



Press release, 29 April 2010

SBAB's operating profit for January-March 2010 increased to SEK 172 million (161)

SBAB's operating profit for the first quarter of 2010 rose 7%, compared with the corresponding period of the preceding year, to SEK 172 million (161). SBAB's total lending increased to SEK 234.4 billion (226.0). SBAB's total market share in the lending segment continued to rise to 9.7% (9.5). The loan loss rate remained very low and corresponded to 0.01% (0.01).

"We got off to a favourable start to the year with high business volume, continued low loan losses and significantly higher net interest income," says Eva Cederbalk, CEO of SBAB.

Continued low loan losses

SBAB's operating profit rose 7% to SEK 172 million (161). Loan losses net amounted to SEK 5 million (6). The loan loss rate remains very low and corresponds to 0.01% (0.01). Net interest income was significantly higher than in the first quarter of the preceding year and amounted to SEK 476 million (307). The main reasons for the favourable earnings were the high volume growth, combined with the stabilisation of the interest margin in the residential mortgage market and increased stability in global bond markets. The item "Net income/expense from financial instruments measured at fair value" amounted to an expense of SEK 129 million (income: 7) due to unrealised fair value changes in hedge-accounted derivative items. Expenses amounted to SEK 156 million (151) due mainly to an increase in personnel costs because SBAB recruited more employees to meet the high demand in its lending operations.

Continued high demand for residential loans

The flow of customers to SBAB remains substantial and demand for its lending operations remained robust. New lending totalled SEK 14.3 billion (11.4).

Lending to the retail market rose to SEK 139.8 billion (135.8). New lending amounted to SEK 8.2 billion (6.6). In this segment, SBAB's market share increased to 8.1% (8.0).

Demand for lending to the corporate market and tenant-owner associations was also high and amounted to SEK 94.6 billion (90.1). SBAB's share of the market for lending to the corporate market and tenant-owner associations was 13.9% (13.4).

Deposits

SBAB offers deposits for the retail market, corporate market and tenant-owner associations. Customers are offered deposit products at a competitive interest rate and on straightforward terms. At the end of the period, deposits amounted to SEK 4.7 billion (4.7).

Funding

SBAB attaches considerable importance to having a well-diversified funding portfolio, which requires an active market presence and a flexible range of products.

SBAB offers residential mortgages and savings via the Internet and telephone, and also grants loans to the corporate sector. *SBAB's mission is to operate a profitable business that contributes to sharpening competition in the Swedish residential mortgage market.*

For further information, visit us at www.sbab.se.



While SBAB was affiliated with the Swedish Government's guarantee programme for medium-term funding during 2009, the company discontinued its participation in the programme in November 2009.

The total value of outstanding debt securities in issue rose SEK 10.8 billion to SEK 259.9 billion (249.1). SBAB's wholly owned subsidiary, The Swedish Covered Bond Corporation, SCBC, has issued a five-year covered bond totalling EUR 1 billion and a seven-year covered bond amounting to EUR 1 billion.

Events after the balance-sheet date

SBAB's Annual General Meeting on 21 April elected Arne Liljedahl as the new Chairman of the Board and Jakob Grinbaum and Hanna Lagercrantz as new Board Members. At the same time, Board Members Lennart Francke, Helena Levander, Karin Moberg and Lena Smeby-Udesen were re-elected. Former Chairman Claes Kjellander and Board Members Lars Linder-Aronson and Michael Thorén stepped down in conjunction with the Annual General Meeting.

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