

INTERIM REPORT

1 January – 30 June 2016 | SBAB Bank AB (publ)

SBAB!

THE QUARTER IN BRIEF



We are continuing our efforts aimed at promoting a more sustainable cycle of funds – raising, as well as lending green funds. In mid-June, we became the first bank in Sweden to issue a green bond.

KLAS DANIELSSON CEO of SBAB

Second quarter of 2016 (first quarter of 2016)

- Lending increased to a total of SEK 302.7 billion (299.4).
- Deposits increased to a total of SEK 88.0 billion (81.2).
- Operating profit increased to SEK 490 million (439), and to SEK 486 million (420) excluding net income/expense from financial instruments and restructuring costs.
- Net interest income amounted to SEK 692 million (630).
- Expenses totalled SEK 224 million (212).
- Net loan losses amounted to a positive SEK 1 million (loss: 1).
- Return on equity was 11.8% (11.2), and 11.7% (10.7) excluding net income/expense from financial instruments and restructuring costs.
- The Common Equity Tier 1 capital ratio amounted to 28.4% (27.6).

January–June 2016 (January–June 2015)

- Operating profit totalled SEK 929 million (712) and 906 (720) excluding net income/expense from financial instruments and restructuring costs.
- Net interest income amounted to SEK 1,322 million (1,192).
- Expenses totalled SEK 436 million (398).
- Loan losses amounted to SEK 0 million (loss: 26).
- Return on equity was 11.6% (10.1), and 11.3% (10.2) excluding net income/expense from financial instruments and restructuring costs.
- The Common Equity Tier 1 capital ratio amounted to 28.4% (26.8).

Operating profit, Q2 2016

SEK 490 million

Q1 2016: SEK 439 million

Net interest income, Q2 2016

SEK 692 million

Q1 2016: SEK 630 million

Return on equity, Q2 2016

11.8%

Q1 2016: 11.2%

Common Equity Tier 1 capital ratio, Q2 2016

28.4%

Q1 2016: 27.6%

THIS IS SBAB

Our business idea is to apply innovation and consideration to offer loans and savings products to private individuals, tenant-owner associations and property companies in Sweden. Our mission is to contribute to better housing and improved housing finances.

Total lending, 30 June 2016

SEK 303 billion

31 March 2016: SEK 299 billion

Total deposits, 30 June 2016

SEK 88 billion

31 March 2016: SEK 81 billion

Two business areas

SBAB Bank AB (publ) has two business areas: Retail and Corporate Clients & Tenant-owner Associations. The Retail business area offers loans and savings products and digital home- and housing-related services to private individuals. Residential mortgages are the core product. The Corporate Clients & Tenant-owner Associations business area offers savings and housing financing, primarily to property companies and tenant-owner associations.

Owner

Our business was founded in 1985 and is wholly-owned by the Swedish state.



443 employees¹⁾ – five offices

- Stockholm (2)
- Karlstad
- Gothenburg
- Malmö

¹⁾ Number of employees as of 31 May 2016, expressed as full-time equivalents, adjusted for sick leave and leave of absence (FTE).

SWEDEN'S MOST SATISFIED CUSTOMERS

In 2015, for the second consecutive year, SBAB had Sweden's most satisfied residential mortgage customers according to Svenskt Kvalitetsindex (Swedish Quality Index, SKI).



STATEMENT BY THE CEO

Our favourable development continues. Each quarter, we measure our customer satisfaction, our general reputation and our brand awareness. We can proudly say that our customers remain highly satisfied, that we are one of Sweden's most reputable banks and that we have the highest level of brand awareness within residential mortgages in Stockholm and the second-highest in Sweden overall.

Our finances are strong. The second quarter brought our highest net interest income to date, return on equity again exceeded our profitability target of 10 percent and our Common Equity Tier I capital ratio remains strong.

On 30 June, the total credit volume amounted to SEK 303 billion, an increase of slightly more than 2 percent since the start of the year. Consequently, our credit volume development this year shows a relatively cautious trend. This is according to plan, mainly due to an expected increase in capital requirements and tightening of our credit regulations as a result of our concern for rising property prices and the associated increase in risk.

The inflow of deposits remained very strong during the quarter. On 30 June, total deposits amounted to SEK 88 billion, an increase of slightly more than 15 percent since the start of the year. Our ambition is for deposits to continue increasing, financing an increasing proportion of our lending.

First to issue a green bond

In mid-June, we became the first Swedish bank to issue a green bond. The funds raised will exclusively be used to finance or refinance properties that fulfil a number of energy-efficiency criteria, according to a specific framework, or alternatively hold a selectively defined environmental certification. By issuing a green bond, we are continuing our efforts aimed at promoting a more sustainable cycle of funds – raising, as well as lending green funds, while helping influence the capital and housing markets in the direction of a more sustainable future.

Mandatory regulation at the individual level

On 1 June 2016, we introduced new amortisation rules in line with regulations issued by Finansinspektionen (Swedish Financial Supervisory Authority). Increased household debt and soaring housing prices are helping increase the level of risk for our customers, for us as a bank and for the economy in general. This trend is not sustainable in the long term. However, this type of mandatory regulation at the individual level brings an increased complexity that, unfortunately, has certain negative effects. As a result of the new mandatory amortisation rules, we are already seeing worrying tendencies towards an increasing number of customers being locked into existing mortgages and reduced competition in the residential mortgage market as it has become more complicated and more difficult to switch banks.

It is currently being debated whether to impose future addi-



KLAS DANIELSSON, CEO OF SBAB

tional mandatory regulation at the individual level in the form of a debt ratio, that is, a maximum loan ceiling in relation to income. Such regulation would unfortunately also risk causing customers to remain locked into existing mortgages and impair competition in the residential mortgage market.

The long-term solution for an improved housing market and lower household debt is not increased government regulation at the individual level, but political decisions to increase mobility in the housing market, facilitating increased construction and to reform the tax system to support this development.

New players and new rules on our playing field

Development in digital banking and finance services is gaining momentum. New Fintech companies are driving this trend, and new regulations, such as the EU directive PSD2, requiring banks to "open up their infrastructure," create a whole new playing field. Consequently, "simply" offering a comparable banking service is not a winning strategy for the future. Being excellent in your niche and driving development right there with services that customers love, use and value, focusing on simplicity and transparency - that is a winning strategy for the future and that is what SBAB's strategy within housing and housing finances is all about.

I wish you all a great summer.

Solna, July 2016

Klas Danielsson
CEO of SBAB

BUSINESS DEVELOPMENT

MARKET OVERVIEW

Group	2016	2016	2015	2016	2015
	Q2	Q1	Q2	Jan-June	Jan-June
Total lending, SEK billion ¹⁾	302.7	299.4	274.1	302.7	274.1
Total new lending, SEK billion	17.5	14.2	21.8	31.7	35.2
Change in total lending, SEK billion	3.4	2.3	9.2	5.7	12.7
Total deposits, SEK billion	88.0	81.2	67.2	88.0	67.2
Number of accounts	312,569	302,852	281,239	312,569	281,239
Change in the number of accounts	9,717	9,567	5,192	19,284	13,527
Change deposits, SEK billion	6.8	4.5	3.3	11.3	6.6
Deposit/loan, %	29.0	27.1	24.5	29.0	24.5
Retail					
Number of residential mortgage customers, thousands	251	253	246	251	246
Number of residential mortgages (financed objects ²⁾), thousands	161	162	157	161	157
New lending, SEK billion	14.2	12.2	16.8	26.3	28.1
Change in lending, SEK billion	2.2	2.5	7.2	4.7	10.7
Total lending, Retail, SEK billion	218.8	216.6	194.1	218.8	194.1
Market share residential mortgages, % ³⁾	7.77 ⁴⁾	7.87 ⁵⁾	7.39	7.77 ⁴⁾	7.39
Market share consumer loans, % ³⁾	0.94 ⁴⁾	0.99 ⁵⁾	0.89	0.94 ⁴⁾	0.89
Total deposits, Retail, SEK billion	61.6	58.2	51.2	61.6	51.2
Market share deposits, Retail, % ³⁾	3.90 ⁴⁾	3.80 ⁵⁾	3.59	3.90 ⁴⁾	3.59
Corporate Clients & Tenant-owner Associations					
Number of new corporate clients and tenant-owner associations	2,742	2,831	3,012	2,742	3,012
New lending, SEK billion	3.3	2.1	5.0	5.4	7.1
Change in lending, SEK billion	1.2	-0.2	2.0	1.0	2.0
Total lending, Corporate Clients & Tenant-owner Associations, SEK billion	84.0	82.8	80.2	84.0	80.2
Market share, tenant-owner associations, % ³⁾	12.34 ⁴⁾	12.80 ⁵⁾	13.51	12.34 ⁴⁾	13.51
Market share, corporate clients, % ³⁾	10.99 ⁴⁾	10.29 ⁵⁾	9.49	10.99 ⁴⁾	9.49
Total deposits, Corporate Clients & Tenant-owner Associations, SEK billion	26.3	23.0	16.0	26.3	16.0
Market share deposits, Corporate Clients & Tenant-owner Associations, % ³⁾	2.71 ⁴⁾	2.63 ⁵⁾	1.90	2.71 ⁴⁾	1.90

¹⁾ After deduction for probable loan losses.

²⁾ As of the first quarter of 2016, SBAB has been using a new method of calculation to calculate the number of financed residential mortgage objects. Object refers to a single-family dwelling, tenant-owner right or holiday home.

³⁾ Source: Statistics Sweden

⁴⁾ Market share as of 31 May 2016.

⁵⁾ Market share as of 29 February 2016.

Comments on the market

The markets for residential mortgages, property financing and savings accounts continued to increase in the second quarter. The demand for risk-free and easily accessible savings products also remained high in the second quarter. A continued upswing in housing construction combined with extremely low interest rates and rising housing prices stimulated the demand for loans. The rate of increase in housing prices slowed down even more during the quarter, but remained high compared with the

development of salaries, income and other prices. The interest rate situation remained relatively stable, with a tendency to decrease as a result of international economic unease. A certain, most likely temporary, rise in the demand for residential mortgages was noted during the quarter, as some borrowers advanced their housing and residential mortgage transactions to avoid the new amortisation rules that entered into force on 1 June. In the long term, the amortisation rules are likely to reduce demand for residential mortgages somewhat.

Development in the second quarter of 2016 compared with the first quarter of 2016

The Group

In the second quarter, the total lending volume increased to SEK 302.7 billion (299.4). In the same period, new lending increased to SEK 17.5 billion (14.2).

The deposit volume increased during the quarter, by SEK 6.8 billion (4,5) to SEK 88.0 billion (81,2).

The Retail business area

The Retail business area offers loans and savings products and digital home- and housing-related services to private individuals. The core product, residential mortgages, is supplemented with consumer loans, savings accounts and insurance mediation. Home- and housing-related services are primarily offered on booli.se. The number of residential mortgage customers amounted to 251,000 (253,000) at the end of the quarter, distributed over 161,000 financed objects (162,000).

The greater majority of SBAB's residential mortgage customers choose shorter maturities. The share of total lending with a three-month fixed-interest period amounted to 74.4% (72.8) at the end of the quarter.

Since 1 June 2015, Swedish banks report their average residential mortgage rates on new loans and loans with amended terms and conditions, according to the Swedish Financial Supervisory Authority's regulations. In June, the difference between SBAB's average and list rates was 0.10 percentage points (0.10) on loans with a three-month fixed-interest period. This is a very low figure compared to the market and reflects SBAB's aspiration to offer transparent terms and conditions.

New retail lending increased to SEK 14.2 billion (12.2) during the quarter, while the total lending volume rose to SEK 218.8 billion (216.6).

The market share of residential mortgages to retail customers amounted to 7.77% as of 31 May 2016 (7.87 as of 29 February 2016), corresponding to SEK 216.1 billion (214.1). For consumer loans, the market share was 0.94% (0.99) at the same point in time, corresponding to SEK 2.0 billion (2.0).

The development of total lending volume, number of residential mortgage customers and the market share for residential mortgages was, according to plan, affected negatively by the phasing out of partnerships and redemption. The development of SBAB's own distribution remains strong.

The interest rate on SBAB's savings accounts remains competitive in relation to the company's competitors, and the inflow of deposits remained strong in the second quarter of the year. Retail deposits rose by SEK 3.5 billion (2.1) in the quarter to a total of SEK 61.6 billion (58.2). The market share of retail deposits as of 31 May 2016 totalled 3.90% (3.80 as of 29 February 2016). SBAB has the ambition to continue its work on diversifying the company's sources of funding through increased retail and corporate deposits.

The Corporate Clients & Tenant-owner Association business area

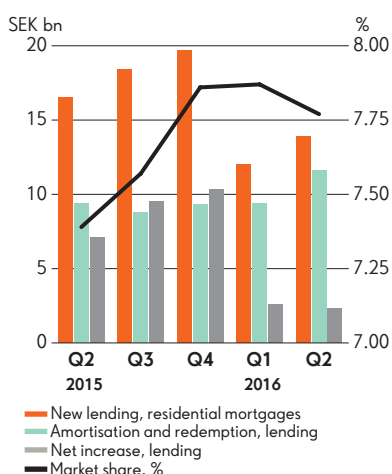
The Corporate Clients & Tenant-owner Associations business area offers loan and savings products, primarily to property companies and tenant-owner associations. The number of loan customers decreased to 2,742 (2,831) at the end of the period, in line with SBAB's strategy of providing credit in a focused and qualitative manner.

New lending to corporate clients and tenant-owner associations increased to SEK 3.3 billion (2.1) in the period. Total lending amounted to SEK 84.0 billion (82.8) at the end of the quarter.

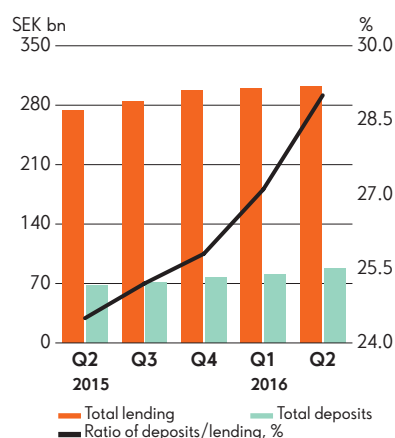
The market share for tenant-owner associations amounted to 12.34% as of 31 May 2016 (12.80 as at 29 February 2016), corresponding to SEK 49.1 billion (50.0). The market share of housing financing to corporate clients amounted to 10.99% (10.29) at the same point in time, corresponding to SEK 27.4 billion (25.7).

Deposits from corporate clients and tenant-owner associations rose in the quarter by SEK 3.3 billion (2.4) to a total of SEK 26.3 billion (23.0). The market share of deposits from corporate clients and tenant-owner associations (not including financial companies) amounted to 2.71% as of 31 May 2016 (2.63% as of 29 February 2016).

Lending and market shares for residential mortgages, Retail



Total deposits in relation to total lending, Group



FINANCIAL DEVELOPMENT

QUARTERLY OVERVIEW

Group, SEK million	2016	2016	2015	2015	2015
	Q2	Q1	Q4	Q3	Q2
Net interest income	692	630	647	603	637
Net commission expense	10	-2	-23	-28	-28
Net income/expense from financial instruments measured at fair value (note 2)	4	19	24	-18	-120
Other operating income	7	5	0	0	-
Total operating income	713	652	648	557	489
Expenses	-224	-212	-235	-176	-204
- of which restructuring costs	-	-	-17	0	-2
Profit before loan losses	489	440	413	381	285
Loan losses, net (note 3)	1	-1	-11	-3	-23
Operating profit	490	439	402	378	262
Operating profit excl. NFI ¹⁾ and restructuring costs	486	420	395	396	384
Tax	-108	-97	-90	-83	-58
Profit for the period	382	342	312	295	204
Net interest margin, %	0.69	0.65	0.69	0.65	0.71
Loan loss ratio, %	0.00	0.00	-0.01	0.00	-0.03
Cost/income ratio, %	31	33	36	32	42
Cost/income ratio excl. NFI ¹⁾ and restructuring costs, %	32	33	35	31	33
Return on equity ²⁾ , %	11.8	11.2	10.7	10.5	7.3
Return on equity ²⁾ excl. NFI ¹⁾ and restructuring costs, %	11.7	10.7	10.5	11.1	10.6
Common Equity Tier 1 capital ratio, %	28.4	27.6	28.6	25.6	26.8

¹⁾ Net income/expense from financial instruments

²⁾ Return on equity calculated on a full-year basis

Development in the second quarter of 2016 compared with the first quarter of 2016

Net interest and net commission

Net commission income amounted to SEK 10 million (expense: 2). The difference between the quarters is primarily attributable to profit sharing from insurance companies. As of the first quarter of 2016, the fee to the government stability fund was replaced by a resolution fee, reported in net interest income. The provision for the resolution fee amounted to SEK 12.5 million. Net interest income increased to SEK 692 million (630), which is SBAB's highest net interest income ever.

Operating profit

Operating profit increased to SEK 490 million (439). Excluding net income/expense from financial instruments and restructuring costs, it increased to SEK 486 million (420). The difference in operating profit between the quarters is primarily attrib-

utable to a higher net interest income. However, net interest income for the first quarter was affected by a resolution fee provision of SEK 64.5 million. The estimate of the size of the fee for the remainder of 2016 has been adjusted downwards.

Expenses

Expenses increased to SEK 224 million (212), chiefly attributable to increased IT and personnel costs.

Credit quality and loan losses

In the second quarter, on 1 June 2016, SBAB introduced new amortisation rules, in line with the Swedish Financial Supervisory Authority's regulations. These rules include an amortisation rate of 2% per year for new residential mortgages with a loan-to-value ratio of more than 70%, and 1% per year down to a loan-to-value ratio of 50%.

At the end of the second quarter, the average loan-to-value ratio in SBAB's residential mortgage portfolio was 64% (64).

At the same point in time, the average residential mortgage to retail customers amounted to SEK 1.4 million (1.3).

SBAB's loan losses remained low, amounting to a positive SEK 1 million (loss: 1) in the second quarter. Rising prices in the property market and the low interest-rate situation have contributed favourably to low loan losses. For more information on credit losses, refer to Note 3.

Net income/expense from financial instruments measured at fair value

The net income from financial instruments measured at fair value was SEK 4 million (19) during the quarter. The greatest factor impacting earnings was the repurchase of own bonds. During the quarter, bonds were repurchased for SEK 4.6 billion, compared to SEK 0.7 billion in the previous quarter, contributing to the increased costs. For further information, please see Note 2.

Other comprehensive income

Other comprehensive income totalled SEK 201 million (470) in the quarter. The greatest factor impacting earnings was unrealised market-value changes on derivative instruments in cash flow hedges, which totalled SEK 172 million after tax (482). This item was chiefly affected by sinking euro interest rates. For further information, refer to page 11.

Funding

Outstanding securities in issue amounted to SEK 268.1 billion (277.4) at the end of the quarter. During the quarter, securities amounting to SEK 15.3 billion (25.4) were issued, securities amounting to SEK 4.6 billion (0.7) were repurchased and securities amounting to SEK 21.9 billion (11.8) matured. Alongside revaluations (both up and down) of liabilities due to changes in premiums/discounts and changes in exchange rates for the SEK, this has caused issued securities to decrease by SEK 9.3 billion in the quarter (13.2).

In the second quarter, SBAB issued a five-year non-covered bond totalling EUR 500 million, which was met by favourable demand in the global investor community. SBAB also carried out an AT1 (Additional Tier 1) transaction of SEK 1.5 billion, which reinforces the own funds and enables future growth. In mid-June, SBAB was the first bank in Sweden to issue a green bond, with a volume of SEK 2.0 billion and a maturity of 5 years. The transaction was met by favourable demand and was soon oversubscribed. Additional information about the transaction is available on sbab.se.

Funding through the issuance of covered bonds takes place in the wholly-owned subsidiary, SCBC. The total outstanding covered debt totalled SEK 191.2 billion (202.9) at the end of the quarter.

Capital adequacy

SBAB primarily recognises credit risk pursuant to the internal ratings-based approach (IRB approach) and operational and market risk in accordance with the standardised approach. In 2016, the Board of Directors adopted new capital targets for SBAB. According to the new targets, SBAB's Common Equity Tier 1 capital ratio shall, under normal conditions, exceed the Common Equity Tier 1 capital requirement communicated by the Swedish Financial Supervisory Authority by at least 1.5

percentage points. In addition, SBAB's total capital ratio shall, under normal conditions, exceed the capital requirement communicated by the Swedish Financial Supervisory Authority by at least 1.5 percentage points. The bank shall also in all other ways meet the capital requirements set by the authorities.

SBAB's lending volume rose by SEK 3.3 billion in the second quarter, to a total of SEK 302.7 billion (299.4). It is estimated that the new capital targets correspond to a Common Equity Tier 1 capital ratio of at least 24.5% and a total capital ratio of at least 34.3% as at 30 June 2016.

At the end of the second quarter, the Common Equity Tier 1 capital ratio amounted to 28.4% (27.6) and the total capital ratio was 46.4% (47.3). This provides a comfortable margin to applicable regulatory requirements. Profit for the period as at 30 June 2016 is included in own funds while the expected dividend has reduced own funds. The capital requirement was primarily affected by the increased lending volume.

For additional information, refer to the tables starting on page 14.

CAPITAL ADEQUACY	30 June 2016	31 December 2015
Common Equity Tier 1 capital ratio, %	28.4	27.6
Tier 1 capital ratio, %	35.6	33.8
Total capital ratio, % ¹⁾	46.4	47.3

Liquidity reserve and liquidity risk

SBAB's liquidity reserve comprises liquid, interest-bearing securities with a high rating. Holdings in securities are limited by asset class and by country, respectively, and must have a rating of AAA upon acquisition. The market value of the assets in the liquidity reserve amounted to SEK 74.7 billion (80.0) at the end of the quarter. Taking the Riksbank's and the ECB's haircuts into account, the value of the assets was SEK 71.4 billion (76.5).

SBAB measures and stress-tests liquidity risk by calculating the survival horizon, which is an internal ratio used to see for how long SBAB is able to meet its payment obligations without access to capital market funding and net outflows from lending/deposits. The survival horizon amounted to 355 (356) days, which the company considers satisfactory.

On 30 June 2016, the Liquidity Coverage Ratio (LCR), according to the Swedish Financial Supervisory Authority's regulation regarding requirements for a liquidity coverage ratio and reporting of liquid assets and cash flows, was 256% (212) for all currencies combined, exceeding the minimum requirement of 100%. In SEK, LCR amounted to 161% (130). According to the EU's Commission Delegated Regulation with regard to liquidity coverage requirement, the LCR as of 30 June 2016 was 287% (251) in all currencies combined, which exceeds the minimum requirement of 70%. In SEK, LCR amounted to 218% (190).

For further information on the liquidity reserve, the calculation of survival horizon and the Liquidity Coverage Ratio, see Note 9 and the Liquidity Coverage Ratio table on page 17.

OVERVIEW OF EARNINGS

Group, SEK million	2016	2016	2015	2016	2015
	Q2	Q1	Q2	Jan-June	Jan-June
Net interest income	692	630	637	1,322	1,192
Net commission expense	10	-2	-28	8	-51
Net income/expense from financial instruments measured at fair value (Note 2)	4	19	-120	23	-5
Other operating income	7	5	-	12	-
Total operating income	713	652	489	1,365	1,136
Expenses	-224	-212	-204	-436	-398
- of which restructuring costs	-	-	-2	-	-3
Profit before loan losses	489	440	285	929	738
Loan losses, net (Note 3)	1	-1	-23	0	-26
Operating profit	490	439	262	929	712
Operating profit excl. NFI ¹⁾ and restructuring costs	486	420	384	906	720
Tax	-108	-97	-58	-205	-157
Profit for the period	382	342	204	724	555
Net interest margin, %	0.69	0.65	0.71	0.69	0.68
Loan loss ratio, %	0.00	0.00	-0.03	0.00	-0.02
Cost/income ratio, %	31	33	42	32	35
Cost/income ratio excl. NFI ¹⁾ and restructuring costs, %	32	33	33	33	35
Return on equity ²⁾ , %	11.8	11.2	7.3	11.6	10.1
Return on equity ²⁾ excl. NFI ¹⁾ and restructuring costs, %	11.7	10.7	10.6	11.3	10.2
Common Equity Tier 1 capital ratio, %	28.4	27.6	26.8	28.4	27.4

¹⁾ Net income/expense from financial instruments

²⁾ Return on equity calculated on a full-year basis

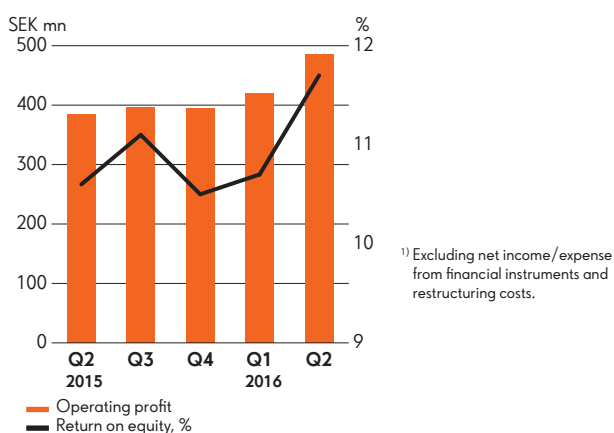
Performance for January–June 2016 compared with January–June 2015

Operating profit totalled SEK 929 million (712) and 906 (720) excluding net income/expense from financial instruments and restructuring costs. Income amounted to SEK 1,365 million (1,136). The increase in operating profit and operating income are chiefly attributable to the increase in net interest income. Net interest income rose to SEK 1,322 million (1,192), driven by a sharp increase in volume and improved lending margins,

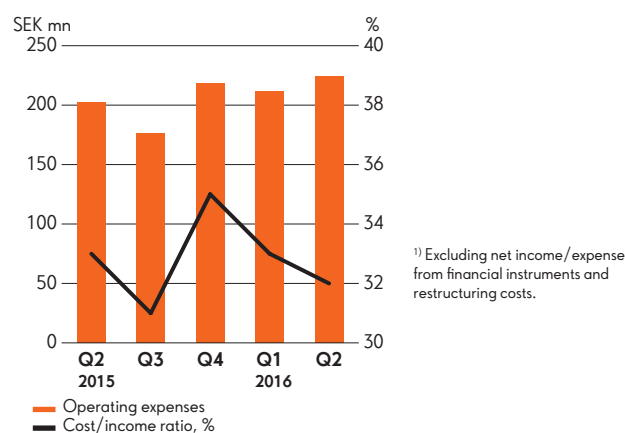
primarily within the Retail business area. Net income from financial instruments measured at fair value amounted to SEK 23 million (expense: 5). The greatest factor impacting earnings was unrealised market value changes in the liquidity portfolio, as a result of reduced credit spreads.

Expenses for the period increased to SEK 436 million (398). The increase in expenses is primarily attributable to increased personnel- and marketing costs. Loan losses remained low and amounted to SEK 0 million (loss: 26).

Operating profit and Return on equity ¹⁾



Operating expenses and Cost/income ratio ¹⁾



OTHER SIGNIFICANT INFORMATION

Rating

30 JUNE 2016	Moody's	Standard & Poor's
Long-term funding, SBAB	A2	A ¹⁾
Long-term funding, SCBC	Aaa	-
Short-term funding, SBAB	P-1	A-1

¹⁾Negative outlook

Risks and uncertainties for the Group and Parent Company

The economic trend in Sweden is the primary risk factor for SBAB's future earnings capacity, and the quality of our assets is mainly exposed to credit risks in the Swedish housing market. The management of interest rate and currency risks entails some exposure to price risks. Household demand shows a stable trend, underpinned by low inflation, low interest rates and rising stock market and property prices. A housing market with soaring prices and growing household indebtedness make the Swedish economy sensitive to changes in interest rates and housing prices. The risks associated with these factors are expected to increase as long as house prices and indebtedness continue to rise faster than incomes. Extensive regulatory developments in the residential mortgage market are another uncertainty factor.

The Swedish economy is susceptible to global economic developments and to conditions in the international financial markets.

For further information on SBAB's risks and risk management, please refer to the Risk Management section and Note 2 in the 2015 Integrated Annual Report.

Brexit

In a referendum on 23 June, a scant majority of the British people voted no to continued membership of the EU ("Brexit"). The United Kingdom's exit from the EU contributes to increased economic, political and financial insecurity in the United Kingdom and the surrounding world. Sweden and the Swedish economy will be affected by the unfolding events related to the

United Kingdom's role and relation to Europe and the EU in coming years. A small country such as Sweden, with its extensive foreign trade, large financial sector and many cross-border exchanges, is heavily dependent on the external world. In the short term, the United Kingdom's exit will likely result in a dampening of the Swedish and international economic cycles caused by increased uncertainty, possibly leading to interest rate reductions. It is also likely that the Riksbank will wait longer before raising the key interest rate, if the effect on growth and inflation becomes appreciable. Consequently, we should expect continued low residential mortgage rates. Housing prices are primarily affected by supply and demand in the Swedish housing market and should therefore not be directly affected by the outcome of the referendum, even if more long-term effects cannot be ruled out.

At the time when this was written, Brexit has had a marginal effect on SBAB. SBAB's market risk chiefly emanates from two sources: the interest rate risk from the investment of own funds, and the credit spread risk from investments in the liquidity portfolio. Market fluctuations in the wake of the Brexit referendum contributed to a general reduction in interest rates and credit spreads, which marginally increased the market value of investments of own funds and the liquidity portfolio. Its effect on the liquidity risk was also limited, as the market value of the securities holdings in the liquidity reserve change relatively little compared to its total volume. Accordingly, the effect on liquidity measures was highly marginal.

Review Report

This report has been reviewed by the company's auditor according to ISRE 2410. The review report is given on page 32.

INCOME STATEMENTS

Group, SEK million	2016	2016	2015	2016	2015	2015
	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Jan-Dec
Interest income	1,167	1,183	1,314	2,350	2,780	5,123
Interest expense	-475	-553	-677	-1,028	-1,588	-2,681
Net interest income	692	630	637	1,322	1,192	2,442
Commission income	25	12	13	37	33	61
Commission expense	-15	-14	-41	-29	-84	-163
Net income/expense from financial instruments measured at fair value (Note 2)	4	19	-120	23	-5	1
Other operating income	7	5	-	12	-	0
Total operating income	713	652	489	1,365	1,136	2,341
Personnel costs	-101	-94	-101	-195	-189	-376
Other expenses	-116	-112	-95	-228	-194	-402
Depreciation/amortisation and impairment of tangible and intangible fixed assets	-7	-6	-8	-13	-15	-31
Total expenses before loan losses	-224	-212	-204	-436	-398	-809
Profit before loan losses	489	440	285	929	738	1,532
Loan losses, net (Note 3)	1	-1	-23	0	-26	-40
Operating profit	490	439	262	929	712	1,492
Tax	-108	-97	-58	-205	-157	-330
Profit for the period	382	342	204	724	555	1,162

STATEMENT OF COMPREHENSIVE INCOME

Group, SEK million	2016	2016	2015	2016	2015	2015
	Q2	Q1	Q2	Jan-June	Jan-June	Jan-Dec
Profit for the period	382	342	204	724	555	1,162
OTHER COMPREHENSIVE INCOME						
<i>Components that will be reclassified to profit or loss</i>						
Changes related to financial assets available for sale, before tax	59	26	-20	85	-22	-7
Changes related to cash flow hedges, before tax	221	618	-186	839	-75	175
Tax attributable to components that will be reclassified to profit or loss	-61	-142	45	-203	21	-37
<i>Components that will not be reclassified to profit or loss</i>						
Revaluation effects of defined benefit pension plans, before tax	-23	-41	61	-64	0	72
Tax attributable to components that will not be reclassified to profit or loss	5	9	-13	14	0	-16
Other comprehensive income, net after tax	201	470	-113	671	-76	187
Total comprehensive income for the period	583	812	91	1,395	479	1,349

BALANCE SHEET

Group, SEK million	30 June 2016	30 June 2015	31 December 2015
ASSETS			
Cash and balances at central banks	0	0	0
Chargeable treasury bills and other eligible bills	20,428	15,540	14,312
Lending to credit institutions	8,663	18,068	3,456
Lending to the public (Note 4)	302,747	274,123	296,981
Change in value of interest rate-hedged items in portfolio hedges	633	742	549
Bonds and other interest-bearing securities	54,594	44,263	49,714
Derivative instruments (Note 5)	7,040	8,230	7,192
Deferred tax assets	-	104	-
Intangible fixed assets	135	51	56
Tangible fixed assets	16	23	20
Other assets	935	3,517	1,246
Prepaid expenses and accrued income	891	966	1,026
TOTAL ASSETS	396,082	365,627	374,552
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	12,442	16,521	5,111
Deposits from the public	87,958	67,200	76,639
Debt securities in issue	268,132	254,085	264,205
Derivative instruments (Note 5)	3,434	5,718	5,194
Other liabilities	384	1,549	783
Accrued expenses and prepaid income	2,715	3,053	2,767
Deferred tax liabilities	277	-	47
Provisions	75	87	15
Subordinated debt	5,940	6,436	7,943
Total liabilities	381,357	354,649	362,704
Equity			
Share capital	1,958	1,958	1,958
Statutory reserve	935	1	264
Additional Tier 1 securities	1,500	-	-
Retained earnings	9,608	8,464	8,464
Profit for the period	724	555	1,162
Total equity	14,725	10,978	11,848
TOTAL LIABILITIES AND EQUITY	396,082	365,627	374,552

STATEMENT OF CHANGES IN EQUITY

Group, SEK million	Share capital	Reserves	Tier 1 instruments	Retained earnings	Profit for the period	Total equity
OPENING BALANCE, 1 JANUARY 2016	1,958	264	-	9,626		11,848
Tier 1 instruments			1,500	-18		1,482
Total comprehensive income for the period		671			724	1,395
CLOSING BALANCE, 30 JUNE 2016	1,958	935	1,500	9,608	724	14,725
OPENING BALANCE, 1 JANUARY 2015	1,958	77	-	8,966		11,001
Dividends paid				-502		-502
Total comprehensive income for the period		-76			555	479
CLOSING BALANCE, 30 JUNE 2015	1,958	1	-	8,464	555	10,978
OPENING BALANCE, 1 JANUARY 2015	1,958	77	-	8,966		11,001
Dividends paid				-502		-502
Total comprehensive income for the period		187			1,162	1,349
CLOSING BALANCE, 31 DECEMBER 2015	1,958	264	-	8,464	1,162	11,848

CASH FLOW STATEMENT

Group, SEK million	2016	2015	2015
	Jan-June	Jan-June	Jan-Dec
Cash and cash equivalents at the beginning of the period	3,456	7,422	7,422
Cash flow from operating activities	5,779	10,657	-5,623
Cash flow from investing activities	-60	-9	-28
Cash flow from funding activities	-512	-2	1,685
Increase in cash and cash equivalents	5,207	10,646	-3,966
Cash and cash equivalents at the end of the period	8,663	18,068	3,456

Cash and cash equivalents are defined as cash and loans to credit institutions with maturity not later than three months from the acquisition date.

OWN FUNDS

Disclosures in accordance with Article 5 of Commission Implementing Regulation (EU) No 1423/2013.

No amounts are subject to the provisions preceding Regulation (EU) No 575/2013 ("CRR") or the prescribed residual amount according to Regulation (EU) No 575/2013.

Group, SEK million	30 June 2016	30 June 2015	31 Dec 2015
Common Equity Tier 1 capital: Instruments and reserves			
Capital instruments and the related share premium reserves	1,958	1,958	1,958
Retained earnings	9,608	8,464	8,464
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	934	1	264
Additional Tier 1 securities	1,500	-	-
Independently reviewed interim profits net of any foreseeable charge or dividend	435	333	697
Common Equity Tier 1 capital before regulatory adjustments	14,435	10,756	11,383
Common Equity Tier 1 capital: Regulatory adjustments			
Additional value adjustments (negative amount)	-75	-66	-67
Intangible assets (net after deduction for associated tax liability) (negative amount)	-121	-43	-46
Fair value reserves to gain or losses on cash flow hedges	-891	-41	-236
Negative amounts resulting from the calculation of expected loss amounts	-62	-65	-83
Gains or losses on liabilities valued at fair value resulting from changes in the own credit standing	-44	-28	-25
Additional Tier 1 securities in equity	-1,500	-	-
Total regulatory adjustments to the Common Equity Tier 1 capital	-2,693	-243	-457
Common Equity Tier 1 capital	11,742	10,513	10,926
Additional Tier 1 capital: Instruments			
Capital instruments and the related share premium accounts	3,000	1,500	1,500
- Of which classified as liabilities under applicable accounting standards	3,000	1,500	1,500
Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from Additional Tier 1 capital	-	994	994
Additional Tier 1 capital before regulatory adjustments	3,000	2,494	2,494
Additional Tier 1 capital: Regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 capital	-	-	-
Additional Tier 1 capital	3,000	2,494	2,494
Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital + Additional Tier 1 capital)	14,742	13,007	13,420
Tier 2 capital: Instruments and provisions			
Capital instruments and the related share premium accounts	4,447	3,000	5,447
Amount for qualifying items referred to in Article 484(5) and the related share premium accounts subject to phase out from Tier 2 capital	-	-	-
Tier 2 capital before regulatory adjustments	4,447	3,000	5,447
Tier 2 capital: Regulatory adjustments			
Total regulatory adjustments to Tier 2 capital	-	-	-
Tier 2 capital	4,447	3,000	5,447
Total capital (Total capital = Tier 1 capital + Tier 2 capital)	19,189	16,007	18,867
Total risk-weighted assets	41,392	39,162	38,244
Capital ratios and buffers			
Common Equity Tier 1 (as a percentage of risk exposure amount)	28.4	26.8	28.6
Tier 1 (as a percentage of total risk exposure amount)	35.6	33.2	35.1
Total capital (as a percentage of total risk exposure amount)	46.4	40.9	49.3
Institution-specific buffer requirement (Common Equity Tier 1 capital requirement in accordance with Article 92(1)(a) plus capital conservation buffer and countercyclical capital buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII buffer and O-SII buffer) expressed as a percentage of risk exposure amount, %	8.5	7.0	8.0
- of which: Common Equity Tier 1 capital, minimum requirement, %	4.5	4.5	4.5
- of which: capital conservation buffer requirement, %	2.5	2.5	2.5
- of which: countercyclical buffer requirement, %	1.5	-	1.0
- of which: systemic risk buffer requirement, %	-	-	-
- of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer, %	-	-	-
Common Equity Tier 1 capital, available to meet buffers (as a percentage of risk exposure amount), %	23.9	22.3	24.1
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
Current cap on AT1 instruments subject to phase-out arrangements	-	2,096	2,096
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	-
Current cap on T2 instruments subject to phase-out arrangements	-	910	910

CAPITAL REQUIREMENTS

Group, SEK million	30 June 2016		30 June 2015		31 December 2015	
	Capital require- ment	Risk exposure amount	Capital require- ment	Risk exposure amount	Capital require- ment	Risk exposure amount
Credit risk recognised in accordance with IRB approach						
Exposures to corporates	931	11,638	583	7,285	864	10,795
Retail exposures	1,086	13,579	1,070	13,373	1,128	14,103
- of which: exposures to SMEs	105	1,313	127	1,590	130	1,628
- of which: retail exposures secured by immovable property	981	12,266	943	11,783	998	12,475
Total exposures in accordance with IRB approach	2,017	25,217	1,653	20,658	1,992	24,898
Credit risk reported in accordance with standardised approach						
Exposures to governments and central banks	0	0	0	0	0	0
Exposures to regional governments or local authorities	0	0	0	0	0	0
Exposures to institutions ¹⁾	161	2,011	149	1,865	122	1,526
- of which: derivatives according to CRR, Appendix 2	153	1,918	133	1,658	120	1,505
- of which: repos	6	80	16	199	1	14
Exposures to corporates	1	15	243	3,040	1	15
Retail exposures	172	2,154	185	2,316	168	2,106
Exposures in default	1	10	1	11	1	7
Exposures in the form of covered bonds	301	3,762	109	1,362	237	2,957
Exposures to institutions and corporates with a short-term credit assessment	2	26	122	1,529	1	15
Other items	72	898	72	901	58	730
Total exposures in accordance with standardised approach	710	8,876	881	11,024	588	7,356
Market risk	129	1,608	255	3,183	149	1,856
- of which: position risk	68	847	205	2,557	105	1,314
- of which: currency risk	61	761	50	626	44	542
Operational risk	291	3,634	239	2,989	239	2,989
Credit valuation adjustment risk	164	2,057	105	1,308	92	1,145
Total capital requirements and risk exposure amount	3,311	41,392	3,133	39,162	3,060	38,244
Capital requirements for capital conservation buffer	1,035		979		956	
Capital requirements for countercyclical buffer	629		4		379	
Total capital requirements	4,975		4,116		4,395	

¹⁾ The risk-weighted exposure amount for counterparty risk according to CRR, Article 92(3)(f), amounts to SEK 1,997 million (1,519).

CAPITAL ADEQUACY

Group, SEK million	30 June 2016	30 June 2015	31 December 2015
Common Equity Tier 1 capital	11,742	10,513	10,926
Tier 1 capital	14,742	13,007	13,420
Total capital	19,189	16,007	18,867
Without transition rules			
Risk exposure amount	41,392	39,162	38,244
Common Equity Tier 1 capital ratio, %	28.4	26.8	28.6
Excess ¹⁾ Common Equity Tier 1 capital	9,879	8,751	9,205
Tier 1 capital ratio, %	35.6	33.2	35.1
Excess ¹⁾ Tier 1 capital	12,259	10,658	11,125
Total capital ratio, %	46.4	40.9	49.3
Excess ¹⁾ total capital	15,878	12,874	15,807
With transition rules			
Own funds	19,252	16,072	18,950
Risk exposure amount	171,338	153,838	165,830
Total capital ratio, %	11.2	10.4	11.4

INTERNALLY ASSESSED CAPITAL REQUIREMENTS

The internal capital adequacy assessment is to ensure that SBAB has sufficient capital to deal with any financial problems that arise. The internally assessed capital requirement for the Group amounted to SEK 13,579 million (SEK 12,930 million as of 31 March 2015). SBAB quantifies the capital requirement for its risks using a model for economic capital within the scope of the internal capital adequacy assessment process ("ICAAP"). Economic capital is defined as the amount of capital needed to ensure solvency over a one-year period, given a predetermined level of confidence. In SBAB's case, the level of confidence is

99.97%, which corresponds to SBAB's long-term AA- target rating (according to Standard & Poor's ratings scale). The internal capital requirement is defined as the higher of economic capital and the regulatory requirements for each type of risk. The table below reflects the internal capital requirement for the consolidated situation, with and without consideration for the Swedish Financial Supervisory Authority's supervisory practices with regard to the risk weight floor for Swedish residential mortgages.

		Pillar 1	EXCL. RISK WEIGHT FLOOR Internally assessed capital requirement	INCL. RISK WEIGHT FLOOR Internally assessed capital requirement
Pillar 1	Credit risk & CVA risk	2,892	2,892	2,892
	Market risk	129	129	129
	Operational risk	291	291	291
Pillar 2	Credit risk ¹⁾		1,080	
	Market risk		1,115	1,115
	Operational risk		47	47
	Risk weight floor			6,564
	Concentration risk		629	629
	Sovereign risk		68	68
	Pension risk		21	21
Buffers	Income volatility		159	159
	Capital conservation buffer	1,035	1,035	1,035
	Capital planning buffer ²⁾		1,155	
	Countercyclical buffer	629	629	629
Total		4,975	9,250	13,579

¹⁾ In internal capital requirement without consideration for the risk weight floor, additional credit risks in Pillar 2 consists of SBAB's estimated capital requirement in economic capital. As the additional capital requirement for the risk weight floor is larger than the additional capital requirement according to economic capital, only the risk weight floor is included in internal capital requirement with consideration for the risk weight floor.

²⁾ The higher of the stress test buffer and capital planning buffer is included in internal capital requirements. With consideration for the risk weight floor, the stress test buffer is calculated without consideration for risk migration in the residential mortgage portfolios, so the required buffer is smaller.

LIQUIDITY COVERAGE RATIO

The liquidity coverage ratio calculates the degree to which a bank's assets cover its net cash flow for the coming 30 days in a stress scenario. Net cash flows comprise contractual in- and outflows and the theoretical flows based on historical

data, for example, withdrawals of the bank's deposits. The weightings of the theoretical flows are fixed and are determined by supervisory authorities.

Group, SEK million	Total	DISTRIBUTION BY CURRENCY	
		EUR	USD
Liquidity coverage ratio %	256	1,679,055	195
Liquid assets	68,455	12,140	4,423
Assets with 100% weight	33,006	7,858	3,424
Assets with 85% weight	35,449	4,282	999
Cash outflows	29,624	3	3,974
Retail deposits	13,726	0	0
Market funding	7,507	0	3,973
Other cash outflows	8,392	3	1
Cash inflows	8,125	3,268	1,701
Inflow from retail lending	2,136	0	0
Other cash inflows	5,989	3,268	1,701

Liquidity coverage ratio = liquid assets/(cash outflow-cash inflow). The liquidity coverage ratio is recognised according to the definitions and weights in FFFS 2012:6. The calculation takes into consideration that assets with 85% weight

must not constitute more than 40% of the reserve, and that inflows must not exceed 75% of the outflow in each column.

NOTE 1 Accounting policies

The SBAB Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. In addition to these accounting standards, the Swedish Financial Supervisory Authority's regulations and general guidelines on annual accounts for credit institutions and securities companies (FFFS 2008:25), the Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups have been taken into consideration. The Group's interim report fulfils the requirements stipulated under IAS 34, Interim Financial Reporting.

For the Parent Company, statutory IFRS is applied, which means that this interim report has been prepared in compliance with IFRS subject to the additions and exceptions that ensue from the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, the Swedish Financial Supervisory

Authority's regulations and general guidelines on the annual accounts of credit institutions and securities companies (FFFS 2008:25) and the Annual Accounts Act for Credit Institutions and Securities Companies.

In the second quarter, SBAB has issued bonds that are recognized as additional Tier 1 securities in equity. Interest payments on the instruments are recognized as a deduction from equity at the time of payment.

The accounting policies and calculation methods are unchanged in comparison with the 2015 Annual Report.

According to SBAB's preliminary assessment, new or changed international accounting standards that have been published but not yet applied will have a limited effect on the financial reports. As regards to IFRS 9, the application of which will become mandatory from 1 January 2018, there is an ongoing preliminary study is under way to identify how the new rules will affect SBAB.

NOTE 2 Net income/expense from financial instruments measured at fair value

Group, SEK million	2016	2016	2015	2016	2015	2015
	Q2	Q1	Q2	Jan-June	Jan-June	Jan-Dec
Gains/losses on interest-bearing financial instruments						
- Securities measured at fair value through profit or loss	18	70	-415	88	-271	-411
- Change in value of hedged items in hedge accounting	-3	-214	937	-217	800	1,505
- Realised expense from financial liabilities	-112	-31	-29	-143	-60	-113
- Derivative instruments	71	163	-644	234	-533	-1,099
- Loan receivables	29	30	31	59	53	113
Currency translation effects	1	1	0	2	-2	-2
Gains/losses on shares and participations measured at fair value through profit or loss	-	-	-	-	8	8
Total	4	19	-120	23	-5	1

Fair value recognition

The currency and interest rate risk inherent in funding conducted in foreign currency is generally hedged throughout the maturity of the funding through currency interest rate derivatives, known as basis swaps. According to IFRS, all derivative instruments are to be recognised at fair value.

Major variations in fair value between reporting periods could result in significant changes in the carrying amount and hence also in capital adequacy. Changes in the form of losses/gains remain unrealised as long as the basis swap is not closed prematurely.

In cases where the derivative is held to maturity, earnings are not affected by

the accumulated changes, as the unrealised interest rate-related value changes that affect the performance of each derivative contract starts and ends at zero.

Most of SBAB's basis swaps are held to maturity. An accounting effect also arises in SBAB's securities holding, since the accounting policies that SBAB applies entail that part of the securities assets are measured at fair value, while a large portion of SBAB's liabilities are measured at amortised cost. Also in the case of securities assets, the unrealised interest rate-related value changes that affect the result will be recovered over the remaining maturity, if the asset is held to maturity and the issuer is able to make its payments. Most of SBAB's securities are held to maturity.

NOTE 3 Loan losses, net

Group, SEK million	2016	2016	2015	2016	2015	2015
	Q2	Q1	Q2	Jan-June	Jan-June	Jan-Dec
CORPORATE MARKET						
INDIVIDUAL PROVISION FOR CORPORATE MARKET LOANS						
Write-off of confirmed loan losses for the period	-	-	-	-	-1	-1
Reversal of prior year provisions for probable loan losses recognised as confirmed loan losses in the financial statements for the period	-	-	-	-	-	-
Provision for probable loan losses for the period	-	-0	-22	-0	-22	-22
Recoveries in respect of confirmed loan losses in prior years	-	-	-	-	-	0
Reversal of prior year provisions for probable loan losses no longer required	0	0	0	0	0	0
Guarantees	-	-	-	-	-	-
Net income/cost for the period for individual provisions for corporate market loans	0	0	-22	0	-23	-23
COLLECTIVE PROVISION FOR CORPORATE MARKET LOANS						
Allocations to/redemption of collective provisions	0	1	-1	1	2	7
Guarantees	-0	-1	-1	-1	-2	-2
Net income/cost for the period for collective provisions for corporate market loans	0	-0	-2	0	0	5
RETAIL MARKET						
INDIVIDUAL PROVISION FOR RETAIL MARKET LOANS						
Write-off of confirmed loan losses for the period	-0	-	-1	-0	-1	-3
Reversal of prior year provisions for probable loan losses recognised as confirmed loan losses in the financial statements for the period	0	-	-	0	-	-
Provision for probable loan losses for the period	-0	-0	1	-0	-3	-24
Reversal of prior year provisions for probable loan losses no longer required	3	1	0	4	0	1
Guarantees	-0	-	-	0	-	-
Net income/cost for the period for individual provisions for retail market loans	3	1	0	4	-4	-26
COLLECTIVE PROVISION FOR RETAIL MARKET LOANS						
Write-off of confirmed loan losses for the period	-3	-3	-2	-6	-5	-12
Recoveries in respect of confirmed loan losses in prior years	0	1	1	1	1	2
Allocation to/redemption of collective provisions	4	1	4	5	12	26
Guarantees	-3	-1	-2	-4	-7	-12
Net income/cost for the period for collective provisions for retail market loans	-2	-2	1	-4	1	4
NET INCOME/COST FOR THE PERIOD FOR LOAN LOSSES	1	-1	-23	0	-26	-40

Both write-offs of confirmed loan losses and reversals of write-offs for the period in accordance with the specification above pertain to receivables from the public.

NOTE 4 Lending to the public

Group, SEK million	30 June 2016		30 June 2015		31 December 2015	
	Lending	Provision	Lending	Provision	Lending	Provision
Single-family dwellings and holiday homes	115,329	-95	109,256	-112	115,832	-98
Tenant-owner rights	101,665	-81	82,978	-72	96,283	-85
Tenant-owner associations	51,189	-33	52,498	-37	52,390	-34
Private multi-family dwellings	27,827	-19	23,727	-23	25,882	-20
Municipal multi-family dwellings	445	-	337	-	470	-
Commercial properties	4,556	-	3,671	-	4,313	-
Other	1,978	-14	1,909	-9	2,064	-16
Provision for probable loan losses	-242		-253		-253	
Total	302,747	-242	274,123	-253	296,981	-253

Doubtful and non-performing loan receivables	30 June 2016	30 June 2015	31 Dec 2015
a) Doubtful loan receivables	159	75	170
b) Non-performing loan receivables ¹⁾ included in doubtful loan receivables	3	3	3
c) Non-performing loan receivables ¹⁾ not included in doubtful loan receivables	155	229	170
d) Individual provisions for loan receivables	76	61	81
e) Collective provisions for corporate market loans	10	16	11
f) Collective provisions for retail market loans	156	176	161
g) Total provisions (d+e+f)	242	253	253
h) Doubtful loan receivables after individual provisions (a-d)	83	14	89
i) Provision ratio for individual provisions (d/a)	48	81	48

¹⁾ Where payment notices (one or more) are more than 60 days past due.

Loan portfolio, SEK million	30 June 2016	30 June 2015	31 Dec 2015
Retail lending	218,782	193,950	213,980
- new lending	26,318	28,084	66,750
Corporate lending (incl. tenant-owner assn.)	83,965	80,173	83,001
- new lending	5,404	7,091	13,720
Total	302,747	274,123	296,981
- new lending	31,722	35,175	80,470

NOTE 5 Derivative instruments

Group, SEK million	30 June 2016		
	Assets measured at fair value	Liabilities measured at fair value	Total nominal amount
Interest rate-related	5,331	2,410	221,214
Currency-related	1,709	1,024	84,757
Total	7,040	3,434	305,971

Currency interest rate swaps are classified as interest rate-related derivative instruments.

NOTE 6 Operating segments

Group, SEK million	Jan–June 2016				Jan–June 2015			
	Retail	Corp./ Ten- ant-owner	Other	Total	Retail	Corp./ Ten- ant-owner	Other	Total
Income ¹⁾	1,077	265	-	1,342	868	267	6	1,141
Net income/expense from financial instruments measured at fair value	-	-	23	23	-	-	-5	-5
Total operating income	1,077	265	23	1,365	868	267	1	1,136
Expenses ²⁾	-345	-95	4	-436	-311	-84	-3	-398
Loan losses, net	0	0	-	0	-5	-21	-	-26
Profit/loss before tax	732	170	27	929	552	162	-2	712
Standardised tax (22%)	-161	-37	-6	-204	-122	-36	1	-157
Profit/loss after tax	571	133	21	725	430	126	-1	555
Adjustment for actual tax	0	0	-1	-1	0	0	0	0
Profit/loss after tax	571	133	20	724	430	126	-1	555
Return on equity, %	14.1	6.7		11.6	11.3	7.9		10.1

¹⁾ The distributed income includes net interest income, net commission and other operating income.

²⁾ The distributed income includes personnel costs, other expenses and depreciation of tangible and intangible fixed assets.

The comparative figures for 2015 have been recalculated to reflect the organisational change that took effect in the second quarter of 2016. The Retail operating segment includes Retail Market and Partner Market, which were previously reported as separate operating segments, and Booli, which was acquired in the first quarter of 2016. Partner Market ceased to exist as a profit centre in connection with the organisational change.

Return on equity, %, is expressed as operating result after tax (for operating segments, a standardised tax of 22% is applied) in relation to average equity, adjusted for additional Tier 1 securities.

NOTE 7 Classification of financial instruments

GROUP

Financial assets

SEK million	30 June 2016						Total	Total fair value
	Assets measured at fair value through P/L	Hedge-accounted derivative instruments	Available-for-sale financial assets	Loan receivables	Investments held to maturity			
Cash and balances at central banks					0		0	0
Chargeable treasury bills and other eligible bills	15,419		5,009				20,428	20,428
Lending to credit institutions					8,663		8,663	8,663
Lending to the public					302,747		302,747	304,347
Change in value of interest rate-hedged items in portfolio hedges				633			633	-
Bonds and other interest-bearing securities	11,063		31,713		11,818		54,594	54,654
Derivative instruments	326	7,578					7,040	7,040
Other assets				935			935	935
Prepaid expenses and accrued income	269		251	236	135		891	891
Total	27,077	7,578	36,973	1,804	323,363		395,931	396,958

GROUP

Financial liabilities

SEK million	30 June 2016				Total	Total fair value
	Liabilities measured at fair value through P/L	Hedge-accounted derivative instruments	Other financial liabilities			
Liabilities to credit institutions			12,442		12,442	12,442
Deposits from the public			87,958		87,958	87,958
Debt securities in issue			268,132		268,132	270,498
Derivative instruments	1,716	3,037			3,434	3,434
Other liabilities			384		384	384
Accrued expenses and prepaid income			2,715		2,715	2,715
Subordinated debt			5,940		5,940	5,976
Total	1,716	3,037	377,571		381,005	383,407

Fair value measurement of financial instruments

The principles for the measurement of financial instruments recognised at fair value in the balance sheet are provided in Note 1 Accounting Policies in the 2015 Annual Report. In the column "Total fair value" above, information is also provided on the fair value of financial instruments that are recognised at amortised cost in the balance sheet. The carrying amount for current receivables and liabilities has been assessed to be equal to the fair value. For "Lending to the public",

where there are no observable credit margin data at the time of measurement, the credit margin on the most recent stipulated date of expiry is applied, Level 3. Debt securities in issue are measured at the Group's current borrowing rate, Level 2.

NOTE 8 Information about fair value

GROUP	30 June 2016			Total
	Quoted market prices (Level 1)	Other observable mar- ket data (Level 2)	Unobservable market data (Level 3)	
SEK million				
Assets				
Securities in the category trade	63,724	-	-	63,724
Derivatives in the category trade	-	474	-	474
Derivatives in hedge accounting ¹⁾	-	6,566	-	6,566
Total	63,724	7,040	-	70,764
Liabilities				
Derivatives in the category trade	-	1,490	-	1,490
Derivatives in hedge accounting ¹⁾	-	1,944	-	1,944
Total	-	3,434	-	3,434

¹⁾ The item "Other derivatives" consists of derivatives included in the hedge accounting

The principles for the measurement of financial instruments recognised at fair value in the balance sheet are provided in Note 1 Accounting Policies in the 2015 Annual Report. In the table, financial assets and liabilities recognised at fair value in the balance sheet are divided on the basis of the measurement levels used below. There have been no transfers between the levels in 2016.

Quoted market prices (Level 1)

Measurement at quoted prices in an active market for identical assets and liabilities. A market is deemed to be active if the price data is easily accessible and corresponds to actual regularly occurring transactions. The measurement method is used for holdings of quoted interest-bearing securities and for publicly quoted derivatives, primarily interest rate futures.

Measurement based on observable data (Level 2)

Measurement aided by external market information other than quoted prices included in Level 1, such as quoted interest rates or prices for closely related instruments. This group includes all non-quoted derivative instruments.

Measurement based in part on unobservable data (Level 3)

Measurement whereby a material component of the model is based on estimates or assumptions that do not originate directly from the market. This method is currently not used on any asset or liability.

NOTE 9 Liquidity reserve and liquidity risk

SBAB's liquidity reserve primarily comprises liquid, interest-bearing securities with a high rating and is an integrated part of the Group's liquidity risk management. Holdings in securities are limited by asset class and by country, respectively, and must have a rating of AAA upon acquisition. In addition to these collective limits,

limits for individual issuers may also be set.

The table is reported according to the Swedish Bankers' Association's template for the disclosure of a liquidity reserve.

Group, SEK million	30 June 2016	DISTRIBUTION BY CURRENCY			
		SEK	EUR	USD	Other
Cash and holdings in central banks	-	-	-	-	-
Deposits in other banks available o/n	-	-	-	-	-
Securities issued or guaranteed by sovereigns, central banks or multinational development banks	25,861	16,134	7,858	1,870	-
Securities issued or guaranteed by municipalities or public sector entities	7,144	5,590	-	1,554	-
Covered bonds issued by other institutions	41,710	35,497	5,037	1,175	-
Covered bonds issued by SBAB	-	-	-	-	-
Securities issued by non-financial corporates	-	-	-	-	-
Securities issued by financial corporates (excl. covered bonds)	-	-	-	-	-
Other securities	-	-	-	-	-
Total assets	74,715	57,221	12,895	4,599	-
Bank and loan facilities	-	-	-	-	-
Total	74,715	57,221	12,895	4,599	-
Distribution by currency, %		76.6	17.3	6.2	-

Calculation of survival horizon

SBAB measures and stress-tests liquidity risk, for example, by calculating the survival horizon. This is done by totalling the maximum need of liquidity for each coming day and comparing this to the size of the liquidity portfolio after applicable haircuts. The calculations are based on a crisis scenario in which all loans are assumed to be extended on maturity, meaning that no liquidity is added through

loan redemption, and where no funding is available. Accordingly, the maximum need for liquidity can be identified for every given future period, and the necessary liquidity reserve can be established.

PARENT COMPANY

Performance for January–June 2016 compared with January–June 2015

The operating profit for the period amounted to SEK 33 million (loss: 55). The change in operating profit/loss is mainly attributable to the lower net income from financial transactions, which amounted to SEK 41 million (expense: 52) during the period. Net interest income dropped to SEK 59 million (99) in the period, attributable to the subsidiary SCBC acquiring loan receivables from the Parent Company in January 2016, corresponding to a nominal volume of approximately SEK 30 billion, in order to increase the cover pool in SCBC. Net income from

financial transactions amounted to SEK 41 million (expense: 52). The greatest factor impacting earnings was unrealised market value changes in the liquidity portfolio, as a result of reduced credit spreads. Expenses totalled SEK 434 million (394), driven by higher IT, marketing and personnel costs. The net effect of loan losses was SEK 0 million (loss: 27). Lending to the public increased in the period to SEK 57.6 billion (56.4) and deposits from the public increased to SEK 88.0 billion (67.2). For the Parent Company, the Common Equity Tier 1 capital ratio amounted to 23.4% (23.2), and the internally assessed capital requirement amounted to SEK 5,561 million (3,480).

INCOME STATEMENT

Parent Company, SEK million	2016	2016	2015	2016	2015	2015
	Q2	Q1	Q2	Jan–Jun	Jan–Jun	Jan–Dec
Interest income	298	299	392	597	815	1,419
Interest expenses	-250	-288	-316	-538	-716	-1,258
Net interest income	48	11	76	59	99	161
Commission income	30	15	18	45	44	82
Commission expenses	-10	-9	-18	-19	-41	-79
Net income/expense from financial transactions	49	-8	-116	41	-52	-76
Other operating income	170	173	166	343	316	625
Total operating income	287	182	126	469	366	713
Personnel costs	-101	-95	-102	-196	-190	-379
Other expenses	-115	-115	-97	-230	-194	-409
Depreciation/amortisation and impairment of tangible and intangible fixed assets	-4	-4	-5	-8	-10	-22
Total expenses before loan losses	-220	-214	-204	-434	-394	-810
Profit/loss before loan losses	67	-32	-78	35	-28	-97
Loan losses, net	1	-1	-21	0	-27	-51
Operating profit/loss	68	-33	-99	35	-55	-148
Taxes	-15	7	21	-8	11	31
Profit/loss for the period	53	-26	-78	27	-44	-117

STATEMENT OF COMPREHENSIVE INCOME

Parent Company, SEK million	2016	2016	2015	2016	2015	2015
	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Jan-Dec
Profit/loss for the period	53	-26	-78	27	-44	-117
OTHER COMPREHENSIVE INCOME						
<i>Components that will be reclassified to profit or loss</i>						
Change relating to available-for-sale financial assets, before tax	59	26	-20	85	-22	-7
Changes in cash flow hedges, before tax	17	2	-3	19	-3	-6
Tax attributable to components that will be reclassified to profit or loss	-17	-6	6	-23	6	3
Other comprehensive income, net after tax	59	22	-17	81	-19	-10
Total comprehensive income for the period	112	-4	-95	108	-63	-127

BALANCE SHEET

Parent Company, SEK million	30 June 2016	30 June 2015	31 December 2015
ASSETS			
Cash and balances at central banks	0	0	0
Chargeable treasury bills and other eligible bills	20,428	15,540	14,312
Lending to credit institutions (Note 10)	48,583	43,641	17,162
Lending to the public	57,620	56,440	81,207
Change in value of interest rate-hedged items in portfolio hedges	0	10	5
Bonds and other interest-bearing securities	54,594	44,263	49,714
Derivative instruments	7,131	7,122	6,430
Shares and participations in Group companies	10,386	10,300	10,300
Deferred tax assets	-	34	52
Intangible fixed assets	9	14	13
Tangible fixed assets	16	23	20
Other assets	371	2,952	554
Prepaid expenses and accrued income	761	829	904
TOTAL ASSETS	199,899	181,168	180,673
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	10,913	12,946	2,973
Deposits from the public	87,958	67,200	76,639
Debt securities in issue	76,884	76,575	76,925
Derivative instruments	7,362	7,688	6,778
Other liabilities	372	1,227	773
Accrued expenses and prepaid income	789	959	569
Deferred tax liabilities	17	-	-
Subordinated debt	5,940	6,436	7,943
Total liabilities	190,235	173,031	172,600
Equity			
Restricted equity			
Share capital	1,958	1,958	1,958
Statutory reserve	392	392	392
Total restricted equity	2,350	2,350	2,350
Unrestricted equity			
Fair value reserve	67	-23	-14
Additional Tier 1 securities	1,500	-	-
Retained earnings	5,720	5,854	5,854
Profit/loss for the period	27	-44	-117
Total unrestricted equity	7,314	5,787	5,723
Total equity	9,664	8,137	8,073
TOTAL LIABILITIES AND EQUITY	199,899	181,168	180,673
MEMORANDUM ITEMS			
Assets pledged for own liabilities	6,864	10,030	15
Contingent liability	85,064	104,081	80,772

OWN FUNDS

Disclosures in accordance with Article 5 of Commission Implementing Regulation (EU) No 1423/2013.

No amounts are subject to the provisions preceding Regulation (EU) No 575/2013 ("CRR") or the prescribed residual amount according to Regulation (EU) No 575/2013.

Parent Company, SEK million	30 June 2016	30 June 2015	31 Dec 2015
Common Equity Tier 1 capital: Instruments and reserves			
Capital instruments and the related share premium reserves	1,958	1,958	1,958
Retained earnings	5,849	5,980	5,781
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	67	-23	-14
Additional Tier 1 securities	1,500	-	-
Independently reviewed interim profits net of any foreseeable charge or dividend	-	-	-117
Common Equity Tier 1 capital before regulatory adjustments	9,374	7,915	7,608
Common Equity Tier 1 capital: Regulatory adjustments			
Additional value adjustments (negative amount)	-79	-67	-68
Intangible assets (net after deduction for associated tax liability) (negative amount)	-9	-14	-13
Fair value reserves to gain or losses on cash flow hedges	-10	2	5
Negative amounts resulting from the calculation of expected loss amounts	-39	-37	-49
Gains or losses on liabilities valued at fair value resulting from changes in the own credit standing	-43	-29	-24
Additional Tier 1 securities in equity	-1,500	-	-
Total regulatory adjustments to the Common Equity Tier 1 capital	-1,680	-145	-149
Common Equity Tier 1 capital	7,694	7,770	7,459
Additional Tier 1 capital: Instruments			
Capital instruments and the related share premium accounts	3,000	1,500	1,500
- Of which classified as liabilities under applicable accounting standards	3,000	1,500	1,500
Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from Additional Tier 1 capital	-	994	994
Additional Tier 1 capital before regulatory adjustments	3,000	2,494	2,494
Additional Tier 1 capital: Regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 capital	-	-	-
Additional Tier 1 capital	3,000	2,494	2,494
Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital + Additional Tier 1 capital)	10,694	10,264	9,953
Tier 2 capital: Instruments and provisions			
Capital instruments and the related share premium accounts	4,447	3,000	5,447
Tier 2 capital before regulatory adjustments	4,447	3,000	5,447
Tier 2 capital: Regulatory adjustments			
Total regulatory adjustments to Tier 2 capital	-	-	-
Tier 2 capital	4,447	3,000	5,447
Total capital (Total capital = Tier 1 capital + Tier 2 capital)	15,141	13,264	15,400
Total risk-weighted assets	32,893	33,523	33,295
Capital ratios and buffers			
Common Equity Tier 1 (as a percentage of risk exposure amount)	23.4	23.2	22.4
Tier 1 (as a percentage of total risk exposure amount)	32.5	30.6	29.9
Total capital (as a percentage of total risk exposure amount)	46.0	39.6	46.3
Institution specific buffer requirement (Common Equity Tier 1 capital requirement in accordance with Article 92(1)(a) plus capital conservation buffer and countercyclical capital buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII buffer and O-SII buffer) expressed as a percentage of risk exposure amount, %	8.5	7.0	8.0
- of which: Common Equity Tier 1 capital, minimum requirement, %	4.5	4.5	4.5
- of which: capital conservation buffer requirement, %	2.5	2.5	2.5
- of which: countercyclical buffer requirement, %	1.5	-	1.0
- of which: systemic risk buffer requirement, %	-	-	-
- of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer, %	-	-	-
Common Equity Tier 1 capital, available to meet buffers (as a percentage of risk exposure amount), %	18.9	18.7	17.9
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
Current cap on AT1 instruments subject to phase-out arrangements	-	2,096	2,096
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	-
Current cap on T2 instruments subject to phase-out arrangements	-	910	910

CAPITAL REQUIREMENTS

Parent Company, SEK million	30 June 2016		30 June 2015		31 December 2015	
	Capital require- ment	Risk exposure amount	Capital require- ment	Risk exposure amount	Capital require- ment	Risk exposure amount
Credit risk recognised in accordance with IRB approach						
Exposures to corporates	499	6,238	224	2,804	484	6,052
Retail exposures	314	3,928	413	5,160	500	6,247
- of which: exposures to SME	29	369	37	466	52	648
- of which: retail exposures secured by immovable property	285	3,559	376	4,694	448	5,599
Total exposures in accordance with IRB approach	813	10,166	637	7,964	984	12,299
Credit risk reported in accordance with standardised approach						
Exposures to governments and central banks	0	0	0	0	10	129
Exposures to regional governments or local authorities	0	0	0	0	0	0
Exposures to institutions ¹⁾	140	1,755	111	1,388	95	1,190
- of which: derivatives according to CRR, Appendix 2	134	1,679	98	1,229	95	1,186
- of which: repos	6	71	12	154	-	-
Exposures to corporates	1	15	241	3,015	1	15
Retail exposures	172	2,155	185	2,306	168	2,106
Exposures in default	1	10	1	11	1	7
Exposures in the form of covered bonds	301	3,762	109	1,362	237	2,957
Exposures to institutions and corporates with a short-term credit assessment	2	24	122	1,529	2	19
Equity exposures	831	10,386	824	10,300	824	10,300
Other items	9	110	9	110	8	105
Total exposures in accordance with standardised approach	1,457	18,217	1,602	20,021	1,346	16,828
Market risk	93	1,158	227	2,840	120	1,498
- of which: position risk	68	847	204	2,558	105	1,314
- of which: currency risk	25	311	23	282	15	184
Operational risk	118	1,478	137	1,709	137	1,709
Credit valuation adjustment risk	150	1,874	79	989	77	961
Total capital requirements and risk exposure amount	2,631	32,893	2,682	33,523	2,664	33,295
Capital requirements for capital conservation buffer	822		838		832	
Capital requirements for countercyclical buffer	500		3		330	
Total capital requirements	3,953		3,523		3,826	

¹⁾ The risk-weighted exposure amount for counterparty risk according to CRR, Article 92(3)(f), amounts to SEK 1,750 million (1,186).

CAPITAL ADEQUACY

Parent Company, SEK million	30 June 2016	30 June 2015	31 Dec 2015
Common Equity Tier 1 capital	7,694	7,770	7,459
Tier 1 capital	10,694	10,264	9,953
Total capital	15,141	13,264	15,400
Without transition rules			
Risk exposure amount	32,893	33,523	33,295
Common Equity Tier 1 capital ratio, %	23.4	23.2	22.4
Excess ¹⁾ Common Equity Tier 1 capital	6,214	6,261	5,961
Tier 1 capital ratio, %	32.5	30.6	29.9
Excess ¹⁾ Tier 1 capital	8,721	8,252	7,955
Total capital ratio, %	46	39.6	46.3
Excess ¹⁾ total capital	12,510	10,582	12,737
With transition rules			
Own funds	15,180	13,301	15,449
Risk exposure amount	38,671	39,216	50,414
Total capital ratio, %	39.3	33.9	30.6

¹⁾ Surplus of capital has been calculated based on the minimum capital requirements (without buffer requirements)

NOTE 10 Lending to credit institutions

Of the Parent Company's lending to credit institutions, SEK 41,294 million relates to a receivable from the wholly owned subsidiary AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation, SCBC), compared with SEK 14,920 million at the end of 2015. This receivable is subordinated in the event of bankruptcy or liquidation, which means that payment is received only after other creditors of the subsidiary have been paid.

Financial calendar

Interim report January–September 2016	28 October 2016
Year-end report 2016	8 February 2017

The information in this report is such that SBAB Bank AB (publ.) is required to disclose in accordance with the Swedish Financial Instruments Trading Act and the Swedish Securities Market Act, as well as in the guidelines contained in the Swedish Government's ownership policy and the guidelines for companies in which the Government is an owner. The information was submitted for publication on 19 July 2016 at 8:00 a.m. (CET).

Contact

For further information, contact:

CEO Klas Danielsson, +46 8 614 43 01, klas.danielsson@sbab.se
CFO Mikael Inglander, +46 8 614 43 28, mikael.inglander@sbab.se.

Become a customer: www.sbab.se

The Board of Directors and the CEO affirm that this interim report provides an accurate overview of the operations, financial position and performance of the Parent Company and the Group, and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Solna, 18 July 2016

Bo Magnusson
Chairman

Jakob Grinbaum
Deputy Chairman

Lars Börjesson
Board Member

Carl-Henrik Borg
Board Member

Karin Moberg
Board Member

Jane Lundgren-Ericsson
Board Member

Ebba Lindsö
Board Member

Kristina Ljung
Board Member
(employee representative)

Daniel Kristiansson
Board Member

Johan Ericsson
Board Member
(employee representative)

Klas Danielsson
CEO

REVIEW REPORT

Introduction

We have reviewed the interim report for SBAB Bank AB (publ) for the period January 1 – June 30 2016. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 Review of Interim Financial Information performed by the company's auditors. A review consists of making inquiries, primarily with persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the

conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report for the Group is not, in all material aspects, in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies and as regards the parent company in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm 18 July, 2016

Deloitte AB

Patrick Honeth
Authorised Public Accountant

DEFINITIONS OF KEY DATA

New lending	Gross lending
Deposits/lending	Ratio of total deposits and total lending
Investment margin	Net interest income in relation to average total assets
Loan loss rate	Loan losses in relation to closing balance for lending to the public
Cost/income ratio	Total operating expenses/total income
Cost/income ratio excluding net income/expense from financial instruments measured at fair value and restructuring costs	(Total operating expenses less restructuring costs)/(total income less net income/expense from financial instruments measured at fair value)
Return on equity	Operating result after tax in relation to average equity, adjusted for additional Tier 1 securities
Return on equity excluding net income/expense from financial instruments measured at fair value and restructuring costs	Operating result after tax in relation to average equity, adjusted for additional Tier 1 securities, excluding net income/expense from financial instruments measured at fair value and restructuring costs
Number of employees (FTE)	Number of employees expressed as a full-time equivalent, adjusted for sick leave and leave of absence