING	RESERVE
Municipal multi-family dwellings	8 432 330	-	-	-
Tenant-owner associations	14 565 017	-	-	-
Private multi-family dwellings	9 350 456	-	-	-
Single-family dwellings and holiday homes	41 388 058	-	-	-
Tenant-owned apartments	16 066 922	-	-	-
Total	89 802 783	-	-	-

Note 2 Book and actual values of derivative instruments, SEK thousand

	30.09.2006		31.12.2005	
	Book value	Actual value	Book value	Actual value
<i>Derivative instruments with positive values or zero value</i>				
Interest rate swaps	1 403 332	1 466 417	-	-
Interest rate/currency swaps	2 001	123	-	-
Equity-linked derivative contracts	-	-	-	-
Total	1 405 333	1 466 540	-	-
<i>Derivative instruments with negative values</i>				
Interest rate swaps	122 800	572 261	-	-
Interest rate/currency swaps	11 462	9 352	-	-
Equity-linked derivative contracts	-	-	-	-
Total	134 262	581 613	-	-

Stockholm, 16 November 2006

Per Tunestam
Chief Executive Officer

**Review report for
AB Sveriges Säkerställda Obligationer (publ)**

Reg. no. 556645-9755

We have reviewed the interim report for AB Sveriges Säkerställda Obligationer (publ) for the period 1 January to 30 September 2006. The board of directors and the CEO are responsible for preparing and presenting this interim report in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express an opinion on this interim report based on our review.

We have performed this review in accordance with the standard for review SÖG 2410 *Review of financial interim report information performed by the auditor appointed by the company (in Swedish)* published by FAR. A review consists of making enquiries, in the first place to persons who are responsible for financial issues and accounting matters, performing an analytical review and undertaking other general review measures. A review has a different focus and a considerably reduced scope compared with the focus and scope of an audit in accordance with Auditing Standards in Sweden, RS [in Swedish] and generally accepted accounting standards otherwise in Sweden. The review measures undertaken in a general review have not made it possible for me to acquire such certainty as to be aware of all important circumstances that could have been identified in the performance of an audit. The conclusion stated is based on a general review and does not therefore have the same degree of certainty as a statement based on an audit.

On the basis of our general review, no circumstances have emerged which would lead us to consider that the interim report is not, in all substantial, prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, 16 November 2006

KPMG Bohlins AB

/signature/
Per Bergman
Authorised public accountant

/signature/
Lars-Ola Andersson
Authorised public accountant
Appointed by Finansinspektionen,
[Swedish Financial Supervisory Authority]