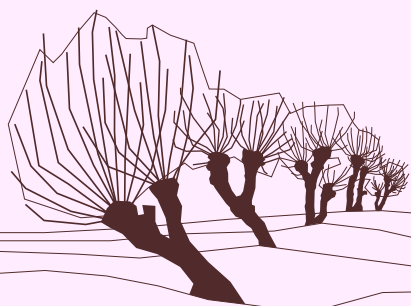




# January–September 2021 Interim Report for Sparbanken Skåne AB (publ)

Lund, 27 October 2021

**Continued strong market performance characterised the third quarter of 2021 for Sparbanken Skåne. The bank reported a profit before tax of SEK 248m for the third quarter, up 6 percent from the previous quarter.**



Sparbanken  
Skåne



### Q3 financial summary, July–September 2021

(Comparative figures in parentheses refer to Q2, April–June 2021 unless otherwise stated)

- The bank's operating profit for the quarter was SEK 248m (233).
- Net interest income increased marginally to SEK 289m (288).
- Net fee and commission income was down somewhat, totalling SEK 145m (147).
- Expenses excluding credit losses decreased to SEK -212m (-230). The decrease is primarily a result of lower personnel expenses.
- Credit losses with an impact on profit were positive in the quarter, totalling SEK +19m (+26).
- Business volume was up SEK 3bn in the quarter, totalling SEK 237bn (234). The increase is primarily a result of the stock market's positive performance, an increase in deposits from the general public, and increased lending, primarily to private customers.
- Both the capital ratio and the tier 1 capital ratio amounted to 21.3% (21.2).
- The LCR increased somewhat to 225% (206).

### Key events in Q3

- The market's economic recovery continued in the third quarter and unemployment in Skåne reached pre-covid levels. The bank was able to reverse more previous allowances for credit losses.
- The major social restrictions were lifted, but the bank continues to keep contingencies in place for pandemic-related challenges that businesses and individuals may still face.
- The bank's residential mortgage business exhibited strong growth during the period and Sparbanken Skåne engages in funding both new construction projects and existing home transactions.
- It seems that the COVID-19 crisis has not left any major mark on the industry structure in Skåne. Instead, companies have seen their ways of working and business processes impacted during the pandemic. These were the findings of a new survey conducted by Sparbanken Skåne.

- The bank strengthened its green offering by launching green residential mortgages and green mortgage loans. This promotes sustainable investments in society while enabling private and corporate customers who make environmentally conscious choices to reduce their loan costs.
- Sparbanken Skåne was categorised in supervisory category 3 for 2022 by Finansinspektionen. The bank was placed in supervisory category 2 for 2020 but is now returning to category 3. The purpose of this categorisation is to show how Finansinspektionen applies the principle of proportionality in its supervisory process.

### Financial summary, January–September 2021

(Comparative figures in parentheses refer to January–September 2020 unless otherwise stated)

- The bank's operating profit for the period was SEK 705m (602).
- Credit losses with an impact on profit were positive in the period totalling SEK +52m (-59). The corresponding period in 2020 was heavily impacted by increased allowances for expected credit losses as a result of the COVID-19 pandemic.
- Net interest income decreased by 5% to SEK 873m (922). The decrease was largely because of decreased margins despite an increase in lending volume.
- Net fee and commission income amounted to SEK 430m (358). The increase, which primarily involves securities commissions and fees, is largely a result of the stock market's steady gains following the sharp decline in the first quarter of 2020. Loan commissions for loans brokered to Swedbank Hypotek also increased.
- The bank's expenses increased, amounting to SEK -665m (-634). Much of this increase was due to higher personnel expenses.
- Business volume increased by 11% to SEK 237bn over the past 12 months (SEK 213bn in September 2020).
- Both the capital ratio and the tier 1 capital ratio amounted to 21.3% (19.5 in September 2020).
- The LCR decreased from a high level to 225% (236 in September 2020).



# Stable quarter with greater sustainability focus

**The market's economic recovery continued following the slowdown in the initial phase of the pandemic. Unemployment in Skåne reached pre-Covid levels and companies have started planning to invest again. Sparbanken Skåne performed well in the third quarter and strengthened its green loan offering.**

The COVID-19 pandemic has started to loosen its grip on society, and we were able to see economic activity begin to pick up pace even before the major restrictions were lifted at the end of September. From an international perspective, we've even observed signs of overheating in the form of bottlenecks, component shortages and increased commodity prices.

Here in Skåne, we have experienced a stable trend in the summer and autumn with a market characterised by recovery and confidence in the future. Unemployment in Skåne has now reached pre-Covid levels, although high long-term unemployment is still a structural challenge.

Our macroeconomic forecast shows continued national economic recovery, but, naturally, we are carefully monitoring market developments. We are wary of the challenges that many businesses are still facing, especially as government support measures will now be phased out.

#### **Stable volume performance despite weak stock market**

Sparbanken Skåne's business volume increased by 1 percent during the third quarter to SEK 237bn. The stock market posted strong gains in July, turned cautious in August and came back down in September, all in all contributing to a minor increase in the bank's fund and securities volumes. However, the bank's residential mortgage volumes performed well, as did private deposits, including recurring monthly savings.

Skåne's housing market is showing stability, and housing purchasing power is solid in most parts of the bank's area of operation. Nevertheless, on an overall basis, we must come to the conclusion that the rapid price increases of the past years pose both risks and challenges for new homeowners and those in the market for housing. At this time, it is important to both make principal payments and save to increase flexibility in personal finances.

In the corporate segment, the market is still somewhat cautious, but we see indications that investment willingness is starting to return. Three of ten small businesses in Skåne have postponed planned investments during the pandemic, according to a survey conducted by Novus in August on behalf of Sparbanken Skåne. More than half of the businesses that had deferred investments are now planning to go forward with them in the autumn or next year.

The survey also sheds light on the adaptations that small businesses made during the pandemic. The areas primarily impacted during the past year and a half are ways of working and business processes, while the fundamental business concepts and plans of companies were not changed to any significant extent.

#### **Strong earnings but challenges are faced**

Sparbanken Skåne's net interest income was SEK 289m for the third quarter, which is at par with Q2. Margins are under pressure in both residential mortgages and in the corporate sector. At the same time, net fee and commission income performed well and cost controls remained effective.

The bank was able to reverse more previous allowances for credit losses during the period. The bank reported a profit of SEK 248m for the third quarter, a 6 percent increase from Q2 2021.

Compared with Q3 2020, this represents a 9 percent decrease, which is largely a result of more credit allowances reversed last year. Comparisons between individual quarters during the pandemic can be difficult to interpret because of the allowances. YTD profit was SEK 705m, up from SEK 602m for the same period in the previous year.

#### **Organisation and sustainability**

At Sparbanken Skåne, we have learned many lessons from the pandemic that will prove useful for the future. During the entire COVID-19 pandemic, we have stayed in close digital contact with our customers, in both the private and corporate segment, and, naturally, this is something we consider highly positive. We will continue to leverage digital meeting capabilities after the pandemic. We will probably travel on business less, which is good from a sustainability perspective.

The new organisational structure we launched just before the summer has been successful. We now operate on the basis of three bank areas and geographically independent units for large corporate customers and digital channels. An important part of the new organisation is the capability to give sustainability an even clearer role. A chief sustainability officer has been hired to strengthen systematic sustainability efforts.

The bank strengthened its green offering during the quarter by launching green residential mortgages in the private segment and green mortgage loans in the corporate segment. This way, we promote sustainable investments and join hands with our customers to create sustainable social development while enabling customers who make environmentally conscious choices to reduce their loan costs.

In conclusion, I would like to briefly comment on the performance of Sparbanken Skåne's brand. We continuously track the performance of our brand name and customer satisfaction, and the latest findings show we are moving in the right direction. The most recent brand survey from September confirms that many associate the bank with savings and residential mortgages. We are considered knowledgeable, personable and trustworthy. This feedback gives us an even stronger drive to serve our customers well day in and day out.

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

Housing prices for both houses and tenant-owner flats in the bank's area of operation increased in 2021 although we saw a somewhat lower rate of increase in the past quarter than before. Housing market activity remained high with many reported sales of both houses and tenant-owner flats. The mortgage amortisation requirement was reinstated effective September, but the bank did not observe any increase in the number of overdue loans during the month.

The corporate market was largely characterised by another quarter of economic recovery and functioning businesses. Even in the industries hit hardest by the pandemic, the outcome has generally not been as bad as feared in the early forecasts. Overall, the measures taken by government agencies, the bank and the companies themselves prevented a negative trend for credit losses. Interest in sustainable investments has increased clearly in the past quarter, especially investments in solar panels, which is in line with the bank's expectations and aims. Energy prices have exploded recently, which could pose a risk for companies' operations, but the private market is also affected to a great degree, such as in the case of higher home utility expenses.

## COVID-19 pandemic

For information on how the COVID-19 pandemic has impacted the bank's business volume, profit and liquidity so far in the first nine months of the year, please see the Credit quality and allowances and the Significant risks and uncertainties sections below.

## Comparison of Q3 2021 profit with Q2 2021 profit

The comparative figures refer to the April–June 2021 period unless stated otherwise.

Operating profit for the third quarter of 2021 amounted to SEK 248m (233). The main factor causing profit to increase from the previous quarter is a decrease in expenses.

Operating profit for the quarter is in line with financial targets.

Net interest income is at par with the previous quarter, amounting to SEK 289m (288). This was largely because of decreased margins, which had a greater impact than the lending volume, which continues to increase.

The resolution fee and the deposit insurance fee were charged to net interest income in the amount of SEK -11m (-18).

Fee and commission income for the quarter totalled SEK 157m (161). Loan commissions amounted to SEK 26m (35) and are mainly attributable to commissions from Swedbank Hypotek. These commissions were positively impacted by a one-time payment

of SEK 10m in Q2. Securities commissions and fees totalled SEK 76m (71), and the change is largely a result of the stock market's continued gains. Other fee and commission income amounted to SEK 55m (55).

Fee and commission expenses were SEK -12m (-14).

General administrative expenses were down from the previous quarter, totalling SEK -194m (-213). The decrease is primarily a result of lower personnel expenses. These amounted to SEK -103m (-125). These expenses were lower primarily as a result of lower accrued expenses for holiday pay liabilities in Q3, which is a normal change between quarters.

Depreciation of tangible assets totalled SEK -4m (-4).

Profit for the quarter after appropriations and tax amounted to SEK 196m (187).

## Comparison of Jan-Sep 2021 profit with Jan-Sep 2020 profit

The comparative figures refer to the January–September 2020 period unless stated otherwise.

Net interest income decreased (-5 percent) year-on-year, amounting to SEK 873m (922). This was largely because of decreased margins, which had a greater impact than the lending volume, which continues to increase.

The resolution fee and the deposit insurance fee were charged to net interest income in the amount of SEK -45m (-42).

Fee and commission income for the period totalled SEK 466m (395). Loan commissions amounted to SEK 86m (67) and are mainly attributable to commissions from Swedbank Hypotek. The increase is largely attributable to a one-time payment of SEK 10m. Securities commissions and fees amounted to SEK 214m (164), and the increase is largely a result of the stock market's steady gains following the sharp decline in the first quarter of 2020. Other fee and commission income amounted to SEK 166m (164).

Fee and commission expenses amounted to SEK -36m (-37).

General administrative expenses were up year-on-year, totalling SEK -605m (-577). The increase is primarily a result of higher personnel expenses. This was due to a general salary increase and to a deliberate and planned expansion of the bank's staff to meet market demands. Personnel expenses amounted to SEK -349m (-322), and IT expenses were SEK -176m (-167).

Depreciation of tangible assets totalled SEK -12m (-14).

Profit for the period after appropriations and tax amounted to SEK 559m (473).

## Business volume

The comparative figures are for the volume at 31 December 2020 unless otherwise stated.

The bank's total business volume at 30 September 2021 was SEK 237bn (219), an 8 percent YTD increase. This change was primarily driven by an SEK 7bn increase in the share of the business volume comprising funds and insurance. The change includes positive net savings totalling SEK 1.0bn.

Deposits from the general public, both private and corporate customers, increased during the first nine months of the year, amounting to SEK 64bn (60).

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The market value of the total brokered fund and insurance volume was SEK 53bn (46). Two of the most significant reasons for the volume gains were the positive stock market performance and positive net savings in funds.

The previous year's positive performance of loans to the general public continued during the first nine months of the year. Loans to the general public at 30 September 2021 amounted to SEK 79bn (76). This increase was the result of issuing new loans to both private and corporate customers. One reason for the increase was the positive property market trend in our area of operation.

The bank's loans continued to maintain excellent credit quality. The bank's allowances for expected credit losses increased in the first half of 2020 by SEK 91m, but they decreased in the second half of the year, which kept the increase for the full year down to SEK 44m. These loss allowances decreased further in the first nine months of the year from SEK 150m to SEK 108m. For more information, see "Credit quality and allowances" below.

The total loan portfolio brokered to Swedbank Hypotek at 30 September 2021 amounted to SEK 16bn, a 0.5bn increase.

### Credit quality and allowances

The comparative figures refer to 31 December 2020 unless otherwise stated.

In the four preceding quarters, updated macroeconomic scenarios contributed to a decrease in allowances for expected credit losses. In contrast, the most recent macroeconomic scenario update caused loss allowances to increase somewhat. This is because the updated forecast puts us one quarter into the return to normal GDP growth. In other words, the scenario is less positive without having been changed. The overall impact on impairment losses on loans as a result of changes in macroeconomic scenarios resulted in an SEK 5m decrease for the first nine months of the year. This also includes loss allowances in the form of provisions for loan commitments. For more information, see "Significant risks and uncertainties" below.

In the bank's estimate, there is still a certain degree of risk that defaults and losses could increase when this support is phased out. The bank estimates that four industries in particular - hotel & restaurant, transport, retail and property management - are at risk of delayed impact.

Therefore, the bank has chosen to continue to manually make expert adjustments in order to account for this impact. At 30 September, these allowances totalled SEK 23m (33 at 31 December 2020). This also includes loss allowances in the form of provisions for loan commitments.

The loss allowance for expected credit losses on loans to the general public at 30 September 2021 was SEK 108m (150). The YTD stage 1 loss allowance decreased to SEK 26m (34). The stage 2 (loans with a significant increase in credit risk) loss allowance decreased to SEK 28m (37). The stage 3 (credit-impaired loans) loss allowance also decreased to SEK 54m (80).

Because of a further decrease in the reserve for expected credit losses, credit losses resulted in recovery of SEK +52m (-59 at 30 September 2020).

With few exceptions, the large allowances for expected credit losses made in 2020 were related to companies, not private customers. The bank estimates the greatest loss allowance needs are in hotel & restaurant, transport, retail and property management and that, as of 30 September 2021, these sectors are still subject to a certain degree of risk of delayed impact. No elevated risk is estimated for other industries at this time. For information about the allowance levels in each industry, please see Note 8.

Industries estimated to be particularly exposed to COVID-19.

At 30/09/2021, SEK million	Loans and commitments	Loss allowances
Hotel and restaurant, including hotel properties	905	24
Transport	593	4
Retail	2,034	16
Property management	16,933	24
<b>Total</b>	<b>20,465</b>	<b>68</b>

The combined allowances for the four industries above decreased from SEK 86m to SEK 68m over the past quarter.

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 long-term repayment capacity of customers is decisive for issuing loans, which ensures high quality and low risks for both the customer and the bank. In addition, government measures have strengthened the benefits system, such as insurance for illness and unemployment, which enabled a low level of credit losses. This mitigated potential negative effects at the household level. The average LTV for the residential mortgage portfolio was 52 percent.

The bank has not observed any increase in the number of overdue loans, which are at par with the levels observed in recent years. The various government support packages and forbearance on principal payments have probably helped the bank's customers.

The bank still estimates that the risk is low that defaults and losses will increase when these support packages and forbearance measures are phased out. Therefore, for the time being, the bank does not see a need to make adjustments on account of a risk of delayed impact in relation to the residential mortgage portfolio.

Overall, the credit loss level for the period was +0.07 percent (-0.06). Net stage 3 loans accounted for 0.35 percent (0.52) and the allowance ratio for stage 3 loans was 16 percent (17). The low allowance ratio for stage 3 loans is because some major exposures are estimated to be largely secured with adequate collateral.

The bank's estimate of loss allowance needs is based on a continued economic recovery in 2021. The 2021 GDP growth forecast was adjusted up somewhat since the previous quarter. If forecasts for GDP, unemployment and housing prices worsen in 2021, this could result in an increase in loss allowances. For more information, see "Significant risks and uncertainties" below.

The YTD net cost for incurred losses was at par (SEK -5m) with the same period in 2020 (SEK -5m). The amount received for previously incurred credit losses amounted to SEK +5m (+7).

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The local branch offices are responsible for tracking the bank's credit exposures. This includes calling attention to and acting on any potentially elevated risk identified.

KYC information about local circumstances is a key factor for all exposure tracking. System-generated information or other information indicating potentially elevated risk is subject to analysis and reasonability assessments without delay, ultimately leading to an opinion on whether there is an elevated risk.

In addition to IT systems, key account managers will use their own means to search for information such as contacting the borrower, obtaining new financial statement information, monitoring events in local markets and generally tracking both macroeconomic and industry trends.

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.

#### Funding and liquidity

The bank's liquidity is stable and excellent. 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. The covered bond programme was rated AAA with a stable outlook by credit rating agency S&P Global, and Sparbanken Skåne's rating is A with a stable outlook.

The bank's liquidity was very stable in all three quarters of 2021. The concern that arose in conjunction with COVID-19 in March 2020 shaped the start of the previous year, but this changed gradually during the rest of the year. Liquidity improved throughout 2020 primarily due to an increase in deposits from the general public as customers moved from funds to deposits but also because of increased funding for the bank.

We did not see the same trends in the first quarter of 2021, as the bank's customers kept their deposits but also resumed their fund savings. This has largely taken the form of traditional monthly savings accounts. In the second quarter, deposits rose again considerably at the same time as savings in funds continued to increase. Customer tax refunds and decreased holiday travel are estimated to be among the reasons for the increase. In the third quarter, the increase in deposits slowed down but was still positive. Deposits from the general public were largely unchanged in the first quarter of 2021 while increasing by approximately SEK 3,200m in the second quarter and approximately SEK 400m in the third quarter.

The Swedish capital market was also impacted by the COVID-19 situation. Issuing bonds and certificates of deposit on the Swedish capital market was very difficult in March and April 2020. The market recovered quickly and has been stable again since the end of Q2 2020. The bank issued new bonds and also renewed bonds and certificates of deposit in both 2020 and the first half of 2021. The market recovery continued in the first half of the year, and the market can now be considered to be at par with its pre-Covid level. The same trends continued in the third quarter, but a certain degree of minor turbulence in the interest rate market was discernible in conjunction with the presentation of inflation figures by the Swedish

central bank (Riksbank) in the second half of September.

The bank did not issue covered bonds in the first three quarters of the year because the bank's liquidity remained excellent. Outstanding senior bonds decreased on a net basis by a nominal amount of SEK 1,559m during 2021, with SEK 459m of this amount coming in conjunction with refinancing and an issue in the first quarter and SEK 734m in the second quarter. The remaining SEK 366m was redeemed upon maturity in August. The bank's MREL bonds remained unchanged in anticipation of a clarification on how the MREL requirement will be calculated going forward. A consultation memorandum was submitted by Riksgälden (the Swedish National Debt Office) on 2 July 2021 that results in a decrease in the senior bonds needed to meet the MREL requirement for Sparbanken Skåne at present. Along with the bank's excellent liquidity situation, this explains why the bank decreased its outstanding senior bonds. Outstanding certificates of deposit were renewed during the period but remained unchanged in terms of outstanding volume at the end of the third quarter compared with 31 December 2020.

The bank's outstanding bonds at 30 September amounted to SEK 5,400m in MTN programme bonds and SEK 15,700m in covered bonds. Outstanding certificates of deposit totalled SEK 500m. The changes during the year are disclosed in Note 10 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](http://www.sparbankenskane.se).

In December 2020, Riksgälden adopted its annual plans for how banks and other institutions in Sweden should be managed in the event of a financial crisis. Nine Swedish institutions are currently classified as systemically important and Sparbanken Skåne is one of them. Riksgälden also resolved that the minimum requirement for own funds and eligible liabilities (MREL), which is applicable to Sparbanken Skåne in 2021, is 7.6 percent of the bank's total liabilities and capital base, half of which currently must be subordinated liabilities. Sparbanken Skåne is well prepared to meet these requirements by a large margin and will also be able to meet the requirements stipulated by the new proposal from Riksgälden. The bank's outstanding MREL bonds at 30 September amounted to SEK 1,000m, which is unchanged from 31 December 2020.

On 7 April 2020, Riksgälden announced an extension of the subordination phase-in period for banks to meet MREL with own funds and subordinated liabilities from 2022 to 2024, which is also clarified in Riksgälden's new proposal.

The bank's liquidity reserves at 30 September 2021 amounted to SEK 10,213m (9,779 at 31 December 2020). The liquidity reserves increased during the period, primarily because of a substantial increase in deposits, which mainly took place in the second quarter. At the same time, lending increased in the private segment while largely remaining unchanged in the corporate segment. In addition, the bank reduced its funding in conjunction with two refinancing transactions in the first half year on account of the bank's strong liquidity situation. At 30 September, 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.

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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 225 percent (256 at 31 December 2020).

The loan-to-deposit ratio at 30 September 2021 was 123 percent (126 at 31 December 2020).

More information about liquidity reserves and liquidity management is provided in periodic disclosures at [sparbankenskane.se/finansiellinformation/likviditet](https://sparbankenskane.se/finansiellinformation/likviditet).

### Rating

Sparbanken Skåne's credit rating from credit rating agency S&P Global was confirmed in the second quarter 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 bond issued under the MTN programme at BBB+.

### Capital and capital adequacy

The bank's capital base increased by SEK 323m during the first nine months of the year putting the total value of the capital base on 30 September 2021 at SEK 7,140m (6,817 at year-end 2020).

The total Risk Exposure Amount (REA) increased, primarily due to the growth in lending, amounting to SEK 33,586m (33,380 at year-end 2020). However, the implementation of the SME discount reduced the REA, which is commented on below.

The credit risk REA at 30 September 2021 totalled SEK 26,931m. SEK 7,722m of this item was calculated using the standardised approach to credit risk and SEK 19,208m was calculated using the Internal Ratings-Based (IRB) approach to credit risk.

The risk-weight floor REA increased as new loans were issued but also as a result of the SME discount, amounting to SEK 4,164m (3,370 at year-end 2020).

The operational risk REA at 30 September 2021 amounted to SEK 2,284m (2,164 at year-end 2020).

This put the total capital ratio and CET1 capital ratio at 21.3 percent on 30 September 2021 (20.4 at year-end 2020). The bank's capital situation thus remains strong.

As a part of the EU Banking Package, the calculation of the SME discount in Article 501 of the Capital Requirements Regulation was changed. This change was implemented as of the second quarter of 2021 and resulted in a decrease in the bank's REA by approximately SEK 1.4bn. The bank's capital situation thus remains strong.

Finansinspektionen (the Swedish Financial Supervisory Authority) announced during the quarter that the countercyclical buffer value will be raised to 1 percent of the REA. This requirement will be effective starting in the third quarter of 2022.

The leverage ratio at 30 September 2021 amounted to 7.2 percent (7.0 at year-end 2020). For more information about capital adequacy calculations, see Note 15, Capital adequacy analysis.

In 2021, Finansinspektionen did not conduct any supervisory review and evaluation (as per the Credit Institutions and Securities Companies Special Supervision Act) of the bank.

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).

### Significant risks and uncertainties

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

In 2018, the bank started applying new methods and policies for the recognition of expected credit losses (IFRS 9). These policies and methods aim 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 forecasts. 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 decrease in allowances was justified by the continued strong recovery of the Swedish economy and the lack of any noticeable impact on defaults and losses from COVID-19 so far.

- In Q3, we moved one quarter further into the economic recovery in the main macroeconomic scenario, which now only comprises recovery.
- Given the major negative impact of COVID-19 on both unemployment and GDP in 2020, an increase in defaults and losses could have been expected in consideration of the historical correlations on which the model is based. Instead, we have seen historically low default levels for residential mortgages and for SMEs.

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- The expected impact has probably been delayed or alleviated by forbearance on principal payments, short-time work and other government support measures.

In the bank's estimate, there is still a certain degree of risk that defaults and losses could increase when this support is fully phased out. The bank estimates that four industries in particular - hotel & restaurant, transport, retail and property management - are at risk of delayed impact. Therefore, the bank has chosen to continue to manually make expert adjustments in order to account for this impact. At 30 September, these allowances totalled SEK 23m (33 at 31 December 2020). This also includes loss allowances in the form of provisions for loan commitments.

The macroeconomic forecasts for the parameters with the greatest significance for the performance of expected credit losses for the bank are shown in the following table.

Baseline scenario	30/09/2021			30/06/2021			31/03/2021			31/12/2020	
	2021F	2022F	2023F	2021F	2022F	2023F	2021F	2022F	2023F	2021F	2022F
GDP (%)	4.2	3.6	2.2	3.7	3.5	1.9	2.9	3.6	2.3	2.0	3.1
Unemployment (%)	8.8	7.6	7.2	8.8	7.7	7.4	8.7	7.8	7.4	9.2	8.7
Housing price performance (% annual performance)	14.3	7.4	3.6	9.2	2.6	4.9	7.6	5.0	4.6	5.6	4.1
Stibor 3M (%)	-0.01	0.09	0.15	-0.01	0.08	0.23	-0.05	0.01	0.10	-0.02	0.07

Unemployment is somewhat higher in the bank's area of operation, but this does not have a material impact on the calculation of expected credit losses.

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.

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 during the first nine months of the year. However, it should be noted that the net loss from credit losses incurred during the period was only SEK -5m (-5). For more information about recognised credit losses, please see notes 7 and 8.

The bank's direct losses attributable to operational risk remained low in the period. 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

The bank issued a covered bond with a nominal amount of SEK 3bn on 12 October 2021. The reason is that the bank sees continued strong demand for loans, mainly residential mortgages. Additionally, the bank wishes to ensure continued strong and long-term funding with a favourable future maturity structure for its bond programme and to be an active capital market participant.



<b>Financial ratios</b>	<b>09/2021</b>	<b>06/2021</b>	<b>03/2021</b>	<b>12/2020</b>	<b>09/2020</b>
<b>Volume</b>					
Business volume, millions of SEK	237,078	234,396	225,775	219,258	213,045
CET1 capital ratio	21.3%	21.2%	20.2%	20.4%	19.5%
Total capital ratio	21.3%	21.2%	20.2%	20.4%	19.5%
Loan-to-deposit ratio	123%	122%	126%	126%	128%
<b>Leverage ratio</b>					
Total leverage exposure	99,918	100,959	96,651	96,975	94,876
Leverage ratio	7.2%	7.1%	7.1%	7.0%	6.9%
Total leverage ratio requirement	3.0%	3.0%	-	-	-
<b>LCR</b>					
Total high-quality liquid assets (weighted value – average)	3,989	3,926	3,961	4,050	4,147
Liquidity outflows – total weighted value	6,701	6,463	6,204	6,048	5,956
Liquidity inflows – total weighted value	6,324	6,174	5,550	5,273	4,701
Total net liquidity outflows (adjusted value)	1,688	1,629	1,560	1,646	1,823
LCR	225%	206%	264%	256%	236%
<b>NSFR</b>					
Total available stable funding	84,591	85,034	81,645	81,829	80,321
Total required stable funding	65,167	64,986	62,938	62,925	61,787
Net stable funding ratio (NSFR)	130%	131%	130%	130%	130%
<b>Profit</b>					
Cost/income ratio before credit losses	0.50	0.52	0.51	0.50	0.49
Cost/income ratio after credit losses	0.47	0.48	0.49	0.52	0.53
Return on equity	10.1%	9.9%	9.8%	9.4%	9.3%
<b>Credit-impaired loans and credit losses</b>					
Allowance ratio for stage 3 loans	16%	15%	16%	17%	18%
Net credit-impaired loans (stage 3) as a percentage of total loans to the general public	0.35%	0.53%	0.55%	0.52%	0.57%
Loan loss ratio excluding brokered volume	0.07%	0.04%	-0.01%	-0.06%	-0.08%
Loan loss ratio including brokered volume	0.06%	0.04%	-0.01%	-0.05%	-0.07%
<b>Other disclosures</b>					
Average number of employees	467	497	502	476	467

Financial ratio definitions are defined on page 32.

# Quarterly comparison

<b>Income statement</b>	<b>Q3 2021</b>	<b>Q2 2021</b>	<b>Q1 2021</b>	<b>Q4 2020</b>	<b>Q3 2020</b>
Thousands of SEK					
Net interest income	288,868	287,701	296,557	302,766	309,821
Net fees and commissions	145,158	146,813	137,982	151,360	124,602
Net gain/loss from financial transactions	4,908	2,489	5,549	-1,655	2,895
Other operating income	1,105	493	497	8,365	442
<b>Total net interest income and operating income</b>	<b>440,039</b>	<b>437,496</b>	<b>440,585</b>	<b>460,836</b>	<b>437,760</b>
General administrative expenses	-194,337	-212,794	-198,115	-215,991	-187,078
Depreciation and amortisation	-4,080	-4,170	-4,040	-3,970	-4,202
Other operating expenses	-13,242	-12,654	-21,459	-18,057	-11,919
Credit losses	19,383	25,502	6,985	12,872	38,285
<b>Total expenses</b>	<b>-192,275</b>	<b>-204,116</b>	<b>-216,629</b>	<b>-225,147</b>	<b>-164,914</b>
<b>Operating profit/loss</b>	<b>247,763</b>	<b>233,380</b>	<b>223,956</b>	<b>235,690</b>	<b>272,846</b>
Taxes	-51,437	-46,795	-48,325	-50,020	-58,294
<b>Profit/loss for the period</b>	<b>196,327</b>	<b>186,585</b>	<b>175,631</b>	<b>185,669</b>	<b>214,552</b>

<b>Balance sheet</b>	<b>30/09/2021</b>	<b>30/06/2021</b>	<b>31/03/2021</b>	<b>31/12/2020</b>	<b>30/09/2020</b>
Thousands of SEK					
Loans to credit institutions	6,899,443	7,452,038	5,650,991	6,126,543	6,125,854
Loans to the general public	78,504,715	77,600,533	76,785,911	75,981,536	74,954,582
Fixed-income securities	5,246,542	5,381,531	5,382,585	5,389,526	5,345,205
Other assets	4,891,230	4,930,790	4,989,700	5,744,592	4,715,971
<b>Total assets</b>	<b>95,541,931</b>	<b>95,364,891</b>	<b>92,809,187</b>	<b>93,242,198</b>	<b>91,141,612</b>
Liabilities to credit institutions	1,079,419	1,069,333	1,071,630	1,073,534	1,066,375
Deposits from the general public	63,753,009	63,383,474	60,163,356	60,158,831	58,570,836
Securities issued	22,743,925	23,127,188	23,875,894	24,349,901	24,006,293
Other liabilities	388,868	405,413	503,375	411,801	437,004
Equity	7,576,710	7,379,483	7,194,932	7,248,132	7,061,104
<b>Total liabilities, provisions and equity</b>	<b>95,541,931</b>	<b>95,364,891</b>	<b>92,809,187</b>	<b>93,242,198</b>	<b>91,141,612</b>

# Income statement

Income statement	Note	Q3 2021	Q2 2021	Change	Jan-Sep 2021	Jan-Sep 2020	Change	Full year 2020
Thousands of SEK								
Interest income		333,725	335,562	-1%	1,006,104	1,082,557	-7%	1,428,365
Interest expenses		-44,858	-47,861	-6%	-132,979	-160,685	-17%	-203,727
<b>Net interest income</b>	<b>3</b>	<b>288,868</b>	<b>287,701</b>	<b>0%</b>	<b>873,126</b>	<b>921,872</b>	<b>-5%</b>	<b>1,224,638</b>
Dividends received		-	-	-	-	760	-100%	760
Fee and commission income	4	157,192	160,843	-2%	466,437	395,089	18%	559,392
Fee and commission expenses	5	-12,033	-14,030	-14%	-36,483	-37,341	-2%	-50,284
Net gain/loss from financial transactions	6	4,908	2,489	97%	12,946	12,978	0%	11,323
Other operating income		1,105	493	-	2,095	1,982	6%	10,347
<b>Total net interest income and operating income</b>		<b>440,039</b>	<b>437,496</b>	<b>1%</b>	<b>1,318,120</b>	<b>1,295,340</b>	<b>2%</b>	<b>1,756,176</b>
General administrative expenses		-194,337	-212,794	-9%	-605,246	-577,223	5%	-793,214
Depreciation of tangible assets		-4,080	-4,170	-2%	-12,290	-13,523	-9%	-17,493
Other operating expenses		-13,242	-12,654	5%	-47,355	-43,360	9%	-61,417
<b>Total expenses before credit losses</b>		<b>-211,659</b>	<b>-229,618</b>	<b>-8%</b>	<b>-664,891</b>	<b>-634,106</b>	<b>5%</b>	<b>-872,124</b>
<b>Profit/loss before credit losses</b>		<b>228,380</b>	<b>207,878</b>	<b>10%</b>	<b>653,229</b>	<b>661,234</b>	<b>-1%</b>	<b>884,052</b>
Net credit losses	7	19,383	25,502	-24%	51,870	-58,784	-	-45,912
<b>Operating profit/loss</b>		<b>247,763</b>	<b>233,380</b>	<b>6%</b>	<b>705,099</b>	<b>602,450</b>	<b>17%</b>	<b>838,140</b>
Tax on profit for the period		-51,437	-46,795	10%	-146,557	-129,386	13%	-179,406
<b>Profit/loss for the period</b>		<b>196,327</b>	<b>186,585</b>	<b>5%</b>	<b>558,543</b>	<b>473,064</b>	<b>18%</b>	<b>658,733</b>

Statement of comprehensive income		Q3 2021	Q2 2021	Change	Jan-Sep 2021	Jan-Sep 2020	Change	Full year 2020
Thousands of SEK								
<b>Profit/loss for the period</b>		<b>196,327</b>	<b>186,585</b>	<b>5%</b>	<b>558,543</b>	<b>473,064</b>	<b>18%</b>	<b>658,733</b>
<b>Other comprehensive income</b>								
<b>Items that are or may be reclassified to profit or loss for the period</b>								
Net change in fair value of financial assets measured at fair value through other comprehensive income		1,134	-2,593	-	1,595	6,917	-77%	8,646
Tax attributable to items that may be reclassified to profit or loss for the period		-234	559	-	-329	-1,480	-78%	-1,850
<b>Other comprehensive income for the period</b>		<b>900</b>	<b>-2,034</b>	<b>-</b>	<b>1,266</b>	<b>5,437</b>	<b>-77%</b>	<b>6,796</b>
<b>Comprehensive income for the period</b>		<b>197,227</b>	<b>184,551</b>	<b>7%</b>	<b>559,809</b>	<b>478,501</b>	<b>17%</b>	<b>665,529</b>

# Balance sheet

Balance sheet	Note	30/09/2021	31/12/2020	Change		30/09/2020
Thousands of SEK						
<b>Assets</b>						
Cash		389	581	-192	-33%	303
Treasury bills eligible for refinancing with central banks		2,015,155	2,023,308	-8,154	0%	1,815,195
Loans to credit institutions		6,899,443	6,126,543	772,900	13%	6,125,854
Loans to the general public	8	78,504,715	75,981,536	2,523,179	3%	74,954,582
Bonds and other fixed-income securities		3,231,388	3,366,218	-134,830	-4%	3,530,010
Derivatives		5,163	4,120	1,043	25%	3,592
Tangible assets		56,306	60,826	-4,520	-7%	57,479
Current tax assets		4,561,639	5,398,461	-836,822	-16%	4,483,759
Deferred tax assets		19,320	17,721	1,598	9%	16,241
Other assets		90,400	85,886	4,513	5%	15,079
Prepaid expenses and accrued income		158,014	176,996	-18,982	-11%	139,518
<b>Total assets</b>		<b>95,541,931</b>	<b>93,242,198</b>	<b>2,299,733</b>	<b>2%</b>	<b>91,141,612</b>
<b>Liabilities, provisions and equity</b>						
Liabilities to credit institutions		1,079,419	1,073,534	5,885	1%	1,066,375
Deposits from the general public	9	63,753,009	60,158,831	3,594,179	6%	58,570,836
Debt securities issued and related items	10	22,743,925	24,349,901	-1,605,976	-7%	24,006,293
Derivatives		1,168	71,568	-70,401	-98%	87,970
Other liabilities		63,626	90,849	-27,223	-30%	52,380
Accrued expenses and deferred income		205,638	131,501	74,137	56%	186,717
Provisions	11	118,436	117,882	554	0%	109,937
<b>Total liabilities and provisions</b>		<b>87,965,221</b>	<b>85,994,066</b>	<b>1,971,155</b>	<b>2%</b>	<b>84,080,508</b>
<b>Equity</b>						
<b>Restricted equity</b>						
Share capital (16,683,364 shares and quotient value SEK 100)		1,668,336	1,668,336	-	-	1,668,336
Statutory reserve		109,196	109,196	-	-	109,196
<b>Total</b>		<b>1,777,532</b>	<b>1,777,532</b>	<b>-</b>	<b>-</b>	<b>1,777,532</b>
<b>Non-restricted equity</b>						
Share premium reserve		3,188,631	3,188,631	-	-	3,188,631
Fair value reserve		9,054	7,788	1,266	16%	6,429
Retained earnings		2,042,950	1,615,448	427,502	26%	1,615,448
Profit/loss for the period		558,543	658,733	-100,190	-15%	473,064
<b>Total</b>		<b>5,799,178</b>	<b>5,470,600</b>	<b>328,578</b>	<b>6%</b>	<b>5,283,572</b>
<b>Total equity</b>		<b>7,576,710</b>	<b>7,248,132</b>	<b>328,578</b>	<b>5%</b>	<b>7,061,104</b>
<b>Total liabilities, provisions and equity</b>		<b>95,541,931</b>	<b>93,242,198</b>	<b>2,299,733</b>	<b>2%</b>	<b>91,141,612</b>
<b>Other notes</b>						
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# 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	
<b>Balance at 1 January 2021</b>	<b>1,668,336</b>	<b>109,196</b>	<b>3,188,631</b>	<b>7,788</b>	<b>1,615,448</b>	<b>658,733</b>	<b>7,248,132</b>
<b>Appropriation of profit as per AGM resolution</b>							
Amount carried forward	-	-	-	-	427,502	-427,502	-
Transactions with owners in the form of dividends	-	-	-	-	-	-231,231	-231,231
Profit/loss for the period	-	-	-	-	-	558,543	558,543
Other comprehensive income for the period	-	-	-	1,266	-	-	1,266
comprehensive income for the period	-	-	-	-	-	-	559,809
<b>Balance at 30 September 2021</b>	<b>1,668,336</b>	<b>109,196</b>	<b>3,188,631</b>	<b>9,054</b>	<b>2,042,950</b>	<b>558,543</b>	<b>7,576,710</b>
<b>Balance at 1 January 2020</b>	<b>1,668,336</b>	<b>109,196</b>	<b>3,188,631</b>	<b>992</b>	<b>1,118,049</b>	<b>497,399</b>	<b>6,582,603</b>
<b>Appropriation of profit as per AGM resolution</b>							
Amount carried forward	-	-	-	-	497,399	-497,399	-
Transactions with owners in the form of dividends	-	-	-	-	-	-	-
Profit/loss for the year	-	-	-	-	-	658,733	658,733
Other comprehensive income for the year	-	-	-	6,796	-	-	6,796
Comprehensive income for the year	-	-	-	-	-	-	665,529
<b>Balance at 31 December 2020</b>	<b>1,668,336</b>	<b>109,196</b>	<b>3,188,631</b>	<b>7,788</b>	<b>1,615,448</b>	<b>658,733</b>	<b>7,248,132</b>
<b>Balance at 1 January 2020</b>	<b>1,668,336</b>	<b>109,196</b>	<b>3,188,631</b>	<b>992</b>	<b>1,118,049</b>	<b>497,399</b>	<b>6,582,603</b>
<b>Appropriation of profit as per AGM resolution</b>							
Amount carried forward	-	-	-	-	497,399	-497,399	-
Transactions with owners in the form of dividends	-	-	-	-	-	-	-
Profit/loss for the period	-	-	-	-	-	473,064	473,064
Other comprehensive income for the period	-	-	-	5,437	-	-	5,437
comprehensive income for the period	-	-	-	-	-	-	478,501
<b>Balance at 30 September 2020</b>	<b>1,668,336</b>	<b>109,196</b>	<b>3,188,631</b>	<b>6,429</b>	<b>1,615,448</b>	<b>473,064</b>	<b>7,061,104</b>

## 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	Jan-Sep 2021	Full year 2020	Jan-Sep 2020
Thousands of SEK			
<b>Cash flows from operating activities</b>			
Operating profit/loss	705,099	838,140	602,450
Net change in amortised cost for the period	77,681	100,120	75,855
Unrealised share of net gain from financial transactions	-3,692	-6,324	-4,470
Depreciation and amortisation	12,290	17,493	13,523
Credit losses	-46,169	53,792	65,341
Tax paid	-111,690	-97,321	-130,802
<b>Cash flows from operating activities before changes in working capital</b>	<b>633,519</b>	<b>905,900</b>	<b>621,897</b>
<b>Cash flow from changes in working capital</b>			
Increase/decrease in loans to the general public (-/+)	-2,545,276	-4,070,114	-3,038,173
Increase/decrease in securities (-/+)	117,462	-526,952	-477,885
Increase/decrease in deposits from the general public (+/-)	3,594,179	7,038,423	5,450,428
Increase/decrease in liabilities to credit institutions (+/-)	5,885	1,013,052	1,005,893
Net change in other assets and liabilities	61,897	-6,334	117,238
<b>Net cash from operating activities</b>	<b>1,867,666</b>	<b>4,353,975</b>	<b>3,679,398</b>
<b>Cash flows from investing activities</b>			
Disposal/redemption of financial assets	554	22,370	14,425
Transfer of excess liquidity to tax account	800,000	-5,000,000	-4,000,000
Sale of tangible assets	-	3,325	-
Acquisition of tangible assets	-7,770	-14,318	-3,676
<b>Net cash from investing activities</b>	<b>792,784</b>	<b>-4,988,623</b>	<b>-3,989,251</b>
<b>Cash flows from financing activities</b>			
Issue of fixed-income securities	2,804,988	9,765,445	8,158,195
Redemption of fixed-income securities	-4,461,500	-5,910,813	-4,629,326
Dividends paid	-231,231	-	-
<b>Net cash from financing activities</b>	<b>-1,887,743</b>	<b>3,854,632</b>	<b>3,528,869</b>
<b>Cash flow for the period</b>	<b>772,707</b>	<b>3,219,984</b>	<b>3,219,016</b>
Cash and cash equivalents at beginning of period	6,127,125	2,907,141	2,907,141
<b>Cash and cash equivalents at end of period</b>	<b>6,899,832</b>	<b>6,127,125</b>	<b>6,126,157</b>
The following subcomponents are included in cash and cash equivalents			
Cash	389	581	303
Loans to credit institutions	6,899,443	6,126,543	6,125,854
<b>Balance sheet total</b>	<b>6,899,832</b>	<b>6,127,125</b>	<b>6,126,157</b>
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	1,019,634	1,402,634	1,075,393
Interest paid including cost of deposit insurance and fee for resolution fund	-134,483	-172,841	-111,615
Dividends received	-	760	760

# Notes to the income statement and balance sheet

## Note 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), Finansinspektionen's 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 2020 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".

## Note 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.

## Note 3 Net interest income

	Jan-Sep 2021	Jan-Sep 2020	Change	Full year 2020
Thousands of SEK				
<b>Interest income</b>				
Loans to credit institutions	71	1,167	-94%	608
Loans to the general public	1,034,241	1,085,305	-5%	1,440,576
Fixed-income securities	3,227	10,756	-70%	11,932
Derivatives	-31,432	-14,668	-	-24,748
Other interest income	-2	-3	-18%	-3
<b>Total</b>	<b>1,006,104</b>	<b>1,082,557</b>	<b>-7%</b>	<b>1,428,365</b>
<b>Interest expenses</b>				
Liabilities to credit institutions	-8,298	-6,126	35%	-8,490
Deposits from the general public	-41,344	-42,071	-2%	-55,114
– fee for deposit insurance	-31,727	-32,086	-1%	-41,435
Fixed-income securities	-69,682	-102,589	-32%	-126,925
Other interest expenses	-13,655	-9,899	38%	-13,198
– fee for resolution fund	-13,654	-9,894	38%	-13,192
<b>Total</b>	<b>-132,979</b>	<b>-160,685</b>	<b>-17%</b>	<b>-203,727</b>
<b>Total net interest income</b>	<b>873,126</b>	<b>921,872</b>	<b>-5%</b>	<b>1,224,638</b>

## Note 4 Fee and commission income

	Jan-Sep 2021	Jan-Sep 2020	Change	Full year 2020
Thousands of SEK				
Payment intermediation fees	45,981	52,790	-13%	86,796
Loan commissions	85,667	66,650	29%	92,432
Deposit commissions	61,933	59,110	5%	83,590
Commissions for financial guarantees issued	1,361	1,470	-7%	1,909
Securities commissions and fees	214,317	164,357	30%	226,867
Other fees and commissions	57,177	50,712	13%	67,797
<b>Total</b>	<b>466,437</b>	<b>395,089</b>	<b>18%</b>	<b>559,392</b>

<b>Note 5</b>	<b>Fee and commission expenses</b>	<b>Jan-Sep 2021</b>	<b>Jan-Sep 2020</b>	<b>Change</b>	<b>Full year 2020</b>
Thousands of SEK					
	Payment intermediation fees	-26,599	-23,177	15%	-31,524
	Securities commissions and fees	-6,018	-10,584	-43%	-14,086
	Other fees and commissions	-3,867	-3,580	8%	-4,674
	<b>Total</b>	<b>-36,483</b>	<b>-37,341</b>	<b>-2%</b>	<b>-50,284</b>

<b>Note 6</b>	<b>Net gain/loss from financial transactions</b>	<b>Jan-Sep 2021</b>	<b>Jan-Sep 2020</b>	<b>Change</b>	<b>Full year 2020</b>
Thousands of SEK					
	Shareholdings/investments	-	4,407	-	-
	Fixed-income securities	4,084	-299	-	-773
	Other financial instruments	3,696	4,476	-17%	6,406
	Exchange rate fluctuations	5,166	4,394	18%	5,690
	<b>Total</b>	<b>12,946</b>	<b>12,978</b>	<b>0%</b>	<b>11,323</b>

	<b>Jan-Sep 2021</b>	<b>Jan-Sep 2020</b>	<b>Change</b>	<b>Full year 2020</b>	
<b>Net gain/loss by valuation category</b>					
	Financial assets at fair value through other comprehensive income	4,084	4,108	-1%	-773
	Ineffective portion of fair value hedge	257	601	-57%	779
	Derivatives intended for risk management, no hedge accounting	3,439	3,875	-11%	5,627
	Change in fair value of derivatives used as hedging instruments in a fair value hedge	68,266	-78,542	-	-
	Change in fair value of hedged item attributable to the hedged risk in fair value hedges	-68,266	78,542	-	62,006
	Exchange rate fluctuations	5,166	4,394	18%	5,690
	<b>Total</b>	<b>12,946</b>	<b>12,978</b>	<b>0%</b>	<b>11,323</b>

<b>Note 7</b>	<b>Net credit losses</b>	<b>Jan-Sep 2021</b>	<b>Jan-Sep 2020</b>	<b>Change</b>	<b>Full year 2020</b>
Thousands of SEK					
<b>Loans at amortised cost</b>					
	Change in provisions – stage 1	7,986	-8,802	-	-14,235
	Change in provisions – stage 2	8,788	-9,157	-	-6,635
	Change in provisions – stage 3	27,508	-37,863	-	-20,241
	<b>Total</b>	<b>44,282</b>	<b>-55,822</b>	<b>-</b>	<b>-41,111</b>
	Net cost for the period for incurred losses	-5,318	-5,417	-2%	-7,388
	The amount received for previously incurred credit losses	5,701	6,557	-13%	7,880
	<b>Total credit losses on loans at amortised cost</b>	<b>44,664</b>	<b>-54,682</b>	<b>-</b>	<b>-40,619</b>
<b>Loan commitments and financial guarantee contracts</b>					
	Change in provisions – stage 1	-1,302	-4,165	-69%	-4,272
	Change in provisions – stage 2	5,483	-322	-	-1,862
	Change in provisions – stage 3	3,025	385	-	841
	<b>Total credit losses for loan commitments and financial guarantee contracts</b>	<b>7,206</b>	<b>-4,102</b>	<b>-</b>	<b>-5,293</b>
	<b>Total credit losses</b>	<b>51,870</b>	<b>-58,784</b>	<b>-</b>	<b>-45,912</b>



Note 8	Loans to the general public	Stage 1	Stage 2	Stage 3	Total
Thousands of SEK					
<b>Gross carrying amount</b>					
<b>Gross carrying amount at 1 January 2021</b>		71,715,935	3,879,821	476,460	<b>76,072,216</b>
New financial assets		17,201,988	282,953	2,094	<b>17,487,035</b>
Derecognised financial assets		-13,028,296	-688,124	-24,294	<b>-13,740,714</b>
Changes due to changed balances		-1,162,310	-20,750	-14,475	<b>-1,197,535</b>
Transfers between stages during the period					
from stage 1 to stage 2		-1,410,053	1,410,053	-	-
from stage 1 to stage 3		-5,786	-	5,786	-
from stage 2 to stage 1		1,242,620	-1,242,620	-	-
from stage 2 to stage 3		-	-41,630	41,630	-
from stage 3 to stage 2		-	101,791	-101,791	-
from stage 3 to stage 1		55,459	-	-55,459	-
Exchange rate fluctuations		109	0	0	<b>109</b>
<b>Gross carrying amount at 30 September 2021</b>		<b>74,609,666</b>	<b>3,681,494</b>	<b>329,951</b>	<b>78,621,111</b>
<b>Loss allowances</b>					
<b>Loss allowances at 1 January 2021</b>		33,522	36,821	79,875	<b>150,218</b>
New financial assets		4,729	1,993	1,117	<b>7,839</b>
Derecognised financial assets		-3,788	-3,829	-6,777	<b>-14,394</b>
Changes due to changed balances		-771	-1,445	-939	<b>-3,155</b>
Changed risk variables (EAD, PD, LGD)		616	-5,830	-9,164	<b>-14,378</b>
Changes in macroeconomic scenarios		-2,259	-1,832	29	<b>-4,062</b>
Changes due to manual expert adjustments		-4,516	-4,007	-	<b>-8,523</b>
Changes due to updated models		-	-	-	-
Transfers between stages during the period					
from stage 1 to stage 2		-2,482	8,868	-	<b>6,386</b>
from stage 1 to stage 3		-8	-	763	<b>755</b>
from stage 2 to stage 1		435	-2,340	-	<b>-1,905</b>
from stage 2 to stage 3		-	-802	4,336	<b>3,534</b>
from stage 3 to stage 1		58	-	-5,799	<b>-5,741</b>
from stage 3 to stage 2		-	434	-9,340	<b>-8,906</b>
<b>Loss allowances at 30 September 2021</b>		<b>25,536</b>	<b>28,031</b>	<b>54,101</b>	<b>107,668</b>
<b>Carrying amount</b>					
<b>Opening balance at 1 January 2021</b>		71,682,413	3,843,000	396,585	<b>75,921,998</b>
<b>Closing balance at 30 September 2021</b>		<b>74,584,130</b>	<b>3,653,463</b>	<b>275,850</b>	<b>78,513,443</b>
<b>Change in fair value of hedged amount in portfolio hedge</b>					<b>-8,728</b>
<b>Total</b>					<b>78,504,715</b>

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	Stage 1	Stage 2	Stage 3	Total
Thousands of SEK				
<b>Gross carrying amount</b>				
<b>Gross carrying amount at 1 January 2020</b>	67,796,753	4,034,868	180,416	<b>72,012,037</b>
New financial assets	20,533,943	792,822	88,114	<b>21,414,879</b>
Derecognised financial assets	-14,547,419	-1,232,414	-27,699	<b>-15,807,532</b>
Changes due to changed balances	-1,387,550	-121,136	-38,324	<b>-1,547,010</b>
Transfers between stages during the period				
from stage 1 to stage 2	-1,747,433	1,747,433	-	-
from stage 1 to stage 3	-173,373	-	173,373	-
from stage 2 to stage 1	1,239,520	-1,239,520	-	-
from stage 2 to stage 3	-	-118,801	118,801	-
from stage 3 to stage 2	-	16,569	-16,569	-
from stage 3 to stage 1	1,652	-	-1,652	-
Exchange rate fluctuations	-158	0	0	<b>-158</b>
<b>Gross carrying amount at 31 December 2020</b>	<b>71,715,935</b>	<b>3,879,821</b>	<b>476,460</b>	<b>76,072,216</b>
<b>Loss allowances</b>				
<b>Loss allowances at 1 January 2020</b>	19,314	30,188	56,859	<b>106,361</b>
New financial assets	6,500	5,070	9,082	<b>20,652</b>
Derecognised financial assets	-4,353	-7,270	-8,615	<b>-20,238</b>
Changes due to changed balances	-852	-2,309	-2,539	<b>-5,700</b>
Changed risk variables (EAD, PD, LGD)	3,005	-4,219	4,219	<b>3,005</b>
Changes in macroeconomic scenarios	-1,738	-3,123	-194	<b>-5,055</b>
Changes due to manual expert adjustments	18,590	7,819	-	<b>26,409</b>
Changes due to updated models	-2,671	-1,453	-5,606	<b>-9,730</b>
Transfers between stages during the period				
from stage 1 to stage 2	-4,468	15,235	-	<b>10,767</b>
from stage 1 to stage 3	-220	-	19,333	<b>19,113</b>
from stage 2 to stage 1	415	-2,386	-	<b>-1,971</b>
from stage 2 to stage 3	-	-1,136	9,633	<b>8,497</b>
from stage 3 to stage 1	0	-	-72	<b>-72</b>
from stage 3 to stage 2	-	405	-2,225	<b>-1,820</b>
<b>Loss allowances at 31 December 2020</b>	<b>33,522</b>	<b>36,821</b>	<b>79,875</b>	<b>150,218</b>
<b>Carrying amount</b>				
<b>Opening balance at 1 January 2020</b>	67,777,439	4,004,680	123,557	<b>71,905,676</b>
<b>Closing balance at 31 December 2020</b>	<b>71,682,413</b>	<b>3,843,000</b>	<b>396,585</b>	<b>75,921,998</b>
<b>Change in fair value of hedged amount in portfolio hedge</b>				<b>59,538</b>
<b>Total</b>				<b>75,981,536</b>

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	Stage 1	Stage 2	Stage 3	Total
Thousands of SEK				
<b>Gross carrying amount</b>				
<b>Gross carrying amount at 1 January 2020</b>	67,796,753	4,034,868	180,416	<b>72,012,037</b>
New financial assets	15,239,658	493,863	87,949	<b>15,821,470</b>
Derecognised financial assets	-10,690,958	-905,247	-17,601	<b>-11,613,806</b>
Changes due to changed balances	-1,040,402	-124,081	-12,559	<b>-1,177,042</b>
Transfers between stages during the period				
from stage 1 to stage 2	-1,874,530	1,874,530	-	-
from stage 1 to stage 3	-171,696	-	171,696	-
from stage 2 to stage 1	1,140,447	-1,140,447	-	-
from stage 2 to stage 3	-	-121,307	121,307	-
from stage 3 to stage 2	-	5,632	-5,632	-
from stage 3 to stage 1	1,509	-	-1,509	-
Exchange rate fluctuations	36	0	0	<b>36</b>
<b>Loss allowances at 30 September 2020</b>	<b>70,400,817</b>	<b>4,117,811</b>	<b>524,067</b>	<b>75,042,695</b>
<b>Loss allowances</b>				
<b>Loss allowances at 1 January 2020</b>	19,314	30,188	56,859	<b>106,361</b>
New financial assets	8,970	3,908	8,853	<b>21,731</b>
Derecognised financial assets	-3,261	-5,370	-4,507	<b>-13,138</b>
Changes due to changed balances	-1895	-2,774	-1,782	<b>-6,451</b>
Changed risk variables (EAD, PD, LGD)	5,313	-5,670	8,912	<b>8,555</b>
Changes in macroeconomic scenarios	7,778	2,073	38	<b>9,889</b>
Changes due to updated models	-994	-241	-133	<b>-1,368</b>
Transfers between stages during the period				
from stage 1 to stage 2	-7,539	21,431	-	<b>13,892</b>
from stage 1 to stage 3	-384	-	18,672	<b>18,288</b>
from stage 2 to stage 1	754	-2,913	-	<b>-2,159</b>
from stage 2 to stage 3	-	-1,352	10,442	<b>9,090</b>
from stage 3 to stage 1	1	-	-75	<b>-74</b>
from stage 3 to stage 2	-	65	-494	<b>-429</b>
<b>Loss allowances at 30 September 2020</b>	<b>28,057</b>	<b>39,345</b>	<b>96,785</b>	<b>164,187</b>
<b>Carrying amount</b>				
<b>Opening balance at 1 January 2020</b>	67,777,439	4,004,680	123,557	<b>71,905,676</b>
<b>Closing balance at 30 September 2020</b>	<b>70,372,760</b>	<b>4,078,466</b>	<b>427,282</b>	<b>74,878,508</b>
<b>Change in fair value of hedged amount in portfolio hedge</b>				<b>76,074</b>
<b>Total</b>				<b>74,954,582</b>

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Gross carrying amount and loss allowance by sector at 30 September 2021	Gross carrying amount	Loss allowance	Net carrying amount
Thousands of SEK			
<b>Loans to the general public</b>			
<b>Private customers</b>	<b>43,523,414</b>	<b>14,299</b>	<b>43,509,116</b>
<b>Tenant-owners' associations</b>	<b>2,535,645</b>	<b>867</b>	<b>2,534,778</b>
<b>Corporate customers</b>	<b>32,562,052</b>	<b>92,502</b>	<b>32,469,550</b>
Agriculture, fishing, forestry	7,116,017	6,078	7,109,940
Manufacturing	515,655	2,778	512,878
Public sector	899,104	2,852	896,253
Construction	2,011,270	3,827	2,007,443
Retail	1,428,208	12,950	1,415,258
Transport	592,436	4,572	587,863
Hotel and restaurant	452,176	2,934	449,242
Information technology	344,584	176	344,408
Banking and insurance	39,840	165	39,675
Property management	15,697,524	40,061	15,657,463
Service sector	1,872,297	1,591	1,870,705
Other loans to businesses	1,592,942	14,520	1,578,422
<b>Loans to the general public</b>	<b>78,621,111</b>	<b>107,668</b>	<b>78,513,443</b>

Gross carrying amount and loss allowance by sector at 31 December 2020	Gross carrying amount	Loss allowance	Net carrying amount
Thousands of SEK			
<b>Loans to the general public</b>			
<b>Private customers</b>	<b>41,658,866</b>	<b>17,339</b>	<b>41,641,527</b>
<b>Tenant-owners' associations</b>	<b>2,682,617</b>	<b>1,834</b>	<b>2,680,783</b>
<b>Corporate customers</b>	<b>31,730,733</b>	<b>131,045</b>	<b>31,599,688</b>
Agriculture, fishing, forestry	7,036,042	5,385	7,030,657
Manufacturing	544,300	3,441	540,858
Public sector	874,761	2,694	872,068
Construction	1,909,115	5,085	1,904,030
Retail	1,405,023	24,953	1,380,070
Transport	530,150	5,188	524,962
Hotel and restaurant	463,937	15,777	448,160
Information technology	335,732	157	335,575
Banking and insurance	26,859	93	26,766
Property management	15,071,768	49,228	15,022,540
Service sector	1,887,119	5,815	1,881,304
Other loans to businesses	1,645,926	13,227	1,632,699
<b>Loans to the general public</b>	<b>76,072,216</b>	<b>150,218</b>	<b>75,921,998</b>

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Gross carrying amount and loss allowance by sector 2020-09-30	Gross carrying amount	Loss allowance	Net carrying amount
Thousands of SEK			
<b>Loans to the general public</b>			
<b>Private customers</b>	<b>41,087,263</b>	<b>27,364</b>	<b>41,059,899</b>
<b>Tenant-owners' associations</b>	<b>2,912,176</b>	<b>2,680</b>	<b>2,909,496</b>
<b>Corporate customers</b>	<b>31,043,256</b>	<b>134,143</b>	<b>30,909,113</b>
Agriculture, fishing, forestry	7,084,445	9,592	7,074,853
Manufacturing	572,727	5,096	567,631
Public sector	894,257	3,325	890,932
Construction	1,886,420	6,946	1,879,474
Retail	1,424,646	26,800	1,397,846
Transport	530,675	2,072	528,603
Hotel and restaurant	459,017	15,014	444,003
Information technology	341,939	247	341,692
Banking and insurance	163,463	92	163,371
Property management	14,136,601	41,566	14,095,035
Service sector	1,874,557	8,612	1,865,945
Other loans to businesses	1,674,509	14,781	1,659,728
<b>Loans to the general public</b>	<b>75,042,695</b>	<b>164,187</b>	<b>74,878,508</b>

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Gross carrying amount and loss allowance by stage	30 September 2021	31 December 2020	30 September 2020
Thousands of SEK			
<b>Loans to the general public, private customers and tenant-owners' associations</b>			
<b>Stage 1</b>			
Gross carrying amount	44,538,153	42,393,529	42,116,873
Loss allowances	2,037	2,498	7,016
Carrying amount	44,536,116	42,391,031	42,109,857
<b>Stage 2</b>			
Gross carrying amount	1,488,787	1,915,150	1,847,124
Loss allowances	3,984	6,129	8,580
Carrying amount	1,484,803	1,909,021	1,838,544
<b>Stage 3</b>			
Gross carrying amount	32,119	32,804	35,443
Loss allowances	9,145	10,546	14,449
Carrying amount	22,974	22,258	20,994
<b>Total carrying amount, loans to private customers and tenant-owners' associations</b>	<b>46,043,893</b>	<b>44,322,310</b>	<b>43,969,395</b>
<b>Loans to the general public, corporate customers</b>			
<b>Stage 1</b>			
Gross carrying amount	30,071,512	29,322,406	28,283,946
Loss allowances	23,497	31,024	21,042
Carrying amount	30,048,015	29,291,382	28,262,904
<b>Stage 2</b>			
Gross carrying amount	2,192,708	1,964,672	2,270,687
Loss allowances	24,048	30,691	30,764
Carrying amount	2,168,660	1,933,981	2,239,923
<b>Stage 3</b>			
Gross carrying amount	297,832	443,655	488,623
Loss allowances	44,957	69,330	82,337
Carrying amount	252,875	374,325	406,286
<b>Total carrying amount, loans to corporate customers</b>	<b>32,469,550</b>	<b>31,599,688</b>	<b>30,909,113</b>
Gross carrying amount – stage 1	74,609,665	71,715,935	70,400,819
Gross carrying amount – stage 2	3,681,495	3,879,822	4,117,811
Gross carrying amount – stage 3	329,951	476,459	524,066
<b>Total gross carrying amount</b>	<b>78,621,111</b>	<b>76,072,216</b>	<b>75,042,696</b>
Loss allowance – stage 1	25,534	33,522	28,058
Loss allowance – stage 2	28,032	36,820	39,344
Loss allowance in stage 3	54,102	79,876	96,786
<b>Total loss allowances</b>	<b>107,668</b>	<b>150,218</b>	<b>164,188</b>
<b>Total carrying amount, loans to the general public</b>	<b>78,513,443</b>	<b>75,921,998</b>	<b>74,878,508</b>
Gross stage 3 loans in %	0.42%	0.63%	0.70%
Net stage 3 loans in %	0.35%	0.52%	0.57%
Ratio of loss allowances to stage 1 loans	24%	22%	17%
Ratio of loss allowances to stage 2 loans	26%	25%	24%
Ratio of loss allowances to stage 3 loans	50%	53%	59%
Allowance ratio for stage 1 loans	0.03%	0.05%	0.04%
Allowance ratio for stage 2 loans	0.76%	0.95%	0.96%
Allowance ratio for stage 3 loans	16%	17%	18%
Total allowance ratio for loans	0.14%	0.20%	0.22%

<b>Note 9</b>	<b>Deposits from the general public</b>	<b>30/09/2021</b>	<b>31/12/2020</b>	<b>30/09/2020</b>
Thousands of SEK				
The general public				
	- Swedish currency	62,942,231	59,617,174	58,061,667
	- foreign currency	810,778	541,657	509,169
	<b>Total</b>	<b>63,753,009</b>	<b>60,158,831</b>	<b>58,570,836</b>
<b>Deposits per customer category, excluding bank cheques</b>				
	Public sector	2,592,187	2,125,265	2,445,128
	Corporate sector	13,475,968	13,419,353	12,052,238
	Retail sector	47,163,806	44,379,047	43,615,083
	- sole proprietors	6,889,153	6,680,565	6,534,050
	Other sectors	490,746	197,433	413,487
	<b>Total</b>	<b>63,722,707</b>	<b>60,121,098</b>	<b>58,525,936</b>
<b>Note 10</b>	<b>Debt securities issued and related items</b>	<b>30/09/2021</b>	<b>31/12/2020</b>	<b>30/09/2020</b>
Thousands of SEK				
	Certificates of deposit	499,949	499,418	499,417
	Bond loans	5,411,437	6,971,539	6,612,307
	Covered bonds	15,833,926	15,880,665	15,896,401
	MREL bond	998,612	998,279	998,167
	<b>Total</b>	<b>22,743,925</b>	<b>24,349,901</b>	<b>24,006,293</b>
<b>Changes during the period</b>				
	Issued	2,804,988	9,765,445	8,158,195
	Repurchased	-1,133,000	-3,701,000	-2,450,000
	Matured	-3,277,964	-2,141,193	-2,128,551
	<b>Change</b>	<b>-1,605,976</b>	<b>3,923,252</b>	<b>3,579,644</b>

Note 11	Provisions	Stage 1	Stage 2	Stage 3	Total
Thousands of SEK					
<b>Loss allowances at 1 January 2021</b>		7,745	9,512	14,175	<b>31,432</b>
New loan commitments and financial guarantees		2,588	280	111	<b>2,979</b>
Financial guarantees and loan commitments that are past due		-1,189	-1,662	-3,043	<b>-5,894</b>
Changes due to changed loan commitments and similar items		-329	-887	437	<b>-779</b>
Changed risk variables (EAD, PD, LGD)		16	-893	59	<b>-818</b>
Changes in macroeconomic scenarios		-413	-374	-	<b>-787</b>
Changes due to manual expert adjustments		646	-2,063	-	<b>-1,417</b>
Changes due to updated models		-	-	-	<b>-</b>
Transfers between stages during the period					
from stage 1 to stage 2		-50	208	-	<b>158</b>
from stage 1 to stage 3		-	-	-	<b>-</b>
from stage 2 to stage 1		35	-231	-	<b>-196</b>
from stage 2 to stage 3		-	-4	177	<b>173</b>
from stage 3 to stage 1		0	-	-13	<b>-13</b>
from stage 3 to stage 2		-	142	-753	<b>-611</b>
<b>Loss allowances at 30 September 2021</b>		9,049	4,028	11,150	<b>24,227</b>
Provisions for pensions					78,532
Other provisions					15,677
<b>Total</b>					<b>118,436</b>
<b>Loss allowances at 1 January 2020</b>					
New loan commitments and financial guarantees		3,472	7,664	15,016	<b>26,152</b>
Financial guarantees and loan commitments that are past due		1,629	1,308	1,340	<b>4,277</b>
Changes due to changed loan commitments and similar items		-1,150	-3,347	-1,770	<b>-6,267</b>
Changes due to changed loan commitments and similar items		-205	447	307	<b>549</b>
Changed risk variables (EAD, PD, LGD)		677	-1,280	10	<b>-593</b>
Changes in macroeconomic scenarios		-154	-260	-	<b>-414</b>
Changes due to manual expert adjustments		4,402	2,551	-	<b>6,953</b>
Changes due to updated models		-175	-12	-	<b>-187</b>
Transfers between stages during the period					
from stage 1 to stage 2		-810	2,628	-	<b>1,818</b>
from stage 1 to stage 3		-3	-	405	<b>402</b>
from stage 2 to stage 1		60	-330	-	<b>-270</b>
from stage 2 to stage 3		-	-3	18	<b>15</b>
from stage 3 to stage 1		2	-	-471	<b>-469</b>
from stage 3 to stage 2		-	146	-680	<b>-534</b>
<b>Loss allowances at 31 December 2020</b>		7,745	9,512	14,175	<b>31,432</b>
Provisions for pensions					72,288
Other provisions					14,162
<b>Total</b>					<b>117,882</b>



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<b>Loss allowances at 1 January 2020</b>	3,472	7,664	15,016	<b>26,152</b>
New loan commitments and financial guarantees	4,463	843	549	<b>5,855</b>
Financial guarantees and loan commitments that are past due	-1,027	-2,536	-1,282	<b>-4,845</b>
Changes due to changed loan commitments and similar items	-199	559	382	<b>742</b>
Changed risk variables (EAD, PD, LGD)	1,226	-1,622	-58	<b>-454</b>
Changes in macroeconomic scenarios	1,030	288	0	<b>1,318</b>
Changes due to updated models	-174	-12	0	<b>-186</b>
Transfers between stages during the period				
from stage 1 to stage 2	-1,241	3,053	-	<b>1,812</b>
from stage 1 to stage 3	-9	-	513	<b>504</b>
from stage 2 to stage 1	95	-376	-	<b>-281</b>
from stage 2 to stage 3	-	0	12	<b>12</b>
from stage 3 to stage 1	-	-	-	<b>-</b>
from stage 3 to stage 2	-	121	-500	<b>-379</b>
<b>Loss allowances at 30 September 2020</b>	<b>7,636</b>	<b>7,982</b>	<b>14,632</b>	<b>30,250</b>
Provisions for pensions				66,862
Other provisions				12,825
<b>Total</b>				<b>109,937</b>

Note 12 Derivatives	30/09/2021		31/12/2020		30/09/2020	
	Nominal amount	Fair value	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						
<b>Derivative instruments with positive fair values</b>						
Fixed-income contracts	16,495,000	3,861	185,000	-	210,000	-
Currency contracts	30,351	1,302	119,574	4,120	125,010	3,592
<b>Total derivative instruments with positive fair values</b>	<b>16,525,351</b>	<b>5,163</b>	<b>304,574</b>	<b>4,120</b>	<b>335,010</b>	<b>3,592</b>
<b>Derivative instruments with negative fair values</b>						
Fixed-income contracts	-	-	13,080,000	67,586	11,775,500	84,592
Currency contracts	30,339	1,168	119,451	3,982	122,842	3,378
<b>Total derivative instruments with negative fair values</b>	<b>30,339</b>	<b>1,168</b>	<b>13,199,451</b>	<b>71,568</b>	<b>11,898,342</b>	<b>87,970</b>

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.

Note 13 30 September 2021	Financial assets and liabilities				Fair value
	Carrying amount		Fair value through other comprehensive income		
	Fair value	Amortised cost	Debt instruments	Equity instruments	
Thousands of SEK					
Cash	-	389	-	-	389
Treasury bills eligible for refinancing with central banks	-	-	2,015,155	-	2,015,155
Loans to credit institutions	-	6,899,443	-	-	6,899,443
Loans to the general public	-	78,504,715	-	-	78,562,421
Bonds and other fixed-income securities	-	-	3,231,388	-	3,231,388
Derivatives	5,163	-	-	-	5,163
Other assets	-	86,051	-	-	86,051
Accrued income	-	134,019	-	-	134,019
<b>Total</b>	<b>5,163</b>	<b>85,624,618</b>	<b>5,246,542</b>	<b>-</b>	<b>90,934,029</b>
Liabilities to credit institutions	-	1,079,419	-	-	1,079,419
Deposits from the general public	-	63,753,009	-	-	63,753,356
Securities issued	-	22,743,925	-	-	22,743,925
Derivatives	1,168	-	-	-	1,168
Other liabilities	-	58,476	-	-	58,476
Accrued expenses	-	202,429	-	-	202,429
<b>Total</b>	<b>1,168</b>	<b>87,837,258</b>	<b>-</b>	<b>-</b>	<b>87,838,773</b>

31 December 2020	Financial assets and liabilities				Fair value
	Carrying amount		Fair value through other comprehensive income		
	Fair value	Amortised cost	Debt instruments	Equity instruments	
Thousands of SEK					
Cash	-	581	-	-	581
Treasury bills eligible for refinancing with central banks	-	-	2,023,308	-	2,023,308
Loans to credit institutions	-	6,126,543	-	-	6,126,543
Loans to the general public	-	75,981,536	-	-	76,093,160
Bonds and other fixed-income securities	-	-	3,366,218	-	3,366,218
Derivatives	4,120	-	-	-	4,120
Other assets	-	85,886	-	-	85,886
Accrued income	-	128,757	-	-	128,757
<b>Total</b>	<b>4,120</b>	<b>82,323,304</b>	<b>5,389,526</b>	<b>-</b>	<b>87,828,575</b>
Liabilities to credit institutions	-	1,073,534	-	-	1,073,534
Deposits from the general public	-	60,158,831	-	-	60,159,303
Securities issued	-	24,349,901	-	-	24,349,901
Derivatives	71,568	-	-	-	71,568
Other liabilities	-	74,789	-	-	74,789
Accrued expenses	-	129,867	-	-	129,867
<b>Total</b>	<b>71,568</b>	<b>85,786,921</b>	<b>-</b>	<b>-</b>	<b>85,858,962</b>

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30 September 2020	Carrying amount				Fair value
	Fair value	Amortised cost	Fair value through other comprehensive income		
Thousands of SEK			Debt instruments	Equity instruments	
Cash	-	303	-	-	303
Treasury bills eligible for refinancing with central banks	-	-	1,815,195	-	1,815,195
Loans to credit institutions	-	6,125,854	-	-	6,125,854
Loans to the general public	-	74,954,582	-	-	75,036,334
Bonds and other fixed-income securities	-	-	3,530,010	-	3,530,010
Derivatives	3,592	-	-	-	3,592
Other assets	-	75,154	-	-	75,154
Accrued income	-	83,852	-	-	83,852
<b>Total</b>	<b>3,592</b>	<b>81,239,745</b>	<b>5,345,205</b>	<b>-</b>	<b>86,670,294</b>
Liabilities to credit institutions	-	1,066,375	-	-	1,066,375
Deposits from the general public	-	58,570,836	-	-	58,546,334
Securities issued	-	24,006,293	-	-	24,006,293
Derivatives	87,970	-	-	-	87,970
Other liabilities	-	41,331	-	-	41,331
Accrued expenses	-	183,944	-	-	183,944
<b>Total</b>	<b>87,970</b>	<b>83,868,779</b>	<b>-</b>	<b>-</b>	<b>83,932,247</b>

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

### 30/09/2021

Thousands of SEK	Level 1	Level 2	Level 3	Total
Treasury bills eligible for refinancing with central banks	2,015,155	-	-	2,015,155
Bonds and related items	3,231,388	-	-	3,231,388
Other assets – derivatives	-	5,163	-	5,163
<b>Total</b>	<b>5,246,542</b>	<b>5,163</b>	<b>-</b>	<b>5,251,705</b>
Other liabilities – derivatives	-	1,168	-	1,168
<b>Total</b>	<b>-</b>	<b>1,168</b>	<b>-</b>	<b>1,168</b>

### 31/12/2020

Thousands of SEK	Level 1	Level 2	Level 3	Total
Treasury bills eligible for refinancing with central banks	2,023,308	-	-	2,023,308
Bonds and related items	3,366,218	-	-	3,366,218
Other assets – derivatives	-	4,120	-	4,120
<b>Total</b>	<b>5,389,526</b>	<b>4,120</b>	<b>-</b>	<b>5,393,647</b>
Other liabilities – derivatives	-	71,568	-	71,568
<b>Total</b>	<b>-</b>	<b>71,568</b>	<b>-</b>	<b>71,568</b>

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30/09/2020				
Thousands of SEK	Level 1	Level 2	Level 3	Total
Treasury bills eligible for refinancing with central banks	1,815,195	-	-	1,815,195
Bonds and related items	3,530,010	-	-	3,530,010
Other assets – derivatives	-	3,592	-	3,592
<b>Total</b>	<b>5,345,205</b>	<b>3,592</b>	<b>-</b>	<b>5,348,797</b>
Other liabilities – derivatives	-	87,970	-	87,970
<b>Total</b>	<b>-</b>	<b>87,970</b>	<b>-</b>	<b>87,970</b>

**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, including 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.

**Note 14** Pledged assets, contingent liabilities and commitments

	30/09/2021	31/12/2020	30/09/2020
Thousands of SEK			
Pledged assets			
Loans *	20,541,742	20,603,014	20,626,236
Bonds and other fixed-income securities	1,111,910	1,120,020	1,118,495
Other pledged assets	78,532	138,988	146,762
Contingent liabilities	593,615	596,437	530,791
Commitments	12,067,798	9,875,446	9,876,217

\* 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.

**Note 15** Capital adequacy analysis

The disclosures in this note are made in compliance with Finansinspektionen's Regulations and General Guidelines on Annual Accounts for Credit Institutions and Securities Companies (FFFS 2008:25) and Finansinspektionen's 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 regulations supplementing the Capital Requirements Regulation are made on the bank's website (sparbankenskane.se).

**Capital base**

Thousands of SEK	30/09/2021	31/12/2020	30/09/2020
CET1 capital	7,139,587	6,816,853	6,582,013
<b>Net capital base</b>	<b>7,139,587</b>	<b>6,816,853</b>	<b>6,582,013</b>

**Capital requirement and risk-weighted exposure amount**

	Capital requirement		Risk-weighted exposure amount		Capital requirement		Risk-weighted exposure amount	
Minimum capital for credit risk								
- IRB approach	1,536,667	19,208,335	1,601,502	20,018,777	1,574,556	19,681,948		
- standardised approach	617,783	7,722,286	621,120	7,764,003	632,024	7,900,301		
Credit valuation adjustment	16,567	207,088	3,354	41,925	2,593	32,413		
Risk weight floor, residential and commercial properties	333,117	4,163,959	269,580	3,369,747	318,674	3,983,428		
Other REAs	-	-	1,680	21,000	2,400	30,000		
Capital requirement for operational risk	182,734	2,284,175	173,143	2,164,292	173,143	2,164,292		
<b>Total capital requirements and risk-weighted exposure amounts</b>	<b>2,686,867</b>	<b>33,585,843</b>	<b>2,670,380</b>	<b>33,379,744</b>	<b>2,703,391</b>	<b>33,792,382</b>		
<b>CET1 capital ratio</b>	<b>21.3%</b>		<b>20.4%</b>		<b>19.5%</b>			
<b>Tier 1 capital ratio</b>	<b>21.3%</b>		<b>20.4%</b>		<b>19.5%</b>			
<b>Total capital ratio</b>	<b>21.3%</b>		<b>20.4%</b>		<b>19.5%</b>			
<b>Pillar 2 capital requirement</b>	<b>2.0%</b>	<b>674,402</b>	<b>2.2%</b>	<b>738,420</b>	<b>2.1%</b>	<b>701,219</b>		
<b>Total internally assessed capital requirement (excluding buffer requirement)</b>		<b>3,361,269</b>		<b>3,408,800</b>		<b>3,404,610</b>		
<b>Buffer requirement</b>	<b>2.5%</b>	<b>839,646</b>	<b>2.5%</b>	<b>834,494</b>	<b>2.5%</b>	<b>844,810</b>		
- capital conservation buffer	2.5%	839,646	2.5%	834,494	2.5%	844,810		
- countercyclical capital buffer	0.0%	0	0.0%	0	0.0%	0		
<b>Total capital requirement including buffer requirement</b>		<b>4,200,915</b>		<b>4,243,294</b>		<b>4,249,420</b>		
<b>Available CET1 capital after meeting total capital base requirements for supervisory review and evaluation process (in %)</b>	<b>8.7%</b>	<b>2,938,672</b>	<b>7.7%</b>	<b>2,573,559</b>	<b>6.9%</b>	<b>2,332,593</b>		

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Thousands of SEK	30/09/2021		31/12/2020		30/09/2020	
<b>CET1 capital: Instruments and reserves</b>						
Share capital	1,668,336		1,668,336		1,668,336	
Statutory reserve	109,196		109,196		109,196	
Share premium reserve	3,188,631		3,188,631		3,188,631	
Fair value reserve	-		-		-	
Retained earnings	2,042,950		1,615,448		1,615,448	
Profit attributable to the bank's owners	362,216		658,733		258,512	
Deduction for ineligible part of profit for the period or year	-72,443		-231,231		-51,702	
<b>CET1 capital before regulatory adjustments</b>	<b>7,298,886</b>		<b>7,009,113</b>		<b>6,788,421</b>	
<b>CET1 capital: regulatory adjustments</b>						
Value adjustments due to prudent valuation requirements	-5,247		-5,390		-5,345	
Deferred tax assets	-19,320		-17,721		-16,241	
Deduction of IRB provisions (see disclosure below)	-134,732		-169,149		-184,822	
<b>Total regulatory adjustments to CET1 capital</b>	<b>-159,299</b>		<b>-192,260</b>		<b>-206,408</b>	
<b>CET1 capital</b>	<b>7,139,587</b>		<b>6,816,853</b>		<b>6,582,013</b>	
<b>Capital base</b>	<b>7,139,587</b>		<b>6,816,853</b>		<b>6,582,013</b>	
<b>Special disclosures</b>						
IRB Provisions excess(+)/shortfall(-)	-134,732		-169,149		-184,822	
Total IRB provisions (+)	105,304		145,615		143,286	
IRB Expected loss amount (-)	-240,036		-314,764		-328,108	
<b>Capital requirement and risk-weighted exposure amount</b>						
Thousands of SEK	30/09/2021		31/12/2020		30/09/2020	
	Capital requirement	Risk-weighted exposure amount	Capital requirement	Risk-weighted exposure amount	Capital requirement	Risk-weighted exposure amount
<b>Credit risk under standardised approach</b>						
Central government or central bank exposures	-	-	-	-	-	-
Regional government and local authority exposures	-	-	-	-	-	-
Public sector entity exposures	-	-	-	-	-	-
Corporate exposures	92,604	1,157,552	99,049	1,238,118	96,591	1,207,385
Retail exposures	233,827	2,922,833	231,239	2,890,485	242,261	3,028,265
Exposures secured by mortgages on immovable property	290,790	3,634,875	288,867	3,610,834	291,314	3,641,427
Items in default	562	7,026	1,965	24,566	1,858	23,224

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	Capital requirement	Risk-weighted exposure amount	Capital requirement	Risk-weighted exposure amount	Capital requirement	Risk-weighted exposure amount
<b>Credit risk under IRB approach</b>						
Institutional exposures	153,863	1,923,288	166,183	2,077,286	164,939	2,061,743
Corporate exposures	754,566	9,432,081	780,895	9,761,186	757,707	9,471,342
Retail exposures	614,766	7,684,577	635,625	7,945,307	632,977	7,912,211
– mortgage loans	361,635	4,520,432	389,517	4,868,966	388,225	4,852,811
– other loans	253,132	3,164,145	246,107	3,076,341	244,752	3,059,400
Non-credit obligation asset exposures	13,471	168,389	18,800	234,998	18,932	236,652
<b>Total</b>	<b>2,154,450</b>	<b>26,930,621</b>	<b>2,222,622</b>	<b>27,782,780</b>	<b>2,206,580</b>	<b>27,582,249</b>
<b>Credit valuation adjustment</b>	<b>16,567</b>	<b>207,088</b>	<b>3,354</b>	<b>41,925</b>	<b>2,593</b>	<b>32,413</b>
<b>Risk weight floor, residential and commercial properties</b>	<b>333,117</b>	<b>4,163,959</b>	<b>269,580</b>	<b>3,369,747</b>	<b>318,674</b>	<b>3,983,428</b>
<b>Other REAs</b>	<b>-</b>	<b>-</b>	<b>1,680</b>	<b>21,000</b>	<b>2,400</b>	<b>30,000</b>
<b>Operational risk</b>						
	30/09/2021		31/12/2020		30/09/2020	
	Capital requirement	Risk-weighted exposure amount	Capital requirement	Risk-weighted exposure amount	Capital requirement	Risk-weighted exposure amount
Standardised approach	182,734	2,284,175	173,143	2,164,292	173,143	2,164,292
<b>Total capital requirement for operational risk</b>	<b>182,734</b>	<b>2,284,175</b>	<b>173,143</b>	<b>2,164,292</b>	<b>173,143</b>	<b>2,164,292</b>
<b>Total capital requirements and risk-weighted exposure amounts</b>	<b>2,686,867</b>	<b>33,585,843</b>	<b>2,670,380</b>	<b>33,379,744</b>	<b>2,703,391</b>	<b>33,792,382</b>

**Note 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 2024. 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.

This interim report has not been audited by the bank's auditors.

Lund, 26 October 2021

Rasmus Roos  
CEO

# Financial ratio definitions

## Business volume

The bank's business volume includes the loan volume, which mainly consists of loans to the general public, brokered loans and credit that has been granted but not yet utilised. Business volume also includes the savings volume, 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 bank's total capital ratio is the capital base of the bank expressed as a percentage of the risk-weighted exposure amount.

The capital base comprises the CET1 capital and subordinated liabilities. The regulatory requirement including capital conservation and countercyclical buffers is 10.5 percent.

## Loan-to-deposit ratio

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

## 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 leverage exposure". 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.

## 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.

## 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.

## Gross stage 3 loans in %

The gross carrying amount in stage 3 as a percentage of the total gross carrying amount for loans to the general public.

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

The carrying amount in stage 3 as a percentage of the total carrying amount for loans to the general public.

## Ratio of loss allowances to stage 1 loans

Loss allowance in stage 1 as a percentage of total loss allowances for loans to the general public.

## Ratio of loss allowances to stage 2 loans

Loss allowance in stage 2 as a percentage of total loss allowances for loans to the general public.

## Ratio of loss allowances to stage 3 loans

Loss allowance in stage 3 as a percentage of total loss allowances for loans to the general public.

## Allowance ratio for stage 1, 2 and 3 loans

The loss allowance in each stage as a percentage of the gross carrying amount in each stage for loans to the general public.

## Total allowance ratio for loans

Total loss allowances as a percentage of the total gross carrying amount for loans to the general public.





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