

Disclosure of own funds and leverage ratio

September 2021



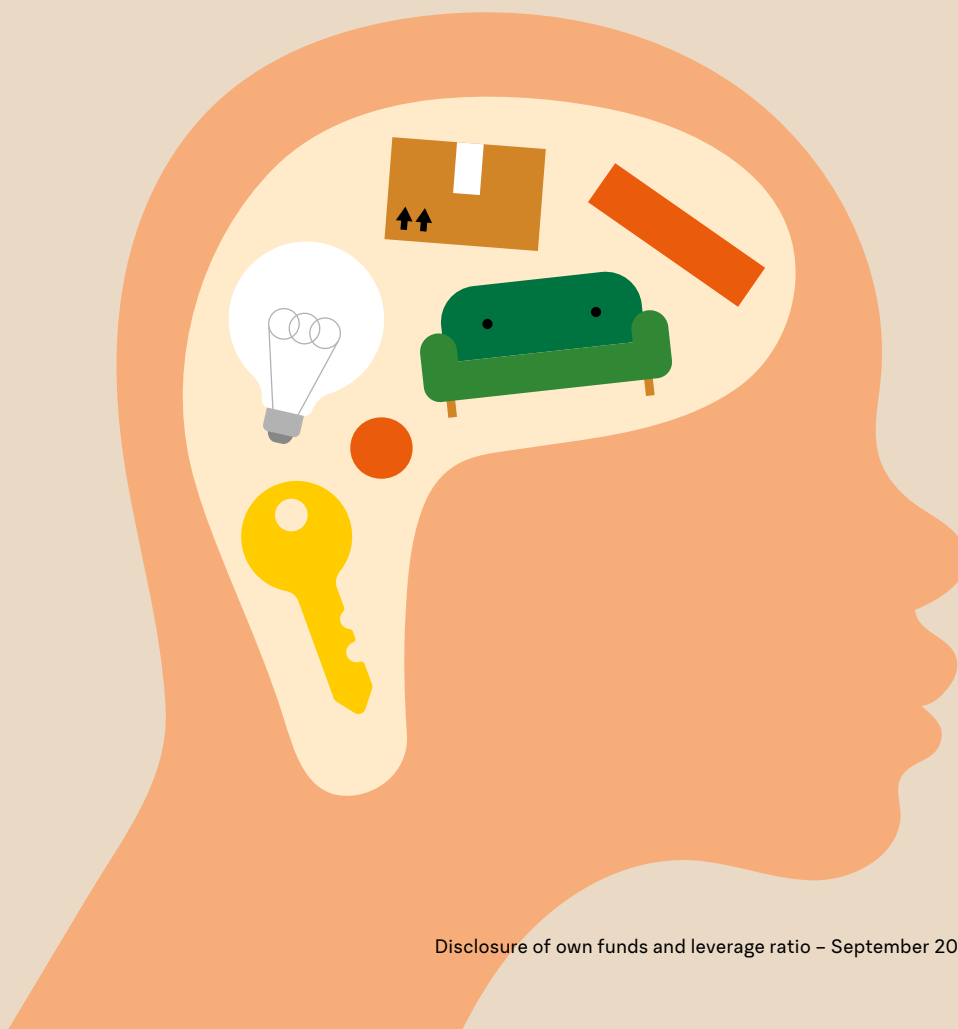
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Swedish Covered Bond Corporation (SCBC)

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 2020, the Swedish FSA reduced the countercyclical buffer requirement for banks from 2.5 percent to 0 percent, due to the corona pandemic. The Swedish FSA announced on 29 September 2021 an increase in the countercyclical capital buffer requirement to 1 percent with application from 29 September 2022.

(EU KM1)

SEK million	SCBC	
	30 Sep 2021	30 Jun 2021
Available own funds (amounts)		
Common Equity Tier 1 (CET1) capital	17,756	17,476
Tier 1 capital	17,756	17,476
Total capital	17,756	17,476
Risk-weighted exposure amounts		
Total risk exposure amount	112,345	110,676
Capital ratios (as a percentage of risk-weighted exposure amount)		
Common Equity Tier 1 ratio (%)	15.8	15.8
Tier 1 ratio (%)	15.8	15.8
Total capital ratio (%)	15.8	15.8
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.5	1.1
of which: to be made up of CET1 capital (percentage points)	1.7	0.6
of which: to be made up of Tier 1 capital (percentage points)	1.9	0.9
Total SREP own funds requirements (%)	10.5	9.1
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)		
Capital conservation buffer (%)	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-
Institution specific countercyclical capital buffer (%)	0.0	0.0
Systemic risk buffer (%)	-	-
Global Systemically Important Institution buffer (%)	-	-
Other Systemically Important Institution buffer (%)	-	-
Combined buffer requirement (%)	2.5	2.5
Overall capital requirements (%)	13.0	11.6
CET1 available after meeting the total SREP own funds requirements (%)	9.6	10.7

SEK million	SCBC	
	30 Sep 2021	30 Jun 2021
Leverage ratio		
Total exposure measure	427,030	420,532
Leverage ratio (%)	4.2	4.2
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
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	3.0
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
Leverage ratio buffer requirement (%)	-	-
Overall leverage ratio requirement (%)	3.0	3.0
Liquidity Coverage Ratio		
Total high-quality liquid assets (HQLA) (Weighted value -average)	0	0
Cash outflows - Total weighted value	8,105	6,291
Cash inflows - Total weighted value	6,079	35,922
Total net cash outflows (adjusted value)	2,026	1,573
Liquidity coverage ratio (%)	0	0
Net Stable Funding Ratio		
Total available stable funding	390,519	395,341
Total required stable funding	342,904	334,136
NSFR ratio (%)	113.9	118.3

1.2 Composition of regulatory own funds

(EU CC1)

SEK million	SCBC		
	30 Sep 2021	31 Dec 2020	30 Sep 2020
Common Equity Tier 1 (CET1) capital : 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)	1,240	2,217	2,491
Independently reviewed interim profits net of any foreseeable charge or dividend ¹⁾	765	1,413	629
Common Equity Tier 1 (CET1) capital before regulatory adjustments	19,030	19,243	19,321
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
Additional value adjustments (negative amount)	-9	-11	-15
Fair value reserves related to gains or losses on cash-flow hedges of financial instruments that are not valued at fair value	-1,240	-2,217	-2,491
Negative amounts resulting from the calculation of expected loss amounts	-24	-12	-5
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-1	0	0
Other regulatory adjustments ²⁾	-	-	-
Total regulatory adjustments to Common Equity Tier 1 (CET1)	-1,274	-2,240	-2,511
Common Equity Tier 1 (CET1) capital	17,756	17,003	16,810
Additional Tier 1 (AT1) capital: Instruments			
Additional Tier 1 (AT1) capital before regulatory adjustments	-	-	-
Additional Tier 1 capital: regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-	-
Additional Tier 1 (AT1) capital	-	-	-
Tier 1 capital (T1 = CET1+A1)	17,756	17,003	16,810
Tier 2 (T2) capital: Instruments			
Credit risk adjustments	-	5	6
Tier 2 (T2) capital before regulatory adjustments	-	5	6
Tier 2 (T2) capital: regulatory adjustments			
Total regulatory adjustments to Tier 2(T2) capital	-	-	-
Tier 2 (T2) capital	-	5	6
Total capital (TC=T1+T2)	17,756	17,008	16,816
Total risk-exposure amount	112,345	104,080	101,200

1.2 Composition of regulatory own funds, Cont.

SEK million	SCBC		
	30 Sep 2021	31 Dec 2020	30 Sep 2020
Capital ratio and requirements including buffers, %			
Common Equity Tier 1 capital	15.8	16.3	16.6
Tier 1 capital	15.8	16.3	16.6
Total capital	15.8	16.3	16.6
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	8.6
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.

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 Sep 2021		30 Jun 2021	
	Total risk exposure amounts	Total own funds requirements	Total risk exposure amounts	Total own funds requirements
Credit risk (excl. counterparty risk)	21,935	1,757	21,848	1,748
– of which, the standardised approach	123	12	125	10
– of which, the Foundation IRB (F-IRB) approach	10,368	829	10,328	826
– of which, the Advanced IRB (A-IRB) approach	11,444	916	11,395	912
Counterparty credit risk- CCR	1,745	139	2,427	194
– of which, SA-CCR	580	46	661	53
– of which exposures to a CCP	–	–	–	–
– of which, credit valuation adjustment risk (CVA)	1,165	93	1,766	141
Market risk	586	47	486	39
– of which, the standardised approach	586	47	486	39
Operational risks	4,617	369	4,617	369
– of which, the standardised approach	4,617	369	4,617	369
Additional stricter prudential requirements under Article 458 of the CRR	81,831	6,546	80,192	6,416
Additional stricter prudential requirements under Article 3 of the CRR	1,631	130	1,106	88
Total	112,345	8,988	110,676	8,854

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 which as per 30 September 2021 amounted to SEK 1,631 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 Sep 2021		31 Dec 2020		30 Sep 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	10,368	829	8,838	707	7,732	619
Retail exposures	11,444	916	11,240	899	11,402	912
– of which, exposures to SMEs	917	73	856	68	814	65
– of which, retail exposures secured by immovable property	10,527	843	10,384	831	10,588	847
Total exposures recognised with IRB approach	21,812	1,745	20,078	1,606	19,134	1,531
Credit risk recognised with the standardised approach						
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 ¹⁾	580	46	123	10	152	12
– of which, derivatives according to CRR, Appendix 2	462	37	114	9	137	11
– of which, repos	118	9	9	1	15	1
– of which, other	–	–	–	–	–	–
Exposures to institutions and corporates with a short-term credit rating	54	5	0	0	0	0
Other items	69	7	169	14	327	26
Total exposures recognised with standardised approach	703	58	292	24	479	38
Market risk	586	47	556	44	629	50
– of which, position risk	–	–	–	–	–	–
– of which, currency risk	586	47	556	44	629	50
Operational risk	4,617	369	4,441	355	4,441	355
Credit valuation adjustment risk	1,165	93	441	35	523	43
Additional requirements under Article 458 of the CRR	81,831	6,546	77,656	6,213	75,378	6,030
Additional requirements under Article 3 of the CRR	1,631	130	616	49	616	49
Total risk exposure amount and minimum capital requirement	112,345	8,988	104,080	8,326	101,200	8,096
Capital requirements for capital conservation buffer		2,808		2,602		2,530
Capital requirements for countercyclical buffer		0		0		0
Total capital requirement		11,796		10,928		10,626

¹⁾ The risk exposure amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 580 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 re 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 (%)
Breakdown by country:													
Sweden	177	425,491	-	-	-	425,668	1,755	-	-	1,755	21,935	100.00	0.00
Norway	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	177	425,491	-	-	-	425,668	1,755	-	-	1,755	21,935	100.00	

1.6

Amount of institution-specific countercyclical capital buffer

(EU CCyB2)

SEK million	SCBC
Total risk exposure amount	112,345
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	432,583
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	-5,908
Adjustment for securities financing transactions (SFTs)	6,177
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)	-9
(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-14,574
(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
Other adjustments	8,761
Total exposure measure	427,030

1.8 Leverage ratio common disclosure

(EU LR2-LRCom)

SEK million	SCBC	
	CRR leverage ratio exposures	
	30 Sep 2021	30 Jun 2021
On-balance sheet exposures (excluding derivatives and SFTs)		
On-balance sheet items (excluding derivatives, SFTs, but including collateral)	434,472	432,482
Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	23	-
(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
Total on-balance sheet exposures (excluding derivatives and SFTs)	434,495	432,482
Derivative exposures		
Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	903	1,211
Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	28	29
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
Exposure determined under Original Exposure Method	-	-
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
Adjusted effective notional amount of written credit derivatives	-	-
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
Total derivatives exposures	931	1,240
Securities financing transaction (SFT) exposures		
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	6,176	1,721
(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
Counterparty credit risk exposure for SFT assets	3	2
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)	-	-
Total securities financing transaction exposures	6,179	1,723
Other off-balance sheet exposures		
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)	-	-
Off-balance sheet exposures	0	0
Excluded exposures		
(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-14,574	-14,913
(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
(Excluded guaranteed parts of exposures arising from export credits)	-	-

1.8 Leverage ratio common disclosure, Cont.

SEK million	SCBC	
	CRR leverage ratio exposures	
	30 Sep 2021	30 Jun 2021
(Excluded excess collateral deposited at triparty agents)	-	-
(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
(Total exempted exposures)	-14,574	-14,913
Capital and total exposure measure		
Tier 1 capital	17,756	17,476
Total exposure measure	427,030	420,532
Leverage ratio		
Leverage ratio (%)	4.16	4.16
Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	4.16	4.16
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	4.16	4.16
Regulatory minimum leverage ratio requirement (%)	3.00	3.00
Additional own funds requirements to address the risk of excessive leverage (%)	-	-
of which: to be made up of CET1 capital	-	-
Leverage ratio buffer requirement (%)	-	-
Overall leverage ratio requirement (%)	3.00	3.00
Choice on transitional arrangements and relevant exposures		
Choice on transitional arrangements for the definition of the capital measure	Fully Phased in	Fully Phased in
Disclosure of mean values		
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	5,195	2,122
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	6,176	1,722
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)	426,050	420,932
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)	426,050	420,932
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)	4.17	4.15
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)	4.17	4.15

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 30 September 2021 in comparison to 4.16 percent on 30 June 2021. The change in the leverage ratio compared to the previous quarter is explained by:

- The Tier 1 capital has increased due to accrued earnings, which had a positive impact on the leverage ratio by 0.07 percent.
- The effect on the exposure measure attributable to SFTs has increased and impacted the ratio negatively by 0.04 percent.
- The effect on the exposure measure attributable to Derivatives has decreased and impacted the ratio positively by 0.00 percent.
- The effect on the exposure measure attributable to other assets has increased and impacted the ratio negatively by 0.02 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:	425,970
Trading book exposures	-
Banking book exposures, of which:	425,970
Covered bonds	0
Exposures treated as sovereigns	852
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-
Institutions	0
Secured by mortgages of immovable properties	424,766
Retail exposures	0
Corporate	-
Exposures in default	175
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	177

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 12,510 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 Sep 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	1,894	1.7	1,665	1.6
	Market risk	47	0.0	44	0.0
	Operational risk	369	0.3	355	0.4
	Risk-weight floor ¹⁾	6,546	5.9	6,213	6.0
	Surcharge, corporate exposures ²⁾	130	0.1	49	0.0
	Total Pillar 1	8,988	8.0	8,326	8.0
Pillar 2	Credit risk	485	0.4	520	0.5
	Market risk	228	0.2	14 ³⁾	0.0 ³⁾
	Operational risk	–	–	–	–
	Pension risk	–	–	–	–
	Total Pillar 2	713	0.6	534³⁾	0.5³⁾
Buffers	Capital conservation buffer	2,809	2.5	2,602	2.5
	Capital planning buffer	–	–	–	–
	Countercyclical buffer	0	0.0	0	0.0
	Total Buffers	2,809	2.5	2,602	2.5
Total	12,510	11.1	11,462³⁾	11.0³⁾	
Total own funds	17,756		17,008		

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	415	–	415	–	–	–
Regional government or local authorities	1	–	437	–	–	–
Multilateral development banks	–	–	–	–	–	–
International organisations	–	–	–	–	–	–
Institutions ¹⁾	0	–	0	–	0	20
Corporates	–	–	–	–	–	–
Retail	–	–	–	–	–	–
Exposures in default	–	–	–	–	–	–
Covered bonds	–	–	–	–	–	–
Institutions and corporates with a short-term credit assessment	108	–	108	–	54	50
Equity	–	–	–	–	–	–
Other items	69	–	69	–	69	100
Total	593	–	1,029	–	123	12

¹⁾ Exposure classes institutions does not cover derivatives and repurchase transactions

2.2 Standardised approach

(EU CR5)¹⁾

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	415	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	415	-
Regional governments or local authorities	438	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	438	-
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions ¹⁾	14,574	-	-	-	270	-	1,051	-	-	-	-	-	-	-	-	-	15,895	-
Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	0	-	108	-	-	-	-	-	-	-	-	-	108	-
Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	69	-	-	-	-	-	-	69	69
Total	15,427	-	-	-	270	-	1,159	-	-	69	-	-	-	-	-	-	16,925	69

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
Exposure class													
	0.00 to <0.15	29,669	-	-	29,660	0.09	148	35	2.5	4,488	15	10	1
	0.00 to <0.10	29,668	-	-	29,660	0.09	148	35	2.5	4,488	15	10	1
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	8,593	-	-	8,593	0.21	79	35	2.5	1,973	23	6	1
	0.25 to <0.50	2,446	-	-	2,446	0.45	58	35	2.5	819	33	4	0
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	96	-	-	96	1.16	13	35	2.5	46	48	0	0
	0.75 to <1.75	96	-	-	96	1.16	13	35	2.5	46	48	0	0
Of which, Corporate SME	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	72	-	-	70	3.05	4	35	2.5	43	62	1	0
	2.5 to <5	72	-	-	70	3.05	4	35	2.5	43	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
	Portfolio subtotal	40,876	-	-	40,965	0.15	303	35	2.5	7,369	18	21	2
Corporates (foundation approach)	0.00 to <0.15	8,793	-	-	8,768	0.09	63	35	2.5	2,038	23	3	0
	0.00 to <0.10	8,793	-	-	8,768	0.09	63	35	2.5	2,038	23	3	0
	0.10 to <0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to <0.25	1,772	-	-	1,772	0.21	5	35	2.5	660	37	1	0
	0.25 to <0.50	572	-	-	548	0.45	5	35	2.5	301	55	1	0
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <1.75	-	-	-	-	-	-	-	-	-	-	-	-
Of which, Corporates Other	1.75 to <2.5	-	-	-	-	-	-	-	-	-	-	-	-
	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)	-	-	-	-	-	-	-	-	-	-	-	-
	Portfolio subtotal	11,137	-	-	11,088	0.13	73	35	2.5	2,999	27	5	0

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	36,538	-	-	36,298	0.09	1,211	7	-	471	1	2	1	
	<i>0.00 to <0.10</i>	<i>36,538</i>	-	-	<i>36,298</i>	<i>0.09</i>	<i>1,211</i>	<i>7</i>	-	<i>471</i>	<i>1</i>	<i>2</i>	<i>1</i>	
	<i>0.10 to <0.15</i>	-	-	-	-	-	-	-	-	-	-	-	-	
	0.15 to <0.25	12,205	-	-	12,092	0.21	526	8	-	312	3	2	0	
	0.25 to <0.50	2,359	-	-	2,336	0.45	121	8	-	109	5	1	0	
	0.50 till <0.75	-	-	-	-	-	-	-	-	-	-	-	-	
	0.75 to <2.50	92	-	-	92	1.16	16	10	-	10	11	0	0	
	<i>0.75 to <1.75</i>	<i>92</i>	-	-	<i>92</i>	<i>1.16</i>	<i>16</i>	<i>10</i>	-	<i>10</i>	<i>11</i>	<i>0</i>	<i>0</i>	
	Of which, Retail SME	<i>1.75 to <2.5</i>	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to <10.00	2	-	-	1	3.05	2	7	-	0	13	0	0	
	<i>2.5 to <5</i>	<i>2</i>	-	-	<i>1</i>	<i>3.05</i>	<i>2</i>	<i>7</i>	-	<i>0</i>	<i>13</i>	<i>0</i>	<i>0</i>	
	<i>5 to <10</i>	-	-	-	-	-	-	-	-	-	-	-	-	
	10.00 till <100.00	-	-	-	-	-	-	-	-	-	-	-	-	
	<i>10 to <20</i>	-	-	-	-	-	-	-	-	-	-	-	-	
	<i>20 to <30</i>	-	-	-	-	-	-	-	-	-	-	-	-	
	<i>30.00 to <100.00</i>	-	-	-	-	-	-	-	-	-	-	-	-	
	100.00 (Default)	17	-	-	17	100.00	2	16	-	16	94	7	7	
	Portfolio subtotal		51,213	-	-	50,836	0.17	1,878	7	-	918	2	12	8
	Of which, Retail Other	0.00 to <0.15	231,603	-	-	231,603	0.04	129,952	10	-	2,847	1	9	5
		<i>0.00 to <0.10</i>	<i>231,603</i>	-	-	<i>231,603</i>	<i>0.04</i>	<i>129,952</i>	<i>10</i>	-	<i>2,847</i>	<i>1</i>	<i>9</i>	<i>5</i>
		<i>0.10 to <0.15</i>	-	-	-	-	-	-	-	-	-	-	-	-
		0.15 to <0.25	49,532	-	-	49,562	0.16	27,244	11	-	1,966	4	9	8
		0.25 to <0.50	27,202	-	-	27,202	0.42	13,791	11	-	2,172	8	13	18
		0.50 till <0.75	-	-	-	-	-	-	-	-	-	-	-	-
		0.75 to <2.50	11,208	-	-	11,208	1.55	5,969	11	-	2,194	20	19	25
		<i>0.75 to <1.75</i>	<i>11,208</i>	-	-	<i>11,208</i>	<i>1.55</i>	<i>5,969</i>	<i>11</i>	-	<i>2,194</i>	<i>20</i>	<i>19</i>	<i>25</i>
		2.50 to <10.00	1,588	-	-	1,587	4.17	938	11	-	548	35	7	10
<i>2.5 to <5</i>		<i>1,588</i>	-	-	<i>1,587</i>	<i>4.17</i>	<i>938</i>	<i>11</i>	-	<i>548</i>	<i>35</i>	<i>7</i>	<i>10</i>	
<i>5 to <10</i>		-	-	-	-	-	-	-	-	-	-	-	-	
10.00 till <100.00		951	-	-	951	24.67	673	11	-	617	65	25	20	
<i>10 to <20</i>		-	-	-	-	-	-	-	-	-	-	-	-	
<i>20 to <30</i>		<i>951</i>	-	-	<i>951</i>	<i>24.67</i>	<i>673</i>	<i>11</i>	-	<i>617</i>	<i>65</i>	<i>25</i>	<i>20</i>	
<i>30.00 to <100.00</i>		-	-	-	-	-	-	-	-	-	-	-	-	
100.00 (Default)		182	-	-	182	100.00	144	14	-	183	100	18	18	
Portfolio subtotal			322,266	-	-	322,265	0.29	178,711	10	-	10,527	3	100	104
Total (all exposures classes)			425,491	-	-	425,055	0.26	180,965	13	-	21,812	5	138	114

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

(EU CR8)

SEK million	SCBC	
	30 Sep 2021	30 Jun 2021
	Risk weighed exposure amount	Risk weighed exposure amount
Risk exposure amount at the end of the previous quarter	21,724	20,628
Asset size	888	1,647
Asset quality	-802	-551
Model updates	-	-
Methodology and policy	-	-
Acquisitions and disposals	-	-
Foreign exchange movements	-	-
Other	2	0
Risk exposure amount at the end of the reporting quarter	21,812	21,724

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	35	425,343	424,906	438	-
Debt securities	-	-	-	-	-
Total	35	425,343	424,906	438	-
<i>Of which non-performing exposures</i>	<i>1</i>	<i>196</i>	<i>196</i>	<i>-</i>	<i>-</i>
<i>Of which defaulted</i>	<i>1</i>	<i>174</i>	<i>174</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	15	66	66	66	0	-3	78	-
<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>	8	66	66	66	0	-3	71	-
Debt securities								-
Loan commitments given	-	-	-	-	-	-	-	-
Total	15	66	66	66	0	-3	78	-

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					
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	425,021	409,487	15,534	221	-	221	-91	-41	-50	-26	-	-26	-1	-	-	
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Credit institutions	24	24	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-financial corporations	103,100	102,509	591	17	-	17	-4	-4	0	-7	-	-7	-	-	-	
– of which, SMEs	87,394	86,804	591	17	-	17	-3	-3	0	-7	-	-7	-	-	-	
Household	321,897	306,954	14,943	204	-	204	-87	-37	-50	-19	-	-19	-1	-	-	
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	425,021	409,487	15,534	221	-	221	-91	-41	-50	-26	-	-26	-1	-	-	

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 <= 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 Inflows to non-per- forming exposures</i>			
Loans and advances subject to moratorium	46,562	46,546	-	2,615	16	-	2	21	19	-	12	1	-	0	15
- of which, households	46,562	46,546	-	2,615	16	-	2	21	19	-	12	1	-	0	15
- of which, collateralised by residential immovable property	46,562	46,546	-	2,615	16	-	2	21	19	-	12	1	-	0	15
- 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

SEK million	SCBC								
	Number of obligors	Gross carrying amount							
		Residual maturity of moratoria							> 9 months <= 12 months
<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	21,072	46,591	-	-	-	-	-	-	-
Loans and advances subject to moratorium (granted)	21,048	46,562	46,562	46,562	46,562	-	-	-	-
– of which, households	-	46,562	46,562	46,562	46,562	-	-	-	-
– of which, collateralised by residential immovable property	-	46,562	46,562	46,562	46,562	-	-	-	-
– 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	14,574	-	-	-	270	1,051	-	-	-	-	-	-	15,895
Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-	-
Total exposure value	14,574	-	-	-	270	1,051	-	-	-	-	-	-	15,895

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)	5,304	5,766	-	1.4	15,498	15,498	15,498	462
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)	-	-	-	-	397	397	397	117
VaR for SFTs	-	-	-	-	-	-	-	-
Total					15,895	15,895	15,895	579

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	-	-	-	-	-	9,413	-	25,075
Equity securities	-	-	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	9,413	-	25,075

4 Market risk

4.1 Market risk under the standardised approach

(EU MR1)

		SCBC
Risk class, SEK million	RWEAs	
Outright products		
Interest rate risk (general and specific)		-
Equity risk (general and specific)		-
Foreign exchange risk		586
Commodity risk		-
Options		
Simplified approach		-
Delta-plus approach		-
Scenario approach		-
Securitisation (specific risk)		-
Total		586

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	6	-35	975	1,084
Parallel down	-68	-7	-975	-1,084
Steeper	116	42		
Flattener	-227	-74		
Short rates up	-178	-65		
Short rates down	67	72		

(EU IRRBBA)

Qualitative information	Legal basis
<p>(a) A description of how the institution defines IRRBB for purposes of risk control and measurement. <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) A description of the institution's overall IRRBB management and mitigation strategies. <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>(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. <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>(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). <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>(e) A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable). <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>(f) A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment (if applicable). <i>Answer:</i> See question (a)</p>	Article 448.1 (e) (iv); Article 448.2
<p>(g) A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable). <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>(h) Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures <i>Answer:</i> SCBC is well hedged. Since 2021-06-30 the interest rate risk has increased due to higher exposure in the short end of the yield curve.</p>	Article 448.1 (d)
<p>(i) Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional) <i>Answer:</i> N/A</p>	
<p>(1) Disclosure of the average and longest repricing maturity assigned to non-maturity deposits (2) Answer: 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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