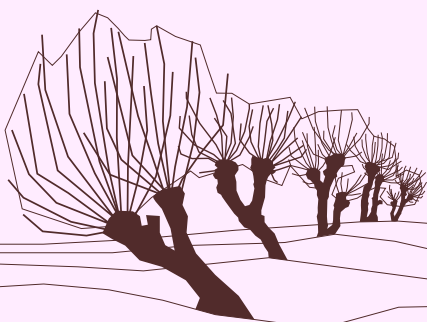




2022 Year-End Report for Sparbanken Skåne AB (publ)

Lund, 1 February 2023

High inflation and weakened economic conditions are putting pressure on households and businesses in Skåne. Sparbanken Skåne stands strong and continued to maintain close contact with its customers during the quarter to provide advice and support in a challenging time. Despite a year of rapidly changing external conditions, the bank reported strong annual earnings.





Q4 Financial summary, October–December 2022

(Comparative figures in parentheses refer to the third quarter, July–September 2022 unless otherwise stated)

- The bank's operating profit for the quarter was SEK 382m (303).
- Net interest income increased to SEK 544m (431) as a result of increased market interest rates and increased loan volume.
- Net fee and commission income was down, totalling SEK 129m (123).
- Expenses excluding credit losses increased to SEK -257m (-229). This increase is primarily attributable to increased expenses for IT, premises and personnel.
- The bank's total credit losses were SEK -37m (-25).
- The bank's business volume increased to SEK 242bn (239).
- Both the capital ratio and the CET1 capital ratio amounted to 22.8% (20.7).
- The LCR increased to 295% (269).

Key events in Q4

- Economic conditions in Sweden and Skåne are characterised by rising inflation and falling growth. Cost increases and future uncertainty are putting pressure on households and businesses. The bank continued to maintain close contact with its customers during the quarter to provide advice and support in a challenging time.
- The bank's loan volume continued to increase, although at a slower pace than before. Hesitation was clearly observed in the number of new applications for both residential mortgages and corporate loans.
- Skåne is well prepared to cope with weaker economic conditions following strong job growth in recent years. This was shown by Sparbanken Skåne's report on economic conditions in Skåne, whose fall edition was released in November.

- A new green bond was issued. Sparbanken Skåne's green bonds fund loans for projects with clear sustainability benefits.
- The bank adopted an overall goal to be carbon-neutral by 2035. This includes not only direct emissions from operations but also emissions the bank can influence with its financing and investment activities.
- In December, Riksgälden confirmed its assessment that Sparbanken Skåne is one of nine systemically important banks in Sweden. In December, Standard & Poor's issued the same credit rating for Sparbanken Skåne, A with a stable outlook.

Financial summary, January–December 2022

(Comparative figures in parentheses refer to January–December 2021 unless otherwise stated)

- The bank's operating profit for the period was SEK 1,094m (926).
- The bank's total credit losses were SEK -73m (+55).
- Net interest income improved, totalling SEK 1,590m (1,194). This improvement was primarily a result of market interest rate hikes and increased loan volume.
- Net fee and commission income amounted to SEK 523m (585). The decrease was primarily in respect of securities commissions and loan commissions from Swedbank Hypotek (in June 2021 a one-time payment of SEK 9.5m was received).
- Expenses excluding credit losses increased, amounting to SEK -957m (-928). This increase is mainly attributable to expenses for IT and premises.
- The bank's business volume was SEK 242bn (249).
- Both the capital ratio and the tier 1 capital ratio amounted to 22.8% (21.4).
- The LCR increased to 295% (248).

Strong profitability builds sustainability

The global economy is impacted by war, inflation, pandemic and climate change. Society faces tougher times economically and growth prospects have been adjusted down. In the fourth quarter, Sparbanken Skåne continued to maintain close contact with its customers in regards to the changes in conditions. The bank enjoys great financial stability and reported strong earnings for the full year.

Economic conditions in Sweden and Skåne are characterised by high inflation and falling growth. Real wages are falling, housing prices are on the decline and businesses with high energy consumption are at risk of both a cost crisis and power shortages. This was demonstrated by Sparbanken Skåne's report on economic conditions in Skåne, whose fall edition was released in November.

Despite clearly discernible concern about the future, the report also showed that Skåne's municipalities are well prepared to cope with weaker economic conditions. Job growth has been strong in recent years, in spite of the pandemic, and over 50,000 new jobs have been created by Skåne's businesses since the end of 2020. Malmö is the largest growth driver followed by Lund, Helsingborg, Hässleholm, Kristianstad and Ystad.

National economic experts agree that 2023 will be an economically difficult year with decreased GDP. There is great uncertainty concerning how long inflation will stay at its current high levels, thus continuing to push interest rates up. Forecasts predict lower inflation and the beginnings of a recovery in 2024.

Continued close customer contact

In the fourth quarter, just as throughout the year, Sparbanken Skåne prioritised availability. We were in contact with many customers who were and continue to be concerned about their finances. In our conversations and advice, we talk about how rising inflation impacts finances. We underline the importance of monthly savings to create a financial buffer and go into the discussion of principal payments and interest, investments, and housing transactions.

In November, the Swedish central bank (Riksbanken) hiked the repo rate for the fourth time in 2022. These tighter monetary policies have a noticeable impact on personal finances, which will become increasingly pronounced over time. Combined with increased costs for energy, food and other goods, higher interest rate levels play a part in causing a challenging time for many households. For companies, the increased costs are putting pressure on margins while declining purchasing power causes significant future uncertainty regarding consumption and demand.

The bank's aim is to help our customers through the financial difficulties that may arise. We estimate that the resiliency of both individuals and businesses in Skåne is still solid, and the majority of the bank's customers will be able to cope with the new financial situation.

Strong financial performance

The bank's loans continued to grow in the fourth quarter, although at a slower pace than before. The housing market has slowed down and fewer transactions are being made now than a year before. The corporate market has also been cautious about making new investments, which is interrelated with the rapid changes in external conditions.

The equity markets recovered somewhat during the final months of the year following heavy losses earlier in 2022. This had a positive effect on the bank's volumes for securities, funds and insurance, altogether causing the business volume to increase by about 1 percent in the fourth quarter to SEK 242bn at year-end.

Interest income performed well due to higher loan volumes and higher market interest rates following the Swedish central bank's interest rate hikes. Net interest income for the fourth quarter amounted to SEK 544m. Net fee and commission income increased by three percent, largely because of increased securities commissions and fees as a result of the stock market gains.

Cost controls continued to be effective. However, the deterioration of external conditions led to a significant increase in allowances for expected credit losses in both the private and corporate segments. Industries including manufacturing, transport, retail, real estate, and hotels & restaurants are particularly exposed. The bank recognised credit losses with an impact on profit amounting to SEK 37m for the fourth quarter.

Overall, operating profit improved, totalling SEK 382m for the quarter. Profit for full year 2022 totalled SEK 1,094m, an 18 percent year-on-year increase.

A profitable bank is a sustainable bank

Being profitable is how we can contribute to a financially healthy society. Healthy profitability enables us to support our customers, contribute to financial stability and advance both the bank and the savings bank concept as such.

Sparbanken Skåne issued a new green bond in the fourth quarter. In 2019, we became the first savings bank in Sweden to create a green bond programme and we are very proud of our role as a lender in projects with clear sustainability benefits. In the upcoming 2022 Annual and Sustainability Report, we go into detail on the bank's sustainability efforts and describe the impact our green loans have had.

In the fourth quarter, the bank's board adopted a new ambitious goal for our climate efforts. Sparbanken Skåne will be carbon-neutral by 2035, including not only direct emissions from our own operations but also emissions that we can influence with our financing and investment activities. We are well aware that this is a challenge and of the fact that we do not yet have the complete toolbox needed to fully track progress toward meeting this goal. Nevertheless, we are confident that we will be able to develop methods and models together with other banks that show what we need to achieve to meet our goal.

In November, we presented the outcome of Sparbanken Skånes Energikliv, a project in which we help non-profit clubs and associations with their green transition using targeted grants in collaboration with our foundation owners. This initiative is made possible by the savings bank concept, where a key part is to reinvest in development projects in the local community with the share of profit from banking activities that does not need to be retained to secure the bank's future.

Helen Göransson has been appointed the new bank manager in the Northeast Bank Area. Helen has many years of experience with the bank, most recently serving as corporate banking manager in Kristianstad, Hässleholm, Osby and Östra Göinge. She will take office as bank manager after summer 2023, replacing Gunilla Bengtsson in bank management who is leaving the bank to serve as the CEO of our foundation owner Sparbanksstiftelsen 1826.

In conclusion, we can look back on yet another year in which Sparbanken Skåne stood strong as a secure and personal savings bank for the people, businesses and associations here in Skåne. We are well prepared for the future, with full control over our own destiny in a challenging time.

Rasmus Roos
CEO

Financial information

At Sparbanken Skåne we have a clear vision – to be a bank that actively delivers simplicity and sustainability every day.

Ownership structure

Sparbanken Skåne AB (publ)'s company registration number is 516401-0091. The ownership structure of Sparbanken Skåne AB is shown below:

Sparbanksstiftelsen Färs & Frosta	26%
Sparbanksstiftelsen 1826	26%
Sparbanksstiftelsen Finn	26%
Swedbank AB (publ)	22%

The board is headquartered in Lund. The administrative centre is based in Kristianstad.

Market performance

Economic conditions for both households and businesses underwent fundamental change in 2022. The National Institute of Economic Research projects that Sweden's economy will go into recession in 2023 and that this will last until 2025 but a certain degree of recovery may occur in late 2024. This will doubtlessly impact individuals and businesses in Sparbanken Skåne's area of operation, which consists of 15 municipalities in Skåne, from Osby in the north to Ystad in the south.

Households are under pressure from increased costs for electricity, fuel, food and housing. Businesses are also being negatively impacted by higher costs and rising interest rates. At the same time, decreased consumption creates significant uncertainty for businesses concerning their future market and demand.

The number of customers who have contacted the bank to discuss their financial situation has increased. However, Sparbanken Skåne's overall assessment is that the resilience of households in Skåne is strong.

In the last months of 2022, the labour market showed signs of weakening with both more layoffs and increased unemployment. However, Arbetsförmedlingen (the Swedish Public Employment service)'s main scenario shows a moderate increase in unemployment in the coming year. As a region, Skåne is coming off a period of strong job growth, in September 2022 reaching its lowest recorded unemployment rate since before the 2009 financial crisis.

Falling real wages have also had a clear negative impact on Skåne's housing market. Since spring 2022, house prices have fallen by 17 percent, according to Svensk Mäklarstatistik. For tenant-owner flats, the decline has been somewhat more limited, with prices falling by just over 12 percent. Overall, Skåne's housing prices are still higher than pre-pandemic levels.

The bank has observed a decrease in the number of applications for residential mortgages in the second half of 2022. Our estimate is that the housing market will continue to be impacted by the uncertain external conditions for some time going forward. Industry investment willingness has also been slowed down by economic conditions. Several companies are choosing to put their own house in order first and use savings to cover their capital needs.

In the fourth quarter, the number of bankruptcies in Skåne was up 26 percent year-on-year. According to bankruptcy statistics from UC, the increase for the 2022 full year was 5 percent.

During the quarter and the year as a whole, the bank has observed growing interest in investments in energy efficiency improvements. This trend applies to both individuals and businesses, which is in line with the bank's expectations and aims. The projects include everything from solar panels on house roofs to agricultural companies investing in solar energy and biogas investments by large corporations.

An uncertain future

The world economy has been impacted significantly by Russia's ongoing war in Ukraine. The knock-on effects and uncertainty factors seem to be not unlike those caused by the pandemic with increased energy prices, raw material shortages and disruptions at the production and transport

stages. In turn, this impacts the inflation rate, which increased to its highest level in many years, which is also the reason why the central banks have taken action in the form of interest rate hikes. The Swedish central bank changed strategies rapidly, hiking interest rates several times in 2022, the most recent coming in the fourth quarter. The central banks changed strategy in terms of monetary stimulus as well. After making substantial investments in the bond market for several years, the central banks decided to decrease their investments. This impacts both banks and companies, which previously could raise capital on favourable terms via the bond market. Along with the rising inflation, this has had an impact on market interest rates, causing financing costs for both banks and companies to increase.

Both private and corporate customers have been affected by the rise in energy prices and the increase in market interest rates. The equity-related savings of customers have been impacted negatively by 2022 being a weak year for the equity markets. For private customers, the costs of housing, food and transport have increased, and corporate customers have seen a substantial impact on energy and raw material costs. The bank has not yet seen an impact from the increased costs of its customers on incurred credit losses or loans in arrears. If the situation that has arisen becomes protracted, this could cause the bank's risks of expected credit losses to increase. The great uncertainty in external conditions resulted in an increase in the bank's allowances for expected credit losses. However, the bank's customers, in both the private and corporate segments, are generally well prepared for the change in economic conditions.

For the bank's income statement and balance sheet, increased inflation, interest rate hikes and other changed conditions have both positive and negative consequences. They generally increase the bank's costs and our borrowing costs are particularly affected, which is partially due to the aforementioned change in strategy from the Swedish central bank. Additionally, fee and commission income from our fund and securities trading is impacted negatively. However, the market interest rate hikes counteracted the negative consequences. In the long term, if the economy falls into a deeper recession, demand for loans from both companies and individuals will be impacted negatively. In addition, fund and securities trading activity could further decrease, which, overall, could lead to weaker performance in terms of the bank's revenue. Furthermore, the risk of expected credit losses could increase in such a situation, which is further specified in "Credit quality and allowances".

Comparison of Q4 2022 profit with Q3 2022 profit

The comparative figures refer to the July–September 2022 period unless stated otherwise.

Net interest income is up from the previous quarter, amounting to SEK 544m (431). This improvement was primarily a result of market interest rate hikes and increased loan volume.

The deposit insurance fee was charged to net interest income in the amount of SEK -16m (-9).

Fee and commission income for the fourth quarter totalled SEK 145m (141) comprising loan commissions at SEK 19m (20), securities commissions and fees at SEK 62m (62) and other fee and commission income at SEK 64m (59). The loan commissions are primarily attributable to commissions from Swedbank Hypotek.

Fee and commission expenses totalled SEK -16m (-18).

General administrative expenses were up from the previous quarter, totalling SEK -231m (-207). This increase is primarily attributable to increased expenses for IT, premises and personnel.

Depreciation of tangible assets amounted to SEK -4m (-4).

Credit losses increased, totalling SEK -37m (-25). For more information on credit losses, please see the Credit quality and allowances section.

Operating profit for the fourth quarter of 2022 amounted to SEK 382m (303).

2022 profit compared with 2021 profit

The comparative figures refer to January–December 2021 unless otherwise stated.

Net interest income improved by 33 percent year-on-year, totalling SEK 1,590m (1,194). This improvement was primarily a result of market interest rate hikes and increased loan volume.

The deposit insurance fee was charged to net interest income in the amount of SEK -43m (-29).

Fee and commission income for the year totalled SEK 588m (634) comprising loan commissions at SEK 87m (116), securities commissions and fees at SEK 257m (290) and other fee and commission income at SEK 244m (228). The loan commissions are primarily attributable to commissions from Swedbank Hypotek. The commissions decreased as a result of tight margins, increased borrowing costs, the bank tax imposed and an SEK 9.5m one-time payment received in 2021. The lower securities commissions and fees are largely due to the stock market decline, resulting in decreased volumes.

General administrative expenses were up from the previous year, totalling SEK -856m (-833). This increase is primarily attributable to rising IT expenses, which increased to SEK -253m (-242), and expenses for premises, which increased to SEK -76m (-71).

Depreciation of tangible assets amounted to SEK -16m (-16).

Credit losses increased, totalling SEK -73m (+55), as a result of an increase in allowances for expected credit losses due to the current uncertainty in economic conditions. However, incurred losses and loans in arrears are still very low. For more information on credit losses, please see the Credit quality and allowances section.

Business volume

The comparative figures are for the volume at 31 December 2021 unless otherwise stated.

The bank's total business volume at 31 December 2022 was SEK 242bn (249). The business volume increased by about one percent in the fourth quarter as a result of volume increases for loans, funds and insurance.

Deposits from the general public, both private and corporate customers, increased during the period, amounting to SEK 68bn (66).

The market value of the total brokered fund and insurance volume was SEK 48bn (57). The reason for the volume decreases was the negative stock market performance during the year.

The previous year's positive performance of loans to the general public continued during the year. Loans to the general public at 31 December 2022 amounted to SEK 87bn (81). This increase was the result of issuing new loans to both private and corporate customers.

The bank's loans continued to maintain excellent credit quality. The bank's allowances for expected credit losses increased in 2022 due to worse macroeconomic scenarios and great external uncertainty. For more information, please see the Credit quality and allowances section.

The total loan portfolio brokered to Swedbank Hypotek at 31 December 2022 amounted to SEK 15bn (16).

Credit quality and allowances

The comparative figures refer to 31 December 2021 unless otherwise stated.

The bank's macroeconomic scenario is updated quarterly and the most recent update for the Q4 2022 financial statements resulted in an SEK 16m increase in allowances. The most significant macroeconomic factors in the scenario at 31 December are continued high inflation, hiked interest rates, a housing market under pressure, and eroded household purchasing power, resulting in decreased consumption. The scenario also includes weakened Swedish GDP growth as a result of inflation, the energy crisis in Europe, which was exacerbated in the winter, and slowing global growth, particularly in

Europe. The scenario also takes into account a forecast increase in unemployment in 2023. Repeated interest rate hikes are the central banks' tool for slowing down inflation in order to avoid a deep and long recession that could otherwise be the consequence. In turn, these measures may put increased stress on households and businesses with mortgages and loans.

The default rates in the macroeconomic scenario have increased since the end of the previous quarter for residential mortgages and loans to SMEs, resulting in increased allowances in the updated scenario. The trend toward increase also includes allowances in the form of provisions for loan commitments. For more information, see the Significant risks and uncertainties section.

The bank estimates that there is still a risk associated with Russia's ongoing war in Ukraine resulting in further interest rate hikes, high inflation and a slowdown in economic growth. The bank has chosen to make expert adjustments at 31 December 2022 due to the great uncertainty in external conditions, whose knock-on effects are difficult to predict for the bank's private and corporate customers. The table below shows the bank's expert adjustments at 31 December 2022, which are based on the same principles and estimates as in the third quarter of 2022 with increased energy and commodity prices. The change that has occurred in terms of the increased allowance amount is largely due to the volume increase.

Industry	Allowance 31/12/2022, thousands of SEK	Allowance 30/09/2022, thousands of SEK	Change in allowances, thousands of SEK	Change in risk class (RFF)
Individuals	-7,959	-6,224	-1,735	-1 (-1)
Retail	-3,166	-2,130	-1,036	-1 (-1)
Transport	-4,284	-3,833	-451	-2 (-2)
Hotel & restaurant	-967	-565	-402	-1 (-1)
Manufacturing	-1,881	-1,480	-401	-1 (-1)
Real estate	-22,177	-14,441	-7,736	-1 (-1)
Total amount:	-40,434	-28,673	-11,761	

At 31 December, all expert adjustments totalled SEK 40m compared with SEK 29m at 30 September. This also includes allowances in the form of provisions for loan commitments.

The number of applications for forbearance on principal payments granted during the year was low. Also, there were not any general exemptions from the mortgage amortisation requirement as there were during the lockdown crisis in the initial phase of the COVID-19 pandemic. However, there is great future uncertainty for households, especially considering the increased food prices and higher electricity and interest rate costs. For this reason, the bank has made additional allowances for expected credit losses in the form of expert adjustments for the private segment.

Loss allowances for expected credit losses on loans to the general public at 31 December 2022 were SEK 176m in comparison to SEK 106m at 31 December 2021. This increase is primarily due to updated macroeconomic scenarios and changed expert adjustments impacting the allowances in each stage. The stage 1 loss allowances increased to SEK 58m (32). The stage 2 (loans with a significant increase in credit risk) loss allowances increased to SEK 58m (23). The stage 3 (credit-impaired loans) loss allowances increased somewhat to SEK 60m (51). For more detailed information about the allowance levels in each industry and reclassification between stages, please see Note 8 Loans to the general public.

The residential mortgage portfolio, which accounts for over 60 percent of the bank's total loans on its own balance sheet, is high in quality and its historical credit losses are very low. The average LTV for the residential mortgage portfolio remained from the previous year at about 50 percent. The bank expects a slight increase in the LTV ratio in the coming years as the loan portfolio is re-valued. In addition to the residential mortgage portfolio, the bank has loans to companies with mortgage deeds to multi-family and agricultural properties. A large share of these loans are associated with housing, directly and indirectly, and the LTV is low for these loans as well.

The bank's loans in arrears remained at a very low level and, thus far, no substantial increase is observable, although future uncertainty has increased.

Credit losses increased, totalling SEK -73m (+55). Overall, the credit loss level for the quarter was -0.09 percent (+0.07). Net stage 3 loans were 0.39 percent (0.33) and the allowance ratio for stage 3 loans was 15 percent (16). The low allowance ratio for stage 3 loans is because some major exposures are estimated to be largely secured with adequate collateral.

For more information about credit exposures and quality, please see notes 7 and 8.

Funding and liquidity

The comparative figures refer to 31 December 2021 unless otherwise stated.

The bank's liquidity remained excellent and stable in the fourth quarter of 2022. The bank's main source of funding is deposits, but the bank is also active in the Swedish funding market. In the Swedish capital market, the bank has a covered bond programme and a medium term note (MTN) programme for long-term funding and a certificate of deposit programme for short-term funding. For information about ratings, see below.

The bank's deposits and loans exhibited strong growth during the year. Deposits from the general public increased by 2.5 percent, corresponding to approximately SEK 1.7bn. Loans increased during the year for both the private and corporate markets, a total increase of 7.4 percent, corresponding to approximately SEK 6bn.

The Swedish capital market was impacted by Russia's continued war in Ukraine. The market has partially recovered but is characterised in particular by high volatility in interest rates, which in turn is a consequence of rising inflation figures, expected and completed repo rate hikes, and the ongoing war. The Swedish central bank's decision to reduce its bond purchases has also impacted the market negatively with higher interest rates resulting from lower demand for bonds. Additionally, the central banks, led by the Fed in the US, including the Swedish central bank, have hiked their repo rates substantially multiple times. As a whole, this has impacted credit spreads, and the market has been highly volatile in late 2021 but to an increasingly greater extent throughout 2022.

In Q4 2022, Sparbanken Skåne had its first maturity for covered bonds. The bank remains steadfast in its aim to ensure its funding is well diversified and that the share of funding via covered bonds continues to increase. The bank issued covered bonds three times in 2022 as a part of this strategy. The issues during the year succeeded in attracting great interest from investors and terms and conditions favourable to the bank. However, the issue expenses were somewhat higher than in previous years. The background of the most recent issue in the third quarter was not a need for liquidity in the short term but rather to ensure stable, sustainable and diversified funding in the long term with a favourable future maturity structure for the bank's long-term borrowing.

Outstanding senior bonds decreased on a net basis by SEK 1bn during 2022. The reason for this decrease is that the bank's liquidity is excellent and also highly stable in the long term. The bank's funding via covered bonds is expected to increase in the future. Over time, the

bank plans for the volume of senior bonds to be at about the same level as at 31 December 2021.

The bank's outstanding bonds at 31 December 2022 amounted to SEK 4.4bn (5.4) in MTN programme bonds (nominal amount) and SEK 21bn (18.7) in covered bonds. Outstanding certificates of deposit totalled SEK 410m (500).

The bank's outstanding MREL bonds at 31 December amounted to SEK 1.8bn. The bank conducted an issue in the first half of November amounting to SEK 800m. In a green format, the issue attracted great interest from the market and terms and conditions favourable to the bank. Riksgälden (the Swedish National Debt Office) adopted a new regulatory framework in 2021 for own funds and eligible liabilities (MREL), which will be in full force starting in 2024. Sparbanken Skåne is well prepared to meet these new regulations by a healthy margin and the issue in November was a first step toward refinancing its existing MREL bond and increasing its MREL liability by 1 January 2024. The bank's MREL bonds are green and, as part of the planned increase in this area, the bank plans to issue another green bond.

The changes during the year are disclosed in Note 23 Debt securities issued and related items. All bonds are listed on the Nasdaq OMX Nordic Stockholm exchange. More information about the bond programmes can be found at www.sparbankenskane.se.

The bank's Green Bond Framework was updated during the year and audited by CICERO Shades of Green AS with a "Medium green" result.

The bank's liquidity reserves at 31 December 2022 amounted to SEK 12,304m (11,926). The liquidity reserves increased during 2022, in part because of a continued increase in deposits. The bank increased its funding with three covered bond issues and one MREL bond issue while senior funding and outstanding certificates of deposit declined, resulting in a net increase in market funding by about SEK 2bn since 31 December 2021 expressed as a nominal amount. At the same time, loans have increased to both the private and corporate segments. In June 2022, the bank opted to repay the temporary loan for onward lending from the Swedish central bank amounting to SEK 1bn that was granted upon the outbreak of the pandemic in 2020. At 31 December 2022, the liquidity reserves consist of assets that can generate liquidity quickly at predictable values, which include short-term loans to credit institutions and fixed-income securities.

The liquidity reserves combined with agreed borrowing limits continue to give the bank a strong ability to meet its obligations, and the refinancing risk is limited. The bank's liquidity coverage ratio (LCR) was very solid and amounted to 295 percent (248) at 31 December 2022. The LCR measures the bank's unencumbered high-quality liquid assets (liquidity reserves) expressed as a percentage of the bank's estimated liquidity needs in a 30 calendar-day liquidity stress scenario. These liquidity needs take into account estimated liquidity outflows and inflows.

At 31 December 2022, the bank's Net Stable Funding Ratio (NSFR) amounted to 125 percent (127). The NSFR assigns a weight to the bank's assets and funding based on their maturity. Less liquid assets have a more negative impact on the ratio than those that are more liquid. Funding with a longer maturity has a more positive effect on the ratio than funding with a shorter maturity. The main aim of the ratio is to measure the bank's ability to cope with a stress scenario over a one-year time horizon. If the ratio is over 100 percent, it means that long-term less liquid assets are funded satisfactorily with stable long-term funding.

The loan-to-deposit ratio at 31 December 2022 was 127 percent (122).

More information about liquidity reserves and liquidity management is available at www.sparbankenskane.se.

Rating

Sparbanken Skåne's credit rating from credit rating agency S&P Global was confirmed in connection with the agency's annual report, and the bank was assessed a rating of A with a stable outlook.

Sparbanken Skåne's covered bond programme is rated AAA with a stable outlook by S&P Global.

S&P Global rated the senior non-preferred bonds (MREL bonds) issued under the MTN programme at BBB+.

Capital and capital adequacy

The comparative figures refer to 31 December 2021 unless otherwise stated.

The capital base increase during the year was SEK 576m, and the capital base at 31 December totalled SEK 7,896m (7,320).

The total Risk Exposure Amount (REA) was SEK 34,556m (34,258). The increase is partly due to the growth in loans, where the risk weights are higher, resulting in an increased REA. The bank holds authorisation from Finansinspektionen (the Swedish Financial Supervisory Authority) to apply netting in respect of counterparty and credit valuation adjustment (CVA) risk, which has an effect in the opposite direction and reduces the total REA, but in significantly lower amounts.

The credit risk REA at 31 December 2022 totalled SEK 27,539m. SEK 20,520m of this item was calculated using the Internal Ratings-Based (IRB) approach to credit risk and SEK 7,019m was calculated using the standardised approach to credit risk.

The risk-weight floor REA increased as new loans were issued and amounted to SEK 4,544m (4,201).

The operational risk REA at 31 December 2022 amounted to SEK 2,418m (2,284).

This put the total capital ratio and CET1 capital ratio at 22.8 percent (21.4) on 31 December 2022. The bank's capital position remains strong.

In 2022, Finansinspektionen raised the countercyclical buffer value to one percent of the REA, resulting in an SEK 346m increase in the bank's buffer requirement. Finansinspektionen will further increase this value to two percent effective June 2023.

The leverage ratio amounted to 7.2 percent (6.9). For more information about capital adequacy calculations, see Note 15, Capital adequacy analysis.

During the year, Finansinspektionen did not conduct any supervisory review and evaluation of the bank as per the Credit Institutions and Securities Companies Special Supervision Act.

In the context of such a supervisory review and evaluation of a credit institution, Finansinspektionen determines appropriate capital base levels for the institution. Finansinspektionen will notify the institution of the difference between these levels and the capital base requirements under the Capital Requirements Regulation, the aforementioned Supervision Act and the Capital Buffers Act (2014:966).

For a long time, the bank has been engaged in a project to develop and update the models it uses for internal risk classification (internal ratings-based). This project was launched in the context of the new regulations issued by the European Banking Authority (EBA). Finansinspektionen has announced that it expects compliance from Swedish banks with these regulations. The project is extensive and the bank has engaged in ongoing dialogue with Finansinspektionen. At this time, there is some uncertainty regarding the exact timing of implementation. In the event of protracted proceedings, it cannot be ruled out that this could pose a risk of a temporary increase in the Pillar 2 own funds requirement.

Significant risks and uncertainties

The bank's business is exposed to various risks such as credit risk, market risk, liquidity risk and operational risk.

Climate and sustainability risks are also taken into account for all risk types. The bank's board, which has ultimate responsibility for the bank's internal controls, has put policies and instructions in place for the bank's business to limit and monitor risk-taking in its operations. These policies and instructions are revised and adopted annually.

The risk management system incorporates the strategies, processes and reporting procedures required to continuously identify, measure, manage, monitor and report the risks to which the business is exposed. Furthermore, the bank has the methods and procedures in place that are required to manage the risks associated with its activities.

The bank's level of risk-taking should be low and limited to what is financially sustainable in relation to the bank's capital buffer and long-term capital targets. The board has adopted a separate policy describing the risk appetite that will shape the bank's activities and the risk limits applicable in each risk area. Risk Management monitors, analyses and reports risks to the board and CEO.

The aim of calculating expected credit losses is to predict and measure what credit losses may occur in the future for existing loans on the basis of both information known at the balance sheet date and estimated future scenarios. The bank's loss allowance practices for expected credit losses are based on updating customers' risk classifications on an ongoing basis. Based on these risk assessments, the bank uses action plans prioritising customers with elevated credit risk.

The bank monitors macroeconomic developments on an ongoing basis. This includes defining forward-looking macroeconomic scenarios for various portfolio segments and translating these into macroeconomic assumptions. The macro parameters with the greatest significance for the performance of expected credit losses for the bank are changes in GDP, unemployment, housing prices and the general state of interest rates.

The background of the increased allowances in the macroeconomic scenario is attributable to:

- GDP is estimated to decrease by -1% for 2023, which is significantly worse than the forecast made at the end of 2021.
- A slowdown in economic growth as a result of high inflation and the energy crisis in Europe.
- Inflation and the deterioration of household purchasing power pose a risk of slowed consumption, which could have knock-on effects in industry and in turn impact the labour market, resulting in increased unemployment. Unemployment is somewhat higher in the bank's area of operation than the total for Sweden.
- To combat high inflation, the repo rate is expected to be further hiked in the coming quarter, resulting in increased costs for borrowers.
- Housing prices are being impacted negatively by the current market situation and are forecast to decrease further in the future.
- An increase in default rates is observable for residential mortgages and loans to SMEs generally across Sweden.

The table below shows the parameters with the greatest significance for the performance of allowances in the macroeconomic forecast.

Baseline scenario	31/12/2022			30/09/2022			30/06/2022			31/03/2022			31/12/2021	
	2023F	2024F	2025F	2022F	2023F	2024F	2022F	2023F	2024F	2022F	2023F	2024F	2022F	2023F
GDP (%)	-1.0	1.0	2.4	2.9	0.3	1.5	1.9	2.3	1.9	2.6	2.2	2.0	3.4	2.2
Unemployment (%)	7.6	8.3	8.2	7.6	7.8	7.6	7.4	6.9	6.6	7.7	7.2	6.4	7.6	7.2
Housing price performance (% annual performance)	-11.5	-5.6	2.0	2.9	-6.7	-0.3	5.6	-6.0	-3.3	4.8	0.8	0.5	7.5	3.9
Stibor 3M (%)	3.00	2.72	2.69	1.21	2.26	1.84	0.70	1.67	1.83	0.35	1.55	1.94	0.09	0.15

In the bank's estimate, there is a risk that expected credit losses could increase as a result of the current market uncertainty. The bank estimates a great degree of impact from this on several industries and the expert adjustments made are for real estate, transport, retail, manufacturing and hotels & restaurants as well as private customers.

In 2022, new economic uncertainty factors have emerged internationally, including raw material shortages, high energy prices and high inflation followed by interest rate turbulence. The continued Russian war in Ukraine also elevates the level of uncertainty. In consideration of all of this, the bank has chosen to continue to manually make expert adjustments. At 31 December 2022, all of these allowances totalled SEK 40m including allowances in the form of provisions for loan commitments.

In addition to the above baseline scenarios, a positive and a negative scenario were also used and then weighted based on probability along with the baseline scenarios. The baseline scenario was assigned a weight of 66.6 percent in the probability-weighted estimates of expected credit losses. The negative and positive scenarios were each weighted at 16.7 percent. The weighting was unchanged.

Scenarios	Negative scenario		Positive scenario	
	Allowances attributable to scenario (millions of SEK)	Changes in recognised probability-weighted allowances (percentage)	Allowances attributable to scenario (millions of SEK)	Changes in recognised probability-weighted allowances (percentage)
1	11.3	34%	-1.5	-5%
2	16.1	33%	-2.1	-4%
3	1.5	2%	0.3	0%
Total	28.9	20%	-3.3	-2%

The allowances for expected credit losses are based on the bank's estimate and forecast of future performance for several factors. As a result, the estimates and allowances are based on a high degree of uncertainty. The future outcome of incurred credit losses could turn out to be more or less than the allowances recognised.

For more information about recognised credit losses, please see notes 7 and 8.

During the year, the bank's direct losses attributable to operational risk remained low. The bank commands a satisfactory level of capital, which is suited to the risks posed by the bank's activities and which exceeds the minimum statutory requirements by a healthy margin.

Events after the reporting period

Bertil Engström has been nominated as the new chairman of the board of Sparbanken Skåne after Bo Bengtsson chose to resign his post for a position with another business. Bertil Engström has been proposed to take over the chairmanship effective 1 March 2023 at an extraordinary general meeting.

Financial ratios	12/2022	09/2022	06/2022	03/2022	12/2021
Business volume, millions of SEK	241,886	238,687	239,070	243,940	249,053
Capital and liquidity					
CET1 capital ratio	22.8%	20.7%	20.5%	21.0%	21.4%
Total capital ratio	22.8%	20.7%	20.5%	21.0%	21.4%
Total exposure measure	109,330	112,383	109,797	108,401	105,879
Leverage ratio	7.2%	6.7%	6.8%	6.8%	6.9%
Loan-to-deposit ratio	127%	124%	121%	122%	122%
LCR	295%	269%	329%	253%	248%
NSFR	125%	130%	128%	128%	127%
Profit					
Cost/income ratio before credit losses	0.45	0.48	0.53	0.52	0.51
Cost/income ratio after credit losses	0.49	0.51	0.54	0.53	0.48
Return on equity	10.8%	9.6%	8.4%	8.5%	9.8%
Credit-impaired loans and credit losses					
Allowance ratio for stage 3 loans	15%	15%	16%	16%	16%
Net credit-impaired loans (stage 3) as a percentage of total loans to the general public	0.39%	0.37%	0.31%	0.32%	0.33%
Loan loss ratio excluding brokered volume	-0.09%	-0.04%	-0.01%	0.00%	0.07%
Loan loss ratio including brokered volume	-0.08%	-0.04%	-0.01%	0.00%	0.06%
Other disclosures					
Average number of employees	476	475	494	495	474

The financial ratios are defined on page 29.

Quarterly comparison

Income statement	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Thousands of SEK					
Net interest income	543,809	431,249	320,545	294,064	307,645
Net fees and commissions	129,069	123,354	127,707	142,398	154,824
Net gain/loss from financial transactions	2,272	1,529	2,554	2,999	2,449
Other operating income	1,482	627	498	591	1,930
Total net interest income and operating income	676,633	556,759	451,303	440,052	466,848
General administrative expenses	-230,599	-206,678	-213,944	-205,141	-227,721
Depreciation and amortisation	-4,298	-4,078	-3,981	-3,945	-3,897
Other operating expenses	-22,063	-17,819	-21,816	-22,931	-18,101
Credit losses	-37,228	-25,398	-8,498	-2,248	3,551
Total expenses	-294,188	-253,973	-248,240	-234,265	-246,167
Operating profit/loss	382,445	302,786	203,063	205,787	220,681
Taxes	-79,689	-63,047	-42,576	-43,048	-43,415
Profit/loss for the period	302,756	239,739	160,487	162,739	177,266

Balance sheet	31/12/2022	30/09/2022	30/06/2022	31/03/2022	31/12/2021
Thousands of SEK					
Loans to credit institutions	4,553,193	13,302,299	13,660,753	8,202,408	8,077,145
Loans to the general public	86,128,516	85,027,919	83,897,356	82,222,123	80,963,943
Fixed-income securities	8,474,541	7,597,382	6,717,399	6,175,432	5,835,316
Other assets	6,358,510	1,430,600	1,265,934	6,863,412	6,487,765
Total assets	105,514,760	107,358,201	105,541,442	103,463,375	101,364,170
Liabilities to credit institutions	979,645	1,087,001	970,680	1,581,654	1,137,759
Deposits from the general public	67,955,046	68,684,089	69,164,597	67,651,309	66,305,562
Securities issued	27,779,501	29,099,721	27,221,905	26,174,107	25,809,903
Other liabilities	468,220	482,984	416,262	406,559	357,952
Equity	8,332,348	8,004,407	7,767,998	7,649,746	7,752,995
Total liabilities, provisions and equity	105,514,760	107,358,201	105,541,442	103,463,375	101,364,170

Income statement

Income statement	Note	Q4 2022	Q3 2022	Change	Jan–Dec 2022	Jan–Dec 2021	Change
Thousands of SEK							
Interest income		802,343	549,762	46%	2,048,269	1,338,391	53%
Interest expenses		-258,534	-118,513	118%	-458,603	-143,967	219%
Net interest income	3	543,809	431,249	26%	1,589,666	1,194,424	33%
Fee and commission income	4	144,774	140,909	3%	587,756	633,793	-7%
Fee and commission expenses	5	-15,705	-17,555	-11%	-65,228	-49,015	33%
Net gain/loss from financial transactions	6	2,272	1,529	49%	9,354	15,395	-39%
Other operating income		1,482	627	136%	3,198	4,025	-21%
Total net interest income and operating income		676,632	556,759	22%	2,124,746	1,798,622	18%
General administrative expenses		-230,599	-206,678	12%	-856,362	-832,967	3%
Depreciation of tangible assets		-4,298	-4,078	5%	-16,302	-16,187	1%
Other operating expenses		-22,063	-17,819	24%	-84,629	-79,109	7%
Total expenses before credit losses		-256,960	-228,574	12%	-957,293	-928,263	3%
Profit/loss before credit losses		419,672	328,185	28%	1,167,453	870,359	34%
Net credit losses	7	-37,228	-25,398	47%	-73,373	55,422	-232%
Operating profit/loss		382,444	302,786	26%	1,094,080	925,781	18%
Tax on profit for the period		-79,689	-63,047	26%	-228,360	-189,972	20%
Profit/loss for the period		302,755	239,739	26%	865,720	735,809	18%

Statement of comprehensive income		Q4 2022	Q3 2022	Change	Jan–Dec 2022	Jan–Dec 2021	Change
Thousands of SEK							
Profit/loss for the period		302,755	239,739	26%	865,720	735,809	18%
Other comprehensive income							
Items that are or may be reclassified to profit or loss for the period							
Net change in fair value of financial assets measured at fair value through other comprehensive income		-21,472	-15,610	-	-37,083	361	-
Tax attributable to items that may be reclassified to profit or loss for the period		4,423	3,216	-	7,639	-74	-
Other comprehensive income for the period		-17,049	-12,395	-	-29,444	286	-
Comprehensive income for the period		446,193	390,083	14%	836,276	736,095	14%

Balance sheet

Balance sheet	Note	31/12/2022	31/12/2021	Change	
Thousands of SEK					
Assets					
Cash		-	-	-	-
Treasury bills eligible for refinancing with central banks		3,068,108	2,113,490	954,619	45%
Loans to credit institutions		4,553,193	8,077,145	-3,523,953	-44%
Loans to the general public	8	86,128,516	80,963,943	5,164,573	6%
Bonds and other fixed-income securities		5,406,433	3,721,827	1,684,606	45%
Derivatives		968,499	65,622	902,877	-
Tangible assets		51,662	57,518	-5,856	-10%
Current tax assets		22,863	6,057,455	-6,034,592	-
Deferred tax assets		23,954	23,107	847	4%
Other assets*		5,101,933	107,352	4,994,581	-
Prepaid expenses and accrued income		189,599	176,711	12,888	7%
Total assets		105,514,760	101,364,170	4,150,590	4%
Liabilities, provisions and equity					
Liabilities to credit institutions		979,645	1,137,759	-158,114	-14%
Deposits from the general public	9	67,955,046	66,305,562	1,649,484	2%
Debt securities issued and related items	10	27,779,501	25,809,903	1,969,599	8%
Derivatives		1,205	3,042	-1,837	-60%
Other liabilities		89,506	82,819	6,686	8%
Accrued expenses and deferred income		236,074	138,048	98,026	71%
Provisions	11	141,435	134,042	7,393	6%
Total liabilities and provisions		97,182,412	93,611,175	3,571,236	4%
Equity					
Restricted equity					
Share capital (16,683,364 shares and quotient value SEK 100)		1,668,336	1,668,336	-	-
Statutory reserve		109,196	109,196	-	-
Total		1,777,532	1,777,532	-	-
Non-restricted equity					
Share premium reserve		3,188,631	3,188,631	-	-
Fair value reserve		-21,370	8,073	-29,444	-
Retained earnings		2,521,835	2,042,950	478,885	23%
Profit/loss for the period		865,720	735,809	129,911	18%
Total		6,554,816	5,975,463	579,353	10%
Total equity		8,332,348	7,752,995	579,353	7%
Total liabilities, provisions and equity		105,514,760	101,364,170	4,150,589	4%
Other notes					
Accounting policies	1				
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Derivatives	12				
Financial assets and liabilities	13				
Pledged assets, contingent liabilities and commitments	14				
Capital adequacy analysis	15				
Disclosures on related parties and other significant relationships	16				

* As of 2022, funds held in tax accounts are recognised under other assets. Previously, they were recognised under current tax assets.

Statement of changes in equity

Thousands of SEK	Restricted equity		Non-restricted equity			Total equity	
	Share capital	Statutory reserve	Share premium reserve	Fair value reserve	Retained earnings	Profit/loss for the period	
Balance at 1 January 2022	1,668,336	109,196	3,188,631	8,073	2,042,950	735,809	7,752,995
Appropriation of profit as per AGM resolution							
Amount carried forward	-	-	-	-	478,885	-478,885	-
Transactions with owners in the form of dividends	-	-	-	-	-	-256,924	-256,924
Profit/loss for the year	-	-	-	-	-	865,720	865,720
Other comprehensive income for the year	-	-	-	-29,444	-	-	-29,444
Comprehensive income for the year	-	-	-	-	-	-	836,277
Balance at 31 December 2022	1,668,336	109,196	3,188,631	-21,370	2,521,835	865,720	8,332,348
Balance at 1 January 2021	1,668,336	109,196	3,188,631	7,788	1,615,448	658,733	7,248,132
Appropriation of profit as per AGM resolution							
Amount carried forward	-	-	-	-	427,502	-427,502	-
Transactions with owners in the form of dividends	-	-	-	-	-	-231,231	-231,231
Profit/loss for the year	-	-	-	-	-	735,809	735,809
Other comprehensive income for the year	-	-	-	286	-	-	286
Comprehensive income for the year	-	-	-	-	-	-	736,095
Balance at 31 December 2021	1,668,336	109,196	3,188,631	8,073	2,042,950	735,809	7,752,995

Restricted equity

Restricted equity may not be decreased by paying dividends.

Statutory reserve

The purpose of the statutory reserve has been to save a share of the net profit not used to cover losses carried forward. The statutory reserve also includes amounts added to the share premium reserve before 1 January 2006.

Non-restricted equity

Share premium reserve

When shares are issued at a premium, i.e. the amount paid for the shares exceeds their quotient value, the amount received in excess of the quotient value of the shares is transferred to the share premium reserve. Amounts transferred to the share premium reserve on 1 January 2006 or later are included in non-restricted equity.

Fair value reserve

The fair value reserve includes the accumulated net change in the fair value of financial assets at fair value through other comprehensive income until the asset is derecognised from the balance sheet.

Retained earnings

Retained earnings comprise the non-restricted equity of previous years after any dividends are paid. When combined with profit or loss for the year and the fair value reserve, this constitutes total non-restricted equity, meaning the amount available for distribution to shareholders.

Statement of cash flows

Indirect method	2022	2021
Thousands of SEK		
Cash flows from operating activities		
Operating profit/loss	1,094,080	925,780
Net change in amortised cost for the period	125,145	106,039
Unrealised share of net gain from financial transactions	-987	-3,928
Depreciation and amortisation	16,302	16,187
Credit losses	-79,844	-48,133
Tax paid	-386,838	-154,433
Cash flows from operating activities before changes in working capital	767,858	841,512
Cash flow from changes in working capital		
Increase/decrease in loans to the general public (-/+)	-5,949,352	-5,063,259
Increase/decrease in securities (-/+)	-2,722,986	-480,306
Increase/decrease in deposits from the general public (+/-)	1,649,484	6,146,731
Increase/decrease in liabilities to credit institutions (+/-)	-158,114	64,225
Net change in other assets and liabilities	58,140	-19,780
Net cash from operating activities	-6,354,970	1,489,124
Cash flows from investing activities		
Disposal/redemption of financial assets	7,393	16,160
Transfer of excess liquidity to tax account	1,200,000	-700,000
Acquisition of tangible assets	-10,446	-12,879
Net cash from investing activities	1,196,947	-696,719
Cash flows from financing activities		
Issue of fixed-income securities	8,806,813	6,091,567
Redemption of fixed-income securities	-6,915,818	-4,702,722
Dividends paid	-256,924	-231,231
Net cash from financing activities	1,634,071	1,157,614
Cash flow for the year	-3,523,952	1,950,020
Cash and cash equivalents at beginning of year	8,077,145	6,127,125
Cash and cash equivalents at end of year	4,553,193	8,077,145
The following subcomponents are included in cash and cash equivalents		
Cash	-	-
Loans to credit institutions	4,553,193	8,077,145
Balance sheet total	4,553,193	8,077,145
Short-term investments have been classified as cash and cash equivalents on the basis of the following criteria		
They have an insignificant risk of changes in value		
They are easily convertible to cash		
They have a maximum term of three months from their acquisition date		
Interest paid and dividends received included in net cash from operating activities		
Interest received	2,010,114	1,360,526
Interest paid including cost of deposit insurance and fee for resolution fund	-348,095	-205,123
Dividends received	-	-

Notes to the income statement and balance sheet

1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. In addition, the contents of the interim report are in compliance with the Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), Finansinspektionens Regulations and General Guidelines on Annual Accounts for Credit Institutions and Securities Companies (FFFS 2008:25), and the Swedish Financial Reporting Board's Recommendation RFR 2 Accounting for Legal Entities. The bank thus applies adopted IFRS subject to restrictions under Swedish law (lagbegränsad IFRS), namely RFR 2 and FFFS. This means that all IFRSs adopted by the EU are applied to the extent possible within the scope of the Swedish Annual Accounts Act and in consideration of the relationship between accounting and taxation. The accounting policies and estimates and judgements applied in this interim report are in accordance with those applied in the 2021 Annual Report except for the following comments in relation to Note 3 Risks.

Updated comments on credit risk can be found under "Credit quality and allowances".
Updated comments on liquidity risk can be found under "Funding and liquidity".
Comments on the impact of COVID-19 can be found under "Significant risks and uncertainties".

The resolution fee was previously included in interest expenses under net interest income but is now recognised as other expenses in the income statement following a new judgement. The comparative figures have been restated, see Note 3.

2 Operating segments

The bank's business is not divided into operating segments in the bank's internal reporting to its highest decision-making body (the CEO) given that its business is concentrated in banking activities within the bank's geographic area.

3 Net interest income

	Jan-Dec 2022	Jan-Dec 2021	Change
Thousands of SEK			
Interest income			
Loans to credit institutions	69,751	113	-
Loans to the general public	1,869,843	1,378,183	36%
Fixed-income securities	61,539	4,066	-
Derivatives	45,280	-43,968	-203%
Other sectors	1,856	-3	-
Total	2,048,269	1,338,391	53%
Interest expenses*			
Liabilities to credit institutions	-17,619	-12,157	45%
Deposits from the general public	-158,258	-40,802	288%
– fee for deposit insurance	-42,790	-28,877	48%
Fixed-income securities	-282,376	-91,007	210%
Other sectors	-350	-1	-
Total	-458,603	-143,967	219%
Total net interest income	1,589,666	1,194,424	33%

*) The change in the resolution fee as per Note 1 resulted in the transfer of SEK 18.8m from net interest income to other expenses for Jan-Dec 2022. The corresponding amount for Jan-Dec 2021 was SEK 18.2m.

4 Fee and commission income

	Jan-Dec 2022	Jan-Dec 2021	Change
Thousands of SEK			
Payment intermediation fees	76,392	62,473	22%
Loan commissions	86,533	115,661	-25%
Deposit commissions	90,028	87,103	3%
Commissions for financial guarantees issued	1,462	1,757	-17%
Securities commissions and fees	256,514	289,749	-11%
Other fees and commissions	76,827	77,050	-0.3%
Total	587,756	633,793	-7%

5	Fee and commission expenses	Jan-Dec 2022	Jan-Dec 2021	Change
Thousands of SEK				
	Payment intermediation fees	-40,425	-36,307	11%
	Securities commissions and fees	-19,186	-7,318	162%
	Other fees and commissions	-5,617	-5,390	4%
	Total	-65,228	-49,015	33%

6	Net gain/loss from financial transactions	Jan-Dec 2022	Jan-Dec 2021	Change
Thousands of SEK				
	Fixed-income securities	2	4,106	-100%
	Other financial instruments	532	3,900	-86%
	Exchange rate fluctuations	8,820	7,389	19%
	Total	9,354	15,395	-39%

	Jan-Dec 2022	Jan-Dec 2021	Change
Net gain/loss by valuation category			
Financial assets at fair value through other comprehensive income	2	4,106	-100%
Ineffective portion of fair value hedge	46	287	-84%
Derivatives intended for risk management, no hedge accounting	486	3,613	-87%
Change in fair value of derivatives used as hedging instruments in a fair value hedge	864,623	128,985	-
Change in fair value of hedged item attributable to the hedged risk in fair value hedges	-864,623	-128,985	-
Exchange rate fluctuations	8,820	7,389	19%
Total	9,354	15,395	-39%

7	Net credit losses	Jan-Dec 2022	Jan-Dec 2021	Change
Thousands of SEK				
Loans at amortised cost				
	Change in provisions – stage 1	-26,416	1,593	-
	Change in provisions – stage 2	-34,462	13,628	-
	Change in provisions – stage 3	-7,709	31,330	-
	Total	-68,587	46,551	-247%
	Net cost for the year for realised losses	-7,484	-7,988	-6%
	The amount received for previously incurred credit losses	6,471	7,289	-11%
	Total credit losses on loans at amortised cost	-69,600	45,852	-252%
Loan commitments and financial guarantee contracts				
	Change in provisions – stage 1	-836	-1,114	-
	Change in provisions – stage 2	-2,280	6,248	-
	Change in provisions – stage 3	-657	4,435	-
	Total credit losses for loan commitments and financial guarantee contracts	-3,773	9,570	-139%
	Total credit losses	-73,373	55,422	-232%

Loss allowances for loans to credit institutions and other financial instruments at amortised cost have been calculated but do not total a significant amount.

8 Loans to the general public

	Stage 1	Stage 2	Stage 3	Total
Thousands of SEK				
Gross carrying amount				
Gross carrying amount at 1 January 2022	77,533,111	3,290,879	315,213	81,139,203
New financial assets	22,221,897	676,623	7,576	22,906,096
Derecognised financial assets	-14,130,971	-686,043	-14,971	-14,831,985
Change in volume of existing loans	-1,909,079	-59,257	-6,541	-1,974,877
Transfers between stages during the year				
from stage 1 to stage 2	-1,933,983	1,933,983	-	-
from stage 1 to stage 3	-47,999	-	47,999	-
from stage 2 to stage 1	1,128,404	-1,128,404	-	-
from stage 2 to stage 3	-	-58,441	58,441	-
from stage 3 to stage 2	-	2,978	-2,978	-
from stage 3 to stage 1	2,557	-	-2,556	1
Exchange rate fluctuations	443	-	-	443
Gross carrying amount at 31 December 2022	82,864,380	3,972,318	402,183	87,238,881
Loss allowances				
Allowances at 1 January 2022	31,919	23,193	50,701	105,813
New financial assets	17,242	8,632	1,659	27,533
Derecognised financial assets	-3,526	-3,283	-7,360	-14,169
Change in volume of existing loans	351	-1,227	-144	-1,020
Changed risk variables (EAD, PD, LGD)	562	-6,363	2,398	-3,403
Changes in macroeconomic scenarios	13,710	15,028	-817	27,921
Changes due to manual expert adjustments	4,564	6,786	-	11,350
Changes due to updated models	-1,258	-1,326	-	-2,584
Transfers between stages during the year				
from stage 1 to stage 2	-5,748	21,467	-	15,719
from stage 1 to stage 3	-141	-	7,822	7,681
from stage 2 to stage 1	627	-3,764	-	-3,137
from stage 2 to stage 3	-	-1,584	6,548	4,964
from stage 3 to stage 1	2	-	-141	-139
from stage 3 to stage 2	-	95	-329	-234
Allowances at 31 December 2022	58,304	57,654	60,337	176,295
Carrying amount				
Opening balance at 1 January 2022	77,501,193	3,267,684	264,513	81,033,390
Closing balance at 31 December 2022	82,806,076	3,914,664	341,846	87,062,586
Change in fair value of hedged amount in portfolio hedge				-934,070
Total				86,128,516

	Stage 1	Stage 2	Stage 3	Total
Thousands of SEK				
Gross carrying amount				
Gross carrying amount at 1 January 2021	71,715,935	3,879,821	476,460	76,072,216
New financial assets	23,467,467	476,064	2,958	23,946,489
Derecognised financial assets	-16,304,722	-865,153	-27,247	-17,197,122
Change in volume of existing loans	-1,628,876	-38,450	-15,153	-1,682,479
Transfers between stages during the year				
from stage 1 to stage 2	-1,195,921	1,195,921	-	-
from stage 1 to stage 3	-5,132	-	5,132	-
from stage 2 to stage 1	1,416,307	-1,416,307	-	-
from stage 2 to stage 3	-	-38,565	38,565	-
from stage 3 to stage 2	-	97,548	-97,548	-
from stage 3 to stage 1	67,954	-	-67,954	-
Exchange rate fluctuations	99	-	-	99
Gross carrying amount at 31 December 2021	77,533,111	3,290,879	315,213	81,139,203
Loss allowances				
Allowances at 1 January 2021	33,522	36,821	79,875	150,218
New financial assets	6,632	2,206	1,457	10,295
Derecognised financial assets	-4,968	-5,480	-7,609	-18,057
Change in volume of existing loans	-424	-1,026	-978	-2,428
Changed risk variables (EAD, PD, LGD)	91	-5,459	-8,577	-13,945
Changes in macroeconomic scenarios	-4,031	-4,031	34	-8,028
Changes due to manual expert adjustments	1,976	-3,522	-	-1,546
Changes due to updated models	-	-	-	-
Transfers between stages during the year				
from stage 1 to stage 2	-1,240	6,174	-	4,934
from stage 1 to stage 3	-7	-	719	712
from stage 2 to stage 1	315	-2,097	-	-1,782
from stage 2 to stage 3	-	-653	3,521	2,868
from stage 3 to stage 1	53	-	-8,722	-8,669
from stage 3 to stage 2	-	260	-9,019	-8,759
Allowances at 31 December 2021	31,919	23,193	50,701	105,813
Carrying amount				
Opening balance at 1 January 2021	71,682,413	3,843,000	396,585	75,921,998
Closing balance at 31 December 2021	77,501,193	3,267,684	264,513	81,033,390
Change in fair value of hedged amount in portfolio hedge				-69,447
Total				80,963,943

Gross carrying amount and allowance by sector at 31 December 2022	Gross carrying amount	Allowance	Net carrying amount
Thousands of SEK			
Loans to the general public			
Private customers	47,122,007	32,925	47,089,082
Tenant-owners' associations	3,008,965	1,258	3,007,707
Corporate customers	37,107,909	142,112	36,965,797
Agriculture, fishing, forestry	7,126,781	14,870	7,111,911
Manufacturing	583,289	6,509	576,780
Public sector	923,743	2,133	921,610
Construction	2,110,964	7,162	2,103,802
Retail	1,401,179	14,387	1,386,792
Transport	668,769	8,289	660,480
Hotel and restaurant	509,585	2,132	507,453
Information technology	376,087	349	375,738
Banking and insurance	36,284	104	36,180
Property management	19,707,039	74,371	19,632,668
Service sector	1,949,961	4,057	1,945,904
Other loans to businesses	1,714,228	7,749	1,706,479
Loans to the general public	87,238,881	176,295	87,062,586
Gross carrying amount and allowance by sector at 31 December 2021	Gross carrying amount	Allowance	Net carrying amount
Thousands of SEK			
Loans to the general public			
Private customers	44,497,672	12,844	44,484,828
Tenant-owners' associations	2,781,306	644	2,780,662
Corporate customers	33,860,225	92,325	33,767,900
Agriculture, fishing, forestry	7,147,947	5,130	7,142,817
Manufacturing	567,189	2,452	564,737
Public sector	902,543	912	901,631
Construction	2,078,067	3,493	2,074,574
Retail	1,445,027	12,271	1,432,756
Transport	612,629	6,494	606,135
Hotel and restaurant	470,980	3,497	467,483
Information technology	350,341	196	350,145
Banking and insurance	38,751	111	38,640
Property management	16,703,027	43,118	16,659,909
Service sector	1,896,590	1,426	1,895,164
Other loans to businesses	1,647,134	13,225	1,633,909
Loans to the general public	81,139,203	105,813	81,033,390

Gross carrying amount and allowance by stage	31 December 2022	31 December 2021
Thousands of SEK		
Loans to the general public, private customers and tenant-owners' associations		
Stage 1		
Gross carrying amount	48,679,328	45,862,595
Loss allowances	10,627	1,883
Carrying amount	48,668,701	45,860,712
Stage 2		
Gross carrying amount	1,407,230	1,391,829
Loss allowances	11,280	3,972
Carrying amount	1,395,950	1,387,857
Stage 3		
Gross carrying amount	44,415	24,554
Loss allowances	12,276	7,633
Carrying amount	32,139	16,921
Total carrying amount, loans to private customers and tenant-owners' associations	50,096,790	47,265,490
Loans to the general public, corporate customers		
Stage 1		
Gross carrying amount	34,185,052	31,670,516
Loss allowances	47,677	30,036
Carrying amount	34,137,375	31,640,480
Stage 2		
Gross carrying amount	2,565,088	1,899,050
Loss allowances	46,374	19,221
Carrying amount	2,518,714	1,879,829
Stage 3		
Gross carrying amount	357,768	290,659
Loss allowances	48,061	43,068
Carrying amount	309,707	247,591
Total carrying amount, loans to corporate customers	36,965,796	33,767,900
Gross carrying amount – stage 1	82,864,380	77,533,111
Gross carrying amount – stage 2	3,972,318	3,290,879
Gross carrying amount – stage 3	402,183	315,213
Total gross carrying amount	87,238,881	81,139,203
Stage 1 loss allowance	58,304	31,919
Stage 2 loss allowance	57,654	23,193
Stage 3 loss allowance	60,337	50,701
Total loss allowances	176,295	105,813
Total carrying amount, loans to the general public	87,062,586	81,033,390
Gross stage 3 loans in %	0.46%	0.39%
Net stage 3 loans in %	0.39%	0.33%
Ratio of loss allowances to stage 1 loans	33%	30%
Ratio of loss allowances to stage 2 loans	33%	22%
Ratio of loss allowances to stage 3 loans	34%	48%
Allowance ratio for stage 1 loans	0.07%	0.04%
Allowance ratio for stage 2 loans	1.45%	0.70%
Allowance ratio for stage 3 loans	15%	16%
Total allowance ratio for loans	0.20%	0.13%

9	Deposits from the general public	31/12/2022	31/12/2021
Thousands of SEK			
The general public			
	– Swedish currency	67,255,812	65,446,047
	– foreign currency	699,234	859,515
	Total	67,955,046	66,305,562
Deposits per customer category, excluding bank cheques			
	Public sector	2,290,539	2,375,259
	Corporate sector	14,227,741	15,301,134
	Retail sector	50,506,406	47,900,172
	– sole proprietors	7,275,281	7,151,205
	Other sectors	910,116	699,719
	Total	67,934,802	66,276,284

10	Debt securities issued and related items	31/12/2022	31/12/2021
Thousands of SEK			
	Certificates of deposit	407,827	499,939
	Bond loans	4,405,913	5,409,924
	Covered bonds	21,167,047	18,901,315
	MREL bond	1,798,714	998,725
	Total	27,779,501	25,809,903
Changes during the period			
	Issued	8,806,813	6,091,567
	Repurchased	-1,592,000	-1,133,000
	Matured	-5,245,214	-3,498,565
	Change	1,969,599	1,460,002

Sparbanken Skåne's prospectus for securities issued is available at www.sparbankenskane.se

11 Provisions

	Stage 1	Stage 2	Stage 3	Total
Thousands of SEK				
Allowances at 1 January 2022	8,864	3,261	9,739	21,864
New loan commitments and financial guarantees	3,582	936	-	4,518
Financial guarantees and loan commitments that are past due	-2,528	185	469	-1,874
Changes due to changed loan commitments and similar items	128	179	-20	287
Changed risk variables (EAD, PD, LGD)	528	-565	99	62
Changes in macroeconomic scenarios	1,151	904	5	2,060
Changes due to manual expert adjustments	-1,781	322	-	-1,459
Changes due to updated models	-88	-98	-	-186
Transfers between stages during the year				
from stage 1 to stage 2	-231	809	-	578
from stage 1 to stage 3	-1	-	37	36
from stage 2 to stage 1	76	-374	-	-298
from stage 2 to stage 3	-	-17	73	56
from stage 3 to stage 1	-	-	-6	-6
from stage 3 to stage 2	-	-	-	-
Allowances at 31 December 2022	9,700	5,542	10,396	25,638
Provisions for pensions				96,062
Other provisions				19,735
Total				141,435
Allowances at 1 January 2021	7,745	9,512	14,175	31,432
New loan commitments and financial guarantees	2,480	259	56	2,795
Financial guarantees and loan commitments that are past due	-1,624	-2,006	-3,590	-7,220
Changes due to changed loan commitments and similar items	-81	-409	-153	-643
Changed risk variables (EAD, PD, LGD)	-	-1,097	43	-1,054
Changes in macroeconomic scenarios	-558	-836	-	-1,394
Changes due to manual expert adjustments	932	-2,206	-	-1,274
Changes due to updated models	-	-	-	-
Transfers between stages during the year				
from stage 1 to stage 2	-70	345	-	275
from stage 1 to stage 3	-	-	-	-
from stage 2 to stage 1	38	-294	-	-256
from stage 2 to stage 3	-	-15	165	150
from stage 3 to stage 1	2	-	-910	-908
from stage 3 to stage 2	-	8	-47	-39
Allowances at 31 December 2021	8,864	3,261	9,739	21,864
Provisions for pensions				93,146
Other provisions				19,032
Total				134,042

12 Derivatives	31/12/2022		31/12/2021	
	Nominal amount	Fair value	Nominal amount	Fair value
The bank uses financial hedges to protect itself from interest rate and currency risks. Derivative instruments comprise interest rate swaps, interest rate caps and currency forwards.				
Thousands of SEK				
Derivative instruments with positive fair values				
Fixed-income contracts	18,935,000	967,077	18,140,000	62,415
Currency contracts	95,603,700	1,422	173,669	3,207
Total derivative instruments with positive fair values	114,538,700	968,499	18,313,669	65,622
Derivative instruments with negative fair values				
Fixed-income contracts	-	-	-	-
Currency contracts	88,678	1,205	168,393	3,042
Total derivative instruments with negative fair values	88,678	1,205	168,393	3,042

The bank has entered into interest rate swap contracts to a large extent in order to protect itself from the interest rate risk associated with the fixed-interest loans provided by the bank.

Interest rate cap contracts have been used as reinsurance for loans with floating interest rates for which the bank has guaranteed the customer a maximum interest rate. Currency forwards are used in operations involving bank customers, where the currency risk is covered using reverse currency forwards with Swedbank.

13 Financial assets and liabilities

31 December 2022	Carrying amount				Fair value
	Fair value	Amortised cost	Fair value through other comprehensive income		
			Debt instruments	Equity instruments	
Thousands of SEK					
Cash and balances at central banks	-	-	-	-	-
Treasury bills eligible for refinancing with central banks	-	-	3,068,108	-	3,068,108
Loans to credit institutions	-	4,553,193	-	-	4,553,193
Loans to the general public	-	86,128,516	-	-	85,241,804
Bonds and other fixed-income securities	-	-	5,406,433	-	5,406,433
Derivatives	968,499	-	-	-	968,499
Other assets	-	101,931	-	-	101,931
Accrued income	-	163,821	-	-	163,821
Total	968,499	90,947,461	8,474,541	-	99,503,789
Liabilities to credit institutions	-	979,645	-	-	979,645
Deposits from the general public	-	67,955,046	-	-	67,947,114
Securities issued	-	27,779,502	-	-	27,779,502
Derivatives	1,205	-	-	-	1,205
Other liabilities	-	60,004	-	-	60,004
Accrued expenses	-	233,912	-	-	233,912
Total	1,205	97,008,108	-	-	97,001,381

31 December 2021	Carrying amount				Fair value
	Fair value	Amortised cost	Fair value through other comprehensive income		
			Debt instruments	Equity instruments	
Thousands of SEK					
Cash and balances at central banks	-	-	-	-	-
Treasury bills eligible for refinancing with central banks	-	-	2,113,490	-	2,113,490
Loans to credit institutions	-	8,077,145	-	-	8,077,145
Loans to the general public	-	80,963,943	-	-	80,931,804
Bonds and other fixed-income securities	-	-	3,721,827	-	3,721,827
Derivatives	65,622	-	-	-	65,622
Other assets	-	100,710	-	-	100,710
Accrued income	-	153,063	-	-	153,063
Total	65,622	89,294,861	5,835,316	-	95,163,660
Liabilities to credit institutions	-	1,137,759	-	-	1,137,759
Deposits from the general public	-	66,305,562	-	-	66,305,816
Securities issued	-	25,809,903	-	-	25,809,903
Derivatives	3,042	-	-	-	3,042
Other liabilities	-	59,283	-	-	59,283
Accrued expenses	-	136,324	-	-	136,324
Total	3,042	93,448,831	-	-	93,452,127

The tables below disclose the fair value measurement approach for the financial instruments measured at fair value in the balance sheet. Fair value measurement is categorised into the following three levels:

Level 1: Quoted prices in active markets for identical instruments

Level 2: Inputs other than quoted market prices included within Level 1 that are observable for the instrument, either directly or indirectly

Level 3: Unobservable inputs for the instrument

31/12/2022

Thousands of SEK	Level 1	Level 2	Level 3	Total
Treasury bills eligible for refinancing with central banks	3,068,108	-	-	3,068,108
Bonds and related items	5,406,433	-	-	5,406,433
Other assets – derivatives	-	968,499	-	968,499
Total	8,474,541	968,499	-	9,443,040
Other liabilities – derivatives	-	1,205	-	1,205
Total	-	1,205	-	1,205

31/12/2021

Thousands of SEK	Level 1	Level 2	Level 3	Total
Treasury bills eligible for refinancing with central banks	2,113,490	-	-	2,113,490
Bonds and related items	3,721,827	-	-	3,721,827
Other assets – derivatives	-	65,622	-	65,622
Total	5,835,316	65,622	-	5,900,938
Other liabilities – derivatives	-	3,042	-	3,042
Total	-	3,042	-	3,042

Fair value measurement

The main methods and assumptions used to measure the fair value of the financial instruments reported in the table above are summarised as follows:

Financial instruments quoted in active markets

For financial instruments quoted in active markets, fair value measurement is based on the asset's listed bid price on the balance sheet date less transaction expenses (e.g. brokerage) at the time of acquisition. A financial instrument is deemed quoted in an active market if quoted prices are easily available on a stock market, from a trader, broker, trade association or company providing current price information or regulatory authority, and these prices represent actual and regularly occurring market transactions on commercial terms. Any future transaction expenses on disposal are not taken into account. Such instruments can be found in the following balance-sheet items: Treasury bills eligible for refinancing with central banks and Bonds and other fixed-income securities.

Financial instruments not quoted in active markets

Derivative instruments are measured at the fair value received from the counterparty where the fair value is measured using a valuation model established in the market for measuring the type of derivative instrument in question. Fair value measurement of OTC instruments generally uses valuation models based on observable market data. The present value of the cash flows associated with the financial instrument is calculated for measurement of fixed-interest and currency derivatives without option components. The yield curve used for discounting cash flows is based on observable market data, meaning it is derived from quoted relevant interest rates for the respective term when the cash flows are received or paid. Options are measured using generally accepted valuation models, such as Black-Scholes. The models are updated with observable market data relevant to the measurement of the option. This observable market data includes interest rates, currencies, credit risk, volatility, correlations and market liquidity. The fair value of financial instruments classified to a lower level is also measured using valuation models mainly based on observable market data but with some estimates made by the bank that are considered significant for the fair value measurement.

Structured products are measured at fair value through profit or loss. They are not traded daily in active markets. Instead, the fair values are obtained from counterparties and measured on the basis of the performance of the underlying indices/prices of the respective instruments at the balance sheet date.

The fair value of financial instruments that are not derivative instruments is measured on the basis of future cash flows of principal and interest discounted to current market interest rates at the balance sheet date. In cases where discounted cash flows have been used, future cash flows are calculated using the best estimate of the bank's management.

The fair value of loans with fixed interest rates was measured by discounting expected future cash flows with the discount rate set at the current lending rate applicable.

The carrying amount is deemed to reflect the fair value of trade receivables and payables with a remaining useful life of less than six months.

The fair value of borrowings is measured on the basis of current market interest rates where the original credit spread has been kept constant if there is no clear evidence that a change in the bank's credit rating has led to an observable change in the bank's credit spread.

The fair value of loans and deposits was measured by discounting expected future cash flows with the discount rate set at the current lending or deposit rate applicable. However, the fair value of a liability that is redeemable on demand is not recognised at an amount lower than the amount to be paid on demand and is discounted from the first date that payment of this amount could be demanded.

14 Pledged assets, contingent liabilities and commitments	31/12/2022	31/12/2021
Thousands of SEK		
Pledged assets		
Loans *	27,690,048	24,396,971
Bonds and other fixed-income securities	-	1,119,473
Other pledged assets	121,062	93,146
Contingent liabilities	417,104	576,933
Commitments	9,937,071	10,784,799

* The pledge is defined as the borrower's nominal debt including accrued interest. It refers to the loans of the total available collateral that are used as the pledge at each point in time.

15 Capital adequacy

The disclosures in this note are made in compliance with Finansinspektionens Regulations and General Guidelines on Annual Accounts for Credit Institutions and Securities Companies (FFFS 2008:25) and Finansinspektionens Regulations Regarding Prudential Requirements and Capital Buffers (FFFS 2014:12). Other disclosures required under Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on Prudential Requirements for Credit Institutions and Investment Firms ("the Capital Requirements Regulation") and Commission Implementing Regulation (EU) No 1423/2013 of 20 December 2013 are made on the bank's website (sparbankenskane.se). The capital adequacy rules help to strengthen the bank's resilience to financial losses, thus protecting the bank's customers. The rules stipulate that the bank's capital base shall, by a healthy margin, cover the minimum capital requirements, which include the capital requirements for credit risks, market risks and operational risks, and shall also include the estimated capital requirement for additional identified risks in the bank's operations as per the bank's internal assessment of capital and risks.

- the bank's risk profile,
- identified risks with respect to probability and financial impact,
- stress tests and scenario analyses,
- expected expansion of loans and funding opportunities, and
- new legislation, the actions of competitors and other external changes.

The review of the capital plan is an integral part of the bank's work on its annual operational plan. The plan's progress is checked as needed and an annual review is conducted to ensure that the risks are correctly taken into account and reflect the bank's real risk profile and capital needs.

Any modifications or additions to policies and strategy documents adopted by the board shall always be related to the bank's current and future capital needs, in a manner similar to that of major credit decisions and investments. No modifications were made during the year.

Information about the bank's risk management is disclosed in Note 3 to the financial information.

In this interim report, the bank has chosen to only provide the disclosures required regarding the capital base and capital requirements pursuant to Chapter 8 Section 4 of Finansinspektionens regulations and general guidelines regarding public disclosure of information concerning capital adequacy and risk management (FFFS 2008:25). Other capital adequacy disclosures are provided on the bank's website, sparbankskane.se.

The bank meets the statutory capital adequacy requirement, both the internally assessed capital requirement and the capital requirement imposed by Finansinspektionen.

	Available capital base (amount)	31/12/2022	30/06/2022	31/12/2021
1	CET1 capital	7,895,833	7,491,578	7,319,527
2	Tier 1 capital	7,895,833	7,491,578	7,319,527
3	Total capital	7,895,833	7,491,578	7,319,527
Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount	34,556,186	36,507,902	34,258,263
Capital ratios (as a percentage of the risk-weighted exposure amount)				
5	CET1 capital ratio (in %)	22.8%	20.5%	21.4%
6	Tier 1 capital ratio (in %)	22.8%	20.5%	21.4%
7	Total capital ratio (in %)	22.8%	20.5%	21.4%
Additional capital requirements for managing other risks besides the risk of a too low leverage ratio (as a percentage of the risk-weighted exposure amount)				
EU 7a	Additional capital requirements for managing other risks besides the risk of a too low leverage ratio (in %)	0.0%	0.0%	0.0%
EU 7b	- must comprise CET1 capital (in percentage points)	0.0%	0.0%	0.0%
EU 7c	- must comprise the CET1 capital ratio (in percentage points)	0.0%	0.0%	0.0%
EU 7d	Total capital base requirements for supervisory review and evaluation process (in %)	0.0%	0.0%	0.0%
Combined buffer requirement and overall capital requirement (as a percentage of the risk-weighted exposure amount)				
8	Capital conservation buffer in %	2.5%	2.5%	2.5%
EU 8a	Conservation buffer based on macroprudential risks or systemic risks identified at the member state level (in %)	0.0%	0.0%	0.0%
9	Institution-specific countercyclical capital buffer	1.0%	0.0%	0.0%
EU 9a	Systemic risk buffer (in %)	0.0%	0.0%	0.0%
10	Buffer for global systemically important institutions (in %)	0.0%	0.0%	0.0%
EU 10a	Buffer for other systemically important institutions (in %)	0.0%	0.0%	0.0%
11	Combined buffer requirement (in %)	3.5%	2.5%	2.5%
EU 11a	Overall capital requirement (in %)	13.8%	12.7%	12.7%
12	Available CET1 capital after meeting total capital base requirements for supervisory review and evaluation process (in %)	9.0%	7.8%	8.7%

Leverage ratio				
13	Total exposure measure	109,330	109,797	105,879
14	Leverage ratio (in %)	7.2%	6.8%	6.9%
Additional capital requirements for managing the risk of a too low leverage ratio (as a percentage of the total exposure measure)				
EU 14a	Additional capital requirements for managing the risk of a too low leverage ratio (in %)	0.0%	0.0%	0.0%
EU 14b	- must comprise CET1 capital (in percentage points)	0.0%	0.0%	0.0%
EU 14c	Total leverage ratio requirements for supervisory review and evaluation process (in %)	0.0%	0.0%	0.0%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of the total exposure measure)				
EU 14d	Leverage ratio buffer requirement (in %)	0.0%	0.0%	0.0%
EU 14e	Overall leverage ratio requirement (in %)	3.0%	3.0%	3.0%
LCR				
15	Total high-quality liquid assets (weighted value – average)	6,125	4,529	4,071
EU 16a	Liquidity outflows – total weighted value	8,005	7,473	6,907
EU 16b	Liquidity inflows – total weighted value	10,671	9,085	7,025
16	Total net liquidity outflows (adjusted value)	2,077	1,868	1,740
17	LCR (in %)	295.1%	329.0%	247.6%
NSFR				
18	Total available stable funding	90,352	88,882	87,860
19	Total required stable funding	72,210	69,205	69,211
20	NSFR (in %)	125.1%	128.4%	126.9%

Additionally, the general guidelines stipulate that disclosures pursuant to **FFS 2014:12 Chapter 8. Section 1** shall be included. Herein it is stipulated that information on the total capital requirement and the total capital base shall be presented on a collective basis.

Capital requirement, thousands of SEK	31/12/2022	30/06/2022	31/12/2021	31/12/2022	30/06/2022	31/12/2021
Pillar 1 capital requirement	3,974,510	3,833,330	3,597,118	11.5%	10.5%	10.5%
- buffer requirement	1,210,015	912,698	856,457	3.5%	2.5%	2.5%
Pillar 2 capital requirement	808,777	817,627	741,233	2.3%	2.2%	2.2%
Total capital requirement	4,783,287	4,650,957	4,338,351	13.8%	12.7%	12.7%
Capital base	7,895,833	7,491,578	7,319,527			

Capital and liquidity adequacy assessment

The purpose of the internal capital and liquidity adequacy assessment process is to ensure that the bank clearly and correctly identifies, measures and manages all the risks to which the bank is exposed. The bank's estimate of these risks serves as the foundation for ascertaining the capital and liquidity needs required to cover its risk exposure. The internal capital and liquidity adequacy assessment is conducted at least once per year.

For a long time, the bank has been engaged in a project to develop and update the models it uses for internal risk classification (internal ratings-based). This project was launched in the context of the new regulations issued by the European Banking Authority (EBA). Finansinspektionen has announced that it expects compliance from Swedish banks with these regulations. The project is extensive and the bank has engaged in ongoing dialogue with Finansinspektionen. At this time, there is some uncertainty regarding the exact timing of implementation. In the event of protracted proceedings, it cannot be ruled out that this could pose a risk of a temporary increase in the Pillar 2 own funds requirement.

16 Disclosures on related parties and other significant relationships

The bank's related key personnel are directors, senior executives and the close family members of these individuals. Transactions with related key personnel have been made on market terms.

The bank collaborates on a large scale with Swedbank AB. This collaboration is governed by a collaboration agreement that is valid until 30 June 2027. The agreement covers brokering of mortgage loans to Swedbank Hypotek and brokering of fund & insurance savings, shares, international services and the procurement of IT services.

Financial ratio definitions

Business volume

The bank's business volume includes loan volumes mainly comprising loans to the general public, brokered loans and credit that has been granted but not yet utilised. Business volume also includes savings volumes comprising deposits from the general public, brokered funds and insurance, and customer custody accounts.

CET1 capital ratio

The bank's Common Equity Tier 1 (CET1) capital ratio is the CET1 capital of the bank expressed as a percentage of the risk-weighted exposure amount.

The CET1 capital is equal to the bank's equity less any goodwill and IRB provisions.

Total capital ratio

The total capital ratio is the capital base of the bank expressed as a percentage of the risk-weighted exposure amount.

The capital base comprises CET1 capital and subordinated liabilities. The regulatory requirement including capital conservation and countercyclical buffers is 11.5 percent.

Leverage ratio

The bank's leverage ratio is the CET1 capital of the bank expressed as a percentage of the bank's total assets, pledged assets and contingent liabilities. As opposed to the CET1 capital ratio and the total capital ratio, risk weighting of certain assets, pledged assets and contingent liabilities are not taken into consideration. Instead, all exposures are recognised at their nominal amounts. Taken together, these exposures comprise the "Total exposure measure". The EU Banking Package implements a leverage ratio requirement intended to serve as a safeguard for how low the capital requirement may be. The leverage ratio requirement is 3 percent.

Loan-to-deposit ratio

Loans to the general public expressed as a percentage of deposits from the general public.

LCR

The Liquidity Coverage Ratio (LCR) is calculated according to the Capital Requirements Regulation (CRR) and Directive (CRD IV). The LCR measures the bank's unencumbered high-quality liquid assets (liquidity reserves) expressed as a percentage of the bank's estimated liquidity needs in a 30 calendar-day liquidity stress scenario. These liquidity needs take into account estimated liquidity outflows and inflows.

NSFR

The Net Stable Funding Ratio (NSFR) assigns a weight to the bank's assets and funding based on their maturity. Less liquid assets have a more negative impact on the ratio than those that are more liquid. Funding with a longer maturity has a more positive effect on the ratio than funding with a shorter maturity. The main aim of the ratio is to measure the bank's ability to cope with a stress scenario over a one-year time horizon. If the ratio is over 100 percent, it means that long-term less liquid assets are funded satisfactorily with stable long-term funding. The metric is governed by the Capital Requirements Regulation (CRR).

The NSFR is calculated by expressing total available stable funding as a percentage of total required stable funding.

Cost/income ratio before credit losses

The bank's costs (excluding credit losses) expressed as a percentage of the bank's income.

Cost/income ratio after credit losses

The bank's costs (including credit losses) expressed as a percentage of the bank's income.

Return on equity

Operating profit net of tax (20.6 percent) expressed as a percentage of average equity.

Allowance ratio for stage 3 loans

Recognised loss allowances for stage 3 loans as a percentage of stage 3 loans before deduction of loss allowances.

Net credit-impaired loans (stage 3) as a percentage of total loans to the general public

Net credit-impaired loans as a percentage of total loans to the general public.

Loan loss ratio excluding brokered volume

Credit losses as a percentage of the opening balance of loans to the general public.

Loan loss ratio including brokered volume

Credit losses as a percentage of the opening balance of loans to the general public and brokered volumes.

Average number of employees

The average number of employees (1,730 hours per employee) has been calculated on the basis of the number of hours worked for the bank.

Signatures of board and CEO

The board and CEO hereby affirm that the January–December 2022 Interim Report provides a true and fair view of the bank's business, financial position and results of operations, and describes material risks and uncertainties faced by the bank.

Lund, 31 January 2023

Bo Bengtsson
Chair

Camilla Dahlin
Deputy Chair

Stephan Mühler
Deputy Chair

Agneta Erfors
Director

Mathias Brännlund
Director

Christian Karlsson
Director

Liza Jonson
Director

Stefan Prahll
Director

Elin Betschart
Employee representative

Catarina Regebro
Employee representative

Rasmus Roos
CEO

Auditor's report

Introduction

We have reviewed the interim report of Sparbanken Skåne AB (publ) for the period from 1 January 2022 to 31 December 2022. The board and CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. It is our responsibility to express an opinion on this interim report based on our review engagement.

Focus and extent of review engagement

We have conducted our review engagement in accordance with the International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review engagement involves making enquiries, mainly to those responsible for financial and accounting issues, performing an analytical review and taking other review engagement measures. A review engagement has a different focus and is significantly smaller in scale in comparison to the focus and extent of an audit in accordance with the ISA and generally accepted auditing standards. The review procedures performed within the scope of a review engagement do not enable us to obtain assurance that we are aware of all material circumstances that might have been identified if an audit had been conducted. Consequently, the opinion expressed on the basis of a review engagement does not have the same level of certainty as the opinion expressed on the basis of an audit.

Opinion

On the basis of our review engagement, we have not found any circumstances that give us reason to believe that the interim report has not been prepared in all material respects in accordance with IAS 34 and the Annual Accounts Act.

Stockholm, 31 January 2023
Deloitte AB

Patrick Honeth
Authorised Public Accountant



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