

SCBC Interim Report

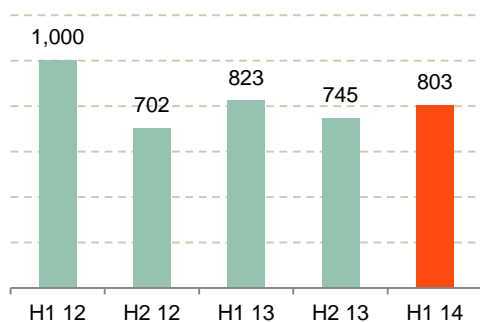
1 Jan – 30 Jun 2014 | The Swedish Covered Bond Corporation, SCBC

January–June 2014 (January–June 2013)

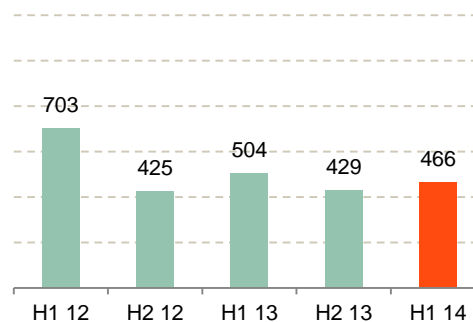
- Operating profit totalled SEK 513 million (405)
- Profit, excluding net result from financial transactions, amounted to SEK 466 million (504)
- Net interest income amounted to SEK 847 million (864)
- Expenses totalled SEK 348 million (342)
- The net effect of loan losses amounted to a gain of SEK 11 million (gain 23)
- The Common Equity Tier 1 capital ratio, without transitional rules, amounted to 57.0% (55.5)

- All funding programmes have the highest credit rating from Moody's

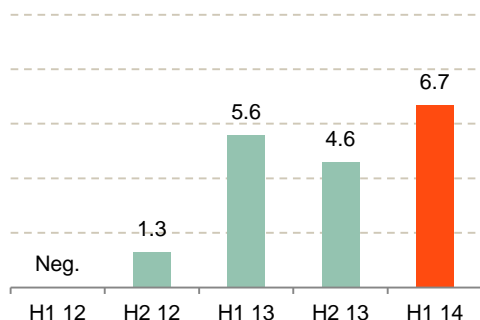
Operating income excluding net result from financial transactions (SEK million)



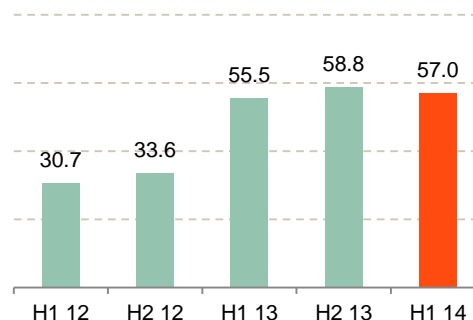
Operating profit excluding net result from financial transactions (SEK million)



Return on equity (%)



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



Operations

The Swedish Covered Bond Corporation, SCBC, is a wholly owned subsidiary of SBAB Bank AB (publ), "SBAB".

SCBC's operations focus primarily on the issuance of covered bonds in Swedish and international capital markets. The operation shall be conducted in such a manner as to comply with the requirements specified in the Covered Bonds Act (2003:1223) pertaining to the issuance of covered bonds and the Swedish Financial Supervisory Authority's regulations and general guidelines regarding covered bonds (FFFS 2013:1).

Financial performance

Performance for January–June 2014 compared with January–June 2013

Summary SEK million	2014 Jan-jun	2013 Jan-Jun	2013 Jan-Dec
Net interest income	847	864	1,651
Net commission income	-44	-41	-83
Net result from financial transactions (Note 2)	47	-99	-192
Total operating income	850	724	1,376
Costs	-348	-342	-656
Loan losses, net (Note 3)	11	23	21
Operating profit/loss	513	405	741
Operating profit excl. net result from financial transactions	466	504	933
Tax	-105	-97	-171
Profit/loss for the period	408	308	570
Balance sheet items			
Lending to the public, SEK billion	219.0	207.9	210.0
Key figures			
Common Equity Tier 1 capital ratio ¹⁾	57.0%	55.5%	58.8%
Rating, long-term funding			
Moody's	Aaa	Aaa	Aaa

¹⁾ Without transition rules

Operating result

SCBC's operating profit amounted to SEK 513 million (405). The outcome is primarily due to an improved net result from financial transactions. Compared to last year, the net interest income was somewhat lower. The profit in the comparison period was also positively affected to a greater degree by reduction of collective provisions. Excluding the net result from financial transactions, the profit amounted to SEK 466 million (504).

Net interest income and commission expense

SCBC's net interest income amounted to SEK 847 million (864). The lower net interest income was mainly caused by an increase in SCBC's funding costs due to a higher share of subordinated debt to SBAB. Net commission amounted to an expense of SEK -44 million (-41), including a fee of SEK -34 million (-32) for the government stability fund.

Expenses

SCBC's expenses totalled SEK 348 million (342) and primarily consist of payment to SBAB for administrative services provided in accordance with an outsourcing agreement.

Loan losses

The net effect of loan losses was a gain of SEK 11 million (gain 23) This outcome is due to the reduction of collective provisions. Confirmed loan losses remained low.

Net result from financial transactions

Net result from financial transactions amounted to an income of SEK 47 million (expense -99). The single largest factor impacting earnings was unrealised market-value changes on basis swaps. Basis swaps are used to minimise interest-rate and currency risks that arise in conjunction with funding in foreign currency. For further information on fair-value recognition of derivative instruments, see Note 2.

Lending

SCBC does not conduct any new lending activities itself, and instead acquires loans from SBAB on an ongoing basis or as required. The aim of securing these loans is to increase the collateral for investors who are holders of SCBC's covered bonds. SCBC's lending portfolio comprises loans for residential mortgages, with the retail market as the largest segment. At the end of the period, SCBC's lending amounted to SEK 219.0 billion (207.9), compared to 210.0 billion at year-end.

Information regarding SCBC's lending, the cover pool, is published monthly on the website www.sbab.se.

Funding

SCBC's funding is conducted through the issuance of covered bonds.

The company uses three funding programmes: a Swedish mortgage bond programme for the issuance of covered bonds without a preset limit, a EUR 10 billion Euro Medium Term Covered Note Program (EMTCN program), and an AUD 4 billion Australian Covered Bonds Issuance Programme. All programmes have received the highest possible long-term rating of Aaa from the rating agency Moody's.

Covered bonds are the SBAB Group's principal source of funding. At 30 June 2014, the total value of outstanding debt securities in issue under SCBC's lending programme was SEK 150.8 billion (147.4), distributed as follows: Swedish covered bonds SEK 85.9 billion (88.1) and the Euro Medium Term Covered Note Programme SEK 64.9 billion (59.3). During the period, securities valued at SEK 10.4 billion were issued. At the same time, securities valued at SEK 4.6 billion were repurchased, while securities for SEK 9.2 billion matured.

SCBC also has subordinated debt issued by SBAB. At 30 June, the subordinated debt amounted to SEK 53.1 billion (45.4).

Capital adequacy and risk

SCBC primarily recognises credit risk pursuant to the internal ratings-based approach (IRB approach) and operational and market risk in accordance with the standardised approach.

SCBC's total capital ratio and Common Equity Tier 1 capital ratio under Pillar 1, without transitional rules, amounted to 57.0 percent (55.5) at 30 June 2014, compared to 58.8 percent at year-end. For other capital ratios, refer to the tables that start on page 8.

Management of liquidity risks for SCBC is integrated with SBAB. In addition, SCBC has a liquidity facility agreement with SBAB, under which SCBC can borrow money for its operations from the Parent Company, when necessary.

Other significant information

Risks and uncertainties

The economic trend in Sweden is the primary risk factor for SCBC's future earnings capacity and the quality of its assets since the operation 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 stable growth, 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 on the international financial markets. The risks associated with these factors remain significant. 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. For further information on SCBC's risks and risk management, please refer to the Risk Management section and Note 2 in the 2013 Annual Report.

Change in the management team

On 8 May, Christine Ehnström was appointed Chief Executive Officer of SCBC. She replaces Lennart Krän, who left the company on the same date. Christine Ehnström holds the positions of Executive Vice President and Chief Legal Officer of the SBAB Group. Due to her appointment as Chief Executive Officer, Christine Ehnström resigned from the Board of Directors of SCBC. Sara Bucknell has also left the Board of Directors, which as of 8 May consists of Jakob Grinbaum (Chairman), Per Anders Fasth and Per O. Dahlstedt.

Rating

As of 13th June 2014, SCBC will no longer be using Standard & Poor's ("S&P") rating for covered debt. In connection with the rating withdrawal, S&P confirmed SCBC's AAA rating. The covered bond rating from Moody's will be retained. The parent company SBAB Bank AB (publ) will retain the rating both from S&P and Moody's.

Financial calendar

Year-end report 2014

February 2015

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

Stockholm 16 July 2014

Jakob Grinbaum
Chairman of the Board

Per O. Dahlstedt
Board Member

Per Anders Fasth
Board Member

Christine Ehnström
CEO

For further information, contact Mikael Ingländer, CFO SBAB, +46 8 614 43 28, mikael.inglander@sbab.se, or Adrian Westman, Head of Corporate Communications SBAB, +46 8 614 43 29, adrian.westman@sbab.se.

The information in this report is such that the Swedish Covered Bond Corporation is required to disclose in accordance with the Swedish Financial Instruments Trading Act and/or the Swedish Securities Market Act. The information was submitted for publication on 18 July 2014 at 9.00 a.m. (CET).

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

Income statement

SEK million	2014 Jan-Jun	2013 Jul-Dec	2013 Jan-Jun	2013 Jan-Dec
Interest income	2,994	3,079	3,132	6,211
interest expense	-2,147	-2,292	-2,268	-4,560
Net interest income	847	787	864	1,651
Commission income	4	4	4	8
Commission expense	-48	-46	-45	-91
Net result from financial transactions (Note 2)	47	-93	-99	-192
Total operating income	850	652	724	1,376
General administrative expenses	-347	-313	-342	-655
Other expenses	-1	-1	-0	-1
Total expenses before loan losses	-348	-314	-342	-656
Profit/loss before loan losses	502	338	382	720
Loan losses, net (Note 3)	11	-2	23	21
Operating profit/loss	513	336	405	741
Tax	-105	-74	-97	-171
Profit/loss for the period	408	262	308	570

Statement of comprehensive income

SEK million	2014 Jan-Jun	2013 Jul-Dec	2013 Jan-Jun	2013 Jan-Dec
Profit/loss for the period	408	262	308	570
Other comprehensive income, net after tax	-	-	-	-
Total comprehensive income for the period	408	262	308	570

Balance sheet

SEK million	30/06/2014	31/12/2013	30/06/2013
ASSETS			
Lending to credit institutions	8,375	11,179	12,114
Lending to the public (Note 4)	218,986	209,982	207,873
Change in value of interest-rate-hedged items in portfolio hedges	1,212	1,164	1,221
Derivative instruments (Note 5)	4,843	4,631	4,539
Other assets	665	866	832
Prepaid expenses and accrued income	199	217	228
TOTAL ASSETS	234,280	228,039	226,807
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	11,724	14,644	14,951
Debt securities in issue	150,834	152,656	147,366
Derivative instruments (Note 5)	3,982	5,617	6,135
Other liabilities	10	10	5
Accrued expenses and prepaid income	1,837	2,702	1,678
Deferred tax liabilities	436	388	160
Subordinated debt to the Parent Company (Note 9)	53,142	40,115	45,413
Total liabilities	221,965	216,132	215,708
Equity			
Share capital	50	50	50
Shareholder contribution	9,550	9,550	9,550
Retained earnings	2,307	1,737	1,191
Profit/loss for the period	408	570	308
Total equity	12,315	11,907	11,099
TOTAL LIABILITIES AND EQUITY	234,280	228,039	226,807
Memorandum items			
Assets pledged for own liabilities	211,650	204,189	204,671

Statement of changes in equity

SEK million	Restricted equity		Unrestricted equity		Total equity
	Share capital	Shareholder Contribution	Retained earnings	P/L for the period	
Opening balance, 1 January 2014	50	9,550	2,307		11,907
Transactions with shareholders:					
Total comprehensive income for the period*				408	408
Closing balance, 30 June 2014	50	9,550	2,307	408	12,315
	Share capital	Shareholder Contribution	Retained earnings	P/L for the period	Total equity
Opening balance, 1 January 2013	50	9,550	1,191		10,791
Transactions with shareholders:					
Total comprehensive income for the period*				308	308
Closing balance, 30 June 2013	50	9,550	1,191	308	11,099
	Share capital	Shareholder Contribution	Retained earnings	P/L for the period	Total equity
Opening balance, 1 January 2013	50	9,550	1,191		10,791
Transactions with shareholders:					
Group contribution received, after tax			546		546
Total comprehensive income for the period*				570	570
Closing balance, 31 December 2013	50	9,550	1,737	570	11,907

*Total comprehensive income for the period equals profit for the period

The shareholder's contribution that was paid is conditional and the Parent Company SBAB Bank AB (publ) is entitled to reimbursement for the contribution from the Swedish Covered Bond Corporation's disposable earnings, provided that the AGM grants approval thereof.

Cash-flow statement

SEK million	2014 Jan–Jun	2013 Jan–Dec	2013 Jan–Jun
Cash and cash equivalents at the beginning of the period	11,179	10,054	10,054
Cash flow from operating activities	-3,504	1,125	2,060
Cash flow from investing activities	-	-	-
Cash flow from funding activities	700	-	-
Increase/Decrease in cash and cash equivalents	-2,804	1,125	2,060
Cash and cash equivalents at the end of the period	8,375	11,179	12,114

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

Own funds

SEK million	30/06/2014	31/12/2013*	30/06/2013*
Common Equity Tier 1 capital			
Equity with deducted profit for the period	11,907	11,907	11,099
Not received group contribution	-	-546	-
Price adjustments	-4	-	-
Net reserves for IRB exposures	-50	-43	-35
Common Equity Tier 1 capital	11,853	11,318	11,064
Tier 1 capital	11,853	11,318	11,064
Tier 2 capital	-	-	-
Total own funds	11,853	11,318	11,064

*According to earlier rules (Basel II)

Capital requirement

SEK million	30/06/2014	31/12/2013*	30/06/2013*
Credit risk recognised in accordance with IRB approach			
Exposures to corporates	431	439	549
Retail exposures	747	713	672
Total exposures in accordance with IRB approach	1,178	1,152	1,221
Credit risk reported in accordance with standardised approach			
Exposures to governments and central banks	0	0	0
Exposures to regional governments or local authorities	0	0	0
Exposures to institutions	34	212	194
Exposures to corporates	2	2	2
Retail exposures	1	1	4
Exposures in default	-	0	0
Exposures in the form of covered bonds	133	-	-
Exposures to institutions and corporates with a short-term credit assessment	8	-	-
Other items	101	3	3
Total exposures in accordance with standardised approach	279	218	203
Market risk	29	-	-
Operational risk	147	171	171
CVA risk	29	-	-
Total capital requirements	1,662	1,541	1,595

*According to earlier rules (Basel II)

Risk exposure amount

SEK million	30/06/2014	31/12/2013*	30/06/2013*
Credit risk	18,222	17,127	17,801
Market risk	360	-	-
Operational risk	1,836	2,136	2,136
CVA risk	359	-	-
Total risk exposure amount	20,777	19,263	19,937

*According to earlier rules (Basel II)

Capital adequacy

SEK million	30/06/2014	31/12/2013*	30/06/2013*
Common Equity Tier 1 capital	11,853	11,318	11,064
Tier 1 capital	11,853	11,318	11,064
Total own funds	11,853	11,318	11,064
Without transition rules			
Risk exposure amount	20,777	19,263	19,937
Common Equity Tier 1 capital ratio	57.0%	58.8%	55.5%
Tier 1 capital ratio	57.0%	58.8%	55.5%
Total capital ratio	57.0%	58.8%	55.5%
With transition rules			
Own funds	11,903	11,318	11,064
Risk exposure amount	113,925	107,089	105,033
Total capital ratio	10.4%	10.6%	10.5%

*According to earlier rules (Basel II)

Notes

Note 1 Accounting policies

SCBC applies statutory IFRS, 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. SCBC prepares interim reports in accordance with IAS 34, taking into account the exceptions from and additions to IFRS as detailed in RFR 2.

The accounting policies and calculation methods are unchanged compared with the 2013 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 is assessed to become mandatory on 1 January 2018, no complete assessment has as yet been made.

Note 2 Net result of financial transactions

SEK million	2014 Jan-Jun	2013 Jul-Dec	2013 Jan-Jun	2013 Jan-Dec
Gains/losses on interest-bearing financial instruments				
- Change in value of hedged items in hedge accounting	-636	144	810	954
- Derivative instruments	672	-180	-912	-1,092
- Loan receivables	31	37	34	71
- Realised expense from financial liabilities	-20	-94	-32	-126
Currency translation effects	0	0	1	1
Total	47	-93	-99	-192

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), with changes in fair value included in net result from financial transactions. 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 SCBC's basis swaps are held to maturity.

Note 3 Loan losses, net

SEK million	2014 Jan-Jun	2013 Jul-Dec	2013 Jan-Jun	2013 Jan-Dec
CORPORATE MARKET				
INDIVIDUAL PROVISION FOR CORPORATE MARKET LOANS				
Provision for probable loan losses for the period	-	-	-	-
Guarantees	-	-	-	-
Net cost for the period for individual provisions for corporate market loans	-	-	-	-
COLLECTIVE PROVISION FOR CORPORATE MARKET LOANS				
Allocations to/redemption of collective provisions	1	-1	5	4
Guarantees	0	-1	3	2
Net income/cost for the period for collective provisions for corporate market loans	1	-2	8	6
RETAIL MARKET				
INDIVIDUAL PROVISION FOR RETAIL MARKET LOANS				
Write-off of confirmed loan losses for the period	-	-	-	-
Reversal of prior year provisions for probable loan losses recognised as confirmed loan losses in the financial statements for the period	0	-	-	-
Provision for probable loan losses for the period	-	-3	-	-3
Net cost for the period for individual provisions for retail market loans	0	-3	-	-3
COLLECTIVE PROVISION FOR RETAIL MARKET LOANS				
Write-off of confirmed loan losses for the period	-0	-1	-1	-2
Recoveries in respect of confirmed loan losses in prior years	-	-	-	-
Allocation to/redemption of collective provisions	16	8	18	26
Guarantees	-6	-4	-2	-6
Net income/cost for the period for collective provisions for retail market loans	10	3	15	18
NET INCOME/COST FOR THE PERIOD FOR LOAN LOSSES	11	-2	23	21

The guarantees pertain to received or expected receivables from the National Board of Housing, Building and Planning, insurance companies and banks.

Note 4 Lending to the public

SEK million	30/06/2014		31/12/2013		30/06/2013	
	Lending	Provision	Lending	Provision	Lending	Provision
Single-family dwellings and holiday homes	91,945	-65	85,346	-66	85,012	-58
Tenant-owner rights	61,250	-38	56,931	-37	53,793	-32
Tenant-owner associations	44,795	-4	45,485	-6	45,557	-5
Private multi-family dwellings	17,763	-7	18,699	-3	19,668	-3
Municipal multi-family dwellings	3,335	-	3,619	-	3,862	-
Commercial properties*	12	-	14	-	79	-
Provision for probable loan losses	-114	-	-112	-	-98	-
Total	218,986	-114	209,982	-112	207,873	-98

*Refers only to non-pure commercial properties

Doubtful and non-performing loan receivables	30/06/2014	31/12/2013	30/06/2013
a) Doubtful loan receivables	3	3	-
b) Specific provisions for individually measured loan receivables	3	3	-
c) Collective provisions for corporate market loans	11	9	8
d) Collective provisions for retail market loans	100	100	90
e) Total provisions (b+c+d)	114	112	98
f) Doubtful loan receivables after individual provisions (a-b)	0	0	-
g) Provision ratio for individual provisions (b/a)	100%	100%	-

Note 5 Derivative instruments

SEK million	30/06/2014		
	Assets measured at fair value	Liabilities measured at fair value	Total nominal amount
Interest-rate related	3,503	1,231	130,654
Currency related	1,340	2,751	52,589
Total	4,843	3,982	183,243

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

Note 6 Classification of financial instruments

Financial assets SEK million	30/06/2014				Total fair value
	Assets measured at fair value through P/L	Hedge-accounted derivative instruments	Loan receivables	Total	
Lending to credit institutions			8,375	8,375	8,375
Lending to the public			218,986	218,986	221,183
Change in value of interest-rate-hedged items in portfolio			1,212	1,212	-
Derivative instruments	187	4,656		4,843	4,843
Other assets			665	665	665
Prepaid expenses and accrued income			199	199	199
Total	187	4,656	229,437	234,280	235,265

Financial liabilities SEK million	30/06/2014				Total fair value
	Liabilities measured at fair value through P/L	Hedge-accounted derivative instruments	Other financial liabilities	Total	
Liabilities to credit institutions			11,724	11,724	11,724
Debt securities in issue			150,834	150,834	151,156
Derivative instruments	705	3,277		3,982	3,982
Other liabilities			10	10	10
Accrued expenses and prepaid income			1,837	1,837	1,837
Subordinated debt to the Parent Company			53,142	53,142	53,142
Total	705	3,277	217,547	221,529	221,851

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.

Note 7 Information about fair value

SEK million	30/06/2014			Total
	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	
Assets				
Derivatives in the category trade	-	187	-	187
Other derivatives	-	4,656	-	4,656
Total	-	4,843	-	4,843
Liabilities				
Derivatives in the category trade	-	705	-	705
Other derivatives	-	3,277	-	3,277
Total	-	3,982	-	3,982

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 2014.

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. This valuation method is currently not used for any assets or liabilities.

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. Level 2 is used for financial instruments that are not traded on an active market. 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 8 Subordinated debt to Parent Company

SEK million	30/06/2014	31/12/2013	30/06/2013
Subordinated debt to the Parent Company	53,142	40,115	45,413
Total	53,142	40,115	45,413

Terms and conditions governing subordination

The subordinated debt was issued by the Parent Company. The subordinated debt is the subordinate to the company's other liabilities in the event of bankruptcy or liquidation, which means that it carries an entitlement to payment after other claimants have received payment.

Review Report

To the Board of Directors of the Swedish Covered Bond Corporation – SCBC

Corp. ID No. 556645-9755

Introduction

We have reviewed the interim report of the interim financial information (the interim report) of the Swedish Covered Bond Corporation – SCBC as of 30 June 2014 and for the six-month period then ended. The Board of directors and the CEO are responsible for the preparation and fair 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.

The direction and extent of the review

We have performed this review in accordance with the Swedish Standard on Review Engagements (ISRE) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making enquiries, primarily to persons responsible for financial and accounting matters, performing an analytical review and undertaking other review measures. A review has another direction and is substantially more limited in scope than an audit conducted in accordance with the Auditing Standard in Sweden (RS) and generally accepted auditing practice otherwise. The measures undertaken in a review do not permit us to be certain that we have become aware of all significant matters that might have been 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.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act of Credit Institutions and Securities Companies.

Stockholm, 16 July 2014

KPMG AB

Hans Åkervall
Authorised Public Accountant