



Press Release, 30 October 2008

SBAB's net operating income has increased to SEK 345 million for January-September

SBAB's net operating income for the first nine months amounted to SEK 345 million (SEK 285 million). Net interest income has improved compared with the corresponding period last year and expenses are continuing to decrease. The net operating income adjusted for changes in market value in the liquidity portfolio amounted to SEK 755 million (SEK 661 million).

"It is satisfying that SBAB's net operating profit has increased and that impairment charges continues to be low despite the turbulence in the financial markets. Saving has increased during the period and we are pleased that so many savings customers have chosen SBAB. This confirms that we have competitive savings products with attractive conditions", says SBAB's CEO, Eva Cederbalk.

Result

SBAB's net operating income for the first nine months of 2008 amounted to SEK 345 million (SEK 285 million). Net interest income has improved compared with the corresponding period last year and expenses have continued to decrease. The net operating income has been negatively affected by net income from financial instruments designated at fair value. Impairment charges amounts to positive SEK 1 million (positive SEK 35 million). Net interest income is higher than in the corresponding period last year, SEK 931 million (SEK 908 million). Expenses decreased to SEK 373 million (SEK 382 million).

Lending

Lending to the consumer market amounted to SEK 179,596 million compared with SEK 167,981 million at the beginning of the year. This increase is mainly attributable to the acquisition of loans from the jointly-owned company FriSpar Bolån AB by SBAB with the intention of enabling borrowing by covered bonds. New lending to the consumer market totalled SEK 14,322 million (SEK 14,025 million). The consumer market portfolio amounted to SEK 114,679 million (SEK 104,125 million). SBAB's market share of consumer market lending amounted to 7.6% (8.1%). New lending to the corporate market totalled SEK 8,552 million (SEK 7,117 million). The corporate market portfolio totalled SEK 64,917 million (SEK 63,856 million). SBAB's market share of corporate market lending amounted to 12.5% (13.4%).

Saving

SBAB introduced two savings products in the spring of 2007: A savings account (*Sparkonto*) for both new and existing customers and the SBAB account (*SBAB-konto*) for existing customers with residential mortgages of at least SEK 1 million. SBAB's savings products have a very competitive deposit rate. Interest is calculated from the first krona regardless of the amount deposited and withdrawals are free of charge. There has been a very high level of demand for SBAB's savings products and the amount deposited totalled SEK 1,876 million (SEK 759 million) at the end of the period.

SBAB offers residential mortgages and savings via Internet and telephone and provides corporate loans. SBAB's mandate is to act to ensure diversity and competition in the Swedish residential mortgage market. More information can be obtained at www.sbab.se



Funding

SBAB considers it very important to have a well-diversified funding portfolio. This requires an active presence in the market and a flexible range of products. SBAB decided early on in the initial phase of the credit crisis in 2007 to maintain a very high level of liquidity preparedness and has continued to follow this path. Despite the increased anxiety and reduced market liquidity, SBAB has at every stage of the crisis, including the most recent turbulence, had very good access to funding. SBAB has been able to meet its goal of an increased share of long-term funding. The total value of the outstanding securities was SEK 202,158 million (SEK 191,807 million). Funding through issuance of covered bonds is carried out in SBAB's wholly-owned subsidiary, The Swedish Covered Bond Corporation (SCBC). The credit rating institutes Moody's and Standard & Poor's have established a credit rating of Aaa/AAA for the covered bonds issued.

Liquidity portfolio

SBAB's liquidity portfolio is a liquidity reserve, which is intended to manage liquidity and funding risks. The portfolio totalled SEK 30.1 billion (SEK 31.0 billion) and consists of assets classified as "Loan receivables and accounts receivable" (RMBS), SEK 22.6 billion (SEK 0 billion), and "Securities valued at fair value through profit or loss", SEK 7.5 billion (SEK 31.0 billion). SBAB has, in accordance with the decision of the EU Commission and the assessment of the Swedish Financial Supervisory Authority, Finansinspektionen, decided to reclassify assets in the RMBS portfolio from the category "Available-for-sale financial assets" to the category "Loan receivables and accounts receivable".

This reclassification has been made as at 1 July 2008 at a fair value of SEK 21.7 billion and the carrying value of the assets at the end of the period totalled SEK 22.6 billion.

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