INTERIM REPORT

1 January–30 September 2018 | SBAB Bank AB (publ)

1 2 3 4

SBAB!

THE QUARTER IN BRIEF

Despite an uncertain housing market, we see continued strong demand for our residential mortgage offering. I believe that we will continue to account for a substantial portion of new lending in the market and continue to gain market share.

KLAS DANIELSSON, CEO OF SBAB

Q3 2018 (Q2 2018)

- Lending to the public increased 1.8% in the quarter to SEK 358.0 billion (351.5). Total deposits from the public increased 3.0% in the quarter to SEK 120.5 billion (117.0)
- Return on equity amounted to 10.9% (12.6) and the C/I ratio was 32.5% (31.6)
- A non-recurring commission expense to a mortgage broker was charged to Q3 operating profit in conjunction with the termination of the partnership
- On 23 August 2018, the Swedish FSA decided to change the method for applying the existing risk-weight floor for Swedish mortgages, which is currently applied in Pillar 2, by replacing it with a requirement within the framework of Article 458 of CRR. The change enters force from 31 December 2018 and applies for two years. Given the above, SBAB's Board has decided to translate the buffer levels, expressed in percentage points, in the existing capital targets. The adjustments enter force in conjunction with the change on 31 December 2018. For more information, please refer to page 12.

SUMMARY

	2018	2018		2018	2017	
Group	**Q3**	**Q2**	Change	**Jan–Sep**	**Jan–Sep**	Change
Total lending, SEK bn	358.0	351.5	1.8%	358.0	324.4	10.4%
Total deposits, SEK bn	120.5	117.0	3.0%	120.5	107.0	12.6%
Net interest income, SEK million	833	850	–2.0%	2,514	2,348	7.1%
Expenses, SEK million	–246	–264	–6.8%	–752	–700	7.4%
Loan losses, SEK million	0	8	–8 mn	18	4	14 mn
Operating profit, SEK million	514	575	–10.6%	1,665	1,625	2.5%
Return on equity, %[1]	10.9	12.6	–1.7 p.p.[2]	12.1	12.4	–0.3 p.p.
C/I ratio, %	32.5	31.6	0.9 p.p.	31.4	30.2	1.2 p.p.
CET1 capital ratio, %	31.5	30.3	1.2 p.p.	31.5	31.4	0.1 p.p.

[1] When calculating the return on equity for Q2 2018 and Jan–Sep 2018, average equity has been adjusted for the dividend of SEK 684 million for 2017.

[2] p.p. = percentage points

THIS IS SBAB

SBAB's business idea is to apply innovation and consideration to offer loans and savings products to private individuals, tenant-owners' associations and property companies in Sweden.

Vision
To offer the best residential mortgages in Sweden

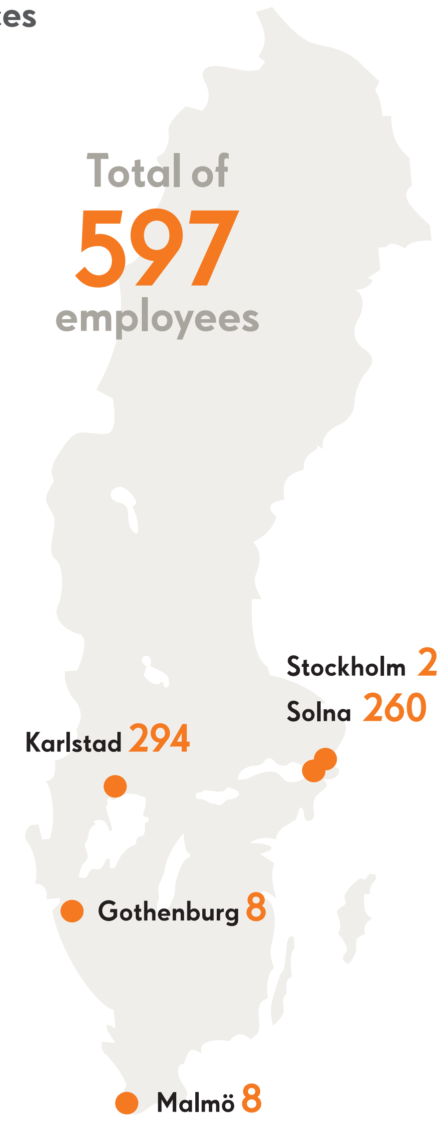
Mission
To help improve housing quality and household finances

Our operations
SBAB Bank AB (publ) has two business areas: Retail and Corporate Clients & Tenant-Owners' Associations.

Retail
The Retail business area offers services within housing quality and household finances, such as savings and loan products, insurance, and home locator and estate-agent services. Activities are operated under the SBAB, Booli and HittaMäklare brands. We have no traditional bank branches, which means that our products and services are offered online or by telephone. Our retail customers are primarily located in areas around Stockholm, Gothenburg, Malmö, and other university cities and growth regions.

Corporate Clients & Tenant-Owners' Associations
The Corporate Clients & Tenant-Owners' Associations business area offers savings and housing financing to property companies and tenant-owners' associations. Our credit granting in this business area is concentrated to growth regions surrounding our three offices in Stockholm, Gothenburg and Malmö.

Our owner
We started our operations in 1985 and are wholly owned by the Swedish state.



STATEMENT FROM THE CEO

A major and highly significant development took place one year ago, in autumn 2017. A number of women stepped forward and spoke about the sexual harassment and abuses that they had endured at their workplaces. Their actions showcased the lack of respect and equality in our society. The #MeToo movement showed that disrespectful and inequitable norms and behaviour are all around us. To make a tangible impact in terms of respect and gender equality issues, we have worked together with the Make Equal foundation to create Respekttrappan.

Q3 2018 was yet another successful quarter in a long succession of successful quarters for SBAB over the last few years. Tangible proof of our success can be seen in the market shares we are capturing in our largest business area, Retail, in terms of both mortgages and deposits. To date this year, our market share of mortgage lending growth amounted to around 17%, which compares well with our total market share of slightly more than 8%. A fantastic growth rate that is also based on responsible credit granting and where, over the last few years, we have noted lower loan-to-value ratios, lower debt-to-income ratios and increased amortisation rates in our new lending. Our growth shows that our customers appreciate our strong offering within housing quality and household finances, with a focus on transparency, availability and extremely favourable terms. Despite an uncertain housing market, we see continued strong demand for our residential mortgage offering. I believe that we will continue to account for a substantial portion of new lending in the market and continue to gain market share. At the end of Q3, SBAB's total lending amounted to SEK 358.0 billion. Thus far in 2018, lending growth is just over 10%. Our deposits have increased by almost 13% to a total of SEK 120.5 billion in 2018.

Earnings continue to trend favourably. Growing with healthy profitability enables a high pace of investment in various areas, such as technical infrastructure, digitalisation, the customer offering within housing quality and household finances, as well as an attractive workplace. The market is undergoing major change and we are investing to strengthen our long-term competitiveness.

An uncertain housing market

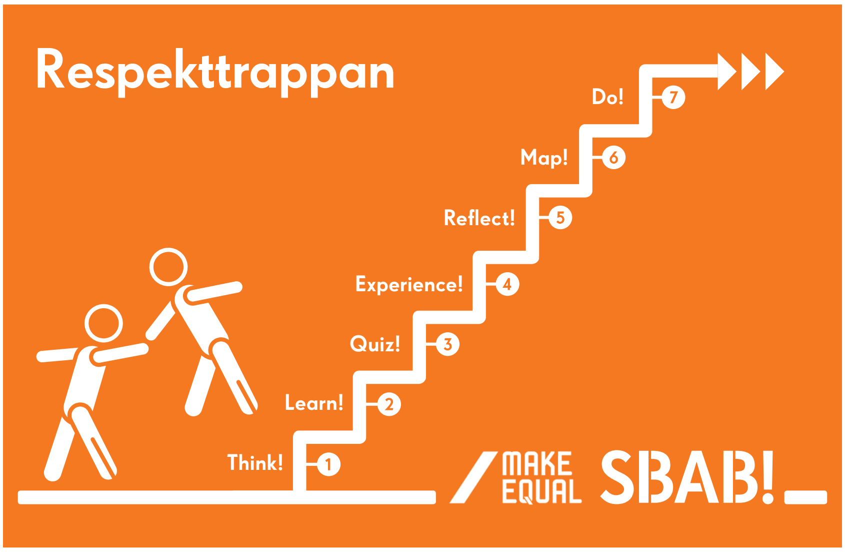
Where are we heading? On an ongoing basis, SBAB publishes two reports under this headline — Boräntenytt and Bomarknadsnytt. Our assessment is that the Riksbank will start raising the repo rate after the end of the year. A higher repo rate primarily impacts shorter fixed-interest periods for mortgages. We believe that higher mortgage rates will negatively impact house prices over the forthcoming years. In the assessment of our Head Economist, Robert Boije, housing prices will fall just under 9% leading up to 2022.

Uncertainty in the housing market, not least in terms of new construction, is so significant that it is very difficult to provide forecasts for housing price trends. The housing shortage remains large. Many new homes have been built in Sweden in recent years; unfortunately, these homes have been too expensive.

However, the market for new construction differs according to its location in Sweden. We don't have one housing market in Sweden, we have several. As things stand today, the supply of newly produced apartments for sale in some parts of Sweden greatly exceeds the number of resale apartments for sale, yet the asking prices for the newly produced are higher than those for resale units. However, market statistics from Booli indicate that prices for new construction are falling and approaching alignment with resales.

Overall in Sweden, we believe new construction will decrease considerably over the coming years due to oversupply and excessively high prices. The market needs to correct these factors before new construction can accelerate again.

How does an unstable housing market impact SBAB? Naturally, we exercise caution to ensure we don't finance new construction with inadequate preconditions for selling the homes. We want to help solve Sweden's housing shortage, and that requires the construction of housing that those in need can afford and for which they can obtain mortgages. In the new construction



projects financed by SBAB, we do not envisage any significant credit risks for SBAB in terms of late completion, low sales rates for apartments or apartment buyers pulling out.

Slower growth in the housing market leads to lower credit growth. These two are interrelated. However, we have not identified any signs that housing market uncertainty will materially affect our credit growth. We have a stronger customer offering, which means we are capturing market shares.

Respect and equality – Respekttrappan

We are a value-driven company. This means that all of us at SBAB need to possess the same core attitude. We define our attitude through our values, which form the foundation of our corporate culture. Inclusion suffuses our values. By inclusion, we mean transparency, knowledge sharing, approachability, trust, diversity, respect and equality. Our value-driven working approach generates courage, pace and a willingness to change, and has made us one of Sweden's best workplaces according to Great Place to Work.

A major and highly significant development took place one year ago, in autumn 2017. A number of women stepped forward and spoke about the sexual harassment and abuses that they had endured at their workplaces. Their actions showcased the lack of respect and equality in our society. The #MeToo movement showed that disrespectful and inequitable norms and behaviour are all around us. This is completely unacceptable.

For SBAB, respect and equality mean that harassment and abuse are completely unacceptable. For us, respect and equality also include unacceptable behaviour that we might not think about, and that we might not notice in our daily lives as this behaviour has become a norm and a habit.

We do not want to treat each other in ways that could be perceived as master suppression techniques, we do not want anyone's work attire to affect that person's influence on the meeting, we do not want a younger, newly recruited woman's voice to be given less attention than the loud confident voice of a young man and we do not want to refer to women as girls if we refer to boys as men. It is unprofessional to not be inclusive. We want to address all these issues we perhaps neither think about nor see, and we want to address them tangibly – now. For these reasons, we have worked together with the Make Equal foundation to create Respekttrappan.

Respekttrappan is a tool focused on a playful approach to create the preconditions that, from differing perspectives and in various ways, enable us to learn more about, to reflect on and talk about respect and equality.

Respekttrappan is based on a change perspective. Each step includes various exercises of differing character that address different subjects. Some exercises are individual, but most are group-based. These eye-opening exercises create trust within the group and can lead to strong emotional reactions and discussions.

We want to do what we can to change the world. In 2019, we intend to take the next step with Respekttrappan, together with Make Equal, and to make it available to other companies and organisations.

Finally, I would like to remind you that household finances are really fun. I hope you haven't missed season two of "Household Finances are Really Fun." See this year's films on youtube.com. Our challenge in 2018 is to make a film that is viewed by the entire country – with a goal of 10 million views.

Best regards,

Klas Danielsson

BUSINESS DEVELOPMENT

VOLUME TRENDS

Group	2018 Q3	2018 Q2	2017 Q3	2018 Jan–Sep	2017 Jan–Sep
New lending, SEK bn	16.8	18.5	19.4	54.5	58.2
Net change in lending, SEK bn	6.5	7.5	8.9	22.8	28.4
Total lending, SEK bn	**358.0**	**351.5**	**324.4**	**358.0**	**324.4**
No. of deposit accounts, thousand	363	352	327	363	327
Net change in deposits, SEK bn	3.5	1.7	4.4	8.6	10.3
Total deposits, SEK bn	**120.5**	**117.0**	**107.0**	**120.5**	**107.0**
Deposits/lending, %	33.7	33.3	33.0	33.7	33.0
Retail business area					
No. of mortgage customers, thousand	266	262	248	266	248
No. of mortgage objects financed, thousand	169	167	158	169	158
New lending, SEK bn	14.9	15.0	17.0	46.3	49.0
Net change in lending, SEK bn	6.9	6.5	9.6	21.5	27.0
Total retail lending, SEK bn	**271.6**	**264.8**	**238.9**	**271.6**	**238.9**
Residential mortgages, SEK bn	269.4	262.7	236.9	269.4	236.9
Consumer loans, SEK bn	2.2	2.1	2.0	2.2	2.0
Market share residential mortgages, % [1]	8.27	8.16	7.68	8.27	7.68
Market share consumer loans, % [1]	0.88	0.86	0.89	0.88	0.89
Total retail deposits, SEK bn	**83.4**	**81.0**	**71.6**	**83.4**	**71.6**
Market share Retail deposits, % [1]	4.55	4.51	4.15	4.55	4.15
Corporate Clients & Tenant-Owners' Associations business area					
No. of corporate clients and tenant-owners' associations	2,244	2,278	2,411	2,244	2,411
New lending, SEK bn	1.8	3.5	2.4	8.2	2.4
Net change in lending, SEK bn	–0.3	1.0	–0.8	1.3	1.4
Total lending, corporate clients & tenant-owners' associations, SEK bn	**86.4**	**86.7**	**85.5**	**86.4**	**85.5**
Lending to corporate clients, SEK bn	34.6	34.4	34.2	34.6	34.2
Lending to tenant-owners' associations, SEK bn	51.8	52.3	51.3	51.8	51.3
Market share, corporate clients, % [1]	11.23	11.30	11.93	11.23	11.93
Market share, tenant-owners' associations, % [1]	9.64	10.00	10.60	9.64	10.60
Total deposits, corporate clients & tenant-owners' associations, SEK bn	**37.1**	**36.0**	**35.4**	**37.1**	**35.4**
Market share deposits, corporate clients & tenant-owners' associations, % [1]	3.68	3.67	3.70	3.68	3.70

[1] Source: Statistics Sweden. The figures in the columns for Q3 2018 and Jan–Sep 2018 correspond with the market share as of 31 August 2018. The figures in the column for Q2 2018 correspond with the market share as of 31 May 2018. The figures in the columns for Q3 2017 and Jan–Sep 2017 correspond with the market share as of 31 August 2017.

Trend for Q3 2018 compared with Q2 2018

Market comments

The Swedish economy remained strong through Q3 with extremely high utilisation rates for industrial capacity. Similar to the preceding quarter, the prices of houses and tenant-owner rights have stayed essentially unchanged. The trend for lending growth to households had softened slightly over the year but remained strong and amounted to an annual rate of 6% in the middle of Q3. On the other hand, the growth rate for lending to non-financial corporates and tenant-owners' associations increased slightly during the year and, in Q3, was slightly above that for households. Low interest-rate levels in combination with a strong labour market were key factors behind the trend. In addition, high levels of housing construction helped boost the high growth rate.

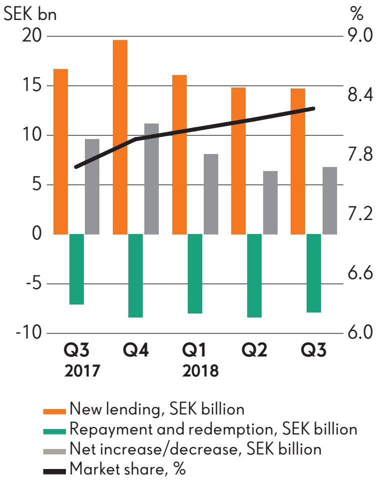
Better housing quality and housing finances

A changing market requires focus to be really good. Our mission is to help improve housing quality and household finances, and our vision is to offer the best residential mortgages in Sweden. SBAB aims to have the best customer offering within housing quality and household finances.

Services within housing quality and household finances are an ecosystem – SBAB's ecosystem. An ecosystem in which consumers navigate to solve their problems, to simplify their daily lives and to identify possibilities that can realise their dreams of a better home and improved household finances.

We create services within our ecosystem for the different phases of life. For those dreaming of a better home, for those thinking of buying a new home, for those who have a home and for those who intend to sell their home. In January 2016, SBAB acquired the housing search engine Booli to create a platform for developing services. In our ecosystem, customers can now find all of Sweden's homes, homes for sale, valuations, suggestions and recommendations for real estate agents, residential mortgages, and much more.

Lending and market shares, Residential mortgages (Retail)



Group

Lending to the public increased 1.8% in the quarter to SEK 358.0 billion (351.5). New lending remained healthy and totalled SEK 16.8 billion (18.5). Deposits from the public increased 3.0% in the quarter to SEK 120.5 billion (117.0)

Retail

The Retail business area offers services within housing quality and household finances, such as savings and loan products, insurance, and home locater and estate-agent services. Activities are operated under the SBAB, Booli and HittaMäklare brands.

SBAB's strategy is to offer a differentiated, value creating customer offering within the housing quality and household finances ecosystem with a clear focus on residential mortgages. SBAB prioritises lending under its own brand. In the last few years, white label partnerships have been terminated to reflect the strategy, facilitated by successful communication and high brand awareness. The partnership with Ikano Bank was terminated during the quarter. This resulted in a non-recurring commission expense being charged to operating profit. In Q4 2019, the two remaining partnerships, with ICA Banken and Sparbanken Syd, will be fully terminated. These will not result in any non-recurring expenses.

In Q3, the number of unique monthly visitors to www.sbab.se was 463,163 (551,886) and the corresponding figure for www.booli.se was 968,642 (1,021,508), which is seasonally lower than the previous quarter. HittaMäklare's service for locating estate agents was used by approximately 79% of the registered estate agents in Sweden. The SBAB app and the Booli app are expected to attract an increase in users due to the development of services within housing quality and household finances. Booli's free of charge home valuation service generates accurate indicative values, which has resulted in the subscription service for monthly housing valuation email approaching 300,000 subscribers.

In Q3, new retail lending amounted to SEK 14.9 billion (15.0). During the second quarter, SBAB lowered mortgage rates for the most popular fixed-interest periods, which boosted new lending. Total lending increased to SEK 271.6 billion (264.8) during the quarter, of which SEK 269.4 billion (262.7) comprised residential mortgages and SEK 2.2 billion (2.1) consumer loans. The number of residential mortgage customers increased to 266,000 (262,000), distributed over 169,000 mortgage objects (167,000). The majority of SBAB's residential mortgage customers choose shorter maturities. The share of total lending with a 3M variable mortgage rate amounted to 70.7% (70.2) at the end of the quarter. At 31 August 2018, the market share of residential mortgages was 8.27% (8.16% at 31 May 2018). At the same date, the market share for consumer loans was 0.88% (0.86).

SBAB's savings accounts continue to offer high interest rates compared with other market participants, which contributed to deposit inflows continuing to grow during the quarter. Retail deposits increased and totalled SEK 83.4 billion (81.0). At 31 August 2018, the market share of retail deposits was 4.55% (4.51% at 31 May 2018).

Corporate Clients & Tenant-Owners' Associations
The Corporate Clients & Tenant-Owners' Associations business area offers savings and housing financing to property companies and tenant-owners' associations.

During the quarter, new lending to corporate clients and tenant-owners' associations declined to SEK 1.8 billion (3.5) driven by factors including a quieter transaction market and deferred production starts for the construction of new housing. In parallel, the market for lending to tenant-owners' associations continues to be dominated by intense price competition from other competitors. Despite a slightly cooler corporate market compared with previous years, the outlook for future transactions is assessed as favourable. At the end of the quarter, total lending amounted to SEK 86.4 billion (86.7) and was mainly attributable to a number of new production properties being sold with lower credit amounts. Of total lending, SEK 34.6 billion (34.4) comprised lending to corporate clients and SEK 51.8 billion (52.3) lending to tenant-owners' associations. The market share of lending to corporate clients was 11.23% at 31 August 2018 (11.30% at 31 May 2018). At the same date, the market share for lending to tenant-owners' associations was 9.64% (10.00). The number of loan customers declined to 2,244 (2,278) over the quarter.

Deposits from corporate clients and tenant-owners' associations increased and totalled SEK 37.1 billion (36.0). At 31 August 2018, the market share of deposits from corporate clients and tenant-owners' associations (non-financial corporations) was 3.68% (3.67% at 31 May 2018).

FINANCIAL PERFORMANCE

INCOME STATEMENT OVERVIEW

Group, SEK million	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2018 Jan–Sep	2017 Jan–Sep
Net interest income	833	850	831	801	792	2,514	2,348
Net commissions	–63	1	–5	2	–2	–67	–7
Net result of financial transactions (Note 2)	–19	–28	–26	30	–35	–73	–42
Other operating income	9	8	8	9	7	25	22
Total operating income	**760**	**831**	**808**	**842**	**762**	**2,399**	**2,321**
Expenses	–246	–264	–242	–259	–224	–752	–700
Profit before loan losses and impairments	**514**	**567**	**566**	**583**	**538**	**1,647**	**1,621**
Net loan losses (Note 3)	0	8	10	20	–1	18	4
Impairment of financial assets, net	0	0	0	–	–	0	–
Operating profit	**514**	**575**	**576**	**603**	**537**	**1,665**	**1,625**
Tax	–120	–131	–133	–141	–125	–384	–378
Net profit for the period	**394**	**444**	**443**	**462**	**412**	**1,281**	**1,247**
Return on equity, % [1]	10.9	12.6	13.0	13.3	12.2	12.1	12.4
C/I ratio, %	32.5	31.6	30.0	30.7	29.4	31.4	30.2
Loan loss ratio, %	0.00	0.01	0.01	0.02	0.00	0.01	0.00
Net interest margin, %	0.72	0.75	0.77	0.77	0.77	0.77	0.79

[1] When calculating the return on equity for Q1 2018, Q2 2018 and Jan–Sep 2018, average equity has been adjusted for the dividend of SEK 684 million for 2017.

Trend for Q3 2018 compared with Q2 2018

Operating profit declined to SEK 514 million (575) as a result of lower net interest and commissions. Lower expenses positively impacted operating profit. After tax, the operating profit was SEK 394 million (444). Return on equity amounted to 10.9% (12.6) and the C/I ratio was 32.5% (31.6)

Net interest and commissions

Net interest income decreased to SEK 833 million (850), mainly due to tighter lending margins as a result of lowered mortgage rates in Q2. The resolution fee, recognised in net interest income, totalled SEK 68 million (75) for the quarter. According to a decision from the Swedish National Debt Office in May this year, the fee for SBAB amounts to SEK 299 million for the full-year 2018, compared with SEK 247 million for 2017.

Net commission income declined during the quarter to an expense of SEK 63 million (income: 1). The decrease was attributable to a non-recurring commission expense to a mortgage broker in conjunction with the termination of the partnership. The partnership was fully terminated up in September, at the end of the agreed notice period, when all customer relationships were transferred to SBAB.

Net result of financial transactions

The net expense from financial transactions decreased to SEK 19 million (expense: 28) as a result of the revaluation of instruments encompassed by hedge accounting.

Expenses

Expenses decreased to SEK 246 million (264) driven by seasonally lower personnel, IT and marketing costs in the quarter.

As previously announced however, expenses for the full-year 2018 are expected to be higher than 2017, in line with SBAB's investment strategy for long-term competitiveness.

Credit quality and credit losses

As of 1 January 2018, SBAB reports expected credit losses in accordance with IFRS 9, which means that the opening balances for 2018 have been restated. For more information, please refer to notes 12 and 15.

Credit losses amounted to SEK 0 million (recovery: 8) in Q3. The variance between the quarters was attributable to large recoveries of previous impairments of impaired corporate loans (within credit stage 3) in Q2. Provisions for credit stages 1 and 2 remained unchanged in the quarter, despite higher lending volumes. This was attributable to a positive portfolio trend from a credit risk perspective. For more information, please refer to notes 3 and 4.

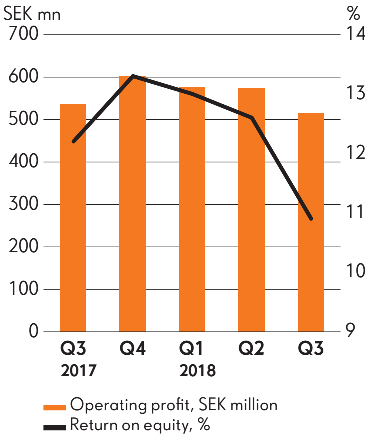
At the end of the quarter, the average LTV ratio[1)] in SBAB's mortgage portfolio was 61% (61). At the same date, the average residential mortgage to retail customers amounted to SEK 1.6 million (1.6).

Other comprehensive income

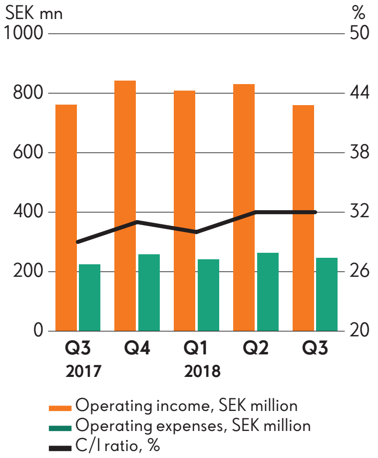
Other comprehensive income amounted to a loss of SEK 510 million (income: 152). The increase was due to the negative impact on the item of a upturn in long EUR interest rates during the quarter.

[1)] The loan-to-value ratio is defined as the size of a loan in relation to the market value of pledged collateral. The reported average is the weighted average. Where applicable, the calculation takes into consideration contributory factors such as guarantees and the collateral's lien priority. SBAB verifies property values on a regular basis. For residential properties and tenant-owners' rights, the property value is

Operating profit and return on equity, Group



Income, expenses and C/I ratio, Group



Trend for January–September 2018 compared with January–September 2017

During the period, operating profit rose to SEK 1,665 million (1,625) as a result of higher net interest income. Higher expenses and lower net commissions had a negative impact on earnings. Net interest income grew to SEK 2,514 million (2,348), mainly due to higher lending volumes. Lower margins and a higher resolution fee negatively impacted net interest income. The resolution fee amounted to SEK 230 million (185) for the period. The net commission expense totalled SEK 67 million (expense: 7). The decrease was attributable to a non-recurring commission expense to a mortgage broker in conjunction with the termination of the partnership in Q3 2018. The net expense from financial transactions decreased to SEK 73 million (expense: 42) and other comprehensive income declined to a loss of SEK 437 million (loss: 417). The differences were largely attributable to changes in market value in conjunction with changed credit spreads for securities in the liquidity reserve. Expenses grew to SEK 752 million (700), mainly driven by higher personnel costs but also due, inter alia, to maintaining high service levels and strengthening the business's development capacity. Credit losses amounted to recoveries of previous impairments amounting to SEK 18 million (recoveries: 4) for the period. For more information on credit losses, please refer to notes 3 and 4.

BALANCE SHEET OVERVIEW

Group, SEK million	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
ASSETS				
Chargeable treasury bills, etc.	31,189	34,421	22,952	25,938
Lending to credit institutions	6,190	12,735	1,867	8,941
Lending to the public	357,989	351,496	335,111	324,415
Bonds and other interest-bearing securities	50,572	53,418	49,764	49,457
Total other assets in the balance sheet	10,028	12,406	7,093	6,729
TOTAL ASSETS	**455,968**	**464,476**	**416,787**	**415,480**
LIABILITIES AND EQUITY				
Liabilities				
Liabilities to credit institutions	11,253	20,477	5,674	10,837
Deposits from the public	120,483	116,998	111,895	107,041
Debt securities issued, etc. (funding)	299,205	301,800	274,517	271,693
Subordinated debt	4,945	4,945	4,942	5,941
Total other liabilities in the balance sheet	4,139	4,189	3,949	4,550
Total liabilities	**440,025**	**448,409**	**400,977**	**400,062**
Total equity	**15,943**	**16,067**	**15,810**	**15,418**
Of which, Tier 1 capital instruments	*1,500*	*1,500*	*1,500*	*1,500*
TOTAL LIABILITIES AND EQUITY	**455,968**	**464,476**	**416,787**	**415,480**
CET1 capital ratio, %	31.5	30.3	32.2	31.4
CET1 capital ratio in accordance with the Swedish FSA's decision on movement of the risk-weight floor for residential mortgages, % [1]	*12.3*	*12.3*	*12.8*	*12.6*
Tier 1 capital ratio, %	38.3	36.9	39.3	38.6
Total capital ratio, %	46.1	44.4	47.6	49.3
Total capital ratio in accordance with the Swedish FSA's decision on movement of the risk-weight floor for residential mortgages, % [1]	*18.0*	*18.0*	*18.9*	*19.8*
Leverage ratio, % [2]	3.63	3.56	3.86	3.77
Liquidity coverage ratio (LCR), % [3]	277	301	249	265
Net stable funding ratio (NSFR), % [4]	118	122	117	122

[1] On 23 August 2018, the Swedish FSA decided to change the method for applying the existing risk-weight floor for Swedish mortgages, which is currently applied in Pillar 2, by replacing it with a requirement within the framework of Article 458 of CRR. The change means the capital requirement is set as a requirement in Pillar 1. The change enters force from 31 December 2018. For more information, please refer to pages 11–12 and Note 10.

[2] Calculated pursuant to Article 429 in Regulation (EU) No. 575/2013 of the European Parliament and of the Council.

[3] According to the European Commission's Delegated Regulation with regard to liquidity coverage requirements. For all currencies combined.

[4] As per SBAB's interpretation of the Basel regulatory framework.

Trend for Q3 2018 compared with Q2 2018

Balance sheet comments

Chargeable treasury bills fell during the quarter to SEK 31.2 billion (34.4) while bonds and other interest-bearing securities increased to SEK 50.6 billion (53.4). The change was within the scope of the normal management of the liquidity reserve. Lending to credit institutions decreased to SEK 6.2 billion (12.7), attributable to lower repo volumes within the scope of the normal short-term liquidity management. For information regarding lending to the public, please refer to page 6.

Liabilities to credit institutions decreased to SEK 11.3 billion (20.5) during the quarter and were also driven by lower repo volumes within the scope of the normal short-term liquidity management. Subordinated debt totalled SEK 4.9 billion (4.9). During the quarter, equity decreased to SEK 15.9 billion (16.1), primarily due to the change in other comprehensive income. For information about retail deposits and issued debt securities, please refer to page 6 and the "Funding" section below. For more information of the effects of IFRS 9 on equity, please refer to notes 12 and 15.

Funding

Funding activity was lower in Q3 due to lower volumes for maturing debt and a relatively high issue rate in the first six months of the year.

During the quarter, securities were issued for a total of SEK 13.7 billion (39.9). In parallel, securities were repurchased for SEK 2.0 billion (3.5) and securities amounting to SEK 11.7 billion (22.8) matured. Alongside changes in premiums/discounts and changes in SEK exchange rates, this resulted in a decrease in issued debt securities outstanding of SEK 2.6 billion to a total of SEK 299.2 billion (301.8). At the end of the quarter, commercial paper borrowing amounted to SEK 5.8 billion (5.7) and senior unsecured funding amounted to SEK 57.6 billion (56.6). Funding through the issue of covered bonds is carried out by the wholly-owned subsidiary, SCBC. Issued securities outstanding totalled SEK 235.7 billion (239.5), of which SEK 159.3 billion was in SEK and SEK 76.4 billion was in foreign currencies. In total, the SBAB Group has issued bonds for around SEK 60 billion in 2018, compared with bonds maturing during the year of about SEK 62 billion.

Liquidity position

SBAB's liquidity reserve primarily comprises liquid, interest-bearing securities with high ratings. At the end of the quarter, the market value of the assets in the liquidity reserve amounted to SEK 81.4 billion (82.5). Taking the Riksbank's and the ECB's haircuts into account, the liquidity value of the assets was SEK 78.3 billion (79.5).

SBAB measures and stress-tests liquidity risk, for example, by calculating the survival horizon. The survival horizon totalled 354 days (444), which the company deems satisfactory.

According to the European Commission's Delegated Regulation with regard to liquidity coverage requirements, at 30 September 2018, the LCR was 277% (301) in all currencies combined, which exceeds the minimum requirement of 100%. Measured in SEK, the LCR was 190% (203). The net stable funding ratio (NSFR), which measures the difference in tenors between commitments and funding, amounted to 118% (122) according to SBAB's interpretation of the Basel rules.

For more information on SBAB's liquidity, please refer to Note 9.

Capital position

SBAB's capital targets are expected to correspond to a CET1 capital ratio of not less than 27.3% and a total capital ratio of not less than 37.7% at 30 September 2018. At the end of the quarter, SBAB's CET1 capital amounted to SEK 13.9 billion (13.9) and total capital was SEK 20.4 billion (20.3). The risk exposure amount totalled SEK 44.2 billion (45.7). This corresponds to a CET1 capital ratio of 31.5% (30.3) and a total capital ratio of 46.1% (44.4).

In a decision by Swedish FSA, subject to the company's auditors being able to confirm the surplus and that deductions for any dividends and foreseeable costs have been carried out pursuant to the Capital Requirements Regulation and that these calculations have been conducted in compliance with the Commission Delegated Regulation (EU) No 241/2014, SBAB received approval for using the full-year surplus in own-funds calculations. Deloitte AB conducted the above review for 30 September 2018. This means that net profit for the period has been included in own funds and that expected dividends have reduced own funds.

On 23 August 2018, the Swedish FSA decided to change the method for applying the existing risk-weight floor for Swedish mortgages. Given the above, SBAB's Board has decided to translate the buffer levels, expressed in percentage points, in the existing capital targets. For more information, please refer to page 12.

The leverage ratio amounted to SEK 3.63% (3.56) at 30 September 2018.

For more information on SBAB's capital position, please refer to notes 10–11.

OTHER INFORMATION

SBAB's financial targets

- **Profitability:** A return on equity of no less than 10% over a business cycle.
- **Capitalisation:** The CET1 capital ratio and total capital ratio should be at least 1.5 percentage points higher than the requirements communicated by the Swedish FSA.
- **Dividend:** Ordinary dividend of at least 40% of profit for the year after tax, taking the Group's capital structure into account.

Adjusted capital target from 31 December 2018

According to SBAB's existing capital targets, the CET1 capital ratio should under normal conditions be at least 1.5 percentage points higher than the CET1 capital requirement communicated by the Swedish FSA. In addition, under normal conditions, SBAB's total capital ratio should be at least 1.5 percentage points higher than the capital requirement communicated by the Swedish FSA. The bank is also tasked with meeting any other regulatory capital requirements.

On 23 August 2018, the Swedish FSA decided to change the method for applying the existing risk-weight floor for Swedish mortgages, which is currently applied in Pillar 2, by replacing it with the corresponding requirement within the framework of Article 458 of the Capital Requirements Regulation. The change means the capital requirement is set as a requirement in Pillar 1. The change enters force from 31 December 2018 and applies for two years.

In nominal terms, the total capital requirement is not significantly affected by the change. The minimum requirement rises as does the buffer requirement. At the same time, the Pillar 2 capital requirement decreases by a corresponding amount since the existing Pillar 2 requirement of 25% for residential mortgages is removed. However, this does entail an increase in the risk exposure amount. The consequence is that the capital ratios and the capital requirement expressed as a percentage of the risk exposure amount decreases, while the difference in absolute terms is negligible. SBAB's capacity to meet the total capital requirement is thus unaffected.

The change entails that the risk exposure amount as per SBAB's interpretation of 30 September 2018 would amount to around SEK 113 billion, which corresponds to a CET1 capital ratio of 12.3% and a total capital ratio of 18.0%. For more information, please refer to Note 10.

Given the above, SBAB's Board has decided to translate the buffer levels, expressed in percentage points, in the existing capital targets. After the adjustments, which enter force in parallel with the change on 31 December 2018, under normal conditions, SBAB's CET1 capital ratio and total capital ratio should be at least 0.6 percentage points above the requirement communicated by the Swedish FSA. In nominal terms, this corresponds to a buffer level of 1.5 percentage points before moving the risk-weight floor, in line with the existing capital targets.

Risks and uncertainties

The Swedish economy is susceptible to global economic developments and to conditions in the international financial markets. The economic trend in Sweden is the primary risk factor for SBAB's future earnings capacity, and the quality of our assets is mainly exposed to credit risks in the Swedish housing market. The management of interest-rate and currency risks entails some exposure to price risks. Household demand posted a stable trend, underpinned by low interest rates and healthy income levels, despite uncertainty regarding the price trend for housing since the end of 2017 and difficulties being experienced by certain housing developers with selling their newly produced units. In Q3, consumer confidence was weakly positive.

A housing market with soaring prices over an extended period, together with rising household debt has resulted in the Swedish economy becoming sensitive to rapid changes in interest rates and house prices. The risks associated with these factors are expected to increase as long as debt continues to increase faster than income. The extensive regulatory changes in the residential mortgage market, increased offering of new builds, protraction of the time taken to sell and more uncertain property market conditions all comprise additional uncertainty factors.

Effects of IFRS 9 at 1 January 2018

Upon the transition to IFRS 9, the net of reserves and provisions for expected credit losses in the Group decreased SEK 46 million. The overall effect increased equity (before tax) by a corresponding amount at 1 January 2018. For more information, please refer to notes 12 and 15.

Events after the end of the period

After the end of the period, in October, Robin Silfverhjelm was recruited as Chief Experience Officer (CXO) and Andras Valko as Chief Data Science Officer (CDSO). They will start at the company and join the Executive Management in January 2019.

Auditors' review report

This report has not been subject to review by the Group's auditors.

FINANCIAL STATEMENTS AND NOTES

CONDENSED FINANCIAL STATEMENTS

NOTES

PARENT COMPANY

CONDENSED INCOME STATEMENT

Group, SEK million	2018 Q3	2018 Q2	2017 Q3	2018 Jan–Sep	2017 Jan–Sep	2017 Jan–Dec
Interest income	1,240	1,246	1,154	3,675	3,397	4,572
Interest expense	–407	–396	–362	–1,161	–1,049	–1,423
Net interest income	**833**	**850**	**792**	**2,514**	**2,348**	**3,149**
Commission income	12	26	16	54	53	73
Commission expense	–75	–25	–18	–121	–60	–78
Net result of financial transactions (Note 2)	–19	–28	–35	–73	–42	–12
Other operating income	9	8	7	25	22	31
Total operating income	**760**	**831**	**762**	**2,399**	**2,321**	**3,163**
Personnel costs	–133	–139	–115	–399	–349	–479
Other expenses	–105	–118	–100	–332	–327	–449
Depreciation, amortisation and impairment of PPE and intangible assets	–8	–7	–9	–21	–24	–31
Total expenses before loan losses	**–246**	**–264**	**–224**	**–752**	**–700**	**–959**
Profit before loan losses and impairments	**514**	**567**	**538**	**1,647**	**1,621**	**2,204**
Net loan losses (Note 3)	0	8	–1	18	4	24
Impairment of financial assets	0	0	–	0	–	–
Reversals of impairment of financial assets	0	0	–	0	–	–
Operating profit	**514**	**575**	**537**	**1,665**	**1,625**	**2,228**
Tax	–120	–131	–125	–384	–378	–519
Net profit for the period	**394**	**444**	**412**	**1,281**	**1,247**	**1,709**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Group, SEK million	2018 Q3	2018 Q2	2017 Q3	2018 Jan–Sep	2017 Jan–Sep	2017 Jan–Dec
Net profit for the period	**394**	**444**	**412**	**1,281**	**1,247**	**1,709**
Other comprehensive income						
Components that will be reclassified to profit or loss						
Financial assets measured at FVTOCI/Financial assets available-for-sale	–249	27	–40	–198	97	118
Changes related to cash-flow hedges	–405	190	68	–305	–598	–687
Tax attributable to components that will be reclassified to profit or loss	144	–47	–6	111	110	125
Components that will not be reclassified to profit or loss						
Revaluation effects of defined-benefit pension plans	0	–23	23	–58	–34	–38
Tax attributable to components that will not be reclassified to profit or loss	0	5	–5	13	8	8
Other comprehensive income, net of tax	**–510**	**152**	**40**	**–437**	**–417**	**–474**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**–116**	**596**	**452**	**844**	**830**	**1,235**

CONDENSED BALANCE SHEET

Group, SEK million	30 Sep 2018	31 Dec 2017	30 Sep 2017
ASSETS			
Cash and balances at central banks	0	0	0
Chargeable treasury bills, etc.	31,189	22,952	25,938
Lending to credit institutions	6,190	1,867	8,941
Lending to the public (Note 4)	357,989	335,111	324,415
Value changes of interest-rate-risk hedged items in macro hedges	144	191	222
Bonds and other interest-bearing securities	50,572	49,764	49,457
Derivatives (Note 5)	8,440	5,830	4,689
Deferred tax assets	43	–	–
Intangible assets	222	179	169
Property, plant and equipment	13	12	13
Other assets	475	65	944
Prepaid expenses and accrued income	691	816	692
TOTAL ASSETS	**455,968**	**416,787**	**415,480**
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	11,253	5,674	10,837
Deposits from the public	120,483	111,895	107,041
Debt securities issued, etc.	299,205	274,517	271,693
Derivatives (Note 5)	1,434	1,643	1,718
Other liabilities	415	429	499
Accrued expenses and deferred income	2,131	1,697	2,144
Deferred tax liabilities	–	83	94
Provisions	159	97	95
Subordinated debt	4,945	4,942	5,941
Total liabilities	**440,025**	**400,977**	**400,062**
Equity			
Share capital	1,958	1,958	1,958
Reserves/Fair value reserve	–248	188	245
Additional Tier 1 instruments	1,500	1,500	1,500
Retained earnings	11,452	10,455	10,468
Net profit for the period	1,281	1,709	1,247
Total equity	**15,943**	**15,810**	**15,418**
TOTAL LIABILITIES AND EQUITY	**455,968**	**416,787**	**415,480**

CONDENSED STATEMENT OF CHANGES IN EQUITY

	RESTRICTED EQUITY	UNRESTRICTED EQUITY			
Group, SEK million	**Share capital**	**Reserves**	**Additional Tier 1 instruments**	**Retained earnings and net profit for the period**	**Total equity**
OPENING BALANCE, 1 JANUARY 2018[1]	**1,958**	**189**	**1,500**	**12,199**	**15,846**
Additional Tier 1 instruments, dividend	–	–	–	–63	–63
Dividends paid	–	–	–	–684	–684
Comprehensive income for the period	–	–437	–	1,281	844
CLOSING BALANCE, 30 SEPTEMBER 2018	**1,958**	**–248**	**1,500**	**12,733**	**15,943**
OPENING BALANCE, 1 JANUARY 2017	**1,958**	**662**	**1,500**	**11,162**	**15 ,282**
Additional Tier 1 instruments, dividend	–	–	–	–66	–66
Dividends paid	–	–	–	–628	–628
Comprehensive income for the period	–	–417	–	1,247	830
CLOSING BALANCE, 30 SEPTEMBER 2017	**1,958**	**245**	**1,500**	**11,715**	**15,418**
OPENING BALANCE, 1 JANUARY 2017	**1,958**	**662**	**1,500**	**11,162**	**15,282**
Additional Tier 1 instruments, dividend	–	–	–	–74	–74
Dividends paid	–	–	–	–628	–628
Other	–	–	–	–5	–5
Comprehensive income for the year	–	–474	–	1,709	1,235
CLOSING BALANCE, 31 DECEMBER 2017	**1,958**	**188**	**1,500**	**12,164**	**15,810**

[1] Opening balance has been restated in accordance with IFRS 9, refer to Note 12.

CONDENSED CASH-FLOW STATEMENT

Group, SEK million	2018 Jan–Sep	2017 Jan–Sep	2017 Jan–Dec
Opening cash and cash equivalents	**1,867**	**1,619**	**1,619**
OPERATING ACTIVITIES			
Interest and commissions paid/received	3,012	2,686	2,912
Outflows to suppliers and employees	–731	–677	–929
Taxes paid/refunded	–405	–499	17
Change in assets and liabilities of operating activities	3,196	6,477	–70
Cash flow from operating activities	**5,072**	**7,987**	**1,930**
INVESTING ACTIVITIES			
Change in property, plant and equipment	–6	–3	–4
Change in intangible assets	–59	–34	–50
Cash flow from investing activities	**–65**	**–37**	**–54**
FINANCING ACTIVITIES			
Dividends paid	–684	–628	–628
Change in subordinated loans	–	–	–1,000
Cash flow from financing activities	**–684**	**–628**	**–1,628**
Increase/decrease in cash and cash equivalents	**4,323**	**7,322**	**248**
Closing cash and cash equivalents	**6,190**	**8,941**	**1,867**

Cash and cash equivalents are defined as cash and lending to credit institutions.

CHANGE IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

			NON-CASH ITEMS					NON-CASH ITEMS		
SEK million	**Opening balance 1 Jan 2018**	**Cash flow**	**Fair value**	**Other**	**Closing balance 30 Sep 2018**	**Opening balance, 1 Jan 2017**	**Cash flow**	**Fair value**	**Other**	**Closing balance, 31 Dec 2017**
Long-term interest-bearing liabilities	6, 442	–	–1	4	6 ,445	7,439	–1,000	–3	6	6,442
Derivatives	–5	–	1	0	–4	–11	7	5	–6	–5
Total	**6 ,437**	**–**	**0**	**4**	**6 ,441**	**7,428**	**–993**	**2**	**0**	**6,437**

NOTE 1 Accounting policies

The SBAB Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. In addition to these accounting standards, the Swedish FSA's regulations and general guidelines on annual accounts for credit institutions and securities companies (FFFS 2008:25), the Swedish Annual Accounts Act for Credit Institutions and Securities Companies and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups have been taken into consideration. The Group's interim report fulfils the requirements stipulated under IAS 34, Interim Financial Reporting.

Statutory IFRS is applied for the Parent Company, which means that this interim report has been prepared in compliance with IFRS subject to the additions and exceptions that ensue from the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, the Swedish FSA's regulations and general guidelines on annual accounts for credit institutions and securities companies (FFFS 2008:25) and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments in its entirety and encompasses classification and measurement, and impairment and hedge accounting. A separate project under the IASB is ongoing with regard to macro hedge accounting. SBAB applies the mandatory sections pertaining to classification and measurement and impairment from 1 January 2018. Under IFRS 9, classification is based on both the entity's business model and the contractual cash flow characteristics. This classification, in turn, determines the measurement. The impairment model under IFRS 9 is based on expected credit losses as opposed to the previous model, which is instead based on incurred credit loss events. The aim of the new model is to capture and recognise expected credit losses at an earlier stage. For further information regarding the company's accounting policies regarding IFRS 9, please refer to Note 1, page 84-85, of the 2017 Annual Report. The rules have been applied through the adjustment of the balance sheets of the Group and the subsidiaries at the date of initial application of the standard, January 1, 2018, refer to Note 12 and 15. No requirements apply for restatement of comparative periods.

IFRS 15 – Revenue from Contracts with Customers

The standard introduces a five-step model to determine when revenues within the scope of IFRS 15 will be recognised. Depending on when certain criteria are met, income is either recognised over time in a manner that shows the company's performance, or at a point in time when control over the goods or services is transferred. The introduction will not have any material effect on SBAB's financial reporting. The standard became effective as of 1 January 2018.

Other

All other accounting policies and calculation methods are unchanged in comparison with the Annual Report 2017. These consolidated condensed financial statements have been prepared on a going concern basis. On 26 October 2018, the Board of Directors approved the consolidated condensed financial statements for publication.

Introduction of new accounting standards

IFRS 16 Leases

The new IFRS 16 standard has changed the lease classification criteria. IFRS 16 has been adopted by the EU and will apply from the 2019 financial year. The new standard entails that all leases (with the exception of short-term and smaller leases) are to be recognized as right-of-use assets with corresponding liabilities in the lessee's balance sheet, and the lease payments recognized as depreciation and interest expense. Moreover, disclosure requirements will apply. SBAB is currently running a project for how IFRS 16 will affect the reporting. SBAB's assessment is that the introduction of IFRS 16 will have a limited effect on the financial reports.

Forthcoming amendments

According to SBAB's preliminary assessment, other new or changed Swedish and international accounting standards that have been published but not yet applied will have a limited effect on the financial reports.

NOTE 2 Net result of financial transactions

Group, SEK million	2018 Q3	2018 Q2	2017 Q3	2018 Jan–Sep	2017 Jan–Sep	2017 Jan–Dec
Gains/losses on interest-bearing financial instruments						
– Interest-bearing securities	–35	–31	–19	–113	–79	–109
– Change in value of hedged items in hedge accounting	507	–208	103	301	739	795
– Realised gain/loss from financial liabilities	–28	–48	–43	–112	–245	–318
– Derivatives in hedge accounting	–514	205	–102	–294	–726	–764
– Other derivatives	38	47	11	118	232	320
– Loan receivables	14	11	17	38	42	73
Currency translation effects	–1	–4	–2	–11	–5	–9
Total	**–19**	**–28**	**–35**	**–73**	**–42**	**–12**

SBAB uses derivatives to manage interest rate and currency risks in the Group's assets and liabilities. Derivatives are recognised at fair value in the balance sheet. SBAB's risk management and hedge accounting strategies entail that profit variations between periods may arise for individual items in the table above, as a result of changes in market interest rates, but that they are in general offset by profit variations in other items. Profit variations not neutralised through risk management and hedge accounting are commented on in the administration report.

NOTE 3 Net loan losses

Group, SEK million	2018 Q3	2018 Q2	2017 Q3	2018 Jan–Sep	2017 Jan–Sep	2017 Jan–Dec
Lending to the public						
Confirmed credit losses	–3	–2	–3	–7	–9	–11
Recoveries of previously confirmed credit losses	0	0	1	1	2	3
Preceding year's provision under IAS39	–	–	0	–	10	26
Change in provision for the period – credit stage 1	0	–1	–	–2	–	–
Change in provision for the period – credit stage 2	0	–4	–	–2	–	–
Change in provision for the period – credit stage 3	4	13	–	26	–	–
Guarantees	–1	2	1	0	1	6
Net credit losses for the period – lending to the public	**0**	**8**	**–1**	**16**	**4**	**24**
Loan commitments[1]						
Change in provision for the period – credit stage 1	1	–1	–	1	–	–
Change in provision for the period – credit stage 2	–1	1	–	1	–	–
Change in provision for the period – credit stage 3	0	0	–	0	–	–
Guarantees	0	0	–	0	–	–
Net credit losses for the period – loan commitment	**0**	**0**	**–**	**2**	**–**	**–**
Total	**0**	**8**	**–1**	**18**	**4**	**24**

[1] Credit provisions for loan commitments are included in the "Provisions" item in the balance sheet.

The positive change in credit stage 3 is explained by recoveries of previous impairments of defaulted loans. For further information about definitions and assumptions for judgements and calculations of credit risk and the various credit stages under IFRS 9, refer to SBAB's 2017 Annual Report, Note 1, pages 84–85.

NOTE 4 Lending to the public

Group, SEK million	30 Sep 2018	31 Dec 2017	30 Sep 2017
Opening balance	335,168	296,022	296,022
New lending for the year	54,519	82,282	60,687
Amortisation, write-offs, redemption, etc.	–31,720	–43,219	–32,304
Change in provision for expected credit losses[1)]	22	26	10
Closing balance	**357,989**	**335,111**	**324,415**

[1)] For further information, please refer to Note 3, "Change in provision for the period – credit stage 1, 2 and 3".

Distribution of lending, including provisions, SEK million	30 Sep 2018	31 Dec 2017	30 Sep 2017
Lending, Residential mortgages	269,447	248,103	236,847
Lending, Corporate Clients & Tenant-Owners' Associations	86,354	85,001	85,534
Lending, Consumer loans	2,188	2,007	2,034
Total	**357,989**	**335,111**	**324,415**

Lending to the public by credit stage — compared with opening balance	30 Sep 2018	1 Jan 2018
Credit stage 1		
Gross carrying amount	339,358	313,407
Provision for expected credit losses	–29	–27
Carrying amount	**339,329**	**313,380**
Credit stage 2		
Gross carrying amount	18,480	21,466
Provision for expected credit losses	–69	–67
Carrying amount	**18,411**	**21,399**
Credit stage 3		
Gross carrying amount	281	447
Provision for expected credit losses	–32	–58
Carrying amount	**249**	**389**
Gross carrying amount (credit stages 1, 2 and 3)	**358,119**	**335,320**
Provision for expected credit losses (credit stages 1, 2 and 3)	**–130**	**–152**
Total	**357,989**	**335,168**

For further information about definitions and assumptions for judgements and calculations of credit risk and the various credit stages under IFRS 9, refer to SBAB's 2017 Annual Report, Note 1, pages 84–85.

NOTE 5 Derivatives

Group, SEK million	30 Sep 2018 Assets measured at fair value	Liabilities measured at fair value	Total nominal value	31 Dec 2017 Assets measured at fair value	Liabilities measured at fair value	Total nominal value
Interest-rate-related	2,063	1,181	325,738	2,425	1,259	295,484
Currency-related	6,377	253	98,563	3,405	384	90,925
Total	**8,440**	**1,434**	**424,301**	**5,830**	**1,643**	**386,409**

Cross-currency interest-rate swaps are classified as currency-related derivatives.

NOTE 6 Operating segments

	Jan–Sep 2018				Jan–Sep 2017			
Group, SEK million	**Retail**	**Corporate clients & Tentant-owners' assoc.**	**Other**	**Total**	**Retail**	**Corporate clients & Tentant-owners' assoc.**	**Other**	**Total**
Net interest income	1,936	578	–	2,514	1,813	535	–	2,348
Commission income	38	16	–	54	35	18	–	53
Commission expense	–108	–13	–	–121	–44	–16	–	–60
Net result of financial items measured at fair value	0	11	–84	–73	–	–	–42	–42
Other operating income	25	–	–	25	22	–	–	22
Total operating income	**1,891**	**592**	**–84**	**2,399**	**1,826**	**537**	**–42**	**2,321**
Salaries and remuneration	–306	–81	–	–387	–255	–71	–	–326
Other personnel costs	–23	–7	–	–30	–35	–8	–	–43
Other expenses	–260	–53	–1	–314	–254	–53	–	–307
Depreciation, amortisation and impairment of PPE and intangible assets	–18	–3	–	–21	–18	–6	–	–24
Net loan losses	–5	23	–	18	1	3	–	4
Impairment of financial assets, net	0	0	–	0	–	–	–	–
Operating profit	**1,279**	**471**	**–85**	**1,665**	**1,265**	**402**	**–42**	**1,625**
Tax	–295	–109	20	–384	–295	–93	10	–378
Net profit/loss for the period	**984**	**362**	**–65**	**1,281**	**970**	**309**	**–32**	**1,247**
Return on equity, %	12.8	11.9		12.1	14.6	8.5		12.4

In relation to the statutory income statement, an expense of SEK 18 million (expense: 20) was transferred between the rows "Other expenses" and "Other personnel costs." The cost refers to administrative consultants, which pertain to "Other personnel costs" in the internal monitoring.

NOTE 7 Classification of financial instruments

GROUP

Financial assets

SEK million	Financial assets measured at FVTPL		Financial assets measured at FVTOCI	Financial assets measured at amortised cost	Total	Total fair value
	30 Sep 2018					
	Fair value option	Derivatives (held for trading)				
Cash and balances at central banks	–	–	–	0	0	0
Chargeable treasury bills, etc.	3,616	–	7,235	20,338	31,189	31,189
Lending to credit institutions	–	–	–	6,190	6,190	6,190
Lending to the public	–	–	–	357,989	357,989	358,829
Value changes of interest-rate-risk hedged items in macro hedges	–	–	–	144	144	–
Bonds and other interest-bearing securities	4,361	–	35,580	10,631	50,572	50,425
Derivatives	–	8,440	–	–	8,440	8,440
Other assets	–	–	–	459	459	459
Prepaid expenses and accrued income	57	–	349	174	580	580
Total financial assets	**8,034**	**8,440**	**43,164**	**395,925**	**455,563**	**456,112**

GROUP

Financial liabilities

SEK million	Financial liabilities measured at FVTPL	Financial liabilities measured at amortised cost	Total	Total fair value
	30 Sep 2018			
Liabilities to credit institutions	–	11,253	11,253	11,253
Deposits from the public	–	120,483	120,483	120,483
Issued debt securities, etc.	–	299,205	299,205	300,720
Derivatives	1,434	–	1,434	1,434
Other liabilities	–	361	361	361
Accrued expenses and deferred income	–	2,106	2,106	2,106
Subordinated debt	–	4,945	4,945	4,958
Total financial liabilities	**1,434**	**438,353**	**439,787**	**441,315**

Cont. **NOTE 7** Classification of financial instruments

GROUP

Financial assets

SEK million	31 Dec 2017 Assets measured at FVTPL (held for trading)	Available-for-sale financial assets	Loan receivables	Investments held to maturity	Total	Total fair value
Cash and balances at central banks	–	–	0	–	0	0
Chargeable treasury bills, etc.	5,386	7,966	–	9,600	22,952	22,953
Lending to credit institutions	–	–	1,867	–	1,867	1,867
Lending to the public	–	–	335,111	–	335,111	335,800
Value changes of interest-rate-risk hedged items in macro hedges	–	–	191	–	191	–
Bonds and other interest-bearing securities	7,425	33,715	–	8,624	49,764	49,822
Derivatives	5,830	–	–	–	5,830	5,830
Other assets	–	–	65	–	65	65
Prepaid expenses and accrued income	120	461	147	32	760	760
Total financial assets	**18,761**	**42,142**	**337,381**	**18,256**	**416,540**	**417,097**

GROUP

Financial liabilities

SEK million	31 Dec 2017 Liabilities measured at FVTPL	Other financial liabilities	Total	Total fair value
Liabilities to credit institutions	–	5,674	5,674	5,674
Deposits from the public	–	111,895	111,895	111,895
Issued debt securities, etc.	–	274,517	274,517	275,352
Derivatives	1,643	–	1,643	1,643
Other liabilities	–	249	249	249
Accrued expenses and deferred income	–	1,671	1,671	1,671
Subordinated debt	–	4,942	4,942	4,960
Total financial liabilities	**1,643**	**398,948**	**400,591**	**401,444**

Fair value measurement of financial instruments

The measurement policies for financial instruments recognised at fair value in the balance sheet are provided in Note 1 Accounting Policies in the 2017 Annual Report. In the Total fair value column above, information is also provided on the fair value of financial instruments that are recognised at amortised cost in the balance sheet.

The carrying amounts for current receivables and liabilities have been assessed as equal to their fair values. Investments held to maturity were measured at quoted prices, Level 1.

For Lending to the public, Issued debt securities and Subordinated debt, fair value is established based on generally accepted valuation techniques. As far as possible, calculations made in conjunction with measurement are based on observable market data. The main tools used are models based on discounted cash flows.

Issued debt securities and subordinated debt are measured at the Group's current borrowing rate, Level 2.

For Lending to the public, where no observable credit margin data is available at the time of measurement, the credit margin on the most recent date for changes in terms is applied to set the discount rate, Level 3.

NOTE 8 Fair value disclosures

GROUP

SEK million	30 Sep 2018			
	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	Total
Assets				
Chargeable treasury bills, etc.	10,851	–	–	10,851
Bonds and other interest-bearing securities	39,941	–	–	39,941
Derivatives	–	8,440	–	8,440
Prepaid expenses and accrued income	406	–	–	406
Total	**51,198**	**8,440**	**–**	**59,638**
Liabilities				
Derivatives	–	1,434	–	1,434
Total	**–**	**1,434**	**–**	**1,434**

SEK million	31 Dec 2017			
	Quoted market prices (Level 1)	Other observable market data (Level 2)	Unobservable market data (Level 3)	Total
Assets				
Chargeable treasury bills, etc.	13,352	–	–	13,352
Bonds and other interest-bearing securities	41,140	–	–	41,140
Derivatives	–	5,830	–	5,830
Prepaid expenses and accrued income	581	–	–	581
Total	**55,073**	**5,830**	**–**	**60,903**
Liabilities				
Derivatives	–	1,643	–	1,643
Total	**–**	**1,643**	**–**	**1,643**

The measurement policies for financial instruments recognised at fair value in the balance sheet are provided in Note 1 Accounting Policies in the 2017 Annual Report. In the table, financial assets and liabilities recognised at fair value in the balance sheet are divided on the basis of the measurement levels used below.

No transfers were made between levels in 2017 or 2018.

Quoted market prices (Level 1)
Measurement at quoted prices in an active market for identical assets and liabilities. A market is deemed to be active if the price data is easily accessible and corresponds to actual regularly occurring transactions. The measurement method is used for holdings of quoted interest-bearing securities and for publicly quoted derivatives, primarily interest-rate futures.

Measurement based on observable market data (Level 2)
Measurement aided by external market information other than quoted prices included in Level 1, such as quoted interest rates or prices for closely related instruments. The main tools used are models based on discounted cash flows.

This group includes all non-quoted derivatives.

Measurement based in part on unobservable data (Level 3)
Measurement whereby a material component of the model is based on estimates or assumptions that do not originate directly from the market. This method is currently not used on any asset or liability.

NOTE 9 Liquidity reserve and liquidity risk

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

Calculation of survival horizon

SBAB measures and stress tests liquidity risk by calculating the survival horizon, which is an internal metric used to identify how long SBAB will be able to meet its payment obligations without access to capital market funding, and includes outflows from deposits under a stressed scenario. The survival horizon is limited to a minimum of 180 days at the consolidated level.

The survival horizon is calculated by totalling the maximum need of liquidity for each coming day and comparing this to the size of the liquidity portfolio after applicable haircuts. The calculations are based on a crisis scenario in which all loans are assumed to be extended on maturity, meaning that no liquidity is added through loan redemption, and where no funding is available and deposits decline. Accordingly, the maximum need for liquidity can be identified for every given future period, and the necessary liquidity reserve can be established. SBAB's survival horizon amounted to 354 days at 30 September 2018 (444 days at 30 June 2018).

Liquidity coverage ratio

The liquidity coverage ratio (LCR) is defined in accordance with the European Commission Delegated Regulation with regard to liquidity coverage requirements and calculates the degree to which a bank's liquid assets cover its net cash flows for the coming 30 days in a stressed scenario. Net cash flows comprise contractual inflows and outflows, and theoretical flows based on historical data, for example, withdrawals of the bank's deposits. At 30 September 2018, the LCR was 277% (301) in all currencies consolidated, and 27 357% (3,522) and 977% (685), respectively, in EUR and USD. Measured in SEK, the LCR was 190% (203). For further information on the liquidity coverage ratio, refer to SBAB's report "Disclosure of capital, liquidity and leverage ratio, September 2018."

LIQUIDITY RESERVE Group, SEK million	30 Sep 2018				31 Dec 2017			
		DISTRIBUTION BY CURRENCY				DISTRIBUTION BY CURRENCY		
	Total	SEK	EUR	USD	Total	SEK	EUR	USD
Cash and balances at central banks	600	600	–	–	500	500	–	–
Balances at other banks	–	–	–	–	–	–	–	–
Securities issued or guaranteed by governments, central banks or multinational development banks	35,421	25,652	7,428	2,341	28,033	17,926	7,714	2,393
Securities issued or guaranteed by municipalities or non-public sector entities	9,958	8,222	1,142	594	8,621	7,003	176	1,442
Covered bonds issued by other institutions	35,434	30,497	4,347	590	35,501	30,146	4,564	791
Covered bonds issued by SBAB	–	–	–	–	–	–	–	–
Securities issued by non-financial corporates	–	–	–	–	–	–	–	–
Securities issued by financial corporates (excl. covered bonds)	–	–	–	–	–	–	–	–
Other securities	–	–	–	–	–	–	–	–
Total	**81,413**	**64,917**	**12,917**	**3,525**	**72,655**	**55,575**	**12,454**	**4,626**
Bank and loan facilities	–	–	–	–	–	–	–	–
Total	**81,413**	**64,971**	**12,917**	**3,525**	**72,655**	**55,575**	**12,454**	**4,626**
Distribution by currency, %		79.8	15.9	4.3		76.5	17.1	6.4

NOTE 10 Capital adequacy, own funds and capital requirements requirements

CAPITAL ADEQUACY Consolidated situation, SEK million	30 Sep 2018	31 Dec 2017	30 Sep 2017
CET1 capital	13,916	13,443	13,090
Tier 1 capital	16,916	16,443	16,090
Total capital	20,367	19,890	20,541
Risk exposure amount	44,194	41,797	41,705
CET1 capital ratio, %	31.5	32.2	31.4
Excess [1] of CET1 capital	11,928	11,563	11,213
Tier 1 capital ratio, %	38.3	39.3	38.6
Excess [1] of Tier 1 capital	14,265	13,936	13,588
Total capital ratio, %	46.1	47.6	49.3
Excess [1] of total capital	16,832	16,547	17,204

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

Decided movement of the risk-weight floor for residential mortgages

The Swedish FSA has introduced the existing risk-weight floor for mortgages applied in Pillar 2 as a requirement within the framework of Article 458 of the Capital Requirements Regulation. The change enters in to force from 31 December 2018. The Swedish FSA maintains that the main reason for the change is structural changes in the Swedish banking market. On 15 March 2018, Nordea Bank AB (publ) decided to move its headquarters from Sweden to Finland. The Swedish FSA believes that this change in the market's structure may lead to operators in the Swedish residential mortgage market facing different capital requirements for their Swedish mortgage exposures. Therefore, the Swedish FSA has evaluated how distortion of market competition can be countered and assesses that the current design of the risk-weight floor needs amendment. This is also required to ensure existing capital requirement levels for mortgage exposures in Sweden. The Swedish FSA believes that both these goals can be achieved by replacing the existing risk-weight floor with a requirement under the framework of Article 458 of the Capital Requirements Regulation. The change means the capital requirement is set as a requirement in Pillar 1. The credit institutions to be encompassed by the measure are those authorised to use the IRB approach and which have exposures to Swedish residential mortgages. The branches of foreign credit institutions in Sweden that are exposed to Swedish residential mortgages and which apply the IRB approach for these may also be affected.

The following calculation is preliminary and is based on SBAB's interpretation of the consultation memorandum FI Ref. 18-6251.

In accordance with the Swedish FSA's proposed movement of the risk-weight floor for residential mortgages	30 Sep 2018
Risk exposure amount, SEK million	112,986
CET1 capital ratio, %	12.3
Total capital ratio, %	18.0

Cont. NOTE 10 Capital adequacy, own funds and capital

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

OWN FUNDS **Consolidated situation, SEK million**	**30 Sep 2018**	**31 Dec 2017**	**30 Sep 2017**
CET1 capital instruments: Instruments and reserves			
Capital instruments and the related share premium accounts	1,958	1,958	1,958
Retained earnings	11,452	10,452	10,469
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	–248	189	245
Additional Tier 1 instruments	1,500	1,500	1,500
Independently verified interim profits net of any foreseeable charge or dividend [1]	771	1,026	748
CET1 capital before regulatory adjustments	**15,433**	**15,125**	**14,920**
CET1 capital: Regulatory adjustments			
Additional value adjustments (negative amount)	–61	–62	–73
Intangible assets (net of related tax liability) (negative amount)	–116	–83	–155
Fair value reserves related to gains or losses on cash-flow hedges	248	9	–59
Negative amounts resulting from the calculation of expected loss amounts	–59	–29	–26
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	–29	–17	–17
Additional Tier 1 instruments in equity	–1,500	–1,500	–1,500
Total regulatory adjustments to CET1 capital	**–1,517**	**–1,682**	**–1,830**
CET1 capital	**13,916**	**13,443**	**13,090**
Additional Tier 1 capital: Instruments			
Capital instruments and the related share premium accounts	3,000	3,000	3,000
Of which: classified as equity under applicable accounting standards	*1,500*	*1,500*	*1,500*
Of which: classified as liabilities under applicable accounting standards	*1,500*	*1,500*	*1,500*
Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from Additional Tier 1 capital	–	–	–
Additional Tier 1 capital before regulatory adjustments	**3,000**	**3,000**	**3,000**
Additional Tier 1 capital: Regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 capital	**–**	**–**	**–**
Additional Tier 1 capital	**3,000**	**3,000**	**3,000**
Tier 1 capital (Tier 1 capital=CET1 + Additional Tier 1 capital)	**16,916**	**16,443**	**16,090**
Tier 2 capital: Instruments and provisions			
Capital instruments and the related share premium accounts	3,447	3,447	4,447
Credit risk adjustments	4	–	4
Tier 2 capital before regulatory adjustments	**3,451**	**3,447**	**4,451**
Tier 2 capital: Regulatory adjustments			
Total regulatory adjustments to Tier 2 capital	**–**	**–**	**–**
Tier 2 capital	**3,451**	**3,447**	**4,451**
Total capital (Total capital=Tier 1 capital + Tier 2 capital)	**20,367**	**19,890**	**20,541**
Total risk-weighted assets	**44,194**	**41,797**	**41,705**
Capital ratio and buffers			
CET1 capital (as a percentage of total risk-weighted exposure amount), %	31.5	32.2	31.4
Tier 1 capital (as a percentage of total risk-weighted exposure amount), %	38.3	39.3	38.6
Total capital (as a percentage of total risk-weighted exposure amount), %	46.1	47.6	49.3
Institution-specific buffer requirements (CET1 capital requirement in accordance with Article 92(1)(a) plus the capital conservation buffer and countercyclical capital buffer requirements, plus the systemic risk buffer, plus the systemically important institution buffers [G-SII buffer and O-SII buffer] expressed as a percentage of the risk-weighted exposure amount), %	9.0	9.0	9.0
Of which: CET1 capital, minimum requirement, %	*4.5*	*4.5*	*4.5*
Of which: capital conservation buffer requirement, %	*2.5*	*2.5*	*2.5*
Of which: countercyclical capital buffer requirement, %	*2.0*	*2.0*	*2.0*
Of which: systemic risk buffer requirement, %	–	–	–
Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffers, %	–	–	–
CET1 capital available to meet buffers (as a share of risk-weighted exposure amounts, %)	27.0	27.7	26.9

Cont. NOTE 10 Capital adequacy, own funds and capital

OWN FUNDS **Consolidated situation, SEK million**	**30 Sep 2018**	**31 Dec 2017**	**30 Sep 2017**
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 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] Profit for the interim period is reduced by the expected dividend of SEK 512 million based on Q3 2018.

	30 Sep 2018		**31 Dec 2017**		**30 Sep 2017**	
RISK EXPOSURE AMOUNTS AND CAPITAL REQUIREMENTS **Consolidated situation, SEK million**	**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	12,000	960	12,258	981	12,631	1,010
Retail exposures	13,083	1,047	12,469	997	12,173	974
Of which: exposures to SMEs	*843*	*68*	*1,160*	*93*	*1,109*	89
Of which: retail exposures secured by immovable property	*12,240*	*979*	*11,309*	*904*	*11,064*	885
Total exposures recognised with the IRB approach	**25,083**	**2,007**	**24,727**	**1,978**	**24,804**	**1,984**
Credit risk recognised with the standardised approach						
Exposures to governments and central banks [1]	169	14	0	0	0	0
Exposures to regional governments or local authorities or agencies	0	0	0	0	0	0
Exposures to multilateral development banks	0	0	0	0	0	0
Exposures to institutions [2]	3,479	278	2,593	207	2,782	222
Of which: derivatives according to CRR, Appendix 2	*3,394*	*271*	*2,583*	*206*	*2,677*	*214*
Of which repos	*85*	*7*	*9*	*1*	*104*	*8*
Of which other	*0*	*0*	*1*	*0*	*1*	*0*
Retail exposures	2,192	175	2,193	175	2,331	186
Exposures in default	10	1	11	1	11	1
Exposures in the form of covered bonds	3,622	290	3,282	263	3,284	263
Exposures to institutions and corporates with a short-term credit rating	36	3	21	2	11	1
Equity exposures	1,078	86	1,078	86	–	–
Other items	319	26	331	27	421	34
Total exposures recognised with standardised approach	**10,905**	**873**	**9,509**	**761**	**8,840**	**707**
Market risk	**966**	**77**	**1,159**	**93**	**1,210**	**97**
Of which: position risk	–	–	*413*	*33*	*418*	34
Of which: currency risk	*966*	*77*	*746*	*60*	*792*	63
Operational risk	**4,339**	**347**	**4,144**	**331**	**4,144**	**331**
Credit valuation adjustment risk	**2,901**	**232**	**2,258**	**181**	**2,707**	**217**
Total risk exposure amount and minimum capital requirements	**44,194**	**3,536**	**41,797**	**3,344**	**41,705**	**3,336**
Capital requirements for capital conservation buffer		**1,105**		**1,045**		**1,043**
Capital requirements for countercyclical buffer		**877**		**829**		**826**
Total capital requirements		**5,518**		**5,218**		**5,205**

[1] The risk-weighted amount for exposures to goverments refers to deferred taxes according to CRR Article 48(4) amounts to SEK 169 million

[2] The risk-weighted amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK 3,479 million (2,592).

NOTE 11 Internally assessed capital requirement

The internal capital adequacy assessment aims to ensure that SBAB has adequate capital to deal with any financial problems that arise. The internally assessed capital requirement for the Group amounted to SEK 15,992 million (SEK 15,115 million at 31 December 2017). SBAB quantifies the capital requirement for its risks using a model for economic capital within the scope of the internal capital adequacy assessment process (ICAAP). Economic capital is defined as the amount of capital needed to ensure solvency over a one-year period, given a predetermined level of confidence. In SBAB's case, the level of confidence is 99.97%, which corresponds to SBAB's long-term AA− target rating (according to Standard & Poor's ratings scale). The internal capital requirement is defined as the higher of economic capital and the regulatory requirements for each type of risk. The table below sets out the internal capital requirement for the consolidated situation, with and without taking into account the Swedish FSA's supervisory practices with regard to the risk-weight floor for Swedish residential mortgages.

		30 Sep 2018			31 Dec 2017		
			EXCL. RISK-WEIGHT FLOOR	INCL. RISK-WEIGHT FLOOR		EXCL. RISK-WEIGHT FLOOR	INCL. RISK-WEIGHT FLOOR
SEK million		Pillar 1	Internally assessed capital requirement	Internally assessed capital requirement	Pillar 1	Internally assessed capital requirement	Internally assessed capital requirement
Pillar 1	Credit risk & CVA risk	3,111	3,111	3,111	2,920	2,920	2,920
	Market risk	78	78	78	93	93	93
	Operational risk	347	347	347	331	331	331
Pillar 2	Credit risk [1]	–	1,231	1,231	–	1,119	0
	Market risk	–	909	909	–	1,002	1,002
	Operational risk	–	0	0	–	0	0
	Risk-weight floor	–	–	8,599	–	–	7,940
	Concentration risk	–	913	913	–	898	898
	Sovereign risk	–	53	53	–	57	57
	Pension risk	–	0	0	–	0	0
Buffers	Capital conservation buffer	1,105	1,105	1,105	1,045	1,045	1,045
	Capital planning buffer [2]	–	1,185	0	–	1,125	0
	Countercyclical buffer	877	877	829	829	829	829
Total		**5,518**	**9,809**	**15,992**	**5,218**	**9,419**	**15,115**

[1] In the internal capital requirement without taking the risk-weight floor into account, additional credit risks in Pillar 2 consist of SBAB's estimated capital requirement in economic capital. Since the additional capital requirement for the risk-weight floor exceeds the additional capital requirement according to economic capital, only the risk-weight floor is included in the internal capital requirement with consideration for the risk-weight floor.

[2] The higher of the stress test buffer and the capital planning buffer is included in the internally assessed capital requirement. After taking into account the risk-weight floor, the stress test buffer is calculated without consideration for risk migration in the residential mortgage portfolios and, accordingly, the required buffer is smaller.

NOTE 12 Effect of changes in accounting policies for the Group

Restatement of the balance sheet as of 31 December 2017 on transition to IFRS 9 as of 1 January 2018.

SEK million	Previous accounting policies	Impairment expected credit losses	IFRS 9
ASSETS			
Cash and balances at central banks	0	–	0
Chargeable treasury bills, etc.	22,952	–	22,952
Lending to credit institutions	1,867	–	1,867
Lending to the public	335,111	57	335,168
Value changes of interest-rate-risk hedged items in macro hedges	191	–	191
Bonds and other interest-bearing securities	49,764	0	49,764
Derivatives	5,830	–	5,830
Intangible assets	179	–	179
Property, plant and equipment	12	–	12
Other assets	65	0	65
Prepaid expenses and accrued income	816	–4	812
TOTAL ASSETS	**416,787**	**53**	**416,840**
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	5,674	–	5,674
Deposits from the public	111,895	–	111,895
Debt securities issued, etc.	274,517	–	274,517
Derivatives	1,643	–	1,643
Other liabilities	429	–	429
Accrued expenses and deferred income	1,697	–	1,697
Deferred tax liabilities	83	10	93
Provisions	97	7	104
Subordinated debt	4,942	–	4,942
Total liabilities	**400,977**	**17**	**400,994**
Untaxed reserves			
Equity			
Share capital	1,958	–	1,958
Reserves	188	1	189
Additional Tier 1 instruments	1,500	–	1,500
Retained earnings	10,455	35	10,490
Net profit for the year	1,709	–	1,709
Total equity	**15,810**	**36**	**15,846**
TOTAL LIABILITIES AND EQUITY	**416,787**	**53**	**416,840**

Cont. NOTE 12 Effect of changes in accounting policies for the Group

Changes in the classification of financial assets at 31 December 2017 on the transition to IFRS 9 on 1 January 2018.

	2018				
SEK million	**Financial assets measured at FVTPL**		**Financial assets measured at FVTOCI**	**Financial assets measured at amortised cost**	**Total**
	Fair value option	Other (mandatory) classification			
Closing balance 31 December 2017	**–**	**–**	**–**	**–**	**416,540**
Reclassification					
Reclassified from financial assets at FVTPL	12,931	5,830	–	–	18,761
Reclassified from available-for-sale financial assets	–	–	42,142	–	42,142
Reclassified from loan receivables	–	–	–	337,381	337,381
Reclassified from investments held to maturity	–	–	–	18,256	18,256
Impairment, expected credit losses					
Value change recognised directly in equity	–	–	–	53	53
Opening balance, 1 January 2018	**12,931**	**5,830**	**42,142**	**355,690**	**416,593**

Certain interest-bearing assets in the liquidity portfolio that were reported as held for trading under IAS 39 are assessed under IFRS 9 as part of the business model hold to collect, which will be measured at amortised cost. In order to handle the inconsistencies that arise in recognition, which arise due to the interest-rate hedging made with derivatives, the fair value option is applied to these assets and are therefore reported at FVTPL.

PARENT COMPANY

Trend for January–September 2018 compared with January–September 2017

The operating profit totalled SEK 116 million (45). The change was mainly attributable to increased other operating income and positive effects from credit losses. During the period, net interest income decreased to SEK 199 million (204), mainly driven by higher interest expense. The net expense from financial transactions was SEK 46 million (expense: 32). The differences were largely attributable to changes in market value in conjunction with changed credit spreads for securities in the liquidity reserve. Other operating income totalled SEK 646 million (541) and mainly comprised fees from SCBC for administrative services in line with the applicable outsourcing agreements. Expenses grew to SEK 769 million (700), mainly due to higher personnel costs. Net credit losses amounted to recoveries of SEK 44 million (losses: 1), attributable to an intra-group transfer to SCBC due to transition to IFRS 9 as well as recoveries of previous impairments. Lending to the public declined during the period to SEK 23.6 billion (80.4) as a result of movements of loan assets from SBAB to SCBC. Deposits from the public increased to SEK 120.5 billion (107.0). The CET1 capital ratio was 19.8% (20.0) and the internally assessed capital requirement was SEK 5,206 million (6,043).

CONDENSED INCOME STATEMENT

Parent Company, SEK million	2018 Q3	2018 Q2	2017 Q3	2018 Jan–Sep	2017 Jan–Sep	2017 Jan–Dec
Interest income	377	336	342	1,017	953	1,317
Interest expense	–272	–271	–263	–818	–749	–1,023
Net interest income	**105**	**65**	**79**	**199**	**204**	**294**
Commission income	15	27	19	61	55	79
Commission expense	–7	–5	–3	–19	–16	–23
Net result of financial transactions	0	–19	–13	–46	–32	–7
Other operating income	214	223	168	646	541	760
Total operating income	**327**	**291**	**250**	**841**	**752**	**1,103**
Personnel costs	–130	–136	–114	–390	–344	–472
Other expenses	–121	–129	–102	–372	–347	–479
Depreciation, amortisation and impairment of PPE and intangible assets	–2	–3	–3	–7	–9	–12
Total expenses before loan losses	**–253**	**–268**	**–219**	**–769**	**–700**	**–963**
Profit/loss before loan losses and impairments	**74**	**23**	**31**	**72**	**52**	**140**
Net loan losses	0	16	–2	44	–7	13
Impairment of financial assets	0	0	–	0	–	–
Reversals of impairment of financial assets	0	0	–	0	–	–
Operating profit/loss	**74**	**39**	**29**	**116**	**45**	**153**
Tax	–22	–14	–14	–43	–31	–62
Net profit/loss for the period	**52**	**25**	**15**	**73**	**14**	**91**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Parent Company, SEK million	2018 Q3	2018 Q2	2017 Q3	2018 Jan–Sep	2017 Jan–Sep	2017 Jan–Dec
Net profit/loss for the period	**52**	**25**	**15**	**73**	**14**	**91**
Other comprehensive income						
Components that will be reclassified to profit or loss						
Financial assets measured at FVTOCI/Finanacial assets available-for-sale	–249	27	–40	–198	97	118
Changes related to cash-flow hedges	–51	62	–13	24	–57	–68
Tax attributable to components that will be reclassified to profit or loss	66	–20	12	38	–9	–11
Other comprehensive income, net of tax	**–234**	**69**	**–41**	**–136**	**31**	**39**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**–182**	**94**	**–26**	**–63**	**–45**	**130**

CONDENSED BALANCE SHEET

Parent Company, SEK million	30 Sep 2018	31 Dec 2017	30 Sep 2017
ASSETS			
Cash and balances at central banks	0	0	0
Chargeable treasury bills, etc.	31,189	22,952	25,938
Lending to credit institutions (Note 13)	89,010	94,302	33,812
Lending to the public	23,605	22,912	80,374
Bonds and other interest-bearing securities	50,572	49,764	49,457
Derivatives	8,948	6,240	5,137
Shares and participations in Group companies	10,386	10,386	10,386
Intangible assets	27	26	27
Property, plant and equipment	13	12	13
Other assets	60	45	245
Prepaid expenses and accrued income	667	771	553
TOTAL ASSETS	**214,477**	**207,410**	**205,942**
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	8,161	4,720	9,110
Deposits from the public	120,483	111,895	107,041
Debt securities issued, etc.	63,477	70,363	68,574
Derivatives	7,701	5,340	4,666
Other liabilities	349	376	480
Accrued expenses and deferred income	787	349	778
Deferred tax liabilities	12	56	52
Provisions	5	–	–
Subordinated debt	4,945	4,942	5,941
Total liabilities	**205,920**	**198,041**	**196,642**
Equity			
Restricted equity			
Share capital	1,958	1,958	1,958
Statutory reserve	392	392	392
Total restricted equity	**2,350**	**2,350**	**2,350**
Unrestricted equity			
Fair value reserve	23	157	150
Additional Tier 1 instruments	1,500	1,500	1,500
Retained earnings	4,611	5,271	5,286
Net profit for the period	73	91	14
Total unrestricted equity	**6,207**	**7,019**	**6,950**
Total equity	**8,557**	**9,369**	**9,300**
TOTAL LIABILITIES AND EQUITY	**214,477**	**207,410**	**205,942**

NOTE 13 Lending to credit institutions

Of the Parent Company's lending to credit institutions per 30 September 2018, SEK 85,891 million relates to a receivable from the wholly owned subsidiary AB Sveriges Säkerställda Obligationer (publ) (Swedish Covered Bond Corporation, SCBC), compared with SEK 92,593 million at the end of 2017. This receivable is subordinated in the event of receivership or liquidation, which means that payment is received only after other creditors of the subsidiary have been paid.

NOTE 14 Capital adequacy, own funds and capital requirements — Parent Company

CAPITAL ADEQUACY Parent Company, SEK million	30 Sep 2018	31 Dec 2017	30 Sep 2017
CET1 capital	6,468	7,127	7,232
Tier 1 capital	9,468	10,127	10,232
Total capital	12,915	13,574	14,683
Risk exposure amount	32,618	31,776	36,124
CET1 capital ratio, %	19.8	22.4	20.0
Excess [1] of CET1 capital	5,000	5,697	5,606
Tier 1 capital ratio, %	29.0	31.9	28.3
Excess [1] of Tier 1 capital	7,511	8,221	8,064
Total capital ratio, %	39.6	42.7	40.6
Excess [1] of total capital	10,305	11,032	11,793

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

Cont. NOTE 14 Capital adequacy, own funds and capital requirements — Parent Company

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

OWN FUNDS Parent Company, SEK million	30 Sep 2018	31 Dec 2017	30 Sep 2017
CET1 capital instruments: Instruments and reserves			
Capital instruments and the related share premium accounts	1,958	1,958	1,958
Retained earnings	5,002	5,663	5,678
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	23	157	150
Additional Tier 1 instruments	1,500	1,500	1,500
Independently verified interim profits net of any foreseeable charge or dividend [1)]	–439	–593	–485
CET1 capital before regulatory adjustments	**8,044**	**8,685**	**8,801**
CET1 capital: Regulatory adjustments			
Additional value adjustments (negative amount)	–67	–66	–76
Intangible assets (net of related tax liability) (negative amount)	–27	–26	–27
Fair value reserves related to gains or losses on cash-flow hedges	61	79	71
Negative amounts resulting from the calculation of expected loss amounts	–14	–28	–21
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	–29	–17	–16
Additional Tier 1 instruments in equity	–1,500	–1,500	–1,500
Total regulatory adjustments to CET1 capital	**–1,576**	**–1,558**	**–1,569**
CET1 capital	**6,468**	**7,127**	**7,232**
Additional Tier 1 capital: Instruments			
Capital instruments and the related share premium accounts	3,000	3,000	3,000
Of which: classified as equity under applicable accounting standards	*1,500*	*1,500*	*1,500*
Of which: classified as liabilities under applicable accounting standards	*1,500*	*1,500*	*1,500*
Amount of qualifying items referred to in Article 484(4) and the related share premium accounts subject to phase out from Additional Tier 1 capital	–	–	–
Additional Tier 1 capital before regulatory adjustments	**3,000**	**3,000**	**3,000**
Additional Tier 1 capital: Regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 capital	–	–	–
Additional Tier 1 capital	**3,000**	**3,000**	**3,000**
Tier 1 capital (Tier 1 capital=CET1 + Additional Tier 1 capital)	**9,468**	**10,127**	**10,232**
Tier 2 capital: Instruments and provisions			
Capital instruments and the related share premium accounts	3,447	3,447	4,447
Credit risk adjustments	–	–	4
Tier 2 capital before regulatory adjustments	**3,447**	**3,447**	**4,451**
Tier 2 capital: Regulatory adjustments			
Total regulatory adjustments to Tier 2 capital	–	–	–
Tier 2 capital	**3,447**	**3,447**	**4,451**
Total capital (Total capital=Tier 1 capital + Tier 2 capital)	**12,915**	**13,574**	**14,683**
Total risk-weighted assets	**32,618**	**31,776**	**36,124**
Capital ratio and buffers			
CET1 capital (as a percentage of total risk-weighted exposure amount), %	19.8	22.4	20.0
Tier 1 capital (as a percentage of total risk-weighted exposure amount), %	29.0	31.9	28.3
Total capital (as a percentage of total risk-weighted exposure amount), %	39.6	42.7	40.6
Institution-specific buffer requirements (CET1 capital requirement in accordance with Article 92(1)(a) plus the capital conservation buffer and countercyclical capital buffer requirements, plus the systemic risk buffer, plus the systemically important institution buffers [G-SII buffer and O-SII buffer] expressed as a percentage of the risk-weighted exposure amount), %	9.0	9.0	9.0
Of which: CET1 capital, minimum requirement, %	*4.5*	*4.5*	*4.5*
Of which: capital conservation buffer requirement, %	*2.5*	*2.5*	*2.5*
Of which: countercyclical capital buffer requirement, %	*2.0*	*2.0*	*2.0*
Of which: systemic risk buffer requirement, %	–	–	–
Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffers, %	–	–	–
CET1 capital available to meet buffers (as a share of risk-weighted exposure amounts, %)	15.3	17.9	15.5

Cont. NOTE 14 Capital adequacy, own funds and capital requirements — Parent Company

OWN FUNDS Parent Company, SEK million	30 Sep 2018	31 Dec 2017	30 Sep 2017
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 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] Profit for the interim period is reduced by the expected dividend of SEK 512 million based on Q3 2018.

RISK EXPOSURE AMOUNTS AND CAPITAL REQUIREMENTS Parent Company, SEK million	30 Sep 2018 Risk exposure amount	30 Sep 2018 Capital requirement	31 Dec 2017 Risk exposure amount	31 Dec 2017 Capital requirement	30 Sep 2017 Risk exposure amount	30 Sep 2017 Capital requirement
Credit risk recognised in accordance with IRB approach						
Exposures to corporates	6,575	526	6,800	544	8,127	650
Retail exposures	904	72	1,125	90	4,378	350
Of which: exposures to SMEs	*72*	*6*	*244*	*20*	*390*	*31*
Of which: retail exposures secured by immovable property	*832*	*66*	*881*	*70*	*3,988*	*319*
Total exposures recognised with the IRB approach	**7,479**	**598**	**7,925**	**634**	**12,505**	**1,000**
Credit risk recognised with the standardised approach						
Exposures to governments and central banks	0	0	0	0	0	0
Exposures to regional governments or local authorities or agencies	0	0	0	0	0	0
Exposures to multilateral development banks	0	0	0	0	0	0
Exposures to institutions [1]	3,361	269	2,524	202	2,676	214
Of which: derivatives according to CRR, Appendix 2	*3,313*	*265*	*2,523*	*202*	*79*	*6*
Of which repos	*20*	*2*	–	–	*2,597*	*208*
Of which other	*28*	*2*	*1*	0	*0*	0
Exposures to corporates	–	–	–	–	–	–
Retail exposures	2,192	175	2,193	175	2,331	186
Exposures in default	10	1	11	1	11	1
Exposures in the form of covered bonds	3,622	290	3,282	263	3,283	263
Exposures to institutions and corporates with a short-term credit rating	16	1	21	2	10	1
Equity exposures	11,378	910	11,378	910	10,386	831
Other items	80	7	77	6	98	8
Total exposures recognised with standardised approach	**20,659**	**1,653**	**19,486**	**1,559**	**18,795**	**1,504**
Market risk	**306**	**24**	**648**	**52**	**681**	**54**
Of which: position risk	–	–	*414*	*33*	*418*	*33*
Of which: currency risk	*306*	*24*	*234*	*19*	*263*	*21*
Operational risk	**1,412**	**113**	**1,570**	**126**	**1,570**	**126**
Credit valuation adjustment risk	**2,762**	**221**	**2,147**	**171**	**2,573**	**206**
Total risk exposure amount and minimum capital requirements	**32,618**	**2,609**	**31,776**	**2,542**	**36,124**	**2,890**
Capital requirements for capital conservation buffer		**815**		**794**		**903**
Capital requirements for countercyclical buffer		**646**		**629**		**715**
Total capital requirements		**4,070**		**3,965**		**4,508**

[1] The risk-weighted amount for counterparty risk according to the CRR, Article 92(3)(f), amounts to SEK,3,333 million (2,523).

NOTE 15 Effect of changes in accounting policies for the Parent Company

Restatement of the balance sheet as of 31 December 2017 on transition to IFRS 9 as of 1 January 2018.

SEK million	Previous accounting policies	Impairment, expected credit losses	IFRS 9
ASSETS			
Cash and balances at central banks	0	–	0
Chargeable treasury bills, etc.	22,952	–	22,952
Lending to credit institutions	94,302	–	94,302
Lending to the public	22,912	2	22,914
Bonds and other interest-bearing securities	49,764	0	49,764
Derivatives	6,240	–	6,240
Shares and participations in Group companies	10,386	–	10,386
Intangible assets	26	–	26
Property, plant and equipment	12	–	12
Other assets	45	0	45
Prepaid expenses and accrued income	771	0	771
TOTAL ASSETS	**207,410**	**2**	**207,412**
LIABILITIES AND EQUITY			
Liabilities			
Liabilities to credit institutions	4,720	–	4,720
Deposits from the public	111,895	–	111,895
Debt securities issued, etc.	70,363	–	70,363
Derivatives	5,340	–	5,340
Other liabilities	376	–	376
Accrued expenses and deferred income	349	–	349
Deferred tax liabilities	56	–1	55
Provisions	–	7	7
Subordinated debt	4,942	–	4,942
Total liabilities	**198,041**	**6**	**198,047**
Untaxed reserves			
Equity			
Share capital	1,958	–	1,958
Statutory reserve	392	–	392
Fair value reserve	157	1	158
Additional Tier 1 instruments	1,500	–	1,500
Retained earnings	5,271	–5	5,266
Net profit for the year	91	–	91
Total equity	**9,369**	**–4**	**9,365**
TOTAL LIABILITIES AND EQUITY	**207,410**	**2**	**207,412**

Cont. NOTE 15 Effect of changes in accounting policies for the Parent Company

Changes in the classification of financial assets at 31 December 2017 on the transition to IFRS 9 on 1 January 2018.

SEK million	2018				
	Financial assets measured at FVTPL		Financial assets measured at FVTOCI	Financial assets measured at amortised cost	Total
	Fair value option	Other (mandatory) classification			
Closing balance 31 December 2017	**–**	**–**	**–**	**–**	**196,933**
Reclassification					
Reclassified from financial assets at FVTPL	12,931	6,240	–	–	19,171
Reclassified from available-for-sale financial assets	–	–	42,142	–	42,142
Reclassified from loan receivables	–	–	–	117,364	117,364
Reclassified from investments held to maturity	–	–	–	18,256	18,256
Impairment, expected credit losses					
Value change recognised directly in equity	–	–	–	2	2
Opening balance, 1 January 2018	**12,931**	**6,240**	**42,142**	**135,622**	**196,935**

Certain interest-bearing assets in the liquidity portfolio that were reported as held for trading under IAS 39 are assessed under IFRS 9 as part of the business model hold to collect, which will be measured at amortised cost. In order to handle the inconsistencies that arise in recognition, which arise due to the interest-rate hedging made with derivatives, the fair value option is applied to these assets and are therefore reported at FVTPL.

The CEO affirms that this interim report provides an accurate overview of the operations, financial position and performance of the Parent Company and the Group, and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 26 October 2018

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

This information was submitted for publication on October 26, 2018 at 12:00 p.m. (CET).

Financial calender

Year-end report 2018	15 Feb 2019
Interim report January–March 2019	30 Apr 2019
Interim report January–June 2019	17 Jul 2019
Interim report January–September 2019	25 Oct 2019
Year-end report 2019	14 Feb 2020

The Annual General Meeting will be held 29 April 2018 in Solna.

Credit rating

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

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures (APMs) are financial metrics of historical or future performance, financial position or cash flows that are not defined in the applicable rules for financial reporting (for example, IFRS and the Swedish Annual Accounts Act) or in the EU's Capital Requirements Directive (CRD IV)/Capital Requirements Regulation (CRR).

SBAB uses APMs when these are relevant for the presentation and follow-up of the Group's financial position and when these metrics are deemed to provide additional valuable information to readers of the financial reports. SBAB has also chosen to present the APMs as they are in common use within the industry. APMs can be calculated with various approaches and, accordingly, SBAB's metrics are not directly comparable with similar metrics presented by other companies.

New lending

Definition: Gross lending for the period.

The APM aims to provide the reader with an image of the inflow of new business during the reporting period.

Deposits/lending

Definition: Ratio of total deposits to total lending (closing balances).

The APM aims to provide the reader with further information regarding the relative ratio of deposits to lending.

Group	30 Sep 2018	30 Sep 2017
Deposits from the public, SEK billion	120.5	107.0
Lending to the public, SEK billion	358.0	324.4
Deposits/lending, %	**33.7**	**33.0**

Loan loss ratio

Definition: Loan losses for the period in relation to total lending (closing balance).

The APM aims to provide the reader with further information regarding the relative ratio of loan losses to total lending.

Group	Jan–Sep 2018	Jan–Sep 2017
Loan losses, SEK million	18	4
Lending to the public, SEK million	357,989	324,415
Loan loss ratio, %	**0.01**	**0.00**

Return on equity

Definition: Earnings after tax in relation to average (calculated using the opening and closing balances) equity, after adjustment for additional Tier 1 instruments and value changes in financial assets recognised in equity.

The APM aims to provide the reader with further information regarding the Group's profitability in relation to unrestricted equity.

Group	Jan–Sep 2018	Jan–Sep 2017
Operating profit after tax, SEK million	1,281	1,247
Average equity, SEK million	14,065 [1)]	13,397
Return on equity, %	**12.1**	**12.4**

1) Average equity adjusted for dividend for 2017 of SEK 684 million.

Net interest margin

Definition: Net interest income in relation to average (calculated using the opening and closing balances for the reporting period) total assets.

The APM aims to provide the reader with further information regarding the Group's profitability.

Group	Jan–Sep 2018	Jan–Sep 2017
Net interest income, SEK million	2,514	2,348
Average total assets, SEK million	436,378	395,318
Net interest margin, %	**0.77**	**0.79**

C/I ratio

Definition: Total operating expenses, before loan losses, in relation to total operating income.

The APM aims to provide the reader with further information regarding the Group's cost-efficiency.

Group	Jan–Sep 2018	Jan–Sep 2017
Total operating expenses, SEK million	−752	−700
Total operating income, SEK million	2,399	2,321
C/I ratio, %	**31.4**	**30.2**

Definitions of other key performance indicators

Number of employees (FTEs)	Number of employees expressed as full-time equivalents (FTEs), adjusted for sick leave and leave of absence
CET1 capital ratio	CET1 capital in relation to risk-weighted assets
Total capital ratio	Own funds in relation to risk-weighted assets
Tier 1 capital ratio	Tier 1 capital in relation to risk-weighted assets
Leverage ratio	Tier 1 capital in relation to total assets and off-balance sheet exposures restated with the application of credit conversion factors
Liquidity coverage ratio (LCR)	Liquid assets in relation to net cash outflows over a 30-day stress scenario in accordance with the European Commission's Delegated Regulation EU (2015/61) with regard to liquidity coverage requirements
Survival horizon	The number of days that the need for liquidity can be met in a stress scenario before new liquidity is needed
Net stable funding ratio (NSFR)	A liquidity risk metric of a structural nature that demonstrates the stability of the Group's funding in relation to its assets