DISCLOSURE OF OWN FUNDS

1 January – 30 September 2016
Swedish Covered Bonds Corporation (SCBC)

Swedish Covered Bonds Corporation (SCBC), reports credit risk mainly in accordance with the IRB approach, and reports operational risk, market risk and CVA risk in accordance with the standardised approach.

The tables below are based on Swedish Financial Supervisory Authority's Regulatory Code FFFS 2014:18 and FFFS 2014:12. According to these regulations SBAB shall publish the structure of own funds, risk exposure amount per exposure class and information about capital adequacy and buffers on a quarterly basis.

For SCBC, the internal capital requirement without the risk weight floor amounted to SEK 4,813 million.

SCBC
Covered Bonds of SBAB

OWN FUNDS

Disclosures in accordance with Article 5 of Commission Implementing Regulation (EU) No 1423/2013
No mounts are subject to the provisions preceding Regulation (EU) No 575/2013 ("CRR") or the prescribed residual amount according to Regulation (EU) No 575/2013.

SCBC, SEK million	30/09/2016	30/09/2015	31/12/2015
Common Equity Tier 1 capital: instruments and reserves			
Capital instruments and the related share premium reserves	9,600	9,600	9,600
Retained earnings	4,347	3,145	3,145
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	918	218	241
Independently reviewed interim profits net of any foreseeable charge or dividend	657	563	1,203
Common Equity Tier 1 capital before regulatory adjustments	**15,522**	**13,526**	**14,189**
Common Equity Tier 1 capital: regulatory adjustments			
Additional value adjustments (negative amount)	-7	-7	-7
Fair value reserves to gain or losses on cash flow hedges	-918	-218	-241
Negative amounts resulting from the calculation of expected loss amounts	-9	-25	-34
Gains or losses on liabilities valued at fair value resulting from changes in the own credit standing	-1	-1	-1
Total regulatory adjustments to the Common Equity Tier 1 capital	**-935**	**-251**	**-283**
Common Equity Tier 1 capital	**14,587**	**13,275**	**13,906**
Additional Tier 1 capital: instruments			
Additional Tier 1 capital before regulatory adjustments	-	-	-
Additional Tier 1 capital: regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 capital	-	-	-
Additional Tier 1 capital	-	-	-
Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital + Additional Tier 1 capital)	**14,587**	**13,275**	**13,906**
Tier 2 capital: instruments and provisions			
Tier 2 capital before regulatory adjustments	-	-	-
Tier 2 capital: regulatory adjustments			
Total regulatory adjustments to Tier 2 capital	-	-	-
Tier 2 capital	-	-	-
Total capital (Total capital = Tier 1 capital + Tier 2 capital)	**14,587**	**13,275**	**13,906**
Total risk-weighted assets	**19,209**	**18,294**	**16,151**
Capital ratios and buffers			
Common Equity Tier 1 (as a percentage of risk exposure amount)	75.9	72.6	86.1
Tier 1 (as a percentage of total risk exposure amount)	75.9	72.6	86.1
Total capital (as a percentage of total risk exposure amount)	75.9	72.6	86.1
Institution specific buffer requirement (common equity Tier 1 capital requirement in accordance with Article 92(1)(a) plus capital conservation buffer and countercyclical capital buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII buffer and O-SII buffer) expressed as a percentage of risk exposure amount), %	8.5	8.0	8.0
- of which: Common Equity Tier 1 capital, minimum requirement, %	*4.5*	*4.5*	*4.5*
- of which: capital conservation buffer requirement, %	*2.5*	*2.5*	*2.5*
- of which: countercyclical buffer requirement, %	*1.5*	*1.0*	*1.0*
- of which: systemic risk buffer requirement, %	-	-	-
- of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer, %	-	-	-
Common Equity Tier 1 capital, available to meet buffers (as a percentage of risk exposure amount), %	67.9	64.6	78.1

CAPITAL REQUIREMENTS

SCBC, SEK million	30/09/2016 Capital requirement	30/09/2016 Risk exposure amount	30/09/2015 Capital requirement	30/09/2015 Risk exposure amount	31/12/2015 Capital requirement	31/12/2015 Risk exposure amount
Credit risk recognised in accordance with IRB approach						
Exposures to corporates	389	4,864	354	4,422	379	4,743
Retail exposures	741	9,257	649	8,108	628	7,856
- of which: exposures to SME	*68*	*850*	*83*	*1,040*	*78*	*980*
- of which: retail exposures secured by immovable property	*673*	*8,407*	*566*	*7,068*	*550*	*6,876*
Total exposures in accordance with IRB approach	**1,130**	**14,121**	**1,003**	**12,530**	**1,007**	**12,599**
Credit risk reported in accordance with standardised approach						
Exposures to governments and central banks	0	0	0	0	0	0
Exposures to regional governments or local authorities	0	0	0	0	0	0
Exposures to institutions [1]	28	355	47	583	27	335
- of which: derivatives according to CRR, Appendix 2	*25*	*311*	*37*	*461*	*26*	*319*
- of which: repos	*3*	*44*	*10*	*119*	*1*	*14*
Exposures to corporates	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-
Exposures in the form of covered bonds	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	0	0	123	1,542	0	0
Other items	65	812	81	1,012	64	798
Total exposures in accordance with standardised approach	**93**	**1,167**	**251**	**3,137**	**91**	**1,133**
Market risk	*34*	*420*	**33**	**411**	**29**	**361**
- of which: position risk	-	-	-	-	-	-
- of which: currency risk	*34*	*420*	*33*	*411*	*29*	*361*
Operational risk	**241**	**3,008**	**150**	**1,874**	**150**	**1,874**
Credit valuation adjustment risk	**39**	**493**	**27**	**342**	**15**	**184**
Total capital requirements and risk exposure amount	**1,537**	**19,209**	**1,464**	**18,294**	**1,292**	**16,151**
Capital requirements for capital conservation buffer	**480**		**457**		**404**	
Capital requirements for countercyclical buffer	**288**		**183**		**162**	
Total capital requirements	**2,305**		**2,104**		**1,858**	

[1] The risk-weighted exposure amount for counterparty risk according to CRR, Article 92, item 3(f), amounts to SEK 355 million (333).

CAPITAL ADEQUACY

SCBC, SEK million	30/09/2016	30/09/2015	31/12/2015
Common Equity Tier 1 capital	14,587	13,275	13,906
Tier 1 capital	14,587	13,275	13,906
Total own funds	**14,587**	**13,275**	**13,906**
Without transition rules			
Risk exposure amount	19,209	18,294	16,151
Common Equity Tier 1 capital ratio, %	75.9	72.6	86.1
Excess [1] Common Equity Tier 1 capital	12,723	12,452	13,179
Tier 1 capital ratio, %	75.9	72.6	86.1
Excess [1] Tier 1 capital	13,434	12,177	12,937
Total capital ratio, %	75.9	72.6	86.1
Excess [1] total capital	13,050	11,811	12,614
With transition rules			
Own funds	14,597	13,317	13,940
Risk exposure amount	132,939	117,429	115,555
Total capital ratio, %	11.0	11.3	12.1

[1] Surplus of capital has been calculated based on the minimum capital requirements (without buffer requirements)