

SBAB BANK

Press release 22 July 2011

Interim Report 1 January – 30 June 2011

SBAB Bank experiences continuous stable development

SBAB Bank's CEO Eva Cederbalk comments on the results:

"SBAB Bank's business volumes experienced a stable development during the second quarter, while the operation continues to broaden its product offering. We further strengthened our liquidity and continued the strategy of extending our funding."

Performance in January-June 2011 compared with January-June 2010

The interest-rate margin on lending remained stable, at the same time as net interest income declined to SEK 782 million (949) during the first half of 2011. The decrease was largely due to the high net interest income in the year-earlier period resulting from interest swaps connected to repurchased issued bonds.

The operating result was a loss of SEK 130 million (profit: 350), primarily due to changes in market values of basis swaps, since these swaps are reported at fair value. SBAB Bank uses basis swaps to eliminate currency and interest-rate risk on its international funding. However, changes in the value of basis swaps have no impact on SBAB Bank's cash flow nor do they create any real risk, since the company intends to hold them to maturity. Adjusted for the effect of basis swaps, operating profit amounted to SEK 301 million (200).

Expenses rose SEK 24 million to SEK 335 million during the period, mainly as a result of ongoing activities to broaden and strengthen the product offering. Loan losses remained low, with net income of SEK 19 million (loss: 44) reported during the period, and credit quality improved.

Lending declined to SEK 244 billion (249) and the market share was 9.2% (9.6). The interest-rate margin continued to show stable development. This was despite a downturn in demand, which most likely is a result of higher interest rates and the introduction of the residential mortgage cap, at the same time as SBAB Bank experienced more intense competition.

SBAB Bank's financial position remained favourable. Without taking the transition rules into account, the core Tier 1 capital ratio was 13.4% (14.1) and the Tier 1 capital ratio was 18.2% (19.1). SBAB Bank's strategy is to continue to extend the maturity of funding and during the period the company decided to pre-fund a larger share of future debt maturity, resulting in the liquidity and funding risk remaining low. SBAB Bank has funded more than 90% of debt maturing in 2011.

Performance in the first quarter of 2011 compared with the first quarter of 2011

The interest-rate margin between the quarters remained stable. During the second quarter, net interest income declined to SEK 377 million (405). The decrease was due to lower earnings from activities pertaining to the company's funding during the second quarter. The net result of financial instruments measured at fair value was a loss of SEK 172 million (loss: 372), which was due mainly to changes in the market value of basis swaps (see above). Increased marketing activities and continued development of the product offering added to higher costs during the period, SEK 179 million (156). Loan losses amounted to

SBAB Bank offers residential mortgages and saving products through the Internet and telephone, and also grants loans to the corporate sector. By offering products and services that challenge and simplifies SBAB contributes to increased competition in the Swedish market. The company was founded in 1985 and is 100 percent owned by the Swedish Government. Lending volume 2010 amounted to SEK 249.1 billion and deposits volume to SEK 6.1 billion. SBAB has about 420 employees of which approximately 120 are working at the headquarter in Stockholm. Read more at www.sbab.se

SBAB BANK

income of SEK 32 million (loss: 13). Operating profit improved SEK 198 million to SEK 34 million (loss: 164).

Deposits during the quarter rose to SEK 6.2 billion (5.9). Lending declined to SEK 244 billion (247), while new lending in the retail market increased to SEK 5.3 billion (4.2). The portfolio for the retail market amounted to SEK 147.8 billion (148,1) on 30 June 2011, down SEK 0.3 billion compared with the first quarter, when the portfolio declined SEK 1.7 billion.

SBAB Bank's interim report is downloadable from: www.sbab.se/investor

For further information please contact:

Eva Cederbalk, CEO SBAB Bank

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

Per Balazsi, Head of Accounting and Controlling Department SBAB Bank

Telephone: +46-8-614 43 24, Mobile: +46-733-68 43 24, per.balazsi@sbab.se

SBAB Bank offers residential mortgages and saving products through the Internet and telephone, and also grants loans to the corporate sector. By offering products and services that challenge and simplifies SBAB contributes to increased competition in the Swedish market. The company was founded in 1985 and is 100 percent owned by the Swedish Government. Lending volume 2010 amounted to SEK 249.1 billion and deposits volume to SEK 6.1 billion. SBAB has about 420 employees of which approximately 120 are working at the headquarter in Stockholm. Read more at www.sbab.se