

Press release, 8 February 2012

Year-end report 2011

Stable lending and strongly increased deposits

SBAB Bank's Acting CEO, Christine Ehnström, comments:

SBAB Bank's lending operations displayed stable development in 2011 and loan losses remained low. Deposits increased to SEK 8.8 billion at year-end. The company's business operations and earnings developed positively in the fourth quarter.

Despite the turbulence in the financial markets, SBAB Bank was well funded during the year and maintained favourable liquidity. The company's efforts to diversify its funding continued in 2011. To reduce the bank's liquidity risk, we also took an even more proactive approach to the pre-funding of maturing funding. This strengthened SBAB Bank's liquidity and decreased its financing risk.

Operating profit declined compared with 2010, mainly due to the bank's pre-funding and development costs for a broader product offering.

Summary of January – December 2011 compared with January – December 2010

- Net interest income amounted to SEK 1,618 million (1,762).
- Expenses totalled SEK 707 million (604), an increase primarily attributable to the focus on banking services.
- Loan losses remained low and amounted to SEK 8 million (losses: 40).
- Operating profit totalled SEK 464 million (785).
- Operating profit excluding the net result of financial instruments amounted to SEK 813 million (1,074).
- The deposit volume rose to SEK 8.8 billion (6.1).
- The lending volume was stable and totalled SEK 248.1 billion (249.1) and the market share was 9.1 percent (9.6).
- Without taking the transitional regulations into account, the core Tier 1 capital ratio was 15.0 percent (14.1) and the Tier 1 capital ratio was 20.0 percent (19.1).
- Taking the transitional regulations into account, the core Tier 1 capital ratio was 6.7 percent (6.4) and the Tier 1 capital ratio was 8.9 percent (8.7).
- The liquidity risk remained low and the maturity of funding was extended further.

Summary of the fourth quarter of 2011 compared with the third quarter of 2011

- Net interest income amounted to SEK 458 million (378).
- Operating profit increased to SEK 397 million (197).
- New lending totalled SEK 10.1 billion (7.0).

All comparable figures in parentheses pertaining to income statement items and new lending refer to the preceding year, apart from quarter-specific figures for which the preceding quarter is the comparative period. For comparable figures pertaining to balance sheet items, capital adequacy and market share, the date of comparison is the preceding year-end.

SBAB Bank's year-end report for 2011 is available for download from: www.sbab.se/investor

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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 248.1 billion and the deposit volume to SEK 8.8 billion. SBAB Bank has about 410 employees, of whom approximately 120 work at the headquarters in Stockholm. Learn more at www.sbab.se/english