

SBAB! Interim Report

1 January – 31 March 2015 | SBAB Bank AB (publ)

Continued good volume growth and profit trend

First quarter 2015 (Fourth quarter 2014)

- New lending amounted to SEK 13.3 billion (15.7). Total lending increased to SEK 265.0 billion (261.4).
- The number of residential mortgage customers increased to SEK 160,708 households (160,034).
- Total deposits increased to SEK 63.9 billion (60.6) distributed over 276,047 active deposit accounts (267,712).
- Operating profit increased to SEK 450 million (441) and to SEK 336 million (318) excluding net income/expense from financial instruments and restructuring costs.
- Net interest income increased to SEK 555 million (549).
- Expenses fell to SEK 194 million (223), of which restructuring costs accounted for SEK 1 million (3).
- The net effect of loan losses increased to a negative SEK 3 million (positive: 8).
- Return on equity was 12.5% (12.8), and 9.4% (9.3) excluding net income/expense from financial instruments and restructuring costs.
- The Common Equity Tier 1 capital ratio, without transitional regulations, amounted to 27.5% (29.8).

Operating income 450 SEK million (441)	New lending 13.3 SEK billion (15.7)
Total lending 265.0 SEK billion (261.4)	Number of residential mortgage customers 160,708 (160,034)

SBAB's business concept is to use innovation and thoughtfulness to offer loans and savings to private individuals, tenant-owner associations and property companies in Sweden. SBAB was founded in 1985 and is owned by the Swedish state. SBAB has about 350,000 customers and 400 employees. SBAB had Sweden's most satisfied residential mortgage customers in 2014, according to Swedish Quality Index (Svenskt Kvalitetsindex). Read more at sbab.se, twitter.com/sbabbank, facebook.com/sbabbank.

Statement by the CEO

The excellent inflow of new customers and expanding volumes within residential mortgages continued during the first quarter, resulting in growing market shares in the residential segment. On the corporate client side, we are encountering favourable demand and expect volumes to increase further during the year. Our deposit operations also experienced continued favourable inflow of new customers and increasing volumes, both on the retail and corporate client sides.

During the third quarter last year, we adopted a new strategic direction involving focusing on residential mortgages and housing financing. As a result of this strategic decision, the fund offering has now been wound up and the development of additional banking services has been discontinued. All resources are now being directed towards achieving our vision – to offer the best residential mortgages in Sweden.

We have reinforced our position on the residential mortgage market. According to Swedish Quality Index (Svenskt Kvalitetsindex, SKI), we have the most satisfied residential mortgage customers in Sweden, and in our latest survey, we were ranked number two in brand awareness among the general public. To set us apart in the residential mortgage market, reinforce our position further in the long term and achieve our vision – to offer the best residential mortgages in Sweden – we are working to develop and strengthen our customer offering. These efforts are exemplified by the launch in the fourth quarter of the *Värdeguiden* app (the value guide), the web service *Bytabostadsguiden* (a guide to changing homes) and *Gröna lånet* (the green loan) to tenant-owner associations.

The trend of declining interest-rates has continued during the first quarter, partially through the Riksbank's cut of the repo rate to the all-time low of -0.25%. The low interest-rate level, combined with favourable demand for our bonds from investors, has reduced our cost of funding. We have transferred the lower cost of funding to our customers by cutting interest-rates on residential mortgages. Our 3-month standard interest-rate of 1.79% is currently the lowest rate in the market.

Our profit trend is strong, thanks to our cost-efficiency enhancement programme and the fact that our residential mortgage margins were stable in the quarter. However, our costs will be adversely impacted; both in the short term, due to the increased resources required for handling the strong inflow of new customers, and in the long term, due to regulatory developments. We are currently striving to adapt to regulations that will be introduced later this year, such as transparency requirements for residential mortgage interest-rates and the new amortisation requirement. We still believe that we will meet our cost target for the full financial year 2015.

The EU Mortgage Credit Directive recently presented the residential mortgage inquiry. It will result in and require a relatively extensive development and adaptation of our operations in several areas. The Basel Committee has submitted proposals on new standard regulations and risk weights for credit risks that may affect Swedish residential mortgage providers in a particularly negative way and may, unfortunately, result in higher interest-rates for our customers.

Developments in the financial and property markets are raising concerns. There is a risk that the extremely low interest-rate level could cause share, bond and property price bubbles instead of the desired economic growth and inflation. The price per square metre for tenant-owner rights is skyrocketing in certain parts of Sweden. Responsible lending is our principal focus, and we are currently reviewing our credit approval process to assess whether there is a need to limit lending where the loan to value ratio is at its highest and the trend in housing prices is the strongest.

Trends in the world around us, combined with our high ambitions of developing our operations, will most likely make 2015 a highly eventful year.

Klas Danielsson, CEO



Market overview

Group	2015 Q1	2014 Q4	2014 Q1	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
LENDING*						
Retail						
Number of residential mortgage customers (households)	160,708	160,034	158,633	160,708	158,633	160,034
New lending, SEK billion	11.2	13.1	7.8	11.2	7.8	40.5
Change in lending, SEK billion	3.5	4.5	2.0	3.5	2.0	11.4
Total retail lending, SEK billion	186.9	183.4	173.9	186.9	173.9	184.4
Market share residential mortgages, retail, %	7.33%	7.30%	7.29%	7.33%	7.29%	7.30%
Market share consumer loans, %	0.86%	0.83%	0.63%	0.86%	0.63%	0.83%
Corporate clients and tenant-owner associations						
Number of new corporate and tenant-owner association	3,082	3,173	3,448	3,082	3,448	3,173
New lending, SEK billion	2.1	2.6	1.7	2.1	1.7	7.8
Change in lending, SEK billion	0.0	-0.5	-2.8	0.0	-2.8	-8.8
Total lending corporate clients and tenant-owner associations, SEK billion	78.3	78.2	84.2	78.3	84.2	78.2
Market share tenant-owner associations, %	13.65%	13.82%	14.67%	13.65%	14.67%	13.82%
Market share corporate clients, %	9.51%	9.47%	9.57%	9.51%	9.57%	9.47%
Total lending, SEK billion	265.2	261.6	258.1	265.2	258.1	261.6
DEPOSITS						
Number of accounts	276,047	267,712	238,954	276,047	238,954	267,712
Change in the number of accounts	8,335	7,538	21,826	8,335	21,826	50,584
Change, SEK billion	3.3	3.4	6.1	3.3	6.1	14.7
Total deposits, SEK billion	63.9	60.6	52.0	63.9	52.0	60.6
Deposits, retail	49.3	47.9	42.2	49.3	42.2	47.9
Deposits, corporate clients	14.6	12.7	9.8	14.6	9.8	12.7
Market share deposits, retail, %	3.55%	3.53%	3.29%	3.55%	3.29%	3.53%
Market share deposits, corporate clients, %	1.78%	1.53%	1.30%	1.78%	1.30%	1.53%

* Excluding provisions

Market development and volumes

Development during the first quarter 2015 compared with the fourth quarter 2014

Retail

SBAB offers savings and loan products to private individuals. The number of residential mortgage customers amounted to 160,708 households (160,034) at the end of the period. Residential mortgages are offered under our own brand and through partnerships with banks and estate agents.

The housing market is overheated in parts of the country and the price increase is steep or very steep, primarily in the metropolitan areas and other major cities. The number of properties for sale in these markets is low, and it is a seller's market, which drives prices upwards. Bidding processes are tending to drive prices even faster than in the previous quarter. An increasing number of homes do not even make it onto the open market – the buyers make offers that are accepted by the sellers, bypassing the open market. Underlying structural factors, such as demography, residential construction, income growth and employment rates, as well as tax systems and sets of rules and regulations, drive the housing markets. Another additional factor is the amortisation rules that will be introduced on 1 August. The rules have not yet entered into force, but they already seem to be causing increased pressure in the housing market. There may be a dampening of the market after the introduction of the amortisation rules. Interest-rates have continued their decline, with sharper falls at the end of the quarter.

The greater majority of residential mortgage customers choose shorter maturities. The share of total lending with a three-month fixed-interest period now amounts to 63.8% (59.4).

New lending to retail customers amounted to SEK 11.2 billion (13.1) for the quarter. Total lending to retail customers amounted to SEK 186.9 billion (183.4). In residential mortgages to private individuals, SBAB's market share amounted to 7.33% (7.30) and for consumer loans, it was 0.86% (0.83).

The interest-rate on SBAB's deposit accounts has been reduced due to falling market rates, but it is still highly competitive and creates a strong inflow. SBAB's retail deposits rose by SEK 1.4 billion (1.9) during the quarter, to a total of SEK 49.3 billion (47.9). The market share within retail deposits amounted to 3.55% (3.53).

In 2015, SBAB will focus on driving increased digitisation in the form of simplified IT systems and processes, increased digital communication and an improved digital customer experience, with the aim of meeting customer behaviour and demand. Due to increased digitisation, SBAB offers better services. We are becoming more cost-efficient and able to grow at low margin costs, which will turn us into a company that is strong and competitive in the long term.

Corporate clients and tenant-owner associations

SBAB offers savings and loans to property companies and tenant-owner associations. The number of customers amounted to 3,082 (3,173) at the end of the period. Our business is relationship-oriented. We offer extensive credit and property expertise and actively develop both new and existing customers. This is particularly true with regard to our contacts with property companies.

During the first quarter, SBAB participated in a number of property fairs and arranged customer seminars for tenant-owner associations. For the eighth time, we participated in the world's largest property fair: MIPIM in Cannes.

With a focus on sustainable housing, we launched a green loan. The green loan is offered to existing tenant-owner association and property company customers who intend to invest in measures that either improve the environment or save energy. The interest-rate on green loans will be particularly low for these investments.

The market is characterised by continued good access to liquidity and a high level of activity. The transaction market ended on a high in 2014 and continued to show strong development during the first quarter. The major property companies in Sweden are the predominant buyers. We also note increased interest for investments in communal properties. The market for restructuring from rented to tenant-owned apartments has slowed down, mostly due to insufficient interest for such restructurings amongst tenants and also due to the fact that public housing companies in Stockholm have ceased to sell their properties.

New lending to tenant-owner associations and corporate clients amounted to SEK 2.1 million (2.6). Total lending amounted to SEK 78.3 billion (78.2). The tenant-owner association market share was 13.65% (13.82) on the last day of February, and the corporate client market share was 9.51% (9.35).

Deposits from corporate clients rose by SEK 1.9 billion (1.4) to a total of SEK 14.6 billion (12.7). The market share within deposits from corporate clients (not financial companies) increased to 1.78% (1.53).

Overview of earnings

Group SEK million	2015 Q1	2014 Q4	2014 Q1	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
Net interest income	555	549	496	555	496	2,111
Net commission income	-23	-20	-21	-23	-21	-110
Net result from financial instruments measured at fair value (Note 3)	115	126	82	115	82	620
Total operating income	647	655	557	647	557	2,621
Expenses	-194	-223	-219	-194	-219	-1,008
- of which restructuring costs	-1	-3	-	-1	-	-178
Profit/loss before loan losses	453	432	338	453	338	1,613
Loan losses, net (Note 3)	-3	8	1	-3	1	30
Participations in joint ventures	-	1	1	-	1	1
Operating profit/loss	450	441	340	450	340	1,644
Operating profit excl. net result from financial instruments and restructuring costs	336	318	258	336	258	1,202
Tax	-99	-97	-74	-99	-74	-388
Profit/loss for the periods	351	344	266	351	266	1,256
Cost/Income ratio	30%	34%	39%	30%	39%	38%
Return on equity ¹⁾	12.5%	12.8%	10.8%	12.5%	10.8%	12.1%
Return on equity excl. net result from financial instruments and restructuring costs ¹⁾	9.4%	9.3%	8.2%	9.4%	8.2%	9.0%
Common Equity Tier 1 capital ratio ²⁾	27.5%	29.8%	22.6%	27.5%	22.6%	29.8%

¹⁾ Return on equity calculated on a full-year basis.

²⁾ Without taking transitional rules into account.

Financial performance

Development during the first quarter 2015 compared with the fourth quarter 2014

Operating profit

Operating profit increased to SEK 450 million (441). Excluding net income/expense from financial instruments and restructuring costs, operating profit increased to SEK 336 million (318). The difference in operating profit between the quarters is mostly related to an improved net interest income and lower costs.

Net interest and net commission income

Net interest income rose to SEK 555 (549) in the period, driven by an increased volume and improved lending margins. Net commission income for the period amounted to an expense of SEK 23 million (expense: 20), including a fee of SEK 32 million (24) for the government stability fund.

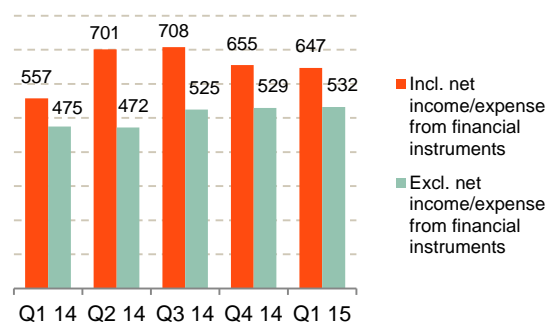
Expenses

Expenses dropped to SEK 194 million (223). The reduction in expenses is primarily explained by the wound up fund offering and discontinued development of banking services, as well as by the ongoing cost efficiency programme.

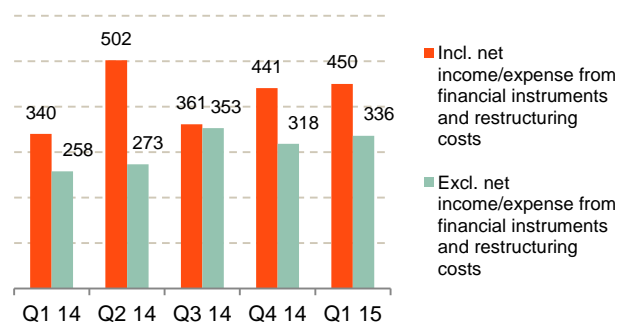
Loan losses

The net effect of loan losses was a negative SEK 3 million (positive: 8) during the first quarter. For further information, please see Note 3.

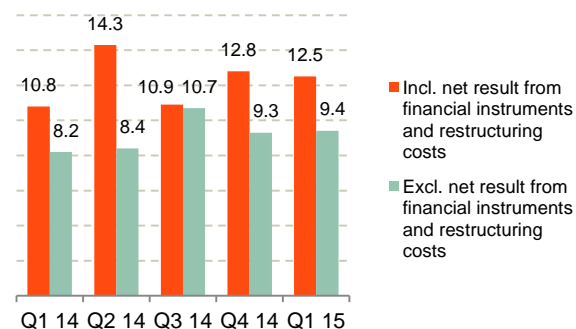
Operating income, incl. and excl. net income/expense from financial instruments (SEK million)



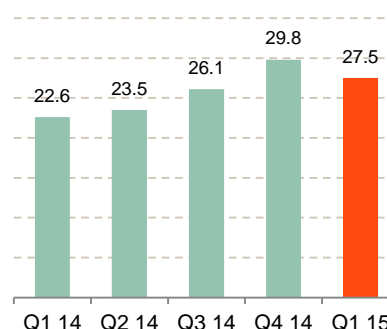
Operating profit, incl. and excl. net income/expense from financial instruments and restructuring costs (SEK million)



Return on equity, incl. and excl. net result from financial instruments and restructuring costs (%)



Common Equity Tier 1 capital ratio without transitional regulations (%)



Net income/expense from financial instruments measured at fair value

Net income from financial instruments measured at fair value amounted to SEK 115 million (126) for the period. The greatest factor impacting earnings was unrealised market value changes on basis swaps and the liquidity portfolio. Basis swaps are used to minimise interest-rate and currency risks that arise in conjunction with funding in foreign currency. For further information regarding how changes in market values affected profit for the period, please see Note 2.

Lending and deposits

New lending for the period amounted to SEK 13.3 billion (15.7) and the total lending volume increased to SEK 265.0 billion (261.4). Deposits rose by SEK 3.3 billion (3.4) in the quarter to SEK 63.9 billion (60.6).

Funding

The total value of covered debt securities in issue declined by SEK 1.5 billion during the quarter to SEK 241.7 billion (243.2). During the quarter, securities amounting to SEK 21.6 billion (34.2) were issued, securities amounting to SEK 5.6 billion (9.0) were repurchased and securities amounting to SEK 16.0 billion (21.9) matured. In the quarter, additional Tier 1 instruments were issued. The transaction was issued in SEK with a volume of SEK 1.5 billion.

Funding through the issuance of covered bonds takes place in the wholly owned subsidiary AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation), "SCBC". Total outstanding covered debt totalled SEK 173.1 billion (175.0), compared with SEK 152.7 billion at the beginning of the year.

Capital adequacy

Credit risk is mainly reported in accordance with the IRB approach, and operational and market risks are reported in accordance with the standardised approach. According to the capital target, Common Equity Tier 1 capital ratio according to Pillar 1, without consideration for transitional rules, shall amount to at least 22%. As at 31 March 2015, the Common Equity Tier 1 capital ratio was 27.5% (29.8). The total capital ratio according to Pillar 1, without consideration for transitional rules, amounted to 40.1% (44.7). This provides a comfortable margin to applicable external regulatory requirements. For information concerning other capital ratios, refer to the table on page 17. Profit/loss for the period was not included in own funds this quarter. The expected dividend has reduced own funds and, in combination with an increased credit volume, this affected capital ratio levels.

The internally assessed capital requirement amounted to SEK 6,796 million (6,620) for the Group and SEK 2,976 million (2,884) for the Parent Company.

Liquidity reserve

The liquidity reserve comprises liquid, interest-bearing securities with a high rating. The market value of the assets in the liquidity reserve amounted to SEK 58.6 billion (58.6). Taking the Riksbank's haircuts into account, the value of the assets was SEK 55.4 billion (55.4).

SBAB measures and stress-tests liquidity risk by calculating the survival horizon, which is an internal ratio used to see for how long contractual payment obligations can be met without access to capital market funding and net outflows from lending/deposits. This is made 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 survival horizon amounts to 231 (234) days, which the Company considers satisfactory.

The Liquidity Coverage Ratio is calculated in accordance with the Swedish Financial Supervisory Authority's regulation FFFS 2012:6. In the beginning of the year, the Liquidity Coverage Ratio was 192% for all currencies combined, 1,745% for the EUR and 1,623% for the USD, which exceeds the minimum requirement of 100%. In SEK, the Liquidity Coverage Ratio amounted to 96%. Liquidity Coverage Ratio is a ratio affected by the amount of maturities within 30 days.

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

Quarterly overview

Group	2015	2014	2014	2014	2014
SEK million	Q1	Q4	Q3	Q2	Q1
Net interest income	555	549	552	514	496
Net commission income	-23	-20	-27	-42	-21
Net result from financial instruments measured at fair value (Note 2)	115	126	183	229	82
Total operating income	647	655	708	701	557
Expenses	-194	-223	-347	-219	-219
- of which restructuring costs	-1	-3	-175	-	-
Profit/loss before loan losses	453	432	361	482	338
Loan losses, net (Note 3)	-3	8	1	20	1
Participations in joint ventures	-	1	-1	0	1
Operating profit/loss	450	441	361	502	340
Operating profit excl. net result from financial instruments and restructuring costs	336	318	353	273	258
Tax	-99	-97	-78	-139	-74
Profit/loss for the periods	351	344	283	363	266
Cost/income ratio	30%	34%	49%	31%	39%
Return on equity ¹⁾	12.5%	12.8%	10.9%	14.3%	10.8%
Return on equity excl. net result from financial instruments and restructuring costs ¹⁾	9.4%	9.3%	10.7%	8.4%	8.2%
Common Equity Tier 1 capital ratio ²⁾	27.5%	29.8%	26.1%	23.5%	22.6%

¹⁾ Return on equity calculated on a full-year basis.

²⁾ Without taking transitional rules into account.

Performance for January-March 2015 compared with January-March 2014

Operating profit for the period increased to SEK 450 million (340). Income rose to SEK 647 million (557), with the increase primarily due to an improved net interest income and net income/expense from financial instruments. Net interest income rose to SEK 555 (496), driven by a sharp increase in volume and improved lending margins. Net income from financial instruments measured at fair value increased to SEK 115 million (82) and was mainly affected by changed market values of basis swaps and the liquidity portfolio.

Costs for the period amounted to SEK 194 million (219). The reduction in expenses is primarily explained by the wound up fund offering and discontinued development of banking services, as well as by the ongoing cost efficiency programme. Loan losses amounted to an expense of SEK 3 million (gain 1). Confirmed loan losses remained low.

Other significant information

Rating

In March 2015, Moody's removed SBAB's "Negative Outlook". At the same time, the A2/P-1 credit rating was confirmed and SBAB's outlook was upgraded to "Stable Outlook". Standard & Poor's long-term and short-term ratings of SBAB remained unchanged over the year, A and A-1, respectively. Current ratings are stated below.

Rating	31/03/2015	31/03/2014	31/12/2015
SBAB Bank AB (publ)			
<i>Long-term funding</i>			
-Standard & Poor's	A	A	A
-Moody's	A2	A2	A2
<i>Short-term funding</i>			
-Standard & Poor's	A-1	A-1	A-1
-Moody's	P-1	P-1	P-1
SCBC			
<i>Long-term funding</i>			
-Moody's	Aaa	Aaa	Aaa

Risks and uncertainties for the Group and the Parent Company

The economic trend in Sweden is the primary risk factor for SBAB's future earnings capacity, and the quality of the 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 is showing a stable trend, underpinned by low inflation, low interest-rates and rising stock market and property prices. The Swedish economy is sensitive to global economic developments and to conditions in the international financial markets. The risks associated with these factors have subsided in recent years. A strained housing market and high household indebtedness among retail customers result in the economy also being sensitive to changes in interest-rates and house prices. The risks associated with these factors are expected to increase as long as housing prices and indebtedness continue to rise faster than incomes. The many regulatory changes relating to the residential mortgage market constitute further uncertainties. For further information on SBAB's risks and risk management, please refer to the Risk Management section and Note 2 in the 2014 Annual Report.

New members of the Executive Management

In the first quarter 2015, two new members of the Executive Management assumed their positions: Robert Burén as CIO and Elizabet Sulj Jönsson as Head of Communications.

New office premises

In February 2015, a new lease was signed with Fabege regarding office premises in Solna, outside Stockholm. The head office will move to the new premises during the fourth quarter of 2015.

Events after the balance sheet date

Annual General Meeting 2015

SBAB held its Annual General Meeting on 22 April 2015. Following the Annual General Meeting, SBAB's Board of Directors comprise the following members:

Bo Magnusson (Chairman), Jakob Grinbaum (Deputy Chairman), Carl-Henrik Borg, Lars Börjesson, Kristina Ekengren, Anders Heder (employee representative), Jane Lundgren-Ericsson, Ebba Lindsö, Karin Moberg and Helen Vallin (employee representative).

It was further resolved at the Annual General Meeting that the target for SBAB's capital structure shall be a Common Equity Tier 1 capital ratio of at least 22%

Financial calendar

Interim report January–June 2015	17 July 2015
Interim report January–September 2015	22 October 2015
Year-end report 2015	5 February 2016

Review Report

This interim report has not been reviewed by the company's auditor.

The CEO affirms 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.

Stockholm, 22 April 2015

Klas Danielsson
Chief Executive Officer

Contact

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Income statement

Group SEK million	2015 Q1	2014 Q4	2014 Q1	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
Interest income	1,466	1,604	1,957	1,466	1,957	7,261
Interest expense	-911	-1,055	-1,461	-911	-1,461	-5,150
Net interest income	555	549	496	555	496	2,111
Commission income	20	12	9	20	9	47
Commission expense	-43	-32	-30	-43	-30	-157
Net result from financial instruments meas. at fair value (Note 2)	115	126	82	115	82	620
Total operating income	647	655	557	647	557	2,621
Personnel costs	-88	-93	-113	-88	-113	-414
Other expenses	-99	-123	-98	-99	-98	-434
Amortisation and depreciation of fixed assets	-7	-7	-8	-7	-8	-160
Total expenses before loan losses	-194	-223	-219	-194	-219	-1,008
Profit/loss before loan losses	453	432	338	453	338	1,613
Loan losses, net (Note 3)	-3	8	1	-3	1	30
Participations in joint ventures	-	1	1	-	1	1
Operating profit/loss	450	441	340	450	340	1,644
Tax	-99	-97	-74	-99	-74	-388
Profit/loss for the period	351	344	266	351	266	1,256

Statement of comprehensive income

Group SEK million	2015 Q1	2014 Q4	2014 Q1	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
Profit/loss for the period	351	344	266	351	266	1,256
OTHER COMPREHENSIVE INCOME						
<i>Components that have been or will be reversed against the income statement</i>						
Change in reclassified financial assets, before tax	-	-	2	-	2	32
Changes related to financial assets available before sale, before tax	-2	-5	-	-2	-	-5
Changes related to cash flow hedges, before tax	111	156	-	111	-	128
Tax attributable to components that will be reversed against the	-24	-33	-1	-24	-1	-36
<i>Components that have not or will not be reversed against the income statement</i>						
Revaluation effects of defined benefit pension plans, before tax	-61	-3	-	-61	-	-71
Tax attributable to components that will not be reversed against the income statement	13	1	-	13	-	16
Other comprehensive income, net after tax	37	116	1	37	1	64
Total comprehensive income for the period	388	460	267	388	267	1,320

Balance sheet

Group SEK million	31/03/2015	31/03/2014	31/12/2014
ASSETS			
Cash and balances at central banks	0	0	0
Chargeable treasury bills and other eligible bills	15,388	9,574	15,557
Lending to credit institutions	11,506	26,664	7,437
Lending to the public (Note 4)	264,968	257,961	261,445
Change in value of interest-rate-hedged items in portfolio hedges	1,006	811	937
Bonds and other interest-bearing securities	42,390	37,270	42,335
Derivative instruments (Note 5)	10,369	6,890	9,408
Shares and participations	-	225	253
Shares and participations in joint ventures	-	77	-
Deferred tax assets	78	-	104
Intangible fixed assets	51	181	52
Tangible fixed assets	24	34	27
Other assets	582	752	461
Prepaid expenses and accrued income	1,019	995	969
TOTAL ASSETS	347,381	341,434	338,985
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	12,925	21,095	7,284
Deposits from the public	63,884	52,017	60,610
Debt securities in issue	241,655	237,869	243,168
Derivative instruments (Note 5)	6,129	9,661	7,263
Other liabilities	231	638	424
Accrued expenses and prepaid income	3,515	3,843	3,200
Provisions	149	558	89
Subordinated debt	7,504	5,805	5,946
Total liabilities	335,992	331,486	327,984
Equity			
Share capital	1,958	1,958	1,958
Other reserves	114	14	77
Retained earnings	8,966	7,710	7,710
Profit/loss for the year	351	266	1,256
Total equity	11,389	9,948	11,001
TOTAL LIABILITIES AND EQUITY	347,381	341,434	338,985

Statement of changes in equity

Group SEK million	Share capital	Other reserves	Retained earnings	P/L for the period	Total equity
Opening balance, 1 January 2015	1,958	77	8,966		11,001
Total comprehensive income for the period		37		351	388
Closing balance, 31 March 2015	1,958	114	8,966	351	11,389
	Share capital	Other reserves	Retained earnings	P/L for the period	Total equity
Opening balance, 1 January 2014	1,958	13	7,710		9,681
Total comprehensive income for the period		1		266	267
Closing balance, 31 March 2014	1,958	14	7,710	266	9,948
	Share capital	Other reserves	Retained earnings	P/L for the period	Total equity
Opening balance, 1 January 2014	1,958	13	7,710		9,681
Total comprehensive income for the year		64		1,256	1,320
Closing balance, 31 December 2014	1,958	77	7,710	1,256	11,001

Cash flow statement

Group SEK million	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
Cash and cash equivalents at the beginning of the period	7,422	19,238	19,238
Cash flow from operating activities	2,588	7,420	-11,892
Cash flow from investing activities	-4	-22	76
Cash flow from funding activities	1,500	-	-
Increase/Decrease in cash and cash equivalents	4,084	7,398	-11,816
Cash and cash equivalents at the end of the period	11,506	26,636	7,422

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

Group SEK million	31/03/2015	31/12/2014	31/03/2014*
Common Equity Tier 1 capital			
Shareholders' equity according to the Group's balance sheet	11,389	11,001	9,948
Profit/loss for the period, not reviewed by the auditors	-351	-	-
Estimated dividend, previous and current years	-643	-502	-106
Cash flow hedges	-187	-100	-
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-15	-2	-
Value adjustment	-69	-70	-48
Intangible fixed assets	-43	-43	-145
Net reserves for IRB exposures	-82	-85	-81
Net pension assets	-	-	-36
Common Equity Tier 1 capital	9,999	10,199	9,532
Additional Tier 1 capital			
Additional Tier 1 instruments	2,494	2,395	2,395
Tier 1 capital	12,493	12,594	11,927
Tier 2 capital			
Time-limited subordinated debentures	2,091	2,713	2,804
Tier 2 capital	2,091	2,713	2,804
Total own funds	14,584	15,307	14,731

Capital requirement

Group	31/03/2015		31/12/2014		31/03/2014*	
	Capital require-ment	Risk exposure amount	Capital require-ment	Risk exposure amount	Capital require-ment	Risk exposure amount
SEK million						
Credit risk recognised in accordance with IRB approach						
Exposures to corporates	582	7,280	558	6,975	687	8,588
Retail exposures	1,033	12,907	1,028	12,851	1,076	13,446
- of which exposures to SME	130	1,620	139	1,737	141	1,768
- of which retail exposures secured by immovable property	903	11,287	889	11,114	934	11,678
Positions in securitisations	-	-	-	-	276	3,448
Total exposures in accordance with IRB approach	1,615	20,187	1,586	19,826	2,039	25,482
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 **	159	1,989	111	1,388	81	1,008
- of which, derivatives according to CRR, Appendix 2	142	1,781	103	1,291	79	983
- of which, repos	16	200	7	85	0	5
Exposures to corporates	163	2,041	146	1,829	184	2,295
Retail exposures	155	1,932	143	1,783	112	1,396
Exposures in default	1	10	1	10	1	9
Exposures in the form of covered bonds	58	731	59	744	297	3,717
Exposures to institutions and corporates with a short-term credit assessment	9	119	7	86	7	91
Exposures to CIU:s	-	-	20	253	18	225
Other items	94	1,175	86	1,070	77	959
Total exposures in accordance with standardised approach	639	7,997	573	7,163	776	9,700
Exposure to participation in a default fund	-	-	-	-	0	0
Market risk	294	3,671	337	4,210	327	4,082
- of which, position risk	259	3,239	279	3,491	297	3,711
- of which, currency risk	35	432	58	719	30	371
Operational risk	239	2,989	164	2,047	164	2,048
CVA risk	119	1,484	80	1,001	52	653
Total capital requirements and risk exposure amount	2,906	36,328	2,740	34,247	3,357	41,965
Applicable capital buffer (Capital conservation buffer)	908		856		1,049	
Total capital requirement (including capital conservation buffer)	3,814		3,596		4,406	

*The comparative figures as at 31 March 2014 were recalculated after the interim report was prepared for the first quarter of 2014, but prior to the reporting to the Swedish Financial Supervisory Authority.

**The risk-weighted exposure amount for counterparty risk according to CRR, Article 92, item 3(f), amounts to SEK 1,980 million (1,376).

Capital adequacy

Group	31/03/2015	31/12/2014	31/03/2014*
SEK million			
Common Equity Tier 1 capital	9,999	10,199	9,532
Tier 1 capital	12,493	12,594	11,927
Total own funds	14,584	15,307	14,731
Without transition rules			
Risk exposure amount	36,328	34,247	41,965
Common Equity Tier 1 capital ratio	27.5%	29.8%	22.7%
Excess Common Equity Tier 1 capital	8,365	8,658	7,643
Tier 1 capital ratio	34.4%	36.8%	28.4%
Excess Tier 1 capital	10,314	10,539	9,409
Total capital ratio	40.1%	44.7%	35.1%
Excess total capital	11,678	12,567	11,373
With transition rules			
Own funds	14,667	15,392	14,812
Risk exposure amount	146,068	142,975	142,192
Total capital ratio	10.0%	10.8%	10.4%

*The comparative figures as at 31 March 2014 were recalculated after the interim report was prepared for the first quarter of 2014, but prior to the reporting to the Swedish Financial Supervisory Authority.

Notes

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 the 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.

The accounting policies and calculation methods are unchanged compared with the 2014 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 IFRS 9, which will become mandatory on 1 January 2018, no complete assessment has as yet been made.

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

Group SEK million	2015 Q1	2014 Q4	2014 Q1	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
Gains/losses on interest-bearing financial instruments						
- Securities measured at fair value through the income statement	144	205	381	144	381	1,401
- Change in value of hedged items in hedge accounting	-137	-433	-442	-137	-442	-1,581
- Realised expense from financial liabilities	-31	-58	-21	-31	-21	-122
- Derivative instruments	111	380	135	111	135	807
- Loan receivables	22	27	19	22	19	89
Currency translation effects	-2	2	2	-2	2	-2
Gains/losses on shares and participations measured at fair value through the income statement	8	3	8	8	8	28
Total	115	126	82	115	82	620

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 (market value). Major variations in the actual market value between reporting periods could result in significant changes in the carrying amount and thus also in capital adequacy. However, 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 since the market value 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 (market value), while a large portion of SBAB's liabilities are measured at amortised cost. Also in the case of securities assets, the market value will be recovered during the remaining maturity if the asset is held to maturity. Most of SBAB's securities are held to maturity.

Note 3 Loan losses, net

Group SEK million	2015 Q1	2014 Q4	2014 Q1	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
CORPORATE MARKET						
INDIVIDUAL PROVISION FOR CORPORATE MARKET LOANS						
Write-off of confirmed loan losses for the period	-1	-	-0	-1	-0	-0
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	-0	-0	-0	-0	-0
Recoveries in respect of confirmed loan losses in prior years	-	-	-	-	-	0
Reversal of prior year provisions for probable loan losses no longer Guarantees	0	0	7	0	7	7
	-	-	-	-	-	-
Net income/cost for the period for individual provisions for corporate market loans	-1	0	7	-1	7	7
COLLECTIVE PROVISION FOR CORPORATE MARKET LOANS						
Allocations to/redemption of collective provisions	3	-0	3	3	3	8
Guarantees	-1	2	-1	-1	-1	0
Net income/cost for the period for collective provisions for	2	2	2	2	2	8
RETAIL MARKET						
INDIVIDUAL PROVISION FOR RETAIL MARKET LOANS						
Write-off of confirmed loan losses for the period	-	-2	-2	-	-2	-7
Reversal of prior year provisions for probable loan losses recognised as confirmed loan losses in the financial statements for the period	-	-	1	-	1	5
Provision for probable loan losses for the period	-4	-1	-2	-4	-2	-4
Reversal of prior year provisions for probable loan losses no longer required	0	3	0	0	0	4
Guarantees	-	-	-	-	-	-
Net income/cost for the period for individual provisions for retail market loans	-4	-0	-3	-4	-3	-2
COLLECTIVE PROVISION FOR RETAIL MARKET LOANS						
Write-off of confirmed loan losses for the period	-3	-5	-8	-3	-8	-22
Recoveries in respect of confirmed loan losses in prior years	0	0	1	0	1	12
Allocation to/redemption of collective provisions	8	10	0	8	0	31
Guarantees	-5	1	2	-5	2	-4
Net income/cost for the period for collective provisions for retail market loans	0	6	-5	0	-5	17
NET INCOME/COST FOR THE PERIOD FOR LOAN LOSSES	-3	8	1	-3	1	30

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	31/03/2015		31/03/2014		31/12/2014	
	Lending	Provision	Lending	Provision	Lending	Provision
Single-family dwellings and holiday homes	107,778	-120	104,142	-147	107,425	-124
Tenant-owner rights	77,370	-71	68,581	-84	74,307	-70
Tenant-owner associations	52,535	-12	54,272	-15	52,704	-15
Private multi-family dwellings	21,608	-24	21,832	-29	21,232	-25
Municipal multi-family dwellings	487	-	3,629	-	606	-
Commercial properties	3,635	-	4,527	-	3,693	-
Other	1,790	-8	1,259	-6	1,720	-8
Provision for probable loan losses	-235	-	-281	-	-242	-
Total	264,968	-235	257,961	-281	261,445	-242

Doubtful and non-performing loan receivables	31/03/2015	31/03/2014	31/12/2014
a) Doubtful loan receivables	54	54	48
b) Non-performing loan receivables* included in doubtful loan receivables	5	8	2
c) Non-performing loan receivables* not included in doubtful loan receivables	263	230	322
d) Individual provisions for loan receivables	40	41	36
e) Collective provisions for corporate market loans	15	22	19
f) Collective provisions for retail market loans	180	218	187
g) Total provisions (d+e+f)	235	281	242
h) Doubtful loan receivables after individual provisions (a-d)	14	13	12
i) Provision ratio for individual provisions (d/a)	74%	76%	75%

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

In certain partnerships on the lending side, it is possible for the partner to acquire brokered loans.

Loan portfolio

SEK million	31/03/2015	31/03/2014	31/12/2014
Retail lending	186,739	173,736	183,250
- new lending	11,246	7,784	40,457
Corporate lending (incl. tenant-owner assn.)	78,229	84,225	78,195
- new lending	2,064	1,739	7,840
Total	264,968	257,961	261,445
- new lending	13,310	9,523	48,297

Note 5 Derivative instruments

Group SEK million	31/03/2015		
	Assets measured at fair value	Liabilities measured at fair value	Total nominal amount
Interest-rate related	6,429	3,872	210,499
Currency related	3,940	2,257	76,481
Total	10,369	6,129	286,980

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

Note 6 Operating segments

Segment income statement Group SEK million	Jan-Mar 2015 Corp./					Jan-Mar 2014 Corp./				
	Retail market	Collab. market	Tenant- owner	Other	Total*	Retail market	Collab. market	Tenant- owner	Other	Total*
Income ¹⁾	270	132	126	4	532	212	102	158	3	475
Net result from financial instruments measured at fair value	0	0	0	115	115	0	-0	0	82	82
Total operating income	270	132	126	119	647	212	102	158	85	557
Expenses ²⁾	-121	-31	-41	-1	-194	-132	-36	-51	-	-219
Loan losses, net	-2	-1	0	0	-3	-5	-2	8	-	1
Participations in joint ventures	-	-	-	-	-	-	1	-	-	1
Profit/loss before tax	147	100	85	118	450	75	65	115	85	340
Standardised tax (22%)	-32	-22	-19	-26	-99	-16	-14	-25	-19	-74
Profit/loss after tax (ROE segment)	115	78	66	92	351	59	51	90	66	266
Adjustment for actual tax	0	0	0	0	0	0	0	0	0	0
Profit/loss after tax	115	78	66	92	351	59	51	90	66	266
Internally calculated ROE	10.4%	9.4%	8.3%		12.5%	6.5%	7.5%	11.5%		10.8%

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 property, plant and equipment and amortisation of intangible fixed assets.

*The total agrees with the external income statement.

Since the second quarter of 2014, SBAB has, in its internal control and monitoring, transitioned to internal calculation of return on equity, based on standardised tax and calculated equity. The comparison figures have been recalculated.

Note 7 Classification of financial instruments

Group	31/03/2015						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	Total	
	SEK million						
Cash and balances at central banks				0		0	0
Chargeable treasury bills and other eligible Lending to credit institutions	12,570		2,818			15,388	15,388
Lending to the public				11,506		11,506	11,506
Change in value of interest-rate-hedged items in portfolio hedges				264,968		264,968	267,825
Bonds and other interest-bearing securities	33,308		3,521	1,006	5,561	42,390	42,420
Derivative instruments	702	9,667				10,369	10,369
Other assets				582		582	582
Prepaid expenses and accrued income	589		95	281	54	1,019	1,019
Total	47,169	9,667	6,434	278,343	5,615	347,228	349,109

Group	31/03/2015				Total fair value
	Liabilities measured at fair value through P/L	Hedge-accounted derivative instruments	Other financial liabilities	Total	
	SEK million				
Liabilities to credit institutions			12,925	12,925	12,925
Deposits from the public			63,884	63,884	63,884
Debt securities in issue			241,655	241,655	243,684
Derivative instruments	3,529	2,600		6,129	6,129
Other liabilities			231	231	231
Accrued expenses and prepaid income			3,515	3,515	3,515
Subordinated debt			7,504	7,504	7,534
Total	3,529	2,600	329,714	335,843	337,902

Fair value measurement of financial instruments

The principles for the measurement of financial instruments recognised at fair value in the balance sheet are given in the accounting policies in Note 1 of the 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, level 3. 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 SEK million	31/03/2015			Total
	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	
Assets				
Securities in the category trade	52,901	-	-	52,901
Derivatives in the category trade	6	696	-	702
Derivatives in hedge accounting	-	9,667	-	9,667
Total	52,907	10,363	-	63,270
Liabilities				
Derivatives in the category trade	8	3,521	-	3,529
Derivatives in hedge accounting	-	2,600	-	2,600
Total	8	6,121	-	6,129

The principles for the measurement of financial instruments recognised at fair value in the balance sheet are given in the accounting policies in Note 1 of the 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 methods used.

There have been no transfers between the levels in 2015.

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 for any assets or liabilities.

Note 9 Liquidity reserve

Liquidity Reserve SEK million	31/03/2015	Distribution by currency			
		SEK	EUR	USD	Other
Cash and balances from central banks	-	-	-	-	-
Balances from other banks	-	-	-	-	-
Securities issued or guaranteed by central governments, central banks or multinational development banks	21,023	10,827	9,308	888	-
Securities issued or guaranteed by municipalities or non-governmental public sector entities	6,317	4,974	-	1,343	-
Covered bonds issued by others	31,246	24,698	4,821	1,511	216
Own covered bonds	-	-	-	-	-
Securities issued by non-financial companies	-	-	-	-	-
Securities issued by financial companies (excl. covered)	-	-	-	-	-
Other securities	-	-	-	-	-
Total assets	58,586	40,499	14,129	3,742	216
Bank and loan facilities	-	-	-	-	-
Total	58,586	40,499	14,129	3,742	216
Distribution by currency		69.1%	24.1%	6.4%	0.4%

The table is reported according to the Swedish Bankers' Association's template for the disclosure of a liquidity reserve. The assets in SBAB's liquidity reserve 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 the highest rating upon acquisition. In addition to these collective limits, limits for individual issuers may also be set.

Calculation of survival horizon

SBAB measures and stress-tests liquidity risk by calculating the survival horizon. This is made 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.

Calculation of 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.

Parent company

Parent company performance in January-March 2015 compared with January-March 2014

Operating profit for the period amounted to SEK 44 million (82). The operating profit was primarily attributable to lower net interest income of SEK 23 million (60). Net income from financial transactions was SEK 64 million (70). Expenses totalled SEK 190 million (233). The net effect of loan losses was an expense of SEK 6 million (gain: 1). Lending to the public amounted to SEK 47.1 billion (47.9). Without transitional rules, the Common Equity Tier 1 capital ratio amounted to 27.5% (22.6).

Income statement

Parent Company SEK million	2015 Q1	2014 Q4	2014 Q1	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
Interest income	423	516	763	423	763	2,758
Interest expenses	-400	-458	-703	-400	-703	-2,423
Net interest income	23	58	60	23	60	335
Dividends received	-	-	20	-	20	20
Commission income	26	14	11	26	11	55
Commission expenses	-23	-9	-16	-23	-16	-73
Net result of financial transactions	64	0	70	64	70	300
Other operating income	150	324	169	150	169	822
Total operating income	240	387	314	240	314	1,459
Personnel costs	-88	-92	-117	-88	-117	-424
Other expenses	-97	-123	-110	-97	-110	-454
Amortisation and depreciation of fixed assets	-5	-5	-6	-5	-6	-22
Total expenses before loan losses	-190	-220	-233	-190	-233	-900
Profit before loan losses	50	167	81	50	81	559
Loan losses, net	-6	-3	1	-6	1	1
Operating profit	44	164	82	44	82	560
Taxes	-10	-36	-14	-10	-14	-153
Profit for the period	34	128	68	34	68	407

Statement of comprehensive income

Parent Company SEK million	2015 Q1	2014 Q4	2014 Q1	2015 Jan-Mar	2014 Jan-Mar	2014 Jan-Dec
Profit for the period	34	128	68	34	68	407
OTHER COMPREHENSIVE INCOME						
<i>Components that have been or will be reversed against the income statement</i>						
Change in reclassified financial assets, before tax	-	-	2	-	2	32
Change relating to available-for-sale financial assets, before tax	-2	-5	-	-2	-	-5
Tax attributable to components that have been or will be reversed against the income statement	0	1	-1	0	-1	-8
Other comprehensive income, net after tax	-2	-4	1	-2	1	19
Total comprehensive income for the period	32	124	69	32	69	426

Balance sheet

Parent Company SEK million	31/03/2015	31/03/2014	31/12/2014
ASSETS			
Cash and balances at central banks	0	0	0
Chargeable treasury bills and other eligible bills	15,388	9,575	15,557
Lending to credit institutions (Note 10)	42,160	59,058	35,823
Lending to the public	47,081	47,882	43,866
Change in value of interest-rate-hedged items in portfolio hedges	13	-	11
Bonds and other interest-bearing securities	42,390	37,270	42,335
Derivative instruments	8,686	6,423	7,800
Shares and participations	-	225	253
Shares and participations in joint ventures	-	77	-
Shares and participations in Group companies	10,300	10,300	10,300
Deferred tax assets	22	-	18
Intangible fixed assets	15	17	13
Tangible fixed assets	24	34	27
Other assets	150	553	138
Prepaid expenses and accrued income	883	790	794
TOTAL ASSETS	167,112	172,204	156,935
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	8,481	8,008	3,250
Deposits from the public	63,884	52,017	60,610
Debt securities in issue	68,574	86,479	68,182
Derivative instruments	8,735	8,833	9,103
Other liabilities	224	1,313	407
Accrued expenses and prepaid income	976	1,257	735
Provisions	-	148	-
Subordinated debt	7,504	5,804	5,946
Total liabilities	158,378	163,859	148,233
Equity			
Share capital	1,958	1,958	1,958
Statutory reserve	392	392	392
Fair value reserve	-6	-22	-4
Retained earnings	6,356	5,949	5,949
Profit for the period	34	68	407
Total equity	8,734	8,345	8,702
TOTAL LIABILITIES AND EQUITY	167,112	172,204	156,935
Memorandum items			
Assets pledged for own liabilities	543	7,345	23
Commitments	95,018	56,930	79,152

Own funds

Parent company SEK million	31/03/2015	31/12/2014	31/03/2014*
Common Equity Tier 1 capital			
Shareholders' equity according to the Group's balance sheet	8,734	8,702	8,345
Profit/loss for the period, not reviewed by the auditors	-34	-	-
Estimated dividend	-643	-502	-106
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-15	-2	-2
Value adjustment	-69	-70	-
Intangible fixed assets	-15	-13	-17
Net reserves for IRB exposures	-45	-49	-47
Common Equity Tier 1 capital	7,913	8,066	8,173
Additional Tier 1 capital			
Additional Tier 1 instruments	2,494	2,395	2,395
Tier 1 capital	10,407	10,461	10,568
Tier 2 capital			
Time-limited subordinated debentures	2,091	2,713	2,804
Tier 2 capital	2,091	2,713	2,804
Total own funds	12,498	13,174	13,372

*The comparative figures as at 31 March 2014 were recalculated after the interim report was prepared for the first quarter of 2014, but prior to the reporting to the Swedish Financial Supervisory Authority.

Capital requirement

Parent company SEK million	31/03/2015		31/12/2014		31/03/2014*	
	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	185	2,319	188	2,341	262	3,276
Retail exposures	367	4,582	343	4,292	384	4,798
- of which exposures to SME	35	434	35	436	42	520
- of which retail exposures secured by immovable property	332	4,148	308	3,856	342	4,278
Positions in securitisations	-	-	-	-	276	3,449
Total exposures in accordance with IRB approach	552	6,901	531	6,633	922	11,523
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**	109	1,360	74	925	54	672
- of which, derivatives according to CRR, Appendix 2	97	1,218	71	886	53	657
- of which, repos	11	137	2	31	0	5
Exposures to corporates	162	2,023	145	1,817	183	2,293
Retail exposures	154	1,923	142	1,770	111	1,386
Exposures in default	1	10	1	10	1	9
Exposures in the form of covered bonds	58	731	59	744	138	1,723
Exposures to institutions and corporates with a short-term credit assessment	10	121	7	84	7	90
Exposures to CIUs	-	-	20	254	18	225
Equity exposures	824	10,300	824	10,300	830	10,377
Other items	10	127	7	90	8	101
Total exposures in accordance with standardised approach	1,328	16,595	1,279	15,994	1,350	16,876
Exposure to participation in a default fund	-	-	-	-	0	0
Market risk	279	3,489	299	3,733	315	3,937
- of which, position risk	259	3,239	279	3,491	297	3,711
- of which, currency risk	20	250	20	242	18	226
Operational risk	137	1,709	112	1,402	112	1,402
CVA risk	77	963	48	601	31	390
Total capital requirements and risk exposure amount	2,373	29,657	2,269	28,363	2,730	34,128
Applicable capital buffer (Capital conservation buffer)	741	-	709	-	853	-
Total capital requirement (including capital conservation buffer)	3,114	-	2,978	-	3,583	-

*The comparative figures as at 31 March 2014 were recalculated after the interim report was prepared for the first quarter of 2014, but prior to the reporting to the Swedish Financial Supervisory Authority.

**The risk-weighted exposure amount for counterparty risk according to CRR, Article 92, item 3(f), amounts to SEK 1,356 million (917).

Capital adequacy

Parent company SEK million	31/03/2015	31/12/2014	31/03/2014*
Common Equity Tier 1 capital	7,913	8,066	8,173
Tier 1 capital	10,407	10,461	10,568
Total own funds	12,498	13,174	13,372
Without transition rules			
Risk exposure amount	29,657	28,363	34,128
Common Equity Tier 1 capital ratio	26.7%	28.4%	23.9%
Excess Common Equity Tier 1 capital	6,579	6,790	6,637
Tier 1 capital ratio	35.1%	36.9%	31.0%
Excess Tier 1 capital	8,628	8,760	8,521
Total capital ratio	42.1%	46.4%	39.2%
Excess total capital	10,126	10,905	10,642
With transition rules			
Own funds	12,543	13,223	13,419
Risk exposure amount	32,140	29,938	33,742
Total capital ratio	39.0%	44.2%	39.8%

*The comparative figures as at 31 March 2014 were recalculated after the interim report was prepared for the first quarter of 2014, but prior to the reporting to the Swedish Financial Supervisory Authority.

Note 10 Lending to credit institutions

Of the Parent Company's lending to credit institutions, SEK 33,386 million relates to a receivable from the wholly owned subsidiary AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation, SCBC), compared with SEK 31,181 million at the end of 2014. 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.

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 23 April 2015 at 8.00 a.m. (CET).

While every care has been taken in the translation of this report, readers are reminded that the original report, signed by the CEO, is in Swedish.