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PRESS RELEASE

SBAB'S ANNUAL REPORT

Financial result for 2000

SBAB reports a net operating income of SEK 469 million for 2000, which is higher than the previous year's net figure (397 million). The result represents an after-tax return on equity capital of 8.9 per cent (8.0 per cent). Costs have increased somewhat due to substantial investment in IT and the continued emphasis on building up the retail market business area.

SBAB's Board and Managing Director propose a dividend to the owner of SEK 103 million for 2000.

After the dividend, the capital ratio will be 9.7 per cent (9.5 per cent) and the primary capital ration 6.8 per cent (6.5 per cent).

Lending

The loan portfolio amounted to SEK 139 734 million. SBAB's market share of the total retail market (single family homes, tenant-owned apartments, holiday cottages) increased from 6 per cent to 7 per cent. SBAB's portfolio of retail market loans amounted to SEK 30 565 million at year-end. In addition, retail market loans totalling SEK 8 487 million were securitized during the year through a MBS-transaction (Mortgage Backed Securities). New lending in the retail market amounted to SEK 11 510 million.

SBAB's market share of the total property-company market (multi-family apartment buildings) was around 22 per cent. SBAB's portfolio of property-company market loans amounted to SEK 109 169 million at year-end.

Loan losses

Loan losses had a negative effect of SEK 14 million on the result.

Funding

SBAB's long-term objective is to achieve an approximately even distribution between international and domestic funding. SEK, JPY, USD and EUR are strategic currencies in SBAB's funding. Two MBS-transactions: *Morfun No. 1 plc.* for SEK 1 010 million and *SRM Investment No. 1 Limited* for EUR 1 000 million were accomplished during the year.

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Housing loans on internet

SBAB's operations are increasingly based on internet solutions and internet has become an important distribution channel for housing loans. Substantial resources have therefore been allocated to IT-development in 2000 in order to combine cost efficiency with ready accessibility and a high service level for borrowers. Around 60 percent of loan applications within the retail market stem from internet. The goal is to increase this share. The investments in internet have shown good results and the development so far this year indicates a continued large increase in loan volume via this medium.

Prospects for 2001

Continued growth in the housing mortgage market in 2001, corresponding to the growth in 2000, and a rapidly growing interest in taking housing loans via internet will create opportunities for increased lending. These factors, added to the positive effects of SBAB's investment programme, will lead to continued good performance and an annual result for 2001 that will exceed the result for year 2000.

Summary for the SBAB Group	2000	1999
Net operating income, SEK million	469	397
Loan losses, SEK million	14	-12
Capital ratio, %	9.7	9.5
Primary capital ratio, %	6.8	6.5
Equity ratio, %	2.7	2.4
Return on equity capital	8.9	8.0
Problem loans after provisions, SEK million	542	668
Income/expenditure ratio, excluding loan losses	2.2	2.0
Income/expenditure ratio, including loan losses	2.1	2.0
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
Lending, SEK million	139 734	145 543
Securitized loans, SEK million	9 497	-
Number of employees	362	381

Annual General Meeting

The Annual General Meeting will take place on Wednesday, 28 March 2000 in Stockholm

Questions will be answered by:

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