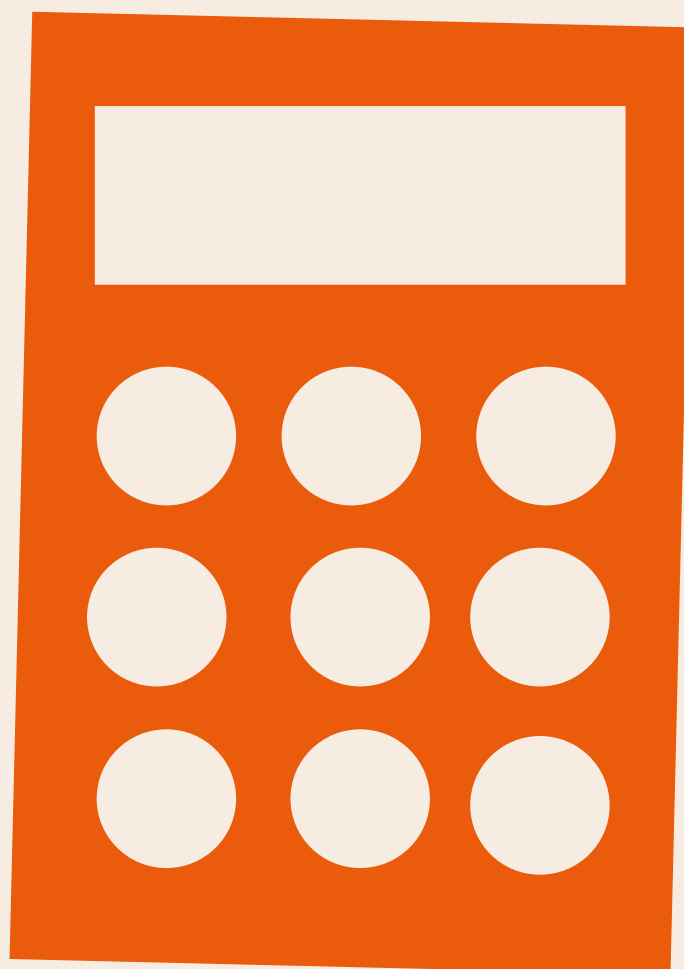


Disclosure of capital, liquidity and leverage ratio

March 2021



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Consolidated situation



The information in this report is based on the disclosure requirements under Part 8 of regulation (EU) 575/2013 and Swedish Financial Supervisory Authority's Regulatory Code FFFS 2014:18 and FFFS 2014:12. According to these regulations, SBAB Bank AB (publ) (SBAB) shall publish the structure of own funds, risk exposure amount per exposure class, information about capital adequacy and buffers as well as internally assessed capital requirement. In addition, leverage ratio and detailed information about liquidity coverage ratio are reported on a consolidated level. In accordance with FFFS 2010:7, liquidity reserve is also disclosed.

SBAB reports credit risk mainly in accordance with the IRB approach, and reports operational risk, market risk and CVA risk in accordance with the standardised approach.

1 Capital position

1.1 Capital adequacy

Amendments to the Banking Package

The EU Official Journal has on 7 June 2019 published amendments to the Capital Requirements Regulation, the Capital Requirements Directive and the Bank Recovery & Resolution Directive (the 'Banking Package') which entered into force on 27 June 2019. The Banking Package includes changes to capital requirements and changes in the loss-absorbing and recapitalisation capacity of credit institutions. Most of the changes in the Capital Requirements Regulation enter into force from 28 June 2021. Amendments in Swedish law due to the Capital Adequacy Directive entered into force on 29 December 2020.

Due to the corona pandemic, the EU made amendments to the CRR with effect from 27 June 2020. SBAB was affected by an earlier introduction of a reduction of the capital requirement for loans to small and medium-sized enterprises (SME factor). For SBAB the changes has a limited effect on the capital requirement. In addition, adjustments to amortization of intangible assets in the CET1-capital have been implemented by amending the delegated act (EU) 241/2014. The changes have a limited effect on the CET1-capital.

Buffer requirements

During the first quarter 2020, the Swedish FSA reduced the countercyclical buffer requirement for banks from 2.5 percent to 0 percent, due to the current corona pandemic. On 22 March 2021, the Swedish FSA decided to keep the countercyclical capital buffer requirement for banks unchanged at 0 percent. Furthermore, decisions will not be made quarterly but only in the event of a change.

SEK million	CONSOLIDATED SITUATION		
	31 Mar 2021	31 Dec 2020	31 Mar 2020
CET1 capital	17,812	17,492	15,926
Tier 1 capital	22,112	20,992	19,426
Total capital	24,112	22,992	21,877
Risk exposure amount	136,078	130,267	125,070
CET1 capital ratio, %	13.1	13.4	12.7
Excess ¹⁾ of CET1 capital	11,688	11,630	10,297
Tier 1 capital ratio, %	16.2	16.1	15.5
Excess ¹⁾ of Tier 1 capital	13,947	13,176	11,921
Total capital ratio, %	17.7	17.6	17.5
Excess ¹⁾ of total capital	13,226	12,571	11,871

1) Excess capital has been calculated based on minimum requirements (without buffer requirements).

1.2 Own funds

Disclosures in accordance with Article 4 of Commission Implementing Regulation (EU) No 1423/2013, Annex IV.

SEK million	CONSOLIDATED SITUATION		
	31 Mar 2021	31 Dec 2020	31 Mar 2020
CET1 capital instruments: Instruments and reserves			
Capital instruments and the related share premium accounts	1,958	1,958	1,958
Retained earnings	15,800	13,995	14,129
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	1,838	2,321	2,589
Additional Tier 1 instruments	4,300	3,500	3,500
Independently verified interim profits net of any foreseeable charge or dividend ¹⁾	349	1,855	228
CET1 capital before regulatory adjustments	24,245	23,629	22,404
CET1 capital: Regulatory adjustments			
Additional value adjustments (negative amount)	-50	-51	-62
Intangible assets (net of related tax liability) (negative amount)	-228	-204	-204
Fair value reserves related to gains or losses on cash-flow hedges	-1,766	-2,307	-2,640
Negative amounts resulting from the calculation of expected loss amounts	-65	-51	-52
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-24	-24	-20
Additional Tier 1 instruments in equity	-4,300	-3,500	-3,500
Total regulatory adjustments to CET1 capital	-6,433	-6,137	-6,478
CET1 capital	17,812	17,492	15,926
Additional Tier 1 capital: Instrument			
Capital instruments and the related share premium accounts	4,300	3,500	3,500
– of which, classified as equity under applicable accounting standards	4,300	3,500	3,500
– of which, classified as liabilities under applicable accounting standards	–	–	–
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	–	–	–
Additional Tier 1 capital before regulatory adjustments	4,300	3,500	3,500
Additional Tier 1 capital: Regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 capital	–	–	–
Additional Tier 1 capital	4,300	3,500	3,500
Tier 1 capital (Tier 1 capital=CET1 + Additional Tier 1 capital)	22,112	20,992	19,426
Tier 2 capital: Instruments and provisions			
Capital instruments and the related share premium accounts	1,995	1,995	2,447
Credit risk adjustments	5	5	4
Tier 2 capital before regulatory adjustments	2,000	2,000	2,451
Tier 2 capital: Regulatory adjustments			
Total regulatory adjustments to Tier 2 capital	–	–	–
Tier 2 capital	2,000	2,000	2,451
Total capital (Total capital=Tier 1 capital + Tier 2 capital)	24,112	22,992	21,877
Total risk-weighted assets	136,078	130,267	125,070

1.2 Own funds, Cont.

SEK million	CONSOLIDATED SITUATION		
	31 Mar 2021	31 Dec 2020	31 Mar 2020
Capital ratio and buffers			
CET1 capital (as a percentage of total risk-weighted exposure amount), %	13.1	13.4	12.7
Tier 1 capital (as a percentage of total risk-weighted exposure amount), %	16.2	16.1	15.5
Total capital (as a percentage of total risk-weighted exposure amount), %	17.7	17.6	17.5
Institution-specific buffer requirements (CET1 capital requirement in accordance with Article 92(1)(a) plus the capital conservation buffer and countercyclical capital buffer requirements, plus the systemic risk buffer, plus the systemically important institution buffers [G-SII buffer and O-SII buffer] expressed as a percentage of the risk-weighted exposure amount), %	7.0	7.0	7.0
– of which, CET1 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, %	0.0	0.0	0.0
– of which, systemic risk buffer requirement, %	–	–	–
– of which, G-SII buffer and O-SII buffer, %	–	–	–
CET1 capital available to meet buffers (as a share of risk-weighted exposure amounts, %)	8.6	8.9	8.2
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)			
Current cap on AT1 instruments subject to phase-out arrangements	–	–	–
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	–	–	–
Current cap on T2 instruments subject to phase-out arrangements	–	–	–

1) The results have been verified by Deloitte AB pursuant to Article 26, Point 2a of the Capital Requirements Regulation.

1.3 Risk exposure amounts and capital requirements by risk type

(EU OV1 table)

SEK million	CONSOLIDATED SITUATION			
	31 Mar 2021		31 Dec 2020	
	Risk exposure amount	Minimal capital requirement	Risk exposure amount	Minimal capital requirement
Credit risk (excl. counterparty risk)	39,233	3,138	36,720	2,938
– of which, the standardised approach	9,024	721	7,961	638
– of which, the FIRB approach	17,619	1,410	16,578	1,326
– of which, the AIRB approach	12,590	1,007	12,181	974
Counterparty credit risk	5,746	460	5,546	443
– of which, Mark-to-Market Method	4,160	333	4,042	323
– of which, credit valuation adjustment risk (CVA)	1,586	127	1,504	120
Market risk	633	51	348	28
– of which, the standardised approach	633	51	348	28
Operational risks	5,547	444	5,212	417
– of which, the standardised approach	5,547	444	5,212	417
Additional stricter prudential requirements under Article 458 of the CRR	84,127	6,730	81,649	6,532
Additional stricter prudential requirements under Article 3 of the CRR	792	63	792	63
Total	136,078	10,886	130,267	10,421

1.4 Risk exposure amounts and capital requirements

At the start of 2019, SBAB's Board decided to apply Article 3 of the Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (CRR) for corporate exposures to small and medium-sized enterprises. The aim is to compensate for the current pro-cyclical effect that exists in the bank's internal models for credit risk, which has resulted in PD declining in line with the favourable economic climate. As a result, the bank has introduced a REA surcharge of SEK

792 million under Pillar 1, since 31 March 2019. In May 2020, SBAB started to apply a new definition of default according to guidelines submitted by the European banking authority (EBA) aimed to harmonize calculations for credit risk between banks. At the transition to the new definition of default in May 2020 the share of defaulted exposures was reduced and the impact on REA was very limited which was in line with the bank's expectations.

SEK million	CONSOLIDATED SITUATION					
	31 Mar 2021		31 Dec 2020		31 Mar 2020	
	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement
Credit risk recognised in accordance with IRB approach						
Exposures to corporates	17,619	1,410	16,578	1,326	14,797	1,184
Retail exposures	12,590	1,007	12,181	975	12,298	984
– of which, exposures to SMEs	952	76	913	73	864	69
– of which, retail exposures secured by immovable property	11,638	931	11,268	902	11,434	915
Total exposures recognised with the IRB approach	30,209	2,417	28,759	2,301	27,095	2,168
Credit risk recognised with the standardised approach						
Exposures to governments and central banks	0	0	0	0	0	0
Exposures to regional governments or local authorities or agencies	0	0	0	0	0	0
Exposures to multilateral development banks	0	0	0	0	0	0
Exposures to international organisations	0	0	0	0	–	–
Exposures to institutions ¹⁾	4,160	333	4,042	323	4,474	358
– of which, derivatives according to CRR, Appendix 2	4,014	321	4,014	321	4,368	350
– of which, repos	146	12	28	2	105	8
– of which, other	0	0	0	0	1	0
Retail exposures	2,638	211	2,613	209	2,333	187
Exposures in default	6	0	7	1	7	1
Exposures in the form of covered bonds	3,826	306	3,738	299	3,989	319
Exposures to institutions and corporates with a short-term credit rating	1,067	85	10	1	242	19
Equity exposures	1,266	101	1,266	101	1,266	101
Other items	221	18	327	26	261	20
Total exposures recognised with standardised approach	13,184	1,054	12,003	960	12,572	1,005
Market risk	633	51	348	28	483	39
– of which, position risk	–	–	–	–	–	–
– of which, currency risk	633	51	348	28	483	39
Operational risk	5,547	444	5,212	417	5,212	417
– of which, standardised approach	5,547	444	5,212	417	5,212	417
Credit valuation adjustment risk (CVA risk)	1,586	127	1,504	120	2,246	180
Additional requirements under Article 458 of the CRR	84,127	6,730	81,649	6,532	76,670	6,134
Additional requirements under Article 3 of the CRR	792	63	792	63	792	63
Total risk exposure amount and minimum capital requirements	136,078	10,886	130,267	10,421	120,070	10,006
Capital requirements for capital conservation buffer		3,402		3,257		3,127
Capital requirements for countercyclical buffer		18		17		9
Total capital requirements		14,306		13,695		13,142

1) The risk exposure amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 4,160 million (4,042).

1.5

LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

The CRR introduced a non-risk-sensitive metric to avoid excessive indebtedness. This metric is calculated as Tier 1 capital in relation to total assets and off-balance sheet exposures restated with the application of credit conversion factors (CCF). Leverage ratio for the consolidated situation, calculated according to article 429 in Regulation (EU) No 575/2013 of the European Parliament and of the council (CRR), amounted to 4.09 percent.

SEK million	CONSOLIDATED SITUATION
	Applicable amount
Total assets as per published financial statements	518,737
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-21
Adjustments for derivative financial instruments	-526
Adjustment for securities financing transactions (SFTs)	5,831
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	17,118
Other adjustments	-707
Leverage ratio total exposure measure	540,432

1.6

LRSpl: Split-up of on-balance sheet exposures (excluding derivatives and SFTs)

SEK million	CONSOLIDATED SITUATION
	CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	508,455
– of which, trading book exposures	-
Banking book exposures, of which:	508,455
covered bonds	38,265
Exposures treated as sovereigns	33,669
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-
Institutions	2
Secured by mortgages of immovable properties	429,790
Retail exposures	3,169
Corporate	-
Exposures in default	202
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	3,358

1.7 LRCom: Leverage ratio common disclosure

SEK million	CONSOLIDATED SITUATION
	CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)	
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) (Asset amounts deducted in determining Tier 1 capital)	508,455 -228
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	508,227
Derivative Exposures	
Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	4,996
Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	5,513
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-1,253
Total derivatives exposures	9,256
SFT Exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	5,831
Netted amounts of cash payables and cash receivables of gross SFT assets	-
Total securities financing transaction exposures	5,831
Other off-balance sheet exposures	
Off-balance sheet exposures at gross notional amount	75,871
Adjustments for conversion to credit equivalent amounts)	-58,753
Other off-balance sheet exposures	17,118
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)	
(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	0
Capital and total exposure measure	
Tier 1 capital	22,112
Leverage ratio total exposure measure	540,432
Leverage ratio	
Leverage ratio	4.09%
Choice on transitional arrangements and amount of derecognised fiduciary items	
Choice on transitional arrangements for the definition of the capital measure	Fully Phased in

Description of the processes used to manage the risk of excessive leverage

Leverage ratio is included in SBAB:s forward looking capital planning in order to proactively manage the risk of excessive leverage. The ratio is targeted in SBAB:s capital policy. The outcome and development of the ratio is monitored and reported monthly to the CEO and Board. In a situation of excessive leverage where the ratio is in cause of concern, actions in the form of reduced dividend, capital injection from owner or emission of Additional Tier 1 Capital instruments could be implemented. In addition and if necessary, balance sheet actions could also be implemented to reduce the exposure measure.

Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

The leverage ratio amounted to 4.09 percent on 31 March 2021 in comparison to 4.00 percent on 31 December 2020. This change is explained by:

- Tier 1 capital has increased due to accrued earnings and new emission of AT1 instrument, which had a positive impact on the leverage ratio by 0.21 percent.
- The effect on the exposure measure attributable to SFTs has increased and impacted the ratio negatively by 0.03 percent.
- The effect on the exposure measure attributable to off balance items has increased and impacted the ratio negatively by 0.02 percent.
- The effect on the exposure measure attributable to other assets has increased and impacted the ratio negatively by 0.07 percent.

1.8 Internally calculated capital requirements per risk type

The internal capital adequacy assessment aims to ensure that SBAB has adequate capital to deal with any financial problems that arise. The internally assessed capital requirement for the Group amounted to SEK 15,891 million (SEK 15,206 million on 31 December 2020). The internal capital requirement is assessed using SBAB's internal models for economic capital and is not fully comparable to the estimated capital published by the Swedish FSA (Finansinspektionen) due to differences in assumptions and methodologies. SBAB estimates that the Swedish FSA's expected total capital requirement as of 31 March 2021 amounted to SEK 16,556 million, of which SEK 2,249 million comprised the capital requirement in Pillar 2. The Swedish FSA will publish updated

capital requirements of the largest Swedish banks and credit institutions that belong to supervisory categories 1 and 2 at the end of Q1 2021 during May.

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. The internal capital requirement is defined as the higher of economic capital and the regulatory requirements for each type of risk.

		CONSOLIDATED SITUATION			
		31 Mar 2021		31 Dec 2020	
		Internally assessed capital requirement		Internally assessed capital requirement	
SEK million		Incl. risk-weight floor, SEK million	Incl. risk-weight floor, %	Incl. risk-weight floor, SEK million	Incl. risk-weight floor, %
Pillar 1	Credit risk & CVA risk	3,598	2.6	3,381	2.6
	Market risk	51	0.1	28	0.0
	Operational risk	444	0.3	417	0.3
	Risk-weight floor ¹⁾	6,730	4.9	6,532	5.0
	Surcharge, corporate exposures ²⁾	63	0.1	63	0.1
	Total Pillar 1	10,886	8.0	10,421	8.0
Pillar 2	Credit risk	–	–	–	–
	Market risk	409	0.3	387 ³⁾	0.3 ³⁾
	Operational risk	–	–	–	–
	Concentration risk	1,082	0.8	1,046	0.8
	Sovereign risk	94	0.1	78	0.1
	Pension risk	–	–	–	–
	Total Pillar 2	1,585	1.2	1,511³⁾	1.2³⁾
Buffers	Capital conservation buffer	3,402	2.5	3,257	2.5
	Capital planning buffer	–	–	–	–
	Countercyclical buffer	18	0.0	17	0.0
	Total Buffers	3,420	2.5	3,274	2.5
Total	15,891	11.7	15,206³⁾	11.7³⁾	
Total own funds	24,112		22,992		

1) On 23 August 2018, the Swedish FSA decided to amend the method for applying the risk-weight floor for Swedish mortgages, which was previously applied in Pillar 2, by replacing it with the corresponding requirement within the framework of Article 458 of the Regulation on Prudential Requirements for Credit Institutions and Investment Firms. The change means the capital requirement is set as a requirement in Pillar 1. The amendment entered force from 31 December 2018 and applies for two years. Finansinspektionen has notified the Council, the European Commission and the EBA of its plans to continue to apply the risk weight floor for mortgages for another year, in accordance with Article 458 of the CRR. The European Commission approved FI's proposed measure in November 2020 and FI subsequently decided to extend the application of the floor within Pillar 1 until 30 December 2021.

2) Surcharge after decision by the Board pursuant to Article 3 of the CRR.

3) The amount has been adjusted compared to the amount in the table published in the December 2020 report.

2 Credit risk

2.1 Credit risk exposures and credit risk mitigation (CRM) using the standardised approach

(EU CR4 table)

Exposure classes, SEK million	CONSOLIDATED SITUATION					
	Original exposure amount before credit risk conversion factors and mitigation methods		Original exposure amount after credit risk conversion factors and mitigation methods		Risk exposure amounts and risk exposure density	
	Carrying amount	Contingent liabilities	Carrying amount	Contingent liabilities	Risk exposure amount	Density (%)
Governments and central banks	14,044	–	14,044	–	–	–
Regional governments or local authorities or agencies	15,596	–	16,055	–	–	–
Multilateral development banks	1,654	–	1,654	–	–	–
International organisations	1,915	–	1,915	–	–	–
Institutions ¹⁾	2	–	2	–	0	20
Corporates	–	–	–	–	–	–
Retail	3,169	1,738	3,169	348	2,638	75
Exposures in default	6	–	6	–	6	100
Covered bonds	38,265	–	38,265	–	3,826	10
Institutions and corporates with a short-term credit assessment	2,736	–	2,736	–	1,067	39
Equity	101	–	101	–	1,266	1,250
Other items	521	–	521	–	221	42
Total	78,009	1,738	78,468	348	9,024	11

1) The institution exposure class excludes counterparty risk.

2.2

Breakdown of exposure amounts using the standardised approach by exposure class and risk weight after application of the ccf and credit risk mitigation (CRM)

(EU CR5 table)¹⁾

Exposure classes, SEK million	CONSOLIDATED SITUATION										Deduc- ted ²⁾	Total	Of which unrated
	0%	10%	20%	50%	75%	100%	150%	250%	1,250%				
Governments and central banks	14,044	-	-	-	-	-	-	-	-	-	-	14,044	-
Regional governments or local authorities or agencies	16,055	-	-	-	-	-	-	-	-	-	-	16,055	-
Multilateral development banks	1,654	-	-	-	-	-	-	-	-	-	-	1,654	-
International organisations	1,915	-	-	-	-	-	-	-	-	-	-	1,915	-
Institutions ¹⁾	-	-	2,160	7,456	-	-	-	-	-	-	-	9,616	-
Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail	-	-	-	-	3,517	-	-	-	-	-	-	3,517	3,517
Exposures in default	-	-	-	-	-	6	-	-	-	-	-	6	6
Covered bonds	-	38,265	-	-	-	-	-	-	-	-	-	38,265	-
Institutions and corporates with a short-term credit assessment	-	-	1,003	1,732	-	-	-	-	-	-	-	2,735	-
Equity	-	-	-	-	-	-	-	-	-	101	-	101	101
Other items	300	-	-	-	-	221	-	-	-	-	-	521	784
Total	33,968	38,265	3,163	9,188	3,517	227	-	-	101	-	-	88,429	4,408

1) Exposures to institutions including counterparty risk.

2) The exposure class, "other items" includes those items deducted from own funds. As a precautionary measure, capital adequacy for these is calculated with a risk weight of 0 percent.

2.3 Credit risk exposure by exposure class and pd range

(EU CR6 table)

CONSOLIDATED SITUATION														
SEK million	PD scale	Original on-balance-sheet exposure	Off-balance-sheet exposures pre-CCF	Average CCF, %	Exposure value after CCF	Average PD, %	Number of borrowers	Average LGD, %	Average maturity	Risk exposure amount	Risk exposure amount density, %	Expected loss	Value adjustments and provisions	
Exposure class														
Corporates (foundation approach)	0.00 to <0.15	23,831	58	20	23,834	0.09	133	35.3	2.5	3,544	15	7	-	
	0.15 to <0.25	7,498	-	-	7,498	0.21	71	35.1	2.5	1,745	23	6	-	
	0.25 to <0.50	3,441	38	20	3,449	0.45	72	35.6	2.5	1,190	35	5	-	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-	
	Of which, Corporate SME	388	32	20	394	1.16	22	36.8	2.5	202	51	2	-	
	0.75 to <2.50	4	-	-	2	3.05	6	40.6	2.5	1	71	0	-	
	2.50 to <10.00	145	-	-	145	27.04	2	35.0	2.5	202	140	14	-	
	10.00 to <100.00	0	-	-	0	100.00	1	35.0	2.5	-	-	-	-	
	100.00 (Default)	0	-	-	0	100.00	1	35.0	2.5	-	-	-	-	
	Portfolio subtotal	35,307	128	20	35,322	0.27	307	35.3	2.5	6,884	19	34	4	
	Corporates (advanced approach)	0.00 to <0.15	19,679	4,161	75	22,772	0.09	134	37.8	2.5	5,706	25	8	-
		0.15 to <0.25	3,966	1,476	75	5,073	0.21	31	41.2	2.5	2,216	44	4	-
		0.25 to <0.50	1,626	636	75	2,080	0.45	15	43.2	2.5	1,398	67	4	-
		0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
		Of which, Corporates Other	284	168	75	410	1.16	3	43.1	2.5	404	98	2	-
		0.75 to <2.50	305	10	75	312	3.05	2	40.2	2.5	381	122	4	-
		2.50 to <10.00	218	29	75	240	27.04	1	45.0	2.5	630	263	29	-
		10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
		100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio subtotal		26,078	6,480	75	30,887	0.39	186	38.8	2.5	10,735	35	51	16	
Retail (advanced approach)	0.00 to <0.15	36,947	207	83	36,865	0.09	1,213	7.1	-	471	1	2	-	
	0.15 to <0.25	11,955	196	87	12,018	0.21	532	8.0	-	324	3	2	-	
	0.25 to <0.50	2,770	32	79	2,794	0.45	127	8.2	-	133	5	1	-	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-	
	Of which, Retail SME	69	-	-	69	1.16	13	8.7	-	7	10	0	-	
	0.75 to <2.50	24	-	-	6	3.05	5	15.7	-	2	32	0	-	
	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-	
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	17	-	-	17	100.00	2	14.7	-	15	85	3	-	
	Portfolio subtotal	51,782	435	85	51,769	0.17	1,892	7.4	-	952	2	8	9	
	Retail (foundation approach)	0.00 to <0.15	227,148	35,712	24	235,853	0.04	138,890	10.0	-	2,952	1	9	-
		0.15 to <0.25	48,220	22,092	29	54,547	0.16	34,463	11.4	-	2,244	4	10	-
		0.25 to <0.50	27,465	8,655	25	29,647	0.42	18,004	11.3	-	2,449	8	14	-
		0.50 till <0.75	-	-	-	-	-	-	-	-	-	-	-	-
		Of which, Retail Other	11,489	543	78	11,912	1.55	6,468	11.4	-	2,396	20	21	-
		0.75 to <2.50	1,807	51	83	1,849	4.17	1,067	11.1	-	652	35	9	-
		2.50 to <10.00	1,074	37	36	1,088	24.67	753	11.0	-	736	68	30	-
		10.00 to <100.00	202	-	-	202	100.00	162	14.5	-	209	104	16	-
		100.00 (Default)	202	-	-	202	100.00	162	14.5	-	209	104	16	-
Portfolio subtotal		317,405	67,090	26	335,098	0.31	199,807	10.4	-	11,638	3	109	114	
Total (all portfolios)		430,572	74,133	31	453,076	0.30	202,192	13.9	-	30,209	7	202	143	

2.4 Trend for risk exposure amounts under the irb approach

(EU CR8 table)

SEK million	CONSOLIDATED SITUATION			
	31 Mar 2021		31 Dec 2020	
	Risk exposure amount	Minimal capital requirement	Risk exposure amount	Minimal capital requirement
Risk exposure amount at the end of the previous quarter	28,759	2,301	27,909	2,233
Asset size	1,797	144	1,244	100
Asset quality	-337	-27	-390	-32
Model updates	-	-	-	-
Methodology and policy	-	-	-	-
Acquisitions and disposals	-	-	-	-
Foreign exchange movements	-	-	-	-
Other	-10	-1	-4	0
Risk exposure amount at the end of the reporting quarter	30,209	2,417	28,759	2,301

2.5 Credit quality of exposures by exposure class and instrument

(EU CR1-A table)

SEK million	CONSOLIDATED SITUATION						
	Gross carrying amount of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges for the period	Net values (or net exposures)
Exposures in default	Non-defaulted exposures						
Exposures to corporates	0	67,993	20	-	-	-4	67,973
– of which, Specialised lending	-	-	-	-	-	-	-
– of which, to SMEs	0	35,433	4	-	-	0	35,430
Retail exposures	220	436,492	123	-	28	-7	436,589
Exposures to households secured against immovable property	220	436,492	123	-	28	-7	436,589
– of which, to SMEs	17	52,199	9	-	23	0	52,208
– of which, to non-SMEs	203	384,293	114	-	5	-7	384,381
Total exposure with IRB approach	220	504,485	143	-	28	-11	504,562
Exposures to governments and central banks	-	14,044	0	-	-	0	14,044
Exposures to regional governments or local authorities or agencies	-	15,597	0	-	-	0	15,597
Exposures to public sector entities	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	1,654	0	-	-	0	1,654
Exposures to international organisations	-	1,916	0	-	-	0	1,916
Exposures to institutions	-	9,616	-	-	-	-	9,616
Retail exposures	13	4,914	7	-	-	0	4,920
– of which, to SMEs	-	-	-	-	-	-	-
Exposures in default	13	-	7	-	-	1	6
Exposures in the form of covered bonds	-	38,265	1	-	-	0	38,264
Exposures to institutions and corporates with a short-term credit rating	-	2,736	-	-	-	-	2,736
Equity exposures	-	101	-	-	-	-	101
Other exposures	-	521	-	-	-	-	521
Deduction for retail exposures in default ¹⁾	-13	-	-	-	-	-	-13
Total exposure with standardised approach	13	89,364	15	-	-	1	89,362
Total	233	593,848	158	-	28	-10	593,923
– of which, loans	183	433,529	139	-	-	-7	433,573
– of which, debt securities	-	70,753	-	-	-	-	70,753
– of which, off-balance-sheet exposures	-	75,871	17	-	-	-3	75,854

1) According to EBA guidelines, Q&A 2017:348

2.6 Credit quality of exposures by industry of counterparty types

(EU CR1-B table)

CONSOLIDATED SITUATION							
SEK million	Gross carrying amount of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges for the period	Net values
	Exposures in default	Non-default exposures					
Construction	–	13,583	16	–	–	19	13,567
Real estate activities	220	506,600	127	–	28	–30	506,693
Other services	13	7,350	14	–	–	1	7,349
Financial services ¹⁾	–	66,315	1	–	–	–	66,314
Total	233	593,848	158	–	28	–10	593,923

1) Credit institutions

2.7 Credit quality of exposures by geography

(EU CR1-C table)

CONSOLIDATED SITUATION							
SEK million	Gross carrying amount of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges for the period	Net values
	Exposures in default	Non-default exposures					
Sweden	233	569,207	158	–	28	–10	569,282
Denmark	–	5,783	–	–	–	–	5,783
Finland	–	4,064	–	–	–	–	4,064
Norway	–	5,316	–	–	–	–	5,316
Canada	–	312	–	–	–	–	312
USA	–	–	–	–	–	–	–
France	–	–	–	–	–	–	–
Germany	–	3,231	–	–	–	–	3,231
United Kingdom	–	2,365	–	–	–	–	2,365
Switzerland	–	–	–	–	–	–	–
Austria	–	–	–	–	–	–	–
Other ¹⁾	–	3,570	–	–	–	–	3,570
Total	233	593,848	158	–	28	–10	593,923

1) Pertains to investments in securities issued by the European Investment Bank (EIB) and the Nordic Investment Bank (NIB)

2.8 Changes in the stock of general and specific credit risk adjustments

(EU CR2-A table)

SEK million	CONSOLIDATED SITUATION	
	Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
Opening balance (previous quarter)	166	–
Increases due to amounts set aside for estimated loan losses during the period	33	–
Decreases due to amounts reversed for estimated loan losses during the period	–39	–
Decreases due to amounts taken against accumulated credit risk adjustments	–2	–
Transfers between credit risk adjustments	–	–
Impact of exchange rate differences	–	–
Business combinations, including acquisitions and disposals of subsidiaries	–	–
Other adjustments	–	–
Closing balance	158	–
Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	1	–
Specific credit risk adjustments directly recorded to the statement of profit or loss.	–2	–

2.9 Changes in the stock of defaulted and impaired loans and interest-bearing securities

(EU CR2-B table)

SEK million	CONSOLIDATED SITUATION
	Gross carrying amount for defaulted exposures
Opening balance (previous quarter)	224
Loans and interest-bearing securities that have defaulted or impaired since the last reporting period	42
Returned to non-defaulted status	–19
Amounts written off	–2
Other changes	–12
Closing balance	233

2.10 Credit risk mitigation techniques

(EU CR3 table)

SEK million	CONSOLIDATED SITUATION				
	Unsecured exposures – carrying amount	Secured exposures – carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
Total – loans	10,722	422,900	422,454	446	–
Total – interest-bearing securities	70,753	–	–	–	–
Total exposures	81,475	422,900	422,454	446	–
– of which, in default	8	194	194	–	–

2.11 Credit quality of forborne exposures

(EU NPL 1 table)¹⁾

SEK million	CONSOLIDATED SITUATION							
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Per-forming forborne	Non-performing forborne			On per-forming forborne exposures	On non per-forming forborne exposure	Of which collateral and financial guarantees received on non-per-forming exposures with forbearance measures	
		Of which default-ed	Of which impaired					
Loans and advances	16	68	68	68	0	–3	80	–
Central banks	–	–	–	–	–	–	–	–
General governments	–	–	–	–	–	–	–	–
Credit institutions	–	–	–	–	–	–	–	–
Other financial corporations	–	–	–	–	–	–	–	–
Non-financial corporations	7	–	–	–	0	–	7	–
Household	9	68	68	68	0	–3	73	–
Debt securities	–	–	–	–	–	–	–	–
Loan commitments given	–	–	–	–	–	–	–	–
Total	16	68	68	68	0	–3	80	–

1) Template 1 in Final report on Guidelines on disclosure of non-performing and forborne exposures EBA/GL/2018/10.

2.12 Credit quality of performing and non-performing exposures by past due days

(EU NPL 3 table)¹⁾

CONSOLIDATED SITUATION												
Gross carrying amount/nominal amount												
SEK million	Performing exposures				Non-performing exposures							
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 years ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted		
Loans and advances	433,966	433,898	68	249	165	23	28	17	16	-	-	249
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	592	592	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	113,007	113,007	-	18	18	0	-	-	-	-	-	18
– of which, SMEs	85,568	85,568	-	18	18	0	-	-	-	-	-	18
Household	320,367	320,299	68	231	147	23	28	17	16	-	-	231
Debt securities	32,447	32,447	-	-	-	-	-	-	-	-	-	-
Central banks	2,231	2,231	-	-	-	-	-	-	-	-	-	-
General governments	16,841	16,841	-	-	-	-	-	-	-	-	-	-
Credit institutions	13,375	13,375	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Off balance sheet exposures	75,871	-	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	7,043	-	-	-	-	-	-	-	-	-	-	-
Household	68,828	-	-	-	-	-	-	-	-	-	-	-
Total	542,284	466,345	68	249	165	23	28	17	16	-	-	249

¹⁾ Template 3 in Final report on Guidelines on disclosure of non-performing and forborne exposures EBA/GL/2018/10.

2.13 Performing and non-performing exposures and related provisions

(EU NPL 4 table)¹⁾

SEK million	CONSOLIDATED SITUATION														
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral received and financial guarantees received		
	Performing exposures			Non-performing exposures			Performing exposures - accumulated impairment and provision		Non-performing exposures accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Accumulated partial write-off	On performing exposures	On non-performing exposures
	Of which stage 1	of which stage 2		Of which stage 2	of which stage 3		Of which stage 1	of which stage 2	Of which stage 2	of which stage 3					
Loans and advances	433,966	415,271	18,695	249	0	249	-111	-42	-69	-32	0	-32	0	-	0
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	592	592	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	113,007	110,674	2,333	18	-	18	-9	-4	-5	-8	-	-8	-	-	-
– of which, SMEs	85,568	84,320	1,248	18	-	18	-5	-3	-2	-8	-	-8	-	-	-
Household	320,367	304,005	16,362	231	0	231	-102	-38	-64	-24	0	-24	0	-	0
Debt securities	32,447	32,447	-	-	-	-	-2	-2	-	-	-	-	-	-	-
Central banks	2,231	2,231	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	16,841	16,841	-	-	-	-	-1	-1	-	-	-	-	-	-	-
Credit institutions	13,375	13,375	-	-	-	-	-1	-1	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off balance sheet exposures	75,871	75,369	502	-	-	-	-17	-9	-8	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	7,043	6,581	462	-	-	-	-12	-4	-8	-	-	-	-	-	-
Household	68,828	68,788	40	-	-	-	-5	-5	0	-	-	-	-	-	-
Total	542,284	523,087	19,197	249	0	249	-131	-53	-77	-32	0	-32	0	-	0

1) Template 4 in Final report on Guidelines on disclosure of non-performing and forborne exposures EBA/GL/2018/10.

2.14

Information on loans and advances subject to legislative and non-legislative moratoria

CONSOLIDATED SITUATION															
SEK million	Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk								Gross carrying amount		
	Performing		Non performing		Performing				Non performing						
			<i>Of which: Instruments with Of significant exposure credit risk since initial with recognition but not credit-impaired (Stage 2)</i>		<i>Of which: exposures with forbearance measures</i>	<i>Of which: Unlikely to pay that are not past-due <= 90 days</i>					<i>Of which: Instruments with Of significant exposure credit risk since initial with recognition but not credit-impaired (Stage 2)</i>		<i>Of which: exposures with forbearance measures</i>	<i>Of which: Unlikely to pay that are not past-due or past-due <= 90 days</i>	<i>Inflows to non-performing exposures</i>
Loans and advances subject to moratorium	50,582	50,568	-	3,345	14	-	3	27	26	-	16	1	-	0	12
- of which, households	50,582	50,568	-	3,345	14	-	3	27	26	-	16	1	-	0	12
- of which, collateralised by residential immovable property	50,582	50,568	-	3,345	14	-	3	27	26	-	16	1	-	0	12
- of which, non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which, SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which, Collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2.15

Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

CONSOLIDATED SITUATION									
SEK million	Number of obligors	Gross carrying amount							
			Of which: legislative moratoria	Of which: Expired	Residual maturity of moratoria				
					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
Loans and advances for which moratorium was offered	22,928	50,610	-	-	-	-	-	-	-
Loans and advances subject to moratorium (granted)	22,906	50,582	50,582	16,716	18,920	31,662	-	-	-
– of which, households	-	50,582	50,582	16,716	18,920	31,662	-	-	-
– of which, collateralised by residential immovable property	-	50,582	50,582	16,716	18,920	31,662	-	-	-
– of which, non-financial corporations	-	-	-	-	-	-	-	-	-
– of which, SMEs	-	-	-	-	-	-	-	-	-
– of which, Collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-

2.16 Risk weights for counterparty – Credit risk exposures by class

(EU CCR3 table)

Exposure class, SEK million	CONSOLIDATED SITUATION									
	31 Mar 2021					31 Dec 2020				
	0%	10%	20%	50%	Total	0%	10%	20%	50%	Total
Institution	-	-	2,158	7,456	9,614	-	-	1,795	7,365	9,160
Total	-	-	2,158	7,456	9,614	-	-	1,795	7,365	9,160

2.17 Analysis of the counterparty credit risk (CCR) exposure by approach

(EU CCR1 table)

Exposure class, SEK million	CONSOLIDATED SITUATION			
	Replacement cost/current market value	Potential future credit exposure	EAD post CRM	Risk exposure amount
Mark to market	7,945	5,513	9,256	4,014
Financial collateral comprehensive method (for SFTs)	-	-	358	146
Total	7,945	5,513	9,614	4,160

2.18 Impact of netting and collateral held on exposure values

(EU CCR5-A table)

SEK million	CONSOLIDATED SITUATION				
	Gross positive fair value or net carrying	Netting benefits	Netted current credit	Collateral held	Net credit exposure
Derivatives	9,782	-1,837	7,945	-5,022	2,923
SFTs	20,903	-	20,903	-20,270	633
Total	30,685	-1,837	28,848	-25,292	3,556

2.19 Composition of collateral for exposures to counterparty credit risk

(EU CCR5-B table)

SEK million	CONSOLIDATED SITUATION					
	Collateral used in derivative transaction				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Total	–	6,440	2,106	586	20,368	13,141

3 Market risk

3.1 Risk exposure amounts and capital requirements for market risk

(EU MR1 table)

Risk class, SEK million	CONSOLIDATED SITUATION			
	31 Mar 2021		31 Dec 2020	
	Risk exposure amount	Minimal capital requirement	Risk exposure amount	Minimal capital requirement
Interest-rate risk (general and specific)	-	-	-	-
Foreign exchange risk	633	51	348	28
Total	633	51	348	28

4 Liquidity risk

4.1 Liquidity reserve

The assets in SBAB's liquidity reserve comprises liquid, interest-bearing securities with high ratings and form an integrated part of the Group's liquidity risk management. Securities holdings are limited by asset class and by country, respectively, and must have a AA rating on acquisition. In addition to these collective limits, limits for individual issuers may also be set. The following table is reported according to the Swedish Bankers' Association's template for liquidity reserve disclosures.

SBAB and SCBC are managed collectively as one sub-consolidated liquidity group with regard to liquidity management and control in accordance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council (CRR), which allows free disposition of liquid funds in the liquidity group. That means that the liquidity requirements in the CRR only are applicable for the consolidated situation and not for the individual entities within the group.

SEK billion		CONSOLIDATED SITUATION									
		31 Mar 2021					31 Dec 2020				
		Total	Distribution by currency				Total	Distribution by currency			
SEK	EUR		USD	Other	SEK	EUR		USD	Other		
	Level 1 assets	66,8	44,7	16,0	6,1	-	67,8	47,6	14,7	5,5	-
	Cash and balances with central banks	2,0	2,0	-	-	-	7,7	7,7	-	-	-
Level 1	Securities issued or guaranteed by sovereigns, central banks, MDBs and international organisations	13,9	5,5	5,8	2,6	-	13,9	6,6	4,8	2,5	-
	Securities issued by municipalites and PSEs	16,4	7,1	5,9	3,4	-	15,3	6,9	5,5	2,9	-
	Extremely high quality covered bonds	34,5	30,1	4,3	0,1	-	30,9	26,4	4,4	0,1	-
	Other assets	-	-	-	-	-	-	-	-	-	-
	Level 2 assets	3,1	2,8	0,3	-	-	3,1	2,6	0,5	-	-
	Level 2A assets	3,1	2,8	0,3	-	-	3,1	2,6	0,5	-	-
	Securities issued or guaranteed by sovereigns, central banks, municipalities and PSEs	-	-	-	-	-	-	-	-	-	-
	High quality covered bonds	3,1	2,8	0,3	-	-	3,1	2,6	0,5	-	-
Level 2	Corporate debt securities (lowest rating AA-)	-	-	-	-	-	-	-	-	-	-
	Other assets	-	-	-	-	-	-	-	-	-	-
	Level 2B assets	-	-	-	-	-	-	-	-	-	-
	Asset-backed securities	-	-	-	-	-	-	-	-	-	-
	High quality covered bonds	-	-	-	-	-	-	-	-	-	-
	Corporate debt securities (rated A+ to BBB-)	-	-	-	-	-	-	-	-	-	-
	Shares (major stock index)	-	-	-	-	-	-	-	-	-	-
	Other assets ¹⁾	-	-	-	-	-	-	-	-	-	-
	Liquidity reserve	69,9	47,5	16,3	6,1	-	70,9	50,2	15,2	5,5	-

1) Includes central bank facilities.

4.2 Liquidity coverage ratio under the CRR

(EU LIQ1 table)¹⁾

SEK million	CONSOLIDATED SITUATION							
	Total unweighted value (average)				Total weighted value (average)			
	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets (HQLA)								
Total HQLA	-	-	-	-	80,016	85,402	85,848	85,132
Cash outflows								
Retail deposits and deposits from small business customers, of which:	109,823	108,403	107,485	106,513	8,757	8,693	8,676	8,657
– Stable deposits	74,852	73,153	72,129	71,028	3,743	3,658	3,606	3,551
– Less stable deposits	34,177	34,618	34,933	35,279	5,015	5,035	5,069	5,106
Unsecured wholesale funding	26,788	26,373	25,624	25,060	12,050	11,866	11,391	11,049
– Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
– Non-operational deposits (all counterparties)	24,350	24,009	23,614	23,445	9,612	9,502	9,381	9,434
– Unsecured debt	2,438	2,364	2,010	1,615	2,438	2,364	2,010	1,615
Secured wholesale funding	-	-	-	-	39	33	34	50
Additional requirements	58,386	55,874	53,878	54,233	15,722	15,796	15,348	16,962
– Outflows related to derivative exposures and other collateral requirements	9,319	10,026	10,210	11,216	9,319	10,026	10,210	11,216
– Outflows related to loss of funding on debt products	4,158	3,660	3,110	3,783	4,158	3,660	3,110	3,783
– Credit and liquidity facilities	44,909	42,187	40,558	39,233	2,245	2,109	2,028	1,962
Other contractual funding obligations	215	213	206	205	17	17	17	17
Other contingent funding obligations	16,308	15,702	14,871	14,296	6,075	5,874	5,501	5,275
Total cash outflows	-	-	-	-	36,568	36,383	35,442	36,702
Cash inflows								
Secured lending (e.g. reverse repos)	-	2,435	3,776	5,224	-	149	231	309
Inflows from fully performing exposures	1,866	1,812	1,760	1,731	1,201	1,172	1,142	1,123
Other cash inflows	7,823	8,153	8,623	9,918	7,823	8,153	8,623	9,918
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	-	-	-	-	-	-	-	-
(Excess inflows from a related specialised credit institution)	-	-	-	-	-	-	-	-
Total cash inflows	23,372	28,332	31,327	36,229	18,324	19,190	20,198	22,870
Fully exempt inflows	-	-	-	-	-	-	-	-
Inflows subject to 90% cap	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	13,683	15,932	17,168	19,356	9,299	9,716	10,202	11,520
					Total adjusted value			
Liquidity buffer					80,016	85,402	85,848	85,132
Total net cash outflows					33,361	32,558	30,758	30,474
Liquidity coverage ratio (%)					240%	262%	279%	279%

¹⁾ Previously published values for 31 dec 2020, 30 sep 2020 and 30 jun 2020 have been corrected. SBAB does not consider the adjustment to have any significant impact on liquidity risk.

4.2 Liquidity coverage ratio under the CRR, Cont.

In accordance with the EBA's guidelines (EBA/GL/2017/01), detailed information is reported about the liquidity coverage ratio (LCR) as defined in the European Commission delegated regulation (EU) 2015/61. LCR calculates the degree to which a bank's liquid assets cover its net cash flows for the coming 30 days in a stressed scenario and is calculated as liquid assets/(cash outflows - cash inflows). The values presented are simple averages for observations at the end of each month over the 12-month period preceding the end of each quarter.

During the past 12 months, the item "Outflows related to derivative exposures and other collateral requirements" averaged SEK 11,1 billion. The majority of the amount pertains to derivative liabilities for which SBAB has posted collateral. Slightly more than SEK 659 million corresponds to a simulated outflow as a result of additional collateral being required in extremely stressed market scenarios pursuant to Article 30 (3) of the European Commission delegated regulation (EU) 2015/61. The amount also includes excess collateral posted by counterparties and contracted collateral that has yet to be posted by the bank.

5 Asset Encumbrance

5.1 Encumbered and unencumbered assets

Of the assets included in Table Assets encumbered disclosures below, under the heading Unencumbered assets, carrying amount with the amount recognised in the item Other assets, SBAB has reported any items that are not available for mortgaging or other collateral arrangements in the regular opera-

tions. Such assets include deferred tax assets, property, plant and equipment, intangible assets and certain other assets that are not mortgaged, pledged as collateral or used as security in the regular operations.

SEK million	CONSOLIDATED SITUATION							
	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		<i>of which notionally eligible EHQLA and HQLA</i>		<i>of which notionally eligible EHQLA and HQLA</i>		<i>of which EHQLA and HQLA</i>		<i>of which EHQLA and HQLA</i>
Assets of the reporting institution	281,077	–			237,639	70,387		
Equity instruments	–	–			–	–		
Debt securities	–	–	–	–	70,447	70,387	70,858	70,798
– of which, covered bonds	–	–	–	–	38,100	38,040	38,340	38,280
– of which, asset-backed securities	–	–	–	–	–	–	–	–
– of which, issued by general governments	–	–	–	–	13,240	13,240	13,325	13,325
– of which, issued by financial corporations	–	–	–	–	19,107	19,107	19,193	19,193
– of which, issued by non-financial corporations	–	–	–	–	–	–	–	–
Other assets	281,077	–			167,192	–		

5.2 Collateral received

SEK million	CONSOLIDATED SITUATION			
	Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
		<i>of which notionally eligible EHQLA and HQLA</i>	Fair value of collateral received or own debt securities issued available for encumbrance	<i>of which notionally eligible EHQLA and HQLA</i>
Collateral received by the reporting institution	2,125	-	-	-
- <i>Equity instruments</i>	-	-	-	-
- <i>Debt securities</i>	-	-	-	-
- <i>Other collateral received</i>	2,125	-	-	-
Own debt securities issued other than own covered bonds or ABSs	-	-	-	-

5.3 Sources of encumbrance

SEK million	CONSOLIDATED SITUATION	
	Matching contingent liabilities or securities lent	Assets, collateral received and own debt securities other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	281,077	281,077

Parent Company

The information in this report is based on the disclosure requirements under Part 8 of regulation (EU) 575/2013 and Swedish Financial Supervisory Authority's Regulatory Code FFFS 2014:18 and FFFS 2014:12. According to these regulations, SBAB Bank AB (publ) (SBAB) shall publish the structure of own funds, risk exposure amount per exposure class, information about capital adequacy and buffers as well as internally assessed capital re-

quirement. In addition, leverage ratio and detailed information about liquidity coverage ratio are reported on a consolidated level. In accordance with FFFS 2010:7, liquidity reserve is also disclosed.

SBAB reports credit risk mainly in accordance with the IRB approach, and reports operational risk, market risk and CVA risk in accordance with the standardised approach.



1 Capital position

1.1 Capital adequacy

Amendments to the Banking Package

The EU Official Journal has on 7 June 2019 published amendments to the Capital Requirements Regulation, the Capital Requirements Directive and the Bank Recovery & Resolution Directive (the 'Banking Package') which entered into force on 27 June 2019. The Banking Package includes changes to capital requirements and changes in the loss-absorbing and recapitalisation capacity of credit institutions. Most of the changes in the Capital Requirements Regulation enter into force on 28 June 2021. Amendments in Swedish law due to the Capital Adequacy Directive entered into force on 29 December 2020.

Due to the corona pandemic, the EU made amendments to the CRR with effect from 27 June 2020. SBAB was affected by an earlier introduction of a reduction of the capital requirement for loans to small and medium-sized enterprises (SME factor). For SBAB the changes have a limited effect on the capital requirement. In addition, adjustments to amortization of intangible assets in the CET1-capital have been implemented by amending the delegated act (EU) 241/2014. The changes have a limited effect on the CET1-capital.

Buffer requirements

During the first quarter 2020, the Swedish FSA reduced the countercyclical buffer requirement for banks from 2.5 percent to 0 percent, due to the current corona pandemic. On 22 March 2021, the Swedish FSA decided to keep the countercyclical capital buffer requirement for banks unchanged at 0 percent. Furthermore, decisions will not be made quarterly but only in the event of a change.

SEK million	PARENT COMPANY		
	31 Mar 2021	31 Dec 2020	31 Mar 2020
CET1 capital	10,724	10,917	9,300
Tier 1 capital	15,024	14,417	12,800
Total capital	17,019	16,412	15,247
Risk exposure amount	41,128	38,322	40,576
CET1 capital ratio, %	26.1	28.5	22.9
Excess ¹⁾ of CET1 capital	8,873	9,192	7,474
Tier 1 capital ratio, %	36.5	37.6	31.5
Excess ¹⁾ of Tier 1 capital	12,556	12,117	10,365
Total capital ratio, %	41.4	42.8	37.6
Excess ¹⁾ of total capital	13,729	13,346	12,001

1) Excess capital has been calculated based on minimum requirements (without buffer requirements).

1.2 Own funds

Disclosures in accordance with Article 4 of Commission Implementing Regulation (EU) No 1423/2013, Annex IV.

Own funds

SEK million	PARENT COMPANY		
	31 Mar 2021	31 Dec 2020	31 Mar 2020
CET1 capital instruments: Instruments and reserves			
Capital instruments and the related share premium accounts	1,958	1,958	1,958
Retained earnings	8,907	7,983	7,556
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	206	241	210
Additional Tier 1 instruments	4,300	3,500	3,500
Independently verified interim profits net of any foreseeable charge or dividend ¹⁾	-128	973	-115
CET1 capital before regulatory adjustments	15,243	14,655	13,109
CET1 capital: Regulatory adjustments			
Additional value adjustments (negative amount)	-70	-71	-90
Intangible assets (net of related tax liability) (negative amount)	-5	-14	-22
Fair value reserves related to gains or losses on cash-flow hedges	-74	-89	-136
Negative amounts resulting from the calculation of expected loss amounts	-46	-39	-41
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-24	-25	-20
Additional Tier 1 instruments in equity	-4,300	-3,500	-3,500
Total regulatory adjustments to CET1 capital	-4,519	-3,738	-3,809
CET1 capital	10,724	10,917	9,300
Additional Tier 1 capital: Instrument			
Capital instruments and the related share premium accounts	4,300	3,500	3,500
– of which, classified as equity under applicable accounting standards	4,300	3,500	3,500
– of which, classified as liabilities under applicable accounting standards	–	–	–
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	–	–	–
Additional Tier 1 capital before regulatory adjustments	4,300	3,500	3,500
Additional Tier 1 capital: Regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 capital	–	–	–
Additional Tier 1 capital	4,300	3,500	3,500
Tier 1 capital (Tier 1 capital=CET1 + Additional Tier 1 capital)	15,024	14,417	12,800
Tier 2 capital: Instruments and provisions			
Capital instruments and the related share premium accounts	1,995	1,995	2,447
Credit risk adjustments	–	–	–
Tier 2 capital before regulatory adjustments	1,995	1,995	2,447
Tier 2 capital: Regulatory adjustments			
Total regulatory adjustments to Tier 2 capital	–	–	–
Tier 2 capital	1,995	1,995	2,447
Total capital (Total capital=Tier 1 capital + Tier 2 capital)	17,019	16,412	15,247
Total risk-weighted assets	41,128	38,322	40,576

1.2 Own funds, Cont.

SEK million	PARENT COMPANY		
	31 Mar 2021	31 Dec 2020	31 Mar 2020
Capital ratio and buffers			
CET1 capital (as a percentage of total risk-weighted exposure amount), %	26.1	28.5	22.9
Tier 1 capital (as a percentage of total risk-weighted exposure amount), %	36.5	37.6	31.5
Total capital (as a percentage of total risk-weighted exposure amount), %	41.4	42.8	37.6
Institution-specific buffer requirements (CET1 capital requirement in accordance with Article 92(1)(a) plus the capital conservation buffer and countercyclical capital buffer requirements, plus the systemic risk buffer, plus the systemically important institution buffers [G-SII buffer and O-SII buffer] expressed as a percentage of the risk-weighted exposure amount), %	7.0	7.0	7.0
– of which, CET1 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, %	0.0	0.0	0.0
– of which, systemic risk buffer requirement, %	–	–	–
– of which, G-SII buffer and O-SII buffer, %	–	–	–
CET1 capital available to meet buffers (as a share of risk-weighted exposure amounts, %)	21.6	24.0	18.4
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)			
Current cap on AT1 instruments subject to phase-out arrangements	–	–	–
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	–	–	–
Current cap on T2 instruments subject to phase-out arrangements	–	–	–

1) The results have been verified by Deloitte AB pursuant to Article 26, Point 2a of the Capital Requirements Regulation.

1.3 Risk exposure amounts and capital requirements

Risk exposure amounts and capital requirements

SEK million	PARENT COMPANY					
	31 Mar 2021		31 Dec 2020		31 Mar 2020	
	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement
Credit risk recognised in accordance with IRB approach						
Exposures to corporates	8,367	669	7,740	619	8,535	683
Retail exposures	1,214	97	941	75	902	72
– of which, exposures to SMEs	98	8	58	5	80	6
– of which, retail exposures secured by immovable property	1,116	89	883	70	822	66
Total exposures recognised with the IRB approach	9,581	766	8,681	694	9,437	755
Credit risk recognised with the standardised approach						
Exposures to governments and central banks	0	0	0	0	0	0
Exposures to regional governments or local authorities or agencies	0	0	0	0	0	0
Exposures to multilateral development banks	0	0	0	0	0	0
Exposures to international organisations	0	0	0	0	-	-
Exposures to institutions ¹⁾	3,992	319	3,934	315	4,432	355
– of which, derivatives according to CRR, Appendix 2	3,920	314	3,899	312	4,313	346
– of which, repos	37	3	19	2	90	7
– of which, other	35	2	16	1	29	2
Retail exposures	2,638	211	2,613	209	2,333	187
Exposures in default	6	0	7	1	7	1
Exposures in the form of covered bonds	3,826	306	3,738	299	3,989	319
Exposures to institutions and corporates with a short-term credit rating	81	7	11	1	41	3
Equity exposures	11,566	925	11,566	925	11,566	925
Other items	130	11	96	7	119	9
Total exposures recognised with standardised approach	22,239	1,779	21,965	1,757	22,487	1,799
Market risk	139	11	74	6	113	9
– of which, position risk	-	-	-	-	-	-
– of which, currency risk	139	11	74	6	113	9
Operational risk	2,567	205	2,148	172	2,148	172
– of which, standardised approach	2,567	205	2,148	172	2,148	172
Credit valuation adjustment risk (CVA risk)	1,420	114	1,286	103	2,037	163
Additional requirements under Article 458 of the CRR	5,006	401	3,992	320	4,178	334
Additional requirements under Article 3 of the CRR	176	14	176	14	176	14
Total risk exposure amount and minimum capital requirements	41,128	3,290	38,322	3,066	40,576	3,246
Capital requirements for capital conservation buffer		1,028		958		1,014
Capital requirements for countercyclical buffer		8		7		4
Total capital requirements		4,326		4,031		4,264

¹⁾ The risk exposure amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 3,957 million (3,918).

1.4 Internally assessed capital requirement

For the Parent Company, SBAB Bank AB (publ), the internal capital requirement amounted to SEK 5,797 million.

1.5 Leverage ratio

Leverage ratio for the Parent Company, calculated according to article 429 in Regulation (EU) No 575/2013 of the European Parliament and of the council (CRR), amounted to 10.55 percent.



Financial calendar

SBAB Interim Report Jan–Jun 2021	16 Jul 2021
SBAB Interim Report Jan–Sep 2021	26 Oct 2021
SBAB Year-end Report 2021	3 Feb 2022

Credit ratings

	Moody's	Standard & Poor's
Long-term funding, SBAB	A1	A
Long-term funding, SCBC	Aaa	–
Short-term funding, SBAB	P-1	A-1



Contact

For additional information, please 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

www.sbab.se

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