

# Disclosure of own funds and leverage ratio

June 2021



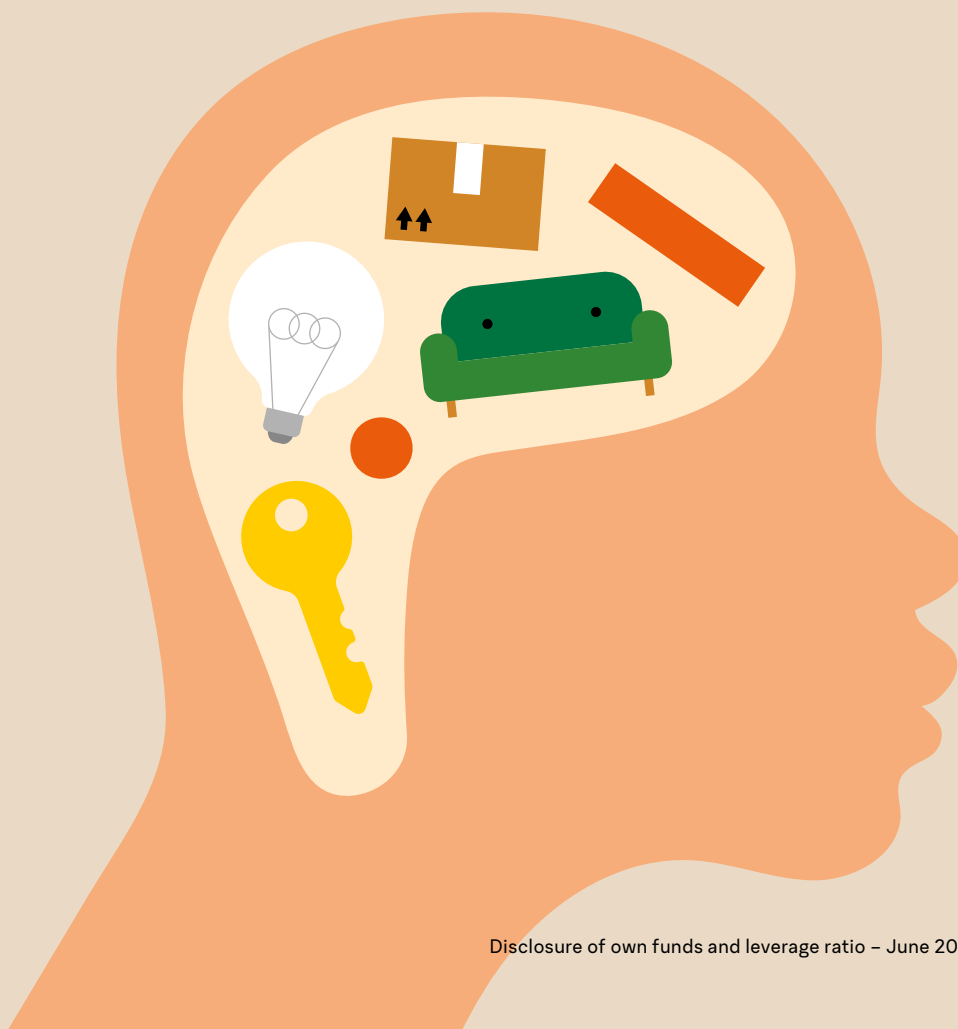
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# Swedish Covered Bond Corporation (SCBC)

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 Key metrics

### 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.

(EU KM1)

SEK million	SCBC 30 Jun 2021
<b>Available own funds (amounts)</b>	
Common Equity Tier 1 (CET1) capital	17,476
Tier 1 capital	17,476
Total capital	17,476
<b>Risk-weighted exposure amounts</b>	
Total risk exposure amount	110,676
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>	
Common Equity Tier 1 ratio (%)	15.8
Tier 1 ratio (%)	15.8
Total capital ratio (%)	15.8
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>	
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.1
of which: to be made up of CET1 capital (percentage points)	0.6
of which: to be made up of Tier 1 capital (percentage points)	0.8
Total SREP own funds requirements (%)	9.1
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>	
Capital conservation buffer (%)	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-
Institution specific countercyclical capital buffer (%)	-
Systemic risk buffer (%)	-
Global Systemically Important Institution buffer (%)	-
Other Systemically Important Institution buffer (%)	-
Combined buffer requirement (%)	2.5
Overall capital requirements (%)	11.6
CET1 available after meeting the total SREP own funds requirements (%)	10.7

SEK million	SCBC 30 Jun 2021
<b>Leverage ratio</b>	
Total exposure measure	420,532
Leverage ratio (%)	4.2
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>	
Additional own funds requirements to address the risk of excessive leverage (%)	-
of which: to be made up of CET1 capital (percentage points)	-
Total SREP leverage ratio requirements (%)	3.0
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>	
Leverage ratio buffer requirement (%)	-
Overall leverage ratio requirement (%)	3.0
<b>Liquidity Coverage Ratio</b>	
Total high-quality liquid assets (HQLA) (Weighted value -average)	0
Cash outflows - Total weighted value	6,291
Cash inflows - Total weighted value	35,922
Total net cash outflows (adjusted value)	1,573
Liquidity coverage ratio (%)	0
<b>Net Stable Funding Ratio</b>	
Total available stable funding	395,341
Total required stable funding	334,136
NSFR ratio (%)	118.3

## 1.2 Composition of regulatory own funds

(EU CC1)

SEK million	SCBC		
	30 Jun 2021	31 Dec 2020	30 Jun 2020
<b>Common Equity Tier 1 (CET1) capital : Instruments and reserves</b>			
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)	1,396	2,217	2,559
Independently reviewed interim profits net of any foreseeable charge or dividend <sup>1)</sup>	495	1,413	387
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>18,916</b>	<b>19,243</b>	<b>19,147</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
Additional value adjustments (negative amount)	-9	-11	-14
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	-1,396	-2,217	-2,559
Negative amounts resulting from the calculation of expected loss amounts	-17	-12	-9
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-18	0	0
Other regulatory adjustments <sup>2)</sup>	0	-	-
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>-1,440</b>	<b>-2,240</b>	<b>-2,582</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>17,476</b>	<b>17,003</b>	<b>16,565</b>
<b>Additional Tier 1 (AT1) capital: Instruments</b>			
<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>			
<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional Tier 1 (AT1) capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 1 capital (T1 =CET1+A1)</b>	<b>17,476</b>	<b>17,003</b>	<b>16,565</b>
<b>Tier 2 (T2) capital: Instruments</b>			
Credit risk adjustments	0	5	6
<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>0</b>	<b>5</b>	<b>6</b>
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
<b>Total regulatory adjustments to Tier 2(T2) capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 2 (T2) capital</b>	<b>0</b>	<b>5</b>	<b>6</b>
<b>Total capital (TC=T1+T2)</b>	<b>17,476</b>	<b>17,008</b>	<b>16,571</b>
<b>Total risk-exposure amount</b>	<b>110,676</b>	<b>104,080</b>	<b>99,057</b>

## 1.2 Composition of regulatory own funds, Cont.

SEK million	SCBC		
	30 Jun 2021	31 Dec 2020	30 Jun 2020
<b>Capital ratio and requirements including buffers, %</b>			
Common Equity Tier 1 capital	15.8	16.3	16.7
Tier 1 capital	15.8	16.3	16.7
Total capital	15.8	16.3	16.7
Institution CET1 overall capital requirements	7.0	7.0	7.0
– 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	–	–	–
– of which, additional own funds requirements to address the risk other than the risk of excessive leverage	–	–	–
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum requirements	7.8	8.3	8.7
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)</b>			
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.			
2) There are no results that generate a deduction of NPL backstop since entry into force.			

## 1.3 Overview of total risk exposure amounts

(EU OV1 table)

SEK million	SCBC		
	30 Jun 2021	31 Mar 2021	
	Total risk exposure amounts	Total own funds requirements	Total own funds requirements
<b>Credit risk (excl. counterparty risk)</b>	21,848	1,748	1,732
– of which, the standardised approach	125	10	82
– of which, the Foundation IRB (F-IRB) approach	10,328	826	740
– of which, the Advanced IRB (A-IRB) approach	11,395	912	910
<b>Counterparty credit risk- CCR</b>	2,427	194	44
– of which, SA-CCR	661	53	16
– of which exposures to a CCP	–	–	–
– of which, credit valuation adjustment risk (CVA)	1,766	141	28
<b>Market risk</b>	486	39	42
– of which, the standardised approach	486	39	42
<b>Operational risks</b>	4,617	369	369
– of which, the standardised approach	4,617	369	369
<b>Additional stricter prudential requirements under Article 458 of the CRR</b>	80,192	6,416	6,331
<b>Additional stricter prudential requirements under Article 3 of the CRR</b>	1,106	88	49
<b>Total</b>	<b>110,676</b>	<b>8,854</b>	<b>8,567</b>

## 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.

mnkr	SCBC					
	30 Jun 2021		31 Dec 2020		30 Jun 2020	
	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement
<b>Credit risk recognised in accordance with IRB approach</b>						
Exposures to corporates	10,329	826	8,838	707	6,790	543
Retail exposures	11,395	912	11,240	899	11,433	915
– of which, exposures to SMEs	848	68	856	68	807	65
– of which, retail exposures secured by immovable property	10,547	844	10,384	831	10,626	850
<b>Total exposures recognised with IRB approach</b>	<b>21,724</b>	<b>1,738</b>	<b>20,078</b>	<b>1,606</b>	<b>18,223</b>	<b>1,458</b>
<b>Credit risk recognised with the standardised approach</b>						
Exposure 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 institutions <sup>1)</sup>	661	53	123	10	147	12
– of which, derivatives according to CRR, Appendix 2	616	49	114	9	136	11
– of which, repos	45	4	9	1	11	1
– of which, other	0	0	–	–	0	0
Exposures to institutions and corporates with a short-term credit rating	24	2	0	0	0	0
Other items	100	8	169	14	336	27
<b>Total exposures recognised with standardised approach</b>	<b>785</b>	<b>63</b>	<b>292</b>	<b>24</b>	<b>483</b>	<b>39</b>
<b>Market risk</b>	<b>486</b>	<b>39</b>	<b>556</b>	<b>44</b>	<b>675</b>	<b>54</b>
– of which, position risk	–	–	–	–	–	–
– of which, currency risk	486	39	556	44	675	54
<b>Operational risk</b>	<b>4,617</b>	<b>369</b>	<b>4,441</b>	<b>355</b>	<b>4,441</b>	<b>355</b>
<b>Credit valuation adjustment risk</b>	<b>1,766</b>	<b>141</b>	<b>441</b>	<b>35</b>	<b>525</b>	<b>42</b>
<b>Additional requirements under Article 458 of the CRR</b>	<b>80,192</b>	<b>6,415</b>	<b>77,656</b>	<b>6,213</b>	<b>74,094</b>	<b>5,928</b>
<b>Additional requirements under Article 3 of the CRR</b>	<b>1,106</b>	<b>88</b>	<b>616</b>	<b>49</b>	<b>616</b>	<b>49</b>
<b>Total risk exposure amount and minimum capital requirement</b>	<b>110,676</b>	<b>8,854</b>	<b>104,080</b>	<b>8,326</b>	<b>99,057</b>	<b>7,925</b>
<b>Capital requirements for capital conservation buffer</b>		<b>2,767</b>		<b>2,602</b>		<b>2,476</b>
<b>Capital requirements for countercyclical buffer</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Total capital requirement</b>		<b>11,621</b>		<b>10,928</b>		<b>10,401</b>

<sup>1)</sup> The risk exposure amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 661 million (123).



## 1.5

## Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

(EUCCyB1)

SEK million	SCBC												
	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements (%)	Countercyclical buffer rate (%)
<b>Breakdown by country:</b>													
Sweden	149	417,285	-	-	-	417,433	1,748	-	-	1,748	21,848	100,00	0.00
Norway	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>149</b>	<b>417,285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>417,433</b>	<b>1,748</b>	<b>-</b>	<b>-</b>	<b>1,748</b>	<b>21,848</b>	<b>100,00</b>	

## 1.6

## Amount of institution-specific countercyclical capital buffer

(EU CCyB2)

SEK million	SCBC
Total risk exposure amount	110,676
Institution specific countercyclical capital buffer rate	0,0%
Institution specific countercyclical capital buffer requirement	0

## 1.7

## 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 4.16 percent.

**(EU LR1- LRSum)**

SEK million	SCBC Applicable amount
Total assets as per published financial statements	424,342
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
Adjustment for eligible cash pooling transactions	-
Adjustment for derivative financial instruments	-5,567
Adjustment for securities financing transactions (SFTs)	1,723
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	0
(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-1,423
(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-14,913
(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
Other adjustments	16,370
<b>Total exposure measure</b>	<b>420,532</b>

## 1.8 Leverage ratio common disclosure

(EU LR2-LRCom)

SEK million	SCBC	
	CRR leverage ratio exposures	
	30 Jun 2021	31 Mar 2021
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
On-balance sheet items (excluding derivatives, SFTs, but including collateral)	432,482	409,782
Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
(General credit risk adjustments to on-balance sheet items)	-	-
(Asset amounts deducted in determining Tier 1 capital)	0	0
<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>432,482</b>	<b>409,782</b>
<b>Derivative exposures</b>		
Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	1,211	6,806 <sup>1)</sup>
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	5,100 <sup>1)</sup>
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	29	n/a
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	n/a
Exposure determined under Original Exposure Method	-	n/a
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	n/a
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	n/a
(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	n/a
Adjusted effective notional amount of written credit derivatives	-	n/a
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	n/a
<b>Total derivatives exposures</b>	<b>1,240</b>	<b>11,906<sup>1)</sup></b>
<b>Securities financing transaction (SFT) exposures</b>		
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	1,723	3,271
(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
Counterparty credit risk exposure for SFT assets	-	-
Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
Agent transaction exposures	-	-
(Exempted CCP leg of client-cleared SFT exposure)	-	-
<b>Total securities financing transaction exposures</b>	<b>1,723</b>	<b>3,271</b>
<b>Other off-balance sheet exposures</b>		
Off-balance sheet exposures at gross notional amount	0	0
(Adjustments for conversion to credit equivalent amounts)	0	0
(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	n/a
<b>Off-balance sheet exposures</b>	<b>0</b>	<b>0</b>
<b>Excluded exposures</b>		
(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-14,913	-11,718
(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	n/a
(Excluded exposures of public development banks (or units) - Public sector investments)	-	n/a
(Excluded exposures of public development banks (or units) - Promotional loans)	-	n/a
(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	n/a
(Excluded guaranteed parts of exposures arising from export credits)	-	n/a

## 1.8 Leverage ratio common disclosure, Cont.

SEK million	SCBC	
	CRR leverage ratio exposures	
	30 Jun 2021	31 Mar 2021
(Excluded excess collateral deposited at triparty agents)	-	n/a
(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	n/a
(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	n/a
(Reduction of the exposure value of pre-financing or intermediate loans)	-	n/a
<b>(Total exempted exposures)</b>	<b>-14,913</b>	<b>-11,718</b>
<b>Capital and total exposure measure</b>		
<b>Tier 1 capital</b>	<b>17,476</b>	<b>17,260</b>
<b>Total exposure measure</b>	<b>420,532</b>	<b>413,241</b>
<b>Leverage ratio</b>		
Leverage ratio (%)	4.16	4.18
Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	-	n/a
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	-	n/a
Regulatory minimum leverage ratio requirement (%)	3.00	n/a
Additional own funds requirements to address the risk of excessive leverage (%)	-	n/a
of which: to be made up of CET1 capital	-	n/a
Leverage ratio buffer requirement (%)	-	n/a
Overall leverage ratio requirement (%)	-	n/a
<b>Choice on transitional arrangements and relevant exposures</b>		
Choice on transitional arrangements for the definition of the capital measure	Fully Phased in	Fully Phased in
<b>Disclosure of mean values</b>		
Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	2,122	n/a
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	1,722	n/a
Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	-	n/a
Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	-	n/a
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	-	n/a
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	-	n/a

1) According to Mark -to-Market Method.

n/a= Not applicable (New regulations come in to force on 28 of June 2021)

### 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 4.16 percent as per March 2021 in comparison to 4.18 percent on 31 March 2021. 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 0.05 percent.
- The effect on the exposure measure attributable to SFT:s has decreased and impacted the ratio positively by 0.02 percent.
- The effect of the exposure measure attributable to derivatives has decreased, which had a positive impact on leverage ratio by 0.11 percent.
- An increase mainly in mortgage exposures entailed a negative impact of 0.23 percent.
- The exempted amount of intra group exposures has increased, which had a positive impact on leverage ratio by 0.03 percent.

## 1.9 Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

(EU LR3 - LRSpl)

SEK million	SCBC CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	417,577
Trading book exposures	-
Banking book exposures, of which:	417,577
Covered bonds	0
Exposures treated as sovereigns	705
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-
Institutions	0
Secured by mortgages of immovable properties	416,543
Retail exposures	0
Corporate	-
Exposures in default	180
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	149

## 1.10 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 12,346 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			
		30 Jun 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	1,942	1.8	1,665	1.6
	Market risk	39	0.0	44	0.0
	Operational risk	369	0.3	355	0.4
	Risk-weight floor <sup>1)</sup>	6,415	5.8	6,213	6.0
	Surcharge, corporate exposures <sup>2)</sup>	89	0.1	49	0.0
	<b>Total Pillar 1</b>	<b>8,854</b>	<b>8.0</b>	<b>8,326</b>	<b>8.0</b>
Pillar 2	Credit risk	-	-	-	-
	Market risk	185	0.2	14 <sup>3)</sup>	0.0 <sup>3)</sup>
	Operational risk	-	-	-	-
	Concentration risk	540	0.5	520	0.5
	Sovereign risk	-	-	-	-
	Pension risk	-	-	-	-
	<b>Total Pillar 2</b>	<b>725</b>	<b>0.7</b>	<b>534<sup>3)</sup></b>	<b>0.5<sup>3)</sup></b>
Buffers	Capital conservation buffer	2,767	2.5	2,602	2.5
	Capital planning buffer	-	-	-	-
	Countercyclical buffer	0	0.0	0	0.0
	<b>Total Buffers</b>	<b>2,767</b>	<b>2.5</b>	<b>2,602</b>	<b>2.5</b>
<b>Total</b>	<b>12,346</b>	<b>11.2</b>	<b>11,462<sup>3)</sup></b>	<b>11.0<sup>3)</sup></b>	
<b>Total own funds</b>	<b>17,476</b>		<b>17,008</b>		

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 Standardised approach – Credit risk exposure and CRM effects

(EU CR4)

Exposure classes, SEK million	SCBC					
	Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	On-balance sheet amount	Off-balance-sheet amount	On-balance sheet amount	Off-balance-sheet amount	RWAs	RWA density, %
Central governments or central banks	263	–	263	–	–	–
Regional government or local authorities	1	–	441	–	–	–
Multilateral development banks	–	–	–	–	–	–
International organisations	–	–	–	–	–	–
Institutions <sup>1)</sup>	0	–	0	–	0	20
Corporates	–	–	–	–	–	–
Retail	–	–	–	–	–	–
Exposures in default	–	–	–	–	–	–
Covereds bonds	–	–	–	–	–	–
Institutions and corporates with a short-term credit assessment	48	–	48	–	24	50
Equity	–	–	–	–	–	–
Other items	100	–	100	–	100	100
<b>Total</b>	<b>413</b>	<b>–</b>	<b>853</b>	<b>–</b>	<b>124</b>	<b>15</b>

<sup>1)</sup> Exposure classes institutions does not cover derivatives and repurchase transactions

## 2.2 Standardised approach

(EU CR5)<sup>1)</sup>

Exposure classes, SEK million	SCBC															Total	Of which unrated	
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Other			
Central governments or central banks	263	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	263	-
Regional governments or local authorities	441	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	441	-
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions <sup>1)</sup>	14,913	-	-	-	44	-	1,304	-	-	-	-	-	-	-	-	-	16,260	-
Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	0	-	48	-	-	-	-	-	-	-	-	-	48	-
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	100	-	-	-	-	-	-	100	100
<b>Total</b>	<b>15,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>-</b>	<b>1,352</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,114</b>	<b>100</b>

1) Exposures to institutions including counterparty risk.



## 2.3

## IRB approach – Credit risk exposures 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
<b>Exposure class</b>													
	0.00 to <0.15	26,167	-	-	26,159	0,09	135	35	2,5	3,887	15	8	1
	0.00 to <0.10	26,167	-	-	26,159	0,09	135	35	2,5	3,887	15	8	1
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	7,886	-	-	7,886	0,21	73	35	2,5	1,840	23	6	1
	0.25 to <0.50	2,576	-	-	2,576	0,45	60	35	2,5	873	34	4	1
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	214	-	-	214	1,16	15	35	2,5	102	48	1	0
	0.75 to <1.75	214	-	-	214	1,16	15	35	2,5	102	48	1	0
	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
Of which, Corporate SME	2.50 to <10.00	126	-	-	124	3,05	5	35	2,5	76	62	1	0
	2.5 to <5	126	-	-	124	3,05	5	35	2,5	76	62	1	0
	5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 till <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	0	-	-	0	100,00	1	35	2,5	-	-	0	0
	<b>Portfolio subtotal</b>	<b>36,970</b>	-	-	<b>36,959</b>	<b>0,16</b>	<b>289</b>	<b>35</b>	<b>2,5</b>	<b>6,778</b>	<b>18</b>	<b>21</b>	<b>2</b>
<b>Corporates (foundation approach)</b>													
	0.00 to <0.15	11,908	-	-	11,883	0,09	72	35	2,5	2,761	23	4	0
	0.00 to <0.10	11,908	-	-	11,883	0,09	72	35	2,5	2,761	23	4	0
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	928	-	-	928	0,21	6	35	2,5	346	37	1	0
	0.25 to <0.50	750	-	-	726	0,45	7	39	2,5	443	61	1	0
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
Of which, Corporates Other	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to <5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 till <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Portfolio subtotal</b>	<b>13,586</b>	-	-	<b>13,537</b>	<b>0,12</b>	<b>85</b>	<b>35</b>	<b>2,5</b>	<b>3,550</b>	<b>26</b>	<b>6</b>	<b>0</b>

## 2.3 IRB approach – Credit risk exposures by exposure class and PD range, Cont.

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	
Retail (advanced approach)	0.00 to <0.15	35,969	-	-	35,716	0,09	1,199	7	-	439	1	2	0	
	0.00 to <0.10	35,969	-	-	35,716	0,09	1,199	7	-	439	1	2	0	
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-	
	0.15 to <0.25	11,745	-	-	11,636	0,21	524	7	-	287	2	2	0	
	0.25 to <0.50	2,144	-	-	2,144	0,45	114	8	-	96	4	1	0	
	0.50 till <0.75	-	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	96	-	-	96	1,16	18	9	-	10	10		0	
	0.75 to <1.75	96	-	-	96	1,16	18	9	-	10	10		0	
	Of which, Retail SME	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	22	-	-	5	3,05	3	10	-	1	20	0	0	
	2.5 to <5	22	-	-	5	3,05	3	10	-	1	20	0	0	
	5 to <10	-	-	-	-	-	-	-	-	-	-	-	-	
	10.00 till <100.00	-	-	-	-	-	-	-	-	-	-	-	-	
	10 to <20	-	-	-	-	-	-	-	-	-	-	-	0	
	20 to <30	-	-	-	-	-	-	-	-	-	-	-	0	
	30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	17	-	-	17	100,00	2	15	-	15	85	8	8	
	<b>Portfolio subtotal</b>		<b>49,994</b>	-	-	<b>49,615</b>	<b>0,17</b>	<b>1,860</b>	<b>7</b>	-	<b>848</b>	<b>2</b>	<b>13</b>	<b>8</b>
	Of which, Retail Other	0.00 to <0.15	226,833	-	-	226,832	0,04	129,548	10	-	2,810	1	9	5
		0.00 to <0.10	226,833	-	-	226,832	0,04	129,548	10	-	2,810	1	9	5
		0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
		0.15 to <0.25	48,863	-	-	48,863	0,16	27,095	11	-	1,922	4	9	9
		0.25 to <0.50	26,983	-	-	26,983	0,42	13,799	11	-	2,163	8	12	19
		0.50 till <0.75	-	-	-	-	-	-	-	-	-	-	-	-
		0.75 to <2.50	11,233	-	-	11,233	1,55	6,055	11	-	2,225	20	20	28
		0.75 to <1.75	11,233	-	-	11,233	1,55	6,055	11	-	2,225	20	20	28
		1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
		2.50 to <10.00	1,651	-	-	1,651	4,17	985	11	-	579	35	8	12
2.5 to <5		1,651	-	-	1,651	4,17	985	11	-	579	35	8	12	
5 to <10		-	-	-	-	-	-	-	-	-	-	-	-	
10.00 till <100.00		987	-	-	987	24,67	677	11	-	669	68	27	23	
10 to <20		-	-	-	-	-	-	-	-	-	-	-	-	
20 to <30		987	-	-	987	24,67	677	11	-	669	68	27	23	
30.00 to <100.00		-	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)		184	-	-	184	100,00	143	14	-	180	98	14	14	
<b>Portfolio subtotal</b>			<b>316,734</b>	-	-	<b>316,733</b>	<b>0,30</b>	<b>178,302</b>	<b>10</b>	-	<b>10,547</b>	<b>3</b>	<b>99</b>	<b>110</b>
<b>Total (all exposures classes)</b>			<b>417,285</b>	-	-	<b>416,844</b>	<b>0,27</b>	<b>180,536</b>	<b>13</b>	-	<b>21,724</b>	<b>5</b>	<b>137</b>	<b>121</b>

## 2.4 RWEA flow statements of credit risk exposures under the IRB approach

(EU CR8)

SEK million	SCBC	
	30 Jun 2021	31 Mar 2021
	Risk weighed exposure amount	Risk weighed exposure amount
Risk exposure amount at the end of the previous quarter	20,628	20,078
Asset size	1,647	997
Asset quality	-551	-437
Model updates	-	-
Methodology and policy	-	-
Acquisitions and disposals	-	-
Foreign exchange movements	-	-
Other	0	-10
Risk exposure amount at the end of the reporting quarter	21,724	20,628

## 2.5 CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

(EU CR3)

SEK million	SCBC				
	Unsecured carrying amount	Secured carrying amount			
		Of which secured by collateral	Of which secured by financial guarantees		Of which secured by credit derivatives
Loans and advances	357	416,934	416,493	441	-
Debt securities	-	-	-	-	-
<b>Total</b>	<b>357</b>	<b>416,934</b>	<b>416,493</b>	<b>441</b>	<b>-</b>
<i>Of which non-performing exposures</i>	<i>1</i>	<i>192</i>	<i>192</i>	<i>-</i>	<i>-</i>
<i>Of which defaulted</i>	<i>1</i>	<i>179</i>	<i>179</i>	<i>-</i>	<i>-</i>

## 2.6 Credit quality of forborne exposures

(EU CQ1)

SEK million	SCBC							
	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						
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	14	66	66	66	0	-3	77	-
<i>Central banks</i>								
<i>General governments</i>	-	-	-	-	-	-	-	-
<i>Credit institutions</i>	-	-	-	-	-	-	-	-
<i>Other financial corporations</i>	-	-	-	-	-	-	-	-
<i>Non-financial corporations</i>	7	-	-	-	0	-	7	-
<i>Household</i>	7	66	66	66	0	-3	70	-
Debt securities								-
Loan commitments given	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14</b>	<b>66</b>	<b>66</b>	<b>66</b>	<b>0</b>	<b>-3</b>	<b>77</b>	<b>-</b>

## 2.7 Performing and non-performing exposures and related provisions.

(EU CR1)

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					
<b>Cash balances at central banks and other demand deposits</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loans and advances</b>	417,077	400,602	16,476	214	-	214	-102	-45	-58	-22	-	-22	-1	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	100,540	99,362	1,179	18	-	18	-4	-4	0	-8	-	-8	-	-	-	-
– of which, SMEs	84,624	83,305	1	18	-	18	-3	-3	0	-8	-	-8	-	-	-	-
Household	316,537	301,240	15	196	-	196	-98	-41	-57	-15	-	-15	-1	-	-	-
<b>Debt securities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Off balance sheet exposures</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Household	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>417,077</b>	<b>400,602</b>	<b>16,476</b>	<b>214</b>	<b>-</b>	<b>214</b>	<b>-102</b>	<b>-45</b>	<b>-58</b>	<b>-22</b>	<b>-</b>	<b>-22</b>	<b>-1</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2.8

## 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 which: increase in exposure credit risk since initial with recogni- forbear- ance not cred- meas- it-impaired ures (Stage 2)</i>	<i>Of which: Of which: Unlikely exposure to pay that are not past- due or past- due &lt;= 90 days</i>				<i>Of which: Instruments with Of significant which: increase in exposure credit risk since initial with recogni- forbear- ance not cred- meas- it-impaired ures (Stage 2)</i>	<i>Of which: Of which: Unlikely exposure to pay that are not past- due or past- due &lt;= 90 days</i>					<i>Inflows to non-per- forming exposures</i>
Loans and advances subject to moratorium	47,989	47,974	-	2,900	14	-	2	25	24	-	14	0	-	0	13
- of which, households	47,989	47,974	-	2,900	14	-	2	25	24	-	14	0	-	0	13
- of which, collateralised by residential immovable property	47,989	47,974	-	2,900	14	-	2	25	24	-	14	0	-	0	13
- of which, non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which, SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which, Collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## 2.9

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

SCBC									
Gross carrying amount									
SEK million	Number of obligors	Residual maturity of moratoria							
		<i>Of which: legislative moratoria</i>	<i>Of which: Expired</i>	<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year	
Loans and advances for which moratorium was offered	21,405	48,015	-	-	-	-	-	-	-
Loans and advances subject to moratorium (granted)	21,383	47,989	47,989	17,172	47,989	-	-	-	-
– of which, households	-	47,989	47,989	17,172	47,989	-	-	-	-
– of which, collateralised by residential immovable property	-	47,989	47,989	17,172	47,989	-	-	-	-
– of which, non-financial corporations	-	-	-	-	-	-	-	-	-
– of which, SMEs	-	-	-	-	-	-	-	-	-
– of which, Collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-

## 3 Counterparty Creditrisk

### 3.1 Standardised approach – CCR exposures by regulatory exposure class and risk weights

(EU CCR3)

Exposure class, SEK million	SCBC											Total exposure value
	Risk weight											
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	14,913	-	-	-	44	1,304	-	-	-	-	-	16,260
Corporates	-	-	-	-	-	-	-	-	-	-	-	-
Retail	-	-	-	-	-	-	-	-	-	-	-	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total exposure value</b>	<b>14,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>1,304</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,260</b>



### 3.2 Analysis of CCR exposure by approach

#### (EU CCR1)

SEK million	SCBC							
	Replace- ment cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regu- latory exposure value	Exposure value pre- CRM	Exposure value post- CRM	Exposure value	RWEA
EU - Original Exposure Method (for derivatives)	-	-	-	-	-	-	-	-
EU - Simplified SA-CCR (for derivatives)	-	-	-	-	-	-	-	-
SA-CCR (for derivatives)	865	15	-	1.4	1,232	1,232	1,232	616
IMM (for derivatives and SFTs)	-	-	-	-	-	-	-	-
Of which securities financing transactions netting sets	-	-	-	-	-	-	-	-
Of which derivatives and long settlement transactions netting sets	-	-	-	-	-	-	-	-
Of which from contractual cross-product netting sets	-	-	-	-	-	-	-	-
Financial collateral simple method (for SFTs)	-	-	-	-	-	-	-	-
Financial collateral comprehensive method (for SFTs)	-	-	-	-	115	115	115	44
VaR for SFTs	-	-	-	-	-	-	-	-
<b>Total</b>					<b>1,347</b>	<b>1,347</b>	<b>1,347</b>	<b>661</b>

### 3.3 Composition of collateral for CCR exposures

#### (EU CCR5)

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	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic currency	-	-	-	-	-	-	-	-
Cash – other currencies	-	-	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	1,835	-	16,565
Equity securities	-	-	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-	-	-
<b>Total</b>						<b>1,835</b>		<b>16,565</b>

## 4 Market risk

### 4.1 Market risk under the standardised approach

(EU MR1)

		SCBC
Risk class, SEK million	RWEAs	
<b>Outright products</b>		
Interest rate risk (general and specific)		-
Equity risk (general and specific)		-
Foreign exchange risk		486
Commodity risk		-
<b>Options</b>		
Simplified approach		-
Delta-plus approach		-
Scenario approach		-
Securitisation (specific risk)		-
<b>Total</b>		<b>486</b>

### 4.2 Interest rate risks of non-trading book activities

(EU IRRBB1)

SCBC				
SEK million	Changes of the economic value of equity		Changes of the net interest income	
	Current period	Last period	Current period	Last period
Parallel up	-35	399	1,084	1,310
Parallel down	-7	-265	-1,084	-1,310
Steeper	42	183		
Flattener	-74	-117		
Short rates up	-65	69		
Short rates down	72	-145		

## (EU IRRBBA)

Qualitative information	Legal basis
<p><b>(a) A description of how the institution defines IRRBB for purposes of risk control and measurement.</b>  <i>Answer:</i>            Interest rate risk pertains to the risk of variations in general interest rate levels leading to a negative earnings impact due to future income and expenses having different fixed-interest periods or interest terms. The general principle governing SCBC's exposure to interest rate risk is to limit it through direct borrowing and the use of derivatives. As far as possible, fixed interest liabilities are matched with fixed interest assets."</p>	Article 448.1 (e), first paragraph
<p><b>(b) A description of the institution's overall IRRBB management and mitigation strategies.</b>  <i>Answer:</i>            SCBC is characterised by low risk taking, with the Board determining the overall risk appetite and setting the limits related to interest rate risk in the banking book (IRRBB). In addition to the Board decided limits, a number of supplementary risk-based metrics set by the CEO of SCBC are also subject to limitation. Risk control checks compliance with current risk levels and limits on a daily basis. The general principle governing SCBC's exposure to IRRBB and market risk in general is that the level of risk taking should be low. As a general principle, interest rate risk is to be mitigated through direct funding or the use of derivatives.</p>	Article 448.1 (f)
<p><b>(c) The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB.</b>  <i>Answer:</i>            SCBC uses parallel shifts, flattener, steepener of the yield curve and also value at risk to measure interest rate risk in the banking book on a daily basis. On monthly bases SCBC calculates interest rate risk in the banking book according to FI dnr 19-4433 and EBA/GL/2018/02 which include NII scenarios.</p>	Article 448.1 (e) (i) and (v); Article 448.2
<p><b>(d) A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable).</b>  <i>Answer:</i>            SCBC calculates six stress scenarios according to FI dnr 19-4433 and EBA/GL/2018/02 which includes NII scenarios with a parallel shift of +/- 100 basis points and a time horizon of one year. The change in economic value is also measured with a parallel shift of +/- 200 basis points.</p>	Article 448.1 (e) (iii); Article 448.2
<p><b>(e) A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable).</b>  <i>Answer:</i>            SCBC does not make any key modelling nor parametric assumptions different from those used for disclosure of template EU IRRBB1.</p>	Article 448.1 (e) (ii); Article 448.2
<p><b>(f) A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment (if applicable).</b>  <i>Answer:</i>            See question (a)</p>	Article 448.1 (e) (iv); Article 448.2
<p><b>(g) A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable).</b>  <i>Answer:</i>            When SCBC measures risk for the template EU IRRBB1 a few assumptions are made:            - No behavioural modelled assumptions are made for NMDs.            - Commercial margins are included.            - Positive changes are calculated both weighted by a factor of 50% (EBA/GL/2018/02) and by a factor of 100% (FI dnr 19-4434).            - Behavior options for lending is not reflected on the calculation. The reason is that SCBC assess that behavior options for lending is counteracted by interest rate differential compensation.</p>	Article 448.1 (c); Article 448.2
<p><b>(h) Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures</b>  <i>Answer:</i>            SCBC is well hedged. Since 2021-03-31 the interest rate risk has slightly decreased and the worst scenario has shifted from "parallel down" to "flattener".</p>	Article 448.1 (d)
<p><b>(i) Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional)</b>  <i>Answer:</i>            N/A</p>	
<p><b>(1) Disclosure of the average and longest repricing maturity assigned to non-maturity deposits</b>  <b>(2) Answer:</b>            SCBC uses overnight as repricing maturity on non-maturity deposits.</p>	Article 448.1 (g)



## 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



## Contact

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