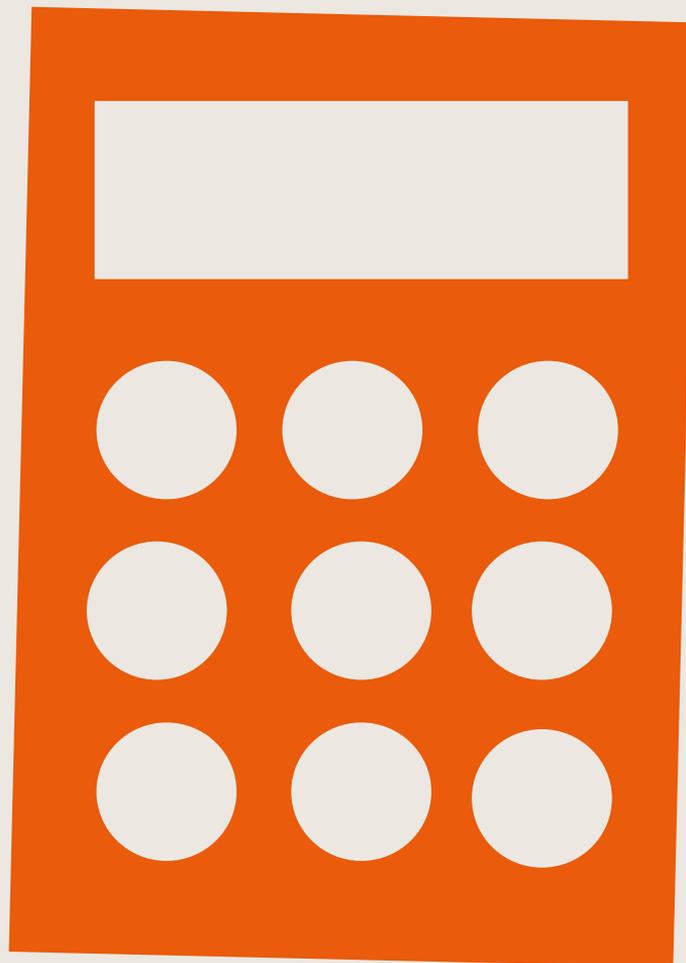


Disclosure of own funds and leverage ratio

March 2021



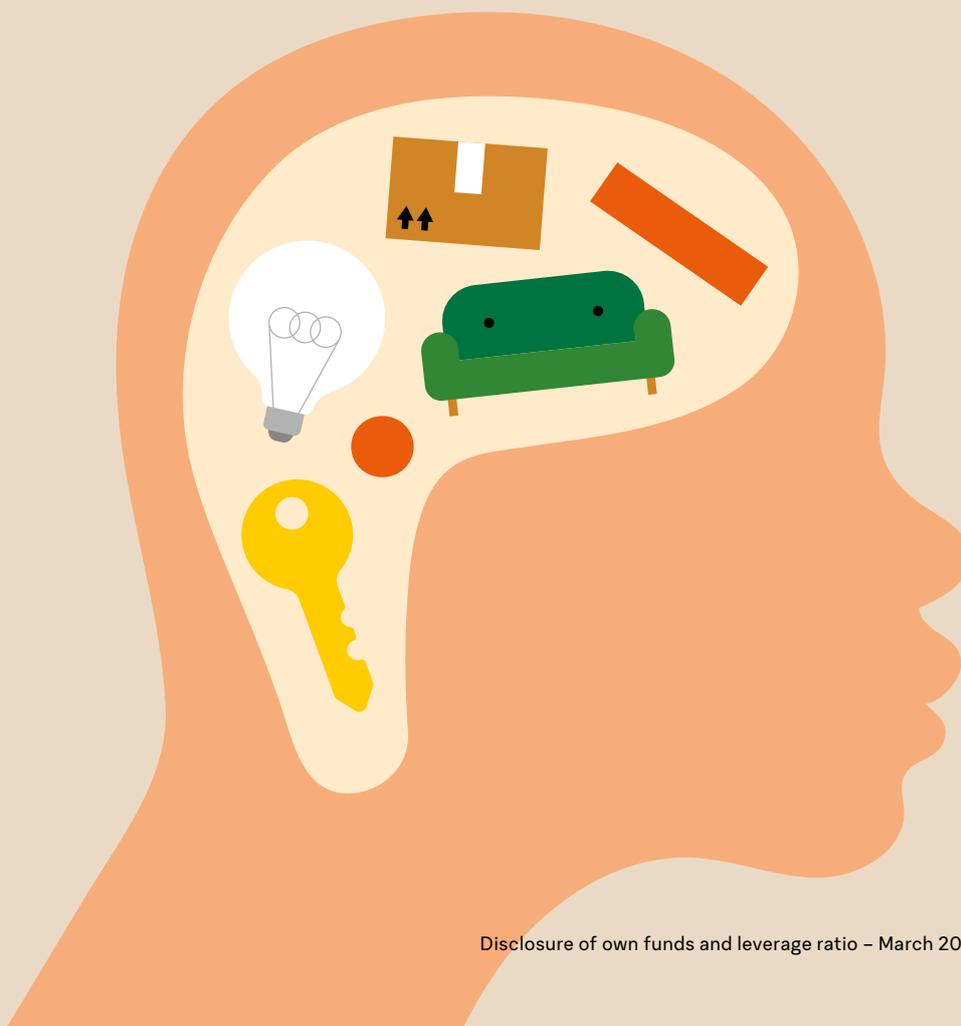
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Swedish Covered Bond Association (SCBC)

The tables below are 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, AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation – SCBC), shall publish the structure of own funds, risk exposure amount per exposure class and information about capital adequacy and buffers on a quarterly basis.

SCBC 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 June 7, 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 June 27, 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 will apply from June 28, 2021. Amendments in Swedish law due to the Capital Adequacy Directive will enter into force on 29 December 2020. Due to the corona pandemic, the EU made amendments to the CRR with effect from June 27, 2020. SCBC was affected by an earlier introduction of a reduction of the capital requirement for loans to small and medium-sized enterprises (SME factor). For SCBC 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, 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	SCBC		
	31 Mar 2021	31 Dec 2020	31 Mar 2020
CET1 capital	17,260	17,003	16,366
Tier 1 capital	17,260	17,003	16,366
Total capital	17,265	17,008	16,370
Risk exposure amount	107,085	104,080	96,737
CET1 capital ratio, %	16.1	16.3	16.9
Excess ¹⁾ of CET1 capital	12,441	12,319	12,013
Tier 1 capital ratio, %	16.1	16.3	16.9
Excess ¹⁾ of Tier 1 capital	10,835	10,758	10,562
Total capital ratio, %	16.1	16.3	16.9
Excess ¹⁾ of total capital	8,698	8,681	8,631

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	SCBC		
	31 Mar 2021	31 Dec 2020	31 Mar 2020
CET1 capital instruments: Instruments and reserves			
Capital instruments and the related share premium accounts	9,600	9,600	9,600
Retained earnings	7,425	6,013	6,601
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	1,691	2,217	2,504
Independently verified interim profits net of any foreseeable charge or dividend ¹⁾	262	1,413	194
CET1 capital before regulatory adjustments	18,978	19,243	18,899
CET1 capital: Regulatory adjustments			
Additional value adjustments (negative amount)	-9	-11	-18
Fair value reserves related to gains or losses on cash-flow hedges	-1,691	-2,217	-2,504
Negative amounts resulting from the calculation of expected loss amounts	-18	-12	-11
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	0	0
Total regulatory adjustments to CET1 capital	-1,718	-2,240	-2,533
CET1 capital	17,260	17,003	16,366
Additional Tier 1 capital: Instrument			
Additional Tier 1 capital before regulatory adjustments	-	-	-
Additional Tier 1 capital: Regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 capital	-	-	-
Additional Tier 1 capital	-	-	-
Tier 1 capital (Tier 1 capital=CET1 + Additional Tier 1 capital)	17,260	17,003	16,366
Tier 2 capital: Instruments and provisions			
Credit risk adjustments	5	5	4
Tier 2 capital before regulatory adjustments	5	5	4
Tier 2 capital: Regulatory adjustments			
Total regulatory adjustments to Tier 2 capital	-	-	-
Tier 2 capital	5	5	4
Total capital (Total capital=Tier 1 capital + Tier 2 capital)	17,265	17,008	16,370
Total risk-weighted assets	107,085	104,080	96,737

1.2 Cont. Own funds

SEK million	SCBC		
	31 Mar 2021	31 Dec 2020	31 Mar 2020
Capital ratio and buffers			
CET1 capital (as a percentage of total risk-weighted exposure amount), %	16.1	16.3	16.9
Tier 1 capital (as a percentage of total risk-weighted exposure amount), %	16.1	16.3	16.9
Total capital (as a percentage of total risk-weighted exposure amount), %	16.1	16.3	16.9
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, %)	8.1	8.3	8.9
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) Net profit for the interim period was reduced by the expected dividend of SEK 175 million based on Q1 2021. 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	SCBC			
	31 Mar 2021		31 Dec 2020	
	Risk exposure amount	Minimal capital requirement	Risk exposure amount	Minimal capital requirement
Credit risk (excl. counterparty risk)	21,651	1,732	17,929	1,434
– of which, the standardised approach	1,023	82	270	21
– of which, the FIRB approach	9,252	740	6,262	501
– of which, the AIRB approach	11,376	910	11,397	912
Counterparty credit risk	556	44	510	42
– of which, mark to market	202	16	69	6
– of which, credit valuation adjustment risk (CVA)	354	28	441	36
Market risk	523	42	749	60
– of which, the standardised approach	523	42	749	60
Operational risks	4,617	369	4,441	355
– of which, the standardised approach	4,617	369	4,441	355
Additional stricter prudential requirements under Article 458 of the CRR	79,122	6,331	72,492	5,799
Additional stricter prudential requirements under Article 3 of the CRR	616	49	616	49
Total	107,085	8,567	96,737	7,739

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 since 31 March 2019 introduced a REA surcharge of SEK 616 million under Pillar 1.

In May 2020, SCBC started to apply a new definition of default according to guidelines submitted by 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	SCBC					
	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	9,252	740	8,838	707	6,262	501
Retail exposures	11,376	910	11,240	899	11,397	912
– of which, exposures to SMEs	853	68	856	68	784	63
– of which, retail exposures secured by immovable property	10,523	842	10,384	831	10,612	849
Total exposures recognised with the IRB approach	20,628	1,650	20,078	1,606	17,659	1,413
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	–	–	–	–	–	–
Exposures to international organisations	–	–	–	–	–	–
Exposures to institutions ¹⁾	202	16	123	10	69	6
– of which, derivatives according to CRR, Appendix 2	93	7	114	9	55	5
– of which, repos	109	9	9	1	14	1
– of which, other	0	0	0	0	0	0
Exposures to institutions and corporates with a short-term credit rating	987	79	0	0	201	16
Other items	36	3	169	14	69	5
Total exposures recognised with standardised approach	1,225	98	292	24	339	27
Market risk	523	42	556	44	749	60
– of which, position risk	–	–	–	–	–	–
– of which, currency risk	523	42	556	44	749	60
Operational risk	4,617	369	4,441	355	4,441	355
– of which, standardised approach	4,617	369	4,441	355	4,441	355
Credit valuation adjustment risk (CVA risk)	354	28	441	35	441	36
Additional requirements under Article 458 of the CRR	79,122	6,331	77,656	6,213	72,492	5,799
Additional requirements under Article 3 of the CRR	616	49	616	49	616	49
Total risk exposure amount and minimum capital requirements	107,085	8,567	104,080	8,326	96,737	7,739
Capital requirements for capital conservation buffer		2,677		2,602		2,418
Capital requirements for countercyclical buffer		0		0		0
Total capital requirements		11,244		10,928		10,157

1) The risk exposure amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 202 million (123).

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 SCBC, calculated according to article 429 in Regulation (EU) No 575/2013 of the European Parliament and of the council (CRR), amounted to 4.18 percent.

SEK million	SCBC Applicable amount
Total assets as per published financial statements	417,862
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-
Adjustments for derivative financial instruments	-7,985
Adjustment for securities financing transactions (SFTs)	3,271
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	0
(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013)	-11,718
Other adjustments	11,811
Leverage ratio total exposure measure	413,241

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

SEK million	SCBC CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	409,782
– of which, trading book exposures	-
Banking book exposures, of which:	409,782
– of which, covered bonds	0
Exposures treated as sovereigns	685
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-
Institutions	0
Secured by mortgages of immovable properties	406,537
Retail exposures	0
Corporate	-
Exposures in default	188
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	2,372

1.7

LRCom: Leverage ratio common disclosure

SEK million	SCBC 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)	409,782 0
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	409,782
Derivative Exposures	
Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	6,806
Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	5,100
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
Total derivatives exposures	11,906
SFT Exposures	
Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	3,271
Netted amounts of cash payables and cash receivables of gross SFT assets	-
Total securities financing transaction exposures	3,271
Other off-balance sheet exposures	
Off-balance sheet exposures at gross notional amount	0
Adjustments for conversion to credit equivalent amounts)	0
Other off-balance sheet exposures	0
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))	-11,718
Capital and total exposure measure	
Tier 1 capital	17,260
Leverage ratio total exposure measure	413,241
Leverage ratio	
Leverage ratio	4.18 percent
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 SCBC:s forward looking capital planning in order to proactively manage the risk of excessive leverage. The ratio is targeted in SCBC'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 4.18 percent as per March 2021 in comparison to 4.26 percent on 31 December 2020. The change in the leverage ratio compared to the previous quarter is explained by:

- Tier 1 capital increased due to accrued earnings, which had a positive impact on the leverage ratio by 0.06 percent.
- The effect on the exposure measure attributable to SFT:s has increased and impacted the ratio negatively by 0.03 percent.
- The effect of the exposure measure attributable to derivatives has decreased, which had a positive impact on leverage ratio by 0.01 percent.
- An increase mainly in mortgage exposures entailed a negative impact of 0.11 percent.
- The exempted amount of intra group exposures has decreased, which had a negative impact on leverage ratio by 0.01 percent.

1.9 Internally calculated capital requirements per risk type

The internal capital adequacy assessment aims to ensure that SCBC has adequate capital to deal with any financial problems that arise. The internally assessed capital requirement for SCBC amounted to SEK 11,834 million (SEK 11,462 million on 31 December 2020). The internal capital requirement is assessed using SCBC's internal models for economic capital.

SCBC 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.

SEK million		SCBC			
		31 Mar 2021		31 Dec 2020	
		Internally assessed capital requirement		Internally assessed capital requirement	
	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	1,776	1.6	1,665	1.6
	Market risk	42	0.0	44	0.0
	Operational risk	369	0.4	355	0.4
	Risk-weight floor ¹⁾	6,331	6.0	6,213	6.0
	Surcharge, corporate exposures ²⁾	49	0.0	49	0.0
	Total Pillar 1	8,567	8.0	8,326	8.0
Pillar 2	Credit risk	–	–	–	–
	Market risk	59	0.0	14 ³⁾	0.0 ³⁾
	Operational risk	–	–	–	–
	Concentration risk	531	0.5	520	0.5
	Sovereign risk	–	–	–	–
	Pension risk	–	–	–	–
Total Pillar 2	590	0.5	534	0.5	
Buffers	Capital conservation buffer	2,677	2.5	2,602	2.5
	Capital planning buffer	–	–	–	–
	Countercyclical buffer	0	0.0	0	0.0
	Total Buffers	2,677	2.5	2,602	2.5
Total	11,834	11.0	11,462³⁾	11.0³⁾	
Total own funds	17,265		17,008³⁾		

1) Pillar 1 risk-weight floor under Article 458 of the CRR.

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

3) The amount has been adjusted in compared to the amount in the table published in the Year-end Report 2020.

2 Credit risk

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

(EU CR4 table)

Exposure classes, SEK million	SCBC					
	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	239	–	239	–	–	–
Regional governments or local authorities or agencies	1	–	445	–	–	–
Multilateral development banks	–	–	–	–	–	–
International organisations	–	–	–	–	–	–
Institutions ¹⁾	0	–	0	–	0	20
Corporates	–	–	–	–	–	–
Retail	–	–	–	–	–	–
Exposures in default	–	–	–	–	–	–
Institutions and corporates with a short-term credit assessment	2,336	–	2,336	–	987	42
Equity	–	–	–	–	–	0
Other items	36	–	36	–	36	100
Total	2,612	–	3,056	–	1,023	33

1) The institution exposure class excludes counterparty risk.

2.2

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

(EU CR5 table)¹⁾

Exposure classes, SEK million	SCBC										Deduc- ted ²⁾	Total	Of which unrated
	0%	10%	20%	50%	75%	100%	150%	250%	1,250%				
Governments and central banks	239	-	-	-	-	-	-	-	-	-	-	239	-
Regional governments or local authorities or agencies	445	-	-	-	-	-	-	-	-	-	-	445	-
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions ¹⁾	11,719	-	66	378	-	-	-	-	-	-	-	12,163	-
Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions and corporates with a short-term credit assessment	-	-	604	1,732	-	-	-	-	-	-	-	2,336	-
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	36	-	-	-	-	-	36	36
Total	12,403	-	670	2,110	-	36	-	-	-	-	-	15,219	36

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%.

2.3 Credit risk exposure by exposure class and pd range

(EU CR6 table)

SCBC														
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	20,950	-	-	20,942	0.09	111	35,1	2.5	3.082	15	7	-	
	0.15 to <0.25	5,059	-	-	5,059	0.21	55	35.0	2.5	1.181	23	4	-	
	0.25 to <0.50	2,799	-	-	2,799	0.45	60	35.1	2.5	951	34	4	-	
	Of which, Corporate SME	-	-	-	-	-	-	-	-	-	-	-	-	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	311	-	-	310	1.16	17	35.0	2.5	148	48	1	-	
	2.50 to <10.00	3	-	-	1	3.05	3	37.3	2.5	1	66	-	-	
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	0	-	-	-	100	1	35.0	2.5	-	-	-	-	
	Portfolio subtotal	29,122	-	-	29,111	0.16	247	35.1	2.5	5.363	18	16	1	
	Of which, Corporates Other	0.00 to <0.15	14,501	-	-	14,475	0.09	81	35.0	2.5	3.364	23	5	-
		0.15 to <0.25	1,081	-	-	1,081	0.21	8	35.1	2.5	403	37	1	-
		0.25 to <0.50	132	-	-	108	0.45	3	35.4	2.5	60	55	-	-
		0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
		0.75 to <2.50	79	-	-	79	1.16	1	35.0	2.5	63	80	-	-
		2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
		10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
		100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
Portfolio subtotal		15,793	-	-	15,743	0.11	93	35.0	2.5	3.890	25	6	-	
Retail (advanced approach)	0.00 to <0.15	35,709	-	-	35,455	0.09	1,184	7.0	-	445	1	2	-	
	0.15 to <0.25	11,530	-	-	11,422	0.21	515	7.4	-	285	2	2	-	
	0.25 to <0.50	2,294	-	-	2,293	0.45	119	7.5	-	100	4	1	-	
	Of which, Retail SME	-	-	-	-	-	-	-	-	-	-	-	-	
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	69	-	-	69	1.16	13	8.7	-	7	10	-	-	
	2.50 to <10.00	23	-	-	5	3.05	4	15.7	-	2	32	-	-	
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	17	-	-	17	100	2	14.7	-	15	85	3	-	
	Portfolio subtotal	49,642	-	-	49,261	0.17	1,837	7.1	-	854	2	8	9	
	Of which, Retail Other	0.00 to <0.15	223,961	-	-	223,958	0.04	129,804	9.9	-	2.747	1	9	-
		0.15 to <0.25	47,399	-	-	47,399	0.16	26,598	10.8	-	1.848	4	8	-
		0.25 to <0.50	27,028	-	-	27,028	0.42	14,057	10.9	-	2.157	8	12	-
		0.50 till <0.75	-	-	-	-	-	-	-	-	-	-	-	-
		0.75 to <2.50	11,315	-	-	11,315	1.55	6,197	11.2	-	2.233	20	20	-
		2.50 to <10.00	1,777	-	-	1,777	4.17	1,017	11.1	-	624	35	8	-
		10.00 to <100.00	1,057	-	-	1,057	24.67	726	10.9	-	711	67	29	-
		100.00 (Default)	193	-	-	193	100	151	14.7	-	201	104	15	-
Portfolio subtotal		312,730	-	-	312,727	0.31	178,550	10.2	-	10.521	3	101	107	
Total (all portfolios)		407,287	-	-	406,842	0.28	180,727	12.5	-	20.628	5	131	117	

2.4 Trend for risk exposure amounts under the irb approach

(EU CR8 table)

SEK million	SCBC			
	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	20,078	1,606	17,214	1,377
Asset size	997	80	4,495	359
Asset quality	-437	-35	-1,633	-130
Model updates	-	-	-	-
Methodology and policy	-	-	-	-
Acquisitions and disposals	-	-	-	-
Foreign exchange movements	-	-	-	-
Other	-10	-1	2	0
Risk exposure amount at the end of the reporting quarter	20,628	1,650	20,078	1,606

2.5 Credit quality of exposures by exposure class and instrument

(EU CR1-A table)

SEK million	SCBC						
	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-default exposures						
Exposures to corporates	1	44,916	1	-	-	0	44,915
– of which, specialised lending	-	-	-	-	-	-	-
– of which, to SMEs	1	29,122	1	-	-	0	22,121
Retail exposures	210	362,160	116	-	4	9	362,255
Exposures to households secured against immovable property	210	362,160	116	-	4	9	362,255
– of which, to SMEs	17	49,624	9	-	-	1	49,633
– of which, to non-SMEs	193	312,536	107	-	4	8	312,622
Total exposure with IRB approach	211	407,076	117	-	4	9	407,170
Exposures to governments and central banks	-	239	-	-	-	-	239
Exposures to regional governments or local authorities or agencies	-	1	-	-	-	-	1
Exposures to public sector entities	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-
Exposures to international organisations	-	-	-	-	-	-	-
Exposures to institutions	-	12,163	-	-	-	-	12,163
Retail exposures	-	-	-	-	-	-	-
– of which, to SMEs	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit rating	-	2,336	-	-	-	-	2,336
Equity exposures	-	-	-	-	-	-	-
Other exposures	-	36	-	-	-	-	36
Deduction for retail exposures in default ¹⁾	-	-	-	-	-	-	-
Total exposure with standardised approach	-	14,775	-	-	-	-	14,775
Total	211	421,851	117	-	-	9	421,945
– of which, loans	211	407,077	117	-	-	9	407,171
– of which, debt securities	-	-	-	-	-	-	-
– of which, off-balance-sheet exposures	-	-	-	-	-	-	-

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

2.6 Credit quality of exposures by industry of counterparty types

(EU CR1-B table)

SEK million	SCBC						
	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	-	234	0	-	-	0	234
Real estate activities	211	406,842	117	-	4	9	406,936
Other services	-	37	-	-	-	-	37
Financial services ¹⁾	-	14,738	-	-	-	-	14,738
Total	211	421,851	117	-	4	9	421,945

1) Credit institutions

2.7 Credit quality of exposures by geography

(EU CR1-C table)

SEK million	SCBC						
	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	211	421,646	117	-	4	9	421,740
Denmark	-	148	-	-	-	-	148
Finland	-	57	-	-	-	-	57
Norway	-	-	-	-	-	-	-
Canada	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-
France	-	-	-	-	-	-	-
Germany	-	-	-	-	-	-	-
United Kingdom	-	-	-	-	-	-	-
Switzerland	-	-	-	-	-	-	-
Austria	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	211	421,851	117	-	4	9	421,945

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

(EU CR2-A table)

SEK million	SCBC	
	Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
Opening balance (previous quarter)	126	-
Increases due to amounts set aside for estimated loan losses during the period	21	-
Decreases due to amounts reversed for estimated loan losses during the period	-30	-
Decreases due to amounts taken against accumulated credit risk adjustments	0	-
Transfers between credit risk adjustments	-	-
Impact of exchange rate differences	-	-
Business combinations, including acquisitions and disposals of subsidiaries	-	-
Other adjustments	-	-
Closing balance	117	-
Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	-	-
Specific credit risk adjustments directly recorded to the statement of profit or loss.	0	-

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

(EU CR2-B table)

SEK million	SCBC
	Gross carrying amount for defaulted exposures
Opening balance (previous quarter)	202
Loans and interest-bearing securities that have defaulted or impaired since the last reporting period	38
Returned to non-defaulted status	-18
Amounts written off	0
Other changes	-11
Closing balance	211

2.10 Credit risk mitigation techniques

(EU CR3 table)

SEK million	SCBC				
	Unsecured exposures – carrying amount	Secured exposures – carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
Total – loans	70	407,101	406,656	445	–
Total – interest-bearing securities	–	–	–	–	–
Total exposures	70	407,101	406,656	445	–
– of which, in default	2	186	186	–	–

2.11 Credit quality of forborne exposures

(EU NPL 1 table)¹⁾

SEK million	SCBC							Collateral received and financial guarantees received on forborne exposures	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				
	Per-forming forborne	Non-performing forborne		On performing forborne exposures	On non performing forborne exposure				
	Of which defaulted	Of which impaired							
Loans and advances	16	67	67	67	0	–3	80	–	
Central banks	–	–	–	–	–	–	–	–	
General governments	–	–	–	–	–	–	–	–	
Credit institutions	–	–	–	–	–	–	–	–	
Other financial corporations	–	–	–	–	–	–	–	–	
Non-financial corporations	7	–	–	–	–	–	7	–	
Household	9	67	67	67	0	–3	73	–	
Debt securities	–	–	–	–	–	–	–	–	
Loan commitments given	–	–	–	–	–	–	–	–	
Total	16	67	67	67	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⁾

SEK million	SCBC											
	Gross carrying amount/nominal amount											
	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 de-faulted	
Loans and advances	406,969	406,908	62	227	158	21	22	15	11	-	-	228
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	0	0	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	18
Non-financial corporations	94,444	94,444	-	18	17	0	-	-	-	-	-	18
– of which, SMEs	78,699	78,699	-	18	17	0	-	15	11	-	-	210
Household	312,525	312,464	62	210	141	21	22	15	11	-	-	210
Debt securities												
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Off balance sheet exposures												
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Household	-	-	-	-	-	-	-	-	-	-	-	-
Total	406,969	406,908	62	227	158	21	22	15	11	-	-	228

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	SCBC												Collateral received and financial guarantees received		
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
	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	406,969	390,194	16,776	227	0	227	-98	-39	-59	-24	0	-24	0	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	94,444	93,497	948	18	0	18	-3	-3	-1	-8	-	-8	-	-	-
– of which, SMEs	78,699	77,753	946	18	0	18	-3	-3	0	-8	-	-8	-	-	-
Household	312,525	296,697	15,828	210	0	210	-94	-36	-59	-16	0	-16	0	-	-
Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off balance sheet exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Household	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	406,969	390,194	16,776	227	0	227	-98	-39	-59	-24	0	-24	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

SCBC															
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 increase in exposure since initial 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 exposure since initial 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>Inflows to non-performing exposures</i>	
Loans and advances subject to moratorium	49,840	49,827	-	3,291	14	-	3	-27	-27	-	-16	-1	-	0	12
- of which, households	49,840	49,827	-	3,291	14	-	3	-27	-27	-	-16	-1	-	0	12
- of which, collateralised by residential immovable property	49,840	49,827	-	3,291	14	-	3	-27	-27	-	-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

SEK million	SCBC								
	Number of obligors	Gross carrying amount							
		Residual maturity of moratoria							> 9 months <= 12 months
		Of which: legislative moratoria	Of which: Expired	<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months			
Loans and advances for which moratorium was offered	22 298	49,869	-	-	-	-	-	-	-
Loans and advances subject to moratorium (granted)	22 276	49,840	49,840	16,522	18,692	31,148	-	-	-
- of which, households	-	49,840	49,840	16,522	18,692	31,148	-	-	-
- of which, collateralised by residential immovable property	-	49,840	49,840	15,522	18,692	31,148	-	-	-
- 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	SCBC									
	31 Mar 2021					31 Dec 2020				
	0%	10%	20%	50%	Total	0%	10%	20%	50%	Total
Institution	11,718	–	66	378	12,162	12,460	–	–	246	12,706
Total	11,718	–	66	378	12,162	12,460	–	–	246	12,706

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

(EU CCR1 table)

Exposure class, SEK million	SCBC			
	Replacement cost/current market value	Potential future credit exposure	EAD post CRM	REA
Mark to market	6,806	5,100	11,905	94
Financial collateral comprehensive method (for SFTs)	–	–	257	109
Total	6,806	5,100	12,162	203

2.18 Impact of netting and collateral held on exposure values

(EU CCR5-A table)

SEK million	SCBC				
	Gross positive fair value or net carrying	Netting benefits	Netted current credit	Collateral held	Net credit exposure
Derivatives	8,173	-1,367	6,806	–	6,806
SFTs	3,269	–	3,269	-3,126	143
Total	11,442	-1,367	10,075	-3,126	6,949

2.19 Composition of collateral for exposures to counterparty credit risk

(EU CCR5-B table)

SEK million	SCBC					
	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	-	-	-	-	3,225	17,995

3 Market risk

3.1 Risk exposure amounts and capital requirements for market risk

(EU MR1 table)

Risk class, SEK million	SCBC			
	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	523	42	556	44
Total	523	42	556	44

4 Asset encumbrance

4.1 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, SCBC has reported any items that are not available for mortgaging or other collateral arrangements in the regular operations. 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	SCBC							
	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	-			136,786	-		
Equity instruments	-	-			-	-		
Debt securities	-	-	-	-	-	-	-	-
– of which, covered bonds	-	-	-	-	-	-	-	-
– of which, asset-backed securities	-	-	-	-	-	-	-	-
– of which, issued by general governments	-	-	-	-	-	-	-	-
– of which, issued by financial corporations	-	-	-	-	-	-	-	-
– of which, issued by non-financial corporations	-	-	-	-	-	-	-	-
Other assets	281,077	-			136,786	-		

4.2 Collateral received

SEK million	SCBC			
	Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
	of which notionally eligible EHQLA and HQLA		Fair value of collateral received or own debt securities issued available for encumbrance	
				of which notionally eligible EHQLA and HQLA
Collateral received by the reporting institution	-	-	-	-
- Equity instruments	-	-	-	-
- Debt securities	-	-	-	-
- Other collateral received	-	-	-	-
Own debt securities issued other than own covered bonds or ABSs	-	-	-	-

4.3 Sources of encumbrance

SEK million	SCBC	
	Matching contingent liabilities or securities lent	Assets, collateral received and own debt securities other than covered bonds and ABSs encumbered
Acquisitions and disposals	281,077	281,077



Financial calendar

SCBC Interim Report Jan–Jun 2021	16 Jul 2021
SCBC 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



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