

Press release 29 April 2011

Interim Report 1 January – 31 March 2011

SBAB Bank reports continued positive net interest income trend compared with the fourth quarter of 2010

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

"During the quarter, we experienced a slackening of demand and increased competition for residential mortgages. It is therefore satisfying being able to report that our net interest income developed positively compared with the preceding quarter."

Operating results of first quarter of 2011 compared with first quarter of 2010

SBAB's operating results declined compared with the year-earlier period to a loss of SEK 164 million (profit: 172). The results were negatively affected in the amount of SEK 347 million due to factors including market-value changes in basis swaps, which are used to manage currency risks. Adjusted for the effect of basis-swaps spreads, operating profit amounted to SEK 183 million. Net interest income declined to SEK 405 million (476). This was due to a considerable share of the preceding year's net interest income being strengthened by a gain of SEK 71 million from derivatives attributable to the repurchase of issued bonds. The loan loss rate remained very low at 0.02% (0.01) and SBAB's interest margins remained at a stable level.

Summary of first quarter of 2011 compared with first quarter of 2010

- Net interest income amounted to SEK 405 million (476).
- SBAB posted an operating loss of SEK 164 million (profit: 172). Earnings were adversely affected in an amount of SEK 347 million primarily by unrealised changes in market value.
- Costs remained unchanged at SEK 156 million (156).
- Loan losses amounted to SEK 13 million (loss: 5). The loan loss rate was 0.02% (0.01).
- Deposit volume amounted to SEK 5.9 billion (6.1).
- Lending volume totalled SEK 247.3 billion (249.1).
- SBAB's market share in retail lending was 7.9% (8.1).
- Without taking the transitional regulations into account, Core Tier 1 capital ratio, Tier 1 capital ratio and capital adequacy ratio were 13.5% (14.1), 18.3% (19.1) and 21.6% (22.4) respectively.

Operating results of first quarter of 2011 compared with fourth quarter of 2010

Net interest income was higher and totalled SEK 405 million (385). SBAB posted an operating loss of SEK 164 million (profit: 360) for the quarter. The results were negatively affected in the amount of SEK 347 million due to market-value changes in basis swaps, which are used to manage currency risks. Adjusted for the effect of basis-swaps spreads, operating profit amounted to SEK 183 million. Expenses declined between the quarters and totalled SEK 156 million (160).

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

For further information please contact:

Eva Cederbalk, CEO SBAB Bank

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



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