Öhman

RISK and CAPITAL MANAGEMENT REPORT 2020

E. Öhman J:or AB Group

Annual disclosure according to Pillar III

Öhman

Contents

Öhman

1. Introduction

Öhman Bank S.A., as the responsible institution within the Öhman Group, publishes through this report ("Pillar 3") information regarding the capital adequacy, risk management and liquidity of the Öhman Group. The report is prepared in accordance with part eight of the Capital Requirement Regulation (EU) 575/2013 ("CRR") and the implementing technical standards ("ITS") that EBA have imposed. The Pillar 3 report complements the Group's annual report with additional information and is intended to be read in conjunction with the annual report. The Pillar 3 report is based upon the group consolidation as of 31 December 2020. The group consolidation represents the regulatory scope of consolidation according to CRR, established for the purposes of prudential supervision, and it does not differ from the consolidated financial statements of the group. The Pillar 3 report is published in conjunction with the annual report, on the website of Öhman https://www.ohman.se/om-oss/legal-bolagsinformation/e-ohman-jor-ab/finansell-information/.

1.1. Significant events after the end of the reporting period

During 2020 it was announced that Öhman Bank S.A. has entered into an agreement with VP Bank (Luxembourg) S.A. ("VP Bank") to sell its Private Banking business in Luxembourg. The deal is structured as an asset transfer, where VP Bank takes over the AUM of clients and 11 employees. The deal closed as of 1 January 2021.

2. Organization and governance

2.1. The consolidated situation

E. Öhman J:or AB is the ultimate parent financial holding company according to Article 4.1 p 31 of the CRR of the consolidated situation which comprises E. Öhman J:or AB and those of its subsidiaries that are credit institutions, financial institutions and/or financial holding companies according to the corresponding definitions of the CRR. For the moment, all subsidiaries of E. Öhman J:or AB are part of the consolidated situation. Öhman Bank S.A. is the responsible institution for the consolidated requirements pursuant to the CRR. The consolidated situation is subject to prudential regulatory supervision by the Luxembourg Financial Supervisory Authority, CSSF.

The table below specifies the entities in the consolidated situation. A description of each entity in the consolidated situation is found after the table. An organizational chart of the Öhman Group is found in appendix 1.

Table 1. Entities within the consolidated situation of Öhman Group

Company Name	*Corp. id. Nr*	*Domicile*	*Ownership share (%)*
E. Öhman J:or AB	556034-9689	Stockholm	
E. Öhman J:or Holding AB	556726-5078	Stockholm	100,00
Öhman Bank S.A.	B.112.033	Luxembourg	100,00
E. Öhman J:or Asset Management AB	556573-1352	Stockholm	75,65
E. Öhman J:or Fonder AB	556050-3020	Stockholm	100,00
E. Öhman J:or Alternative Investments AB	556680-8795	Stockholm	95,00
Selspine AB	556220-4601	Stockholm	100,00
E. Öhman J:or Intressenter AB	556583-7514	Stockholm	100,00
E. Öhman J:or Investment AB	556704-6643	Stockholm	100,00
E. Öhman J:or SEC AB	559284-8286	Stockholm	100,00

2.1.1. E. Öhman J:or AB

E. Öhman J:or AB is the ultimate parent company within the Öhman Group and a parent financial holding company according to CRR. However, the company is not an institution pursuant to CRR and cannot be the responsible institution in the Öhman Group. The responsible institution within the Group is Öhman Bank S.A. The objective of the company's business is to directly or indirectly through ownership in other companies, sell, pledge and manage financial instruments and other movable or immovable property, and any other activities compatible therewith.

2.1.2. E. Öhman J:or Holding AB

E. Öhman J:or Holding AB is the parent company of the asset management and private banking sub-group of Öhman Group. The company owns 100% of the shares and votes in Öhman Bank S.A. and around 76% of E. Öhman J:or Asset Management AB.

2.1.3. Öhman Bank S.A

Öhman Bank S.A. is a Luxembourg-based bank, regulated by the CSSF as a credit institution. The bank is wholly owned by E. Öhman J:or Holding AB.

The main business conducted by the bank in 2020 was private banking, which included the following activities:

- providing custody accounts for safekeeping of securities and cash
- execution of financial instruments and currencies on behalf of clients
- providing credits for trading on behalf of clients and lending to clients
- discretionary management of client portfolios
- time deposits
- payments
- credit cards
- assisting clients in structuring their wealth through strategic partners

The bank does not conduct proprietary trading operations and does not perform domiciliation services or similar operations.

2.1.4. E. Öhman J:or Asset Management AB

E. Öhman J:or Asset Management AB is a financial holding company, whose sole purpose is to act as parent company to E. Öhman J:or Fonder AB. The company is owned to a majority of E. Öhman J:or Holding AB, the non-controlling interest is held by key employees within Öhman Group.

2.1.5. E. Öhman J:or Fonder AB

E. Öhman J:or Fonder AB is a fund company under supervision of the Swedish Financial Supervisory Authority (“SFSA”). The purpose of the company is to manage UCITS and AIF and related activities, as well as discretionary portfolio management, investment advice, receipt and transmission of orders and other certain activities as authorized by the SFSA.

The business of the company comprises management, sale and redemption of units in the UCITS and the AIFs managed by the company, as well as related administration. The clients of the business can be characterized in to four different categories. Firstly, institutional asset management, which focuses on municipalities, counties and pension funds. The clients within this segment are offered discretionary asset management as well as direct investments in single funds. Secondly, the company’s private customers business offers discretionary asset management, primarily via investments in the company’s funds, to individuals with at least SEK 10 million in AuM. The third slot is direct investments in the funds from private persons, this is not actively pursued by the company. The fourth classification is third party sales, in which the Fund company distributes its funds through a number of distributors on mainly the Swedish market.

2.1.6. E. Öhman J:or Alternative Investments AB

E. Öhman J:or Alternative Investments AB manage the Group’s investments in, *inter alia*, Neqst. The investments in Neqst are from a regulatory perspective classified as non-financial sector entities. The company is owned to majority by E. Öhman J:or AB.

2.1.7. E. Öhman J:or Intressenter AB

E. Öhman J:or Intressenter AB is a financial holding company, whose objective is to hold the Group’s investments in the Nordnet group. The company is wholly owned by E. Öhman J:or AB.

2.1.8. Selspine AB

Selspine AB is a financial institution, whose objective is to own and manage movable and immovable property, provide consultancy services and trading with financial instruments and any other compatible activities.

2.1.9. E. Öhman J:or Investment AB

E. Öhman J:or Investment AB is a financial holding company, wholly owned by E. Öhman J:or AB. The objective of the company’s business is to directly or indirectly through ownership in other companies, own and manage movable and immovable property and any other activities compatible therewith.

2.1.10. E. Öhman J:or SEC AB

E. Öhman J:or SEC AB is a financial institution, wholly owned by E. Öhman J:or AB. The objective of the company's business is to own, manage and trade with shares and other financial instruments and any other activities compatible therewith. The company does not and shall not conduct regulated activities that are subject to authorization by any financial supervisory authority.

2.2. Accounting principles

2.2.1. General

All items on the balance sheet are current assets unless otherwise stated. All amounts are stated in Swedish kronor (SEK), unless stated otherwise.

2.2.2. Compliance with standards and legal requirements

Consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The Swedish Act on Annual Reports of Credit Institutions and Securities Companies (ÅRKL 1995:1559) and the regulations and general recommendations regarding annual reporting of credit institutions and securities companies issued by the Swedish Financial Supervisory Authority, Finansinspektionen (FFFS 2008:25) are also applied. In addition, the Swedish Financial Reporting Board’s recommendation RFR 1 (Supplementary Accounting Rules for Groups) is applied. Subsidiaries are accounted for using the acquisition method, whereby the acquisition of a subsidiary is treated as a transaction in which the Group indirectly acquires the subsidiary’s assets and assumes its liabilities and contingent liabilities. The difference between the cost of the acquired shares in the subsidiary and the fair value of the assets acquired constitutes goodwill. Holdings in associated companies where voting rights including shares available for subscription under contract total a minimum of 20% and a maximum of 50%. The Group’s associated company Nordnet AB (publ) (“Nordnet”) is reported in accordance with IAS 28 Equity method, meaning that the Group continuously reports the Group's share of Nordnet's profit after tax less dividends received. Until the 30th of November 2020, Nordnet was reported in accordance with IAS 28:18 and IFRS 9 to Fair value.

3. Risk Management

3.1. General

3.1.1. Areas of responsibility, objectives and organization

The ability to manage the risks to which the Group’s companies are exposed is fundamental to the business in the group. The general purpose of risk management is to identify, analyze, measure, control, prevent and, when applicable, to limit the risks. Risks are primarily managed by each business area. Independent risk control functions in the group and its subsidiaries are responsible for monitoring and reporting that risks are within the framework of the business area’s given mandate.

The Board of Directors (“BoD”) of the ultimate parent company has adopted guidelines for, among other things risk management and control, compliance and internal audit and established independent functions for risk control, compliance and internal audit at Group level. The control functions at Group level have the overall responsibility for internal control in the Group and has the mandate to set minimum standards for internal control in the Group's subsidiaries. The regulated subsidiaries each has its own internal control functions. All control functions within the Öhman Group are independent from the business operations. The BoD of each company is ultimately responsible for its operations and thereby also for the risks the operations involve as well for ensuring that risk management and risk control comply with internal and external requirements. To achieve this, the BoDs decide, at least yearly, on risk instructions and risk limits that are to be applicable for operations at any time.

The system for internal governance in the Öhman Group is based on three lines of defence with different areas of responsibility but with a shared responsibility for a high level of internal control. The first line of defence consists of the business units that take or assume risks under predefined internal rules and limits and carry out controls as set out in the relevant internal rules. The second line of defense consists of the independent risk control function that monitors and reports on risks within the organization and in managed portfolios, and the independent compliance function, which is responsible for ensuring compliance with internal and external regulations. These functions are also responsible for ensuring that approved controls are appropriate and fulfill external requirements. The functions for Risk control and Compliance report directly to the BoD and the CEO of the relevant Group company in which they have been established, and with respect to the control functions of the regulated subsidiaries, to the respective internal control function at Group level. The Group's management teams and BoDs work proactively together with the function for Risk control on issues concerning strategic risk and capital that affect business risk linked to changed market and business conditions.

The third line of defense consists of the independent function for Internal Audit, whose role is to examine both business operations and control functions, with the aim of ensuring that internal governance and control of the company is appropriate. The Internal Audit function of the Öhman Group is outsourced to Deloitte.

Risk management is a dynamic process. This means that no element is fully developed and is continuously subject to improvements. These improvements include technical, mathematical, statistical, communicative and organizational aspects.

3.1.2. Risk function – organization

The tasks of the Risk functions in the Group are to identify, describe, measure, monitor, control and report the risks within several areas that the Group is or may be subject to. The responsibilities include, but are not limited to:

- monitoring of market, credit and settlement risk in relation to the limits for such risks as determined by the BoDs of the relevant companies;
- analyzing of concentration risk;
- assessment and monitoring of operational risk;
- develop, analyze, measure and report of risks in the investment business;
- raising risk awareness and contributing that a strong risk culture is maintained among employees;
- controlling that regulatory and internal risk limits are in line with the risk tolerance set by the BoD;
- developing and documenting relevant procedures and policies for the Risk department;
- coordinating and drafting regular reports to the BoD, the Authorized Management and in certain cases the supervisory authorities. This includes the ICLAAPs report and the Recovery Plans of each of the Bank, and the Fund company as well as the Group.

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Risks are managed according to risk instructions, approved yearly by the BoDs of the respective companies. Such risk instructions include instructions from the BoD of the relevant entity concerning risk tolerance for the company in question.

For the non-regulated Group companies, the responsibility for risk management on a day-to-day basis lies with the management of the parent company. The risk tolerance for the parent company and the other non-regulated entities is determined by the BoD of E. Öhman J:or AB, primarily in the Group's risk instruction as well as in the framework of the Group's ICLAAP and the annual business plans for the Group.

The risk functions in the Group are responsible to report risk exposure to the management and BoD and on consolidated level to Group management and to the BoD of the parent company. Reports are distributed to scheduled board meetings and ad hoc when needed. Consolidated reports are distributed both to the parent company and to the responsible institution within the consolidated situation.

3.1.3. Strategies and processes

The risk appetite and the risk tolerance of the Group are determined by the BoD of the parent company, either directly expressed in risk terms or indirectly expressed through the allocation of capital, primarily within the framework of the Group's ICLAAP and the annual business plans. Through the allocation of the balance sheet equity to affiliates, the BoD of E. Öhman J:or AB sets a limit for risk-weighted assets that the entity in question may hold and thereby the amount of risk that the entity may assume. This method is based on the view that capital is the common unit for risk taking, where the ICLAAP is the bridge between the two concepts, which hence are interchangeable. Within the scope of this overall framework, the BoD of each company is ultimately responsible for its operations and thereby also for the risks that the business entails and for risk management and risk control to comply with external and internal requirements, specifically those set by the allocated capital and the capital regulation. Capital is at the core of the analysis, and the reporting to the BoD, of various business decisions. Once capital is allocated to the operations of the Group companies and affiliates, the management and the BoD of the different Group entities allocates the capital to specific risks of the respective entity. Hence, the capital sets upper limits of risks assumed in various businesses. Since capital is the communicated constraint of each business, the Group's consolidated capital adequacy process serves as the risk aggregation on a Group level.

Most of the risks in the Group are related to credit and operational risks in the bank and the fund business. However, risks in the Group also arise from holding investments in non-regulated entities. Such investments give rise to some market risks, consolidation risks, liquidity risks and operational risks. E.g., changes in valuation of an investment can also result in P&L variability which affects, inter alia, the capital ratio of the Group.

3.1.4. Declaration on the adequacy of risk management arrangements

In accordance with Article 435 (e) of CRR, the management of the group declares that the risk management systems put in place within the Consolidated situation are satisfactory with regards to the profile and strategy of the Consolidated situation.

3.1.5. Risk Statement summary

Öhman identifies a few key risk appetite areas, where Öhman actively seek risk exposure to pursue and exploit business opportunities.

The Group's risk appetite is towards credit risk in the bank in Luxembourg, where the global credit exposure limit is set to EUR 75 million. Risks related to investments are subject to a risk limit, expressed in terms of stress testing. In addition, the Group has additional tolerance towards mainly operational risk, specifically such operational risk that arises in capital management. The risk appetite and tolerance are expressed in terms of the risk-weighted assets and capital allocated to the different businesses in the group ICLAAP process, which relates the risks assumed in the Group to the capital allocated.

3.2. Risks

3.2.1. Market risk

Öhman defines market risk as "the risk that the market value of financial instruments alters due to changes in interest rates, exchange rates or other factors linked to financial instruments that employees at Öhman cannot influence." Öhman has a low risk appetite, tolerance and direct exposure towards market risk. Some market risk exists in the Group within the liquidity portfolio and listed investments.

Asset management operations and the business of broking some assets for customers are indirectly exposed to market risks, e.g. a substantial share of the company's revenue is based on assets under management. Öhman classifies indirect market risk as a business risk.

3.2.2. Counterparty, Credit and Concentration risk

Counterparty and credit risk arise when Öhman risks losses because counterparties, issuers or borrowers do not fulfill their obligations. The definition encompasses settlement risk and concentration risk. Settlement risk is defined as the risk that transactions cannot be settled within the agreed timeframe without subsequent costs for Öhman. Concentration risk relates to credit risk arising from concentrations to a single supplier, customer, industry or geographic region or from concentrations in pledged assets.

Öhman has a risk appetite and hence a risk tolerance for some specific credit risk, i.e. the granting of loans to deposit account customers and loans to customers within Öhman Bank which are mainly secured through quoted liquid securities. The BoD in the group has set a limit of the maximum exposure towards credit risk that the bank is allowed to take. Credit decisions are based on a thorough analysis of the credit risk. This includes the analysis of the counterparty's financial position and repayment capacity, the quality of the pledged assets and other measures to reduce credit risk that should be considered. The bank applies regulatory loan-to-value ratios according to the comprehensive method for financial collateral in accordance with EU capital requirement rules. In addition, the bank applies internal loan-to-value ratios, which are normally more conservative than the regulatory requirements. Operations include a local Credit Committee that actively works to limit pledge opportunities (haircuts) at customer level or at securities level depending on changes in given market conditions. There is also a Central Credit Committee comprising the BoD of the company where each credit is brought up for decision. Credit instructions establish that loan origination shall be conducted based on duality and decision-making bodies. Credit scoring checks is carried out on supporting documentation that provides a clear overview of the customer's financial position and must encompass a sensitivity analysis of the customer's repayment capacity and, where applicable, an assessment of the risk of asset wastage in the asset the customer intends to pledge. The credit scoring checks must be conducted restrictively and only customers with a high credit rating should be granted credit or approved as counterparty. Collateral consists of listed securities, cash funds or other assets.

In compliance with Öhman's credit instructions, customer assets must be diversified and of good quality. Furthermore, limits are in place for customers with significant influence in each other, such as private individuals with ownership in companies. Credit risks are monitored and evaluated on an ongoing basis. The development of the credit portfolio and problem loans is regularly reported to each Credit Committee and BoD through credit reports. The various exposures that may arise in operations are preceded by the collection of the requisite documentation and a credit scoring check based on the information provided by the customer, credit information and Know Your Client (KYC).

Counterparty risk is managed in specific risk committees.

3.2.3. Structural risks

There are three types of structural risk for Öhman, liquidity and refinancing risk, interest rate risk and currency risk. These risks exist in a structural balance sheet perspective.

Öhman is exposed to two different forms of liquidity risk - refinancing risk (the liquidity risk on the debt side of the balance sheet) and market liquidity risk (the liquidity risk on the asset side of the balance sheet. Öhman has low risk tolerance towards market liquidity risk, but some risk tolerance towards refinancing risks. Market liquidity risk is mainly dealt with as a market risk, arising in the portfolios managed.

Öhman defines refinancing liquidity risk as the risk of not fulfilling its commitments to stakeholders and customers due to the non-availability of cash, cash equivalents and/or the absence of the option of refinancing. The risk also includes that Öhman may be deemed to have inadequate access to liquidity by other stakeholders. Liquidity risk is therefore a risk that is associated with reputation risk. The balance sheet includes items that, as operations are conducted, may contribute with both expected and unexpected cash flow. Negative cash flow variabilities that Öhman is not prepared for contribute to liquidity risk. Certain operations entail liquidity risk in the form of guarantees for trading. The management of liquidity risk is primarily conducted through the business areas and companies adopting and following the liquidity and financing instructions. The BoD in companies under supervision have adopted Recovery and phase-out plans. The major part of the liquidity mismatch risk of the Group arises from the structural balance sheet liquidity transformation risk of Öhman Bank S.A.. No other Group companies receive deposits on the debt side of the balance sheet.

The liquidity risk of other Group companies is mainly related to the liquidity needs which are required to finance the ongoing operations. The liquidity situation in the Group (excl. the financial entities that have liquidity planning of their own) is monitored by the Group's accounting department, which construct a liquidity forecast for consecutive 12-month periods.

If a need for refinancing of any part of the Group would arise, this is coordinated by the group CFO and addressed to the BoDs of the Bank and the parent company. The BoD of the parent company shall decide which action to take to resolve the situation. Available capital and liquidity, combined with potential lending facilities and additional equity injections from the owners, are the most probable sources of refinancing.

Currency risk is the risk of loss arising from an adverse movement in currencies exchange rates. It affects the Group when assets and/or liabilities are made or assumed in other currencies than EUR for the Bank and SEK for the rest of the Group, including having the Bank as a subsidiary. Öhman Bank S.A. is the only company of the Group with a multicurrency balance sheet. The Bank has no risk appetite for currency risk, but it does have a risk tolerance. The Group has some indirect currency risk in the balance sheet, since there are two regulated companies in two different countries with different currencies (i.e. structural currency risk). Furthermore, certain of the investments of the Group are made in other currencies than SEK.

The interest rate of Öhman Group mainly corresponds to the interest rate risk of Öhman bank, both in terms of economic value as well as earnings. At end of year 2019, the Bank had no items on its balance and off- balance sheet that results in a material net change of the net present value of assets, liabilities and off-balance sheet items. In addition, there are some interest rate risk, in terms of duration, in the management of the groups liquidity. No interest rate risk arises in the funding of the group.

There is indirect exposure towards liquidity, currency and interest rate risk in the business to manage portfolios, since the market value may decrease due to these risk factors, creating a lower income generating AUM.

3.2.4. Operational risk

The different businesses in the group expose Öhman to operational risk. Öhman manages operational risk in the businesses both ex ante and ex post. Öhman holds operational risk workshops where the business processes are mapped and the inherent operational risks and gaps are identified, assessed and addressed. In addition, KRI's are followed and reported. KRI's are dominantly size related. Öhman also record and reports actual operational risk incidents as well as an action plan to address issues and to learn from the events. Material operational risks as well as operational risk events that are costly are reported to the BoD.

Öhman has some risk tolerance towards operational risks, meaning that they are accepted as a consequence of its other more profitable risk exposures.

In the asset management business in Sweden, Öhman manages investment funds and discretionary portfolios for private individuals and institutions. The company also acts as an advisor to some customer. The business is focused on Swedish and global equity and fixed income management as well as asset allocation.

Private banking is also the core business of Öhman Bank S.A. The following services are proposed to customers of the Bank:

- Discretionary managed accounts: The client gives a mandate to the Bank which authorizes the latter to carry out on behalf of its client any transaction it deems appropriate to meet the client's investment objectives, taking into account the rules, which were set between the parties. The client does not take part in the transactions directly;
- Advisory accounts: The client does not give any mandate to the Bank but needs to decide on every transaction on his account. The Bank advises the client with investment objectives;

- Execution-only accounts: The Bank will execute transactions upon specific instructions provided by the client without the client receiving any investment advice.

Risks relating to asset management and private banking services are specific operational risk :

- The business risk related to not being a successful with investments or giving wrong advices
- The business risk of lower AUM, and a corresponding lower income, due to declining market prices – hence an indirect market risk
- The operational risk of flawed processes, such as the process of clearing and settlement for the investments.
- The risk of not investing funds in accordance with e.g. fund regulations or investment regulations set by the company or the customer.
- Other regulatory risks related to e.g. managing customers, such as KYC and AML risks, market abuse e t c.

The Öhman Group has implemented a Management Information System Report, which allows to measure the profitability of the Group companies. The system also measures identified Key Performance Indicators (KPI) such as the number of client visits, the number of travel days by Relationship Managers, the number of accounts opened/closed and development of the Assets under Management. This information is aggregated on different levels to compare profitability, monitor the development of the business in comparison to the budget and the objectives which are set up in the annual business plan.

Generally, when managing external portfolios, Öhman Fonder must ensure that the allocation of the investments and the risks assumed are within the pre-agreed range of allowed risk taking. Many risk and allocation limits can be expressed as mathematical statements, which together with knowledge of the current portfolio holdings and market data, enable Öhman to model, measure, monitor, control and act upon the limit usage and potential limit breaches. This is done both in the first line and in the second line of defense. In the first line, the portfolio manager has pre-trade knowledge of the limit usage, specifically in relation to proposed new trades, in the trading system. The middle office function also monitors the limits in the business portfolio system SECURA on a daily basis and specifically arranges a pre close check that enables PMs to adjust the portfolio late in the day. Lastly, the independent risk control function quantifies the limit usage every day in the independent risk system ARMS, using end of day data both for positions, cash after in- and outflow as well as end-of-day market prices. In the event of a limit breach, specifically for an investment fund, the Risk Control function immediately reports the breach to the portfolio manager and the management of the Fund company. The PM must acknowledge the breach and immediately adjust the portfolio accordingly. The Risk Control function also reports any breaches to the BoD at each board meeting. The occurrence of limit breaches in the fund management business of the Group is very rare. During 2020 there were no such events. Internal early warning limits, that go beyond the limits set in the prospectus and applicable legislation, are determined by the BoD of the Fund company and set in an investment policy for each fund. These limits are monitored in the same way as the hard limits as laid down in the prospectus and applicable legislation.

In addition to the limits described above, the independent risk control function of the Fund company also monitors the adherence of the funds to restrictions concerning ethical and sustainable investments (using screening), the adherence to ownership disclosure obligations and compliance by the Fund company with the applicable rules concerning market abuse and also monitors the adherence to market abuse rules.

Legal and Compliance Risk is the risk of losses that arise because of non-compliance with internal and external rules and legislation. This might arise due to a lack of knowledge about legislation, breaches of existing rules, insufficient control or lack of documentation. Due to a rapidly changing regulatory environment, compliance and legal risks are some of the most important operational risks to which the Group is exposed.

The Öhman Group has ensured that regulatory changes are constantly observed, which is one of the responsibilities of the Compliance function of the operative entities as determined by the BoD of the parent company. Therefore, the Compliance functions monitor and assess the impact of legislation on the companies of the Group. Employees are provided with training in new legislation on a regular basis and whenever deemed necessary. If deemed necessary, the Group uses external expertise to keep up with regulatory changes.

The Öhman Group has insurances for damages caused by professional liability or crime that cover all Group companies. The professional liability and crime insurance covers losses, above the insurance's excess, resulting from claims based upon an act or omission to act by any Group company while rendering professional services to someone. It also covers financial losses and costs losses, above the insurance's excess, as a consequence of certain criminal actions.

3.2.5. Investment risks

The risks that arise in the investment business of the Öhman Group are refinancing risk, value risk, market risk, reputational risk and regulatory risk. The investment profile for the investments of the Group is long-term and strategic with low day to day liquidity impact. The strategy for the investment business, as well as the risks and capital adequacy consequences, are determined by the BoD and the management of the parent company. It is documented annually in the business plan for the Group. According to the policies for investments adopted by the BoD of E. Öhman J:or AB in the form of the annual business plans and sometimes on an ad-hoc basis, investments are made in e.g. private equity funds and listed companies. Each investment decision in the Group is based on a specific business case which is thoroughly analyzed prior to the final decision by the BoD of the parent company on whether to invest or not. As part of such an analysis, each investment by the non-regulated Group companies is preceded by a due diligence of the investment objective, including an assessment of the impact the investment would have on the capital adequacy and liquidity situations of the relevant Group company and the Group. Other aspects considered in the analysis preceding an investment proposal include expected return, time frame for the investment, conflicts of interests, if any, as well as AML/CFT risks.

4. Governance arrangements

The composition of the BoD of the Öhman Group is disclosed in the Annual report and on Öhman's website https://www.ohman.se/en/the-ohman-group/e-ohman-jor-ab/board-and-management/. The composition of the BoD should be influenced by diversity, which imply a variation of abilities and knowledge among the individuals. This can manifest itself in forms of; type of education, experience from other sectors and countries or other factors such as gender, ethnicity and age. To foster independent opinions and challenging decisions, Öhman strives to have a BoD that is equal in terms of gender balance in which the members are of diversified backgrounds of age, education, experience and competence. The group has adopted a policy for appointment of members of the BoD, which defines the criteria that shall be taken into consideration when nominating members to the BoD. During 2020, the BoD consisted of 2 women and 4 men and remained unchanged from the previous year.

The BoD has the general responsibility of the organization and management of the business of the company as well as to have reporting lines implemented of established internal control functions. The BoD is responsible of the going concern and questions or suggestions that might affect the business in terms of going concern. The BoD is responsible that the consolidated financial statements are established in conjunction with applicable laws and regulations as well as to have the financial statements quality assured. It is the responsibility of the BoD to assure that the external information is coined with transparency and objectiveness and is relevant to the parties the information is aimed at. The BoD is also responsible for; that there is a satisfactory evaluation and assessment of the compliance in relation to laws and regulations, the implementation of ethical guidelines for the company and the group, as well as to appoint an internal auditor whose work is reviewed each year. The BoD also evaluates the work of the executive management.

The BoD is responsible to define a healthy risk appetite and develop guidelines regarding risk management that is implemented throughout the group and ensures a healthy risk taking. The foundations of the work of the BoD is described in routines and systems that ensure:

- Effective and relevant operations
- Adequate risk management
- Application of sound business principles
- Reliable financial information and external
- Comply with laws, external and internal regulations/instructions

The group has not established a risk committee at the mother financial holding company level.

5. Own funds

The own funds of the consolidated situation is essentially the Group's equity, which has been reduced by amounts according to the different articles (rules) described in the CRR. Within the regulation of the CRR, there are three types of capital that own funds can consist of, they are named, sorted in descending order according to is quality acting as a loss absorbing capacity, Common Equity Tier 1 ("CET1"), Additional Tier 1 capital ("AT1") and Tier 2 capital ("T2"). Öhman's own funds only has capital of the type CET1, which consist of share premium, retained earnings and other reserves. The CRR also allows a consolidated situation to include its interim or year-end profits before the institution has taken a formal decision at the AGM confirming the final profit or loss, if the profits have been audited with a general audit and if the supervisory authority has approved the inclusion. If the conditions are met, the profits are included as retained earnings and therefore CET1-capital.

Öhman's own funds has increased significantly during the last two years. The own funds amounted to SEK 2 374 million at year-end 2020 compared to SEK 468 million at year-end 2019, an increase of roughly SEK 1 906 million. The significant increase of the own funds is related to the IPO of the group's associate company Nordnet. In the IPO, Öhman sold shares and revalued its remaining shares.

Below the own funds and the main features of the capital instruments of the consolidated situation are disclosed accordingly to the format described in the delegated regulation (EU) 1423/2013.

Table 2. Own Funds disclosed according to Annex IV in delegated regulation (EU) 1423/2013

Own funds disclosure template		2020-12-31 (KSEK)	2019-12-31 (KSEK)	Regulation (EU) No 575/2013 Article Reference
Common Equity Tier 1 capital: instruments and reserves				
1	Capital instruments and the relates share premium accounts	2 000	2 000	26 (1), 27, 28, 29
	of which: Share Capital	2 000	2 000	EBA list 26 (3)
	of which: instrument type 2			EBA list 26 (3)
	of which: instrument type 3			EBA list 26 (3)
2	Retained earnings	2 906 536	2 532 596	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)			26 (1)
3a	Funds for general banking risks			26 (1) (f)
4	Amount of qualifying items reffered to in Article 484 (3) and the related share premium accounts subject to phase out from CET1			486 (2)
5	Minority interests (amount allowed in consolidated CET1			84
5a	Indepedently reviewed interim profits net of any foreseeable charge or dividend	5 641 732	505 628	26 (2)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**8 550 268**	**3 040 225**	**Sum of rows 1 to 5a**
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	-910	-189	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-31 013	-28 062	36 (1) (b), 37
9	Empty set in the EU			
10	Deferred tax assets that rely on the future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)			36 (1) (c), 38
11	Fair value reserves related to gains or losses on cash flow hedges			33 (1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts			36 (1) (d), 40, 159
13	Any increase in equity that results from securitised assets (negative amounts)			32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing			33 (1) (b)
15	Defined-benefit pension fund assets (negative amount)			36 (1) (e), 41
16	Direct or indirect holdings by an institution of own CET1 instruments (negative amount)			36 (1) (f), 42
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)			36 (1) (g),44
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institutions does not have significant investment in those entities (amount above 10% treshold and not of eligible short positions) (negative amount)			36 (1) (h), 43, 45, 46, 49 (2) (3), 79
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institutions has a significant investment in those entities (amount above the 10% threshold and not of eligible short positions) (negative amount)	-5 354 624	-2 026 863	36 (1) (i), 43, 45, 47, 48 (1) to (3), 79
20	Empty set in the EU			
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-916 065	-517 063	36 (1) (k)
20b	of which: qualifying holdings outside the financial sector (negative amount)	-916 065	-517 063	36 (1) (i), 89 to 91
20c	of which: securitisation positions (negative amount)			36 (1) (ii), 243 (1) (b), 244 (1) (b), 258
20d	of which: free deliveries (negative amount)			36 (1) (k) (iii), 379 (3)
21	Deferred tax assets arising from temporary differences (amount above 10% treshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)			36 (1) (c), 38, 48 (1) (a)
22	Amount exceeding the 15 treshold (negative amount)			48 (1)
23	of which: direct and indirect holdings by the institution of the CET1 instruments if financial sector entitites where the institution has a significant investment in those entities			36 (1) (i), 48 (1) (b)
24	Empty set in the EU			
25	of which: deferred tax assets arising from temporary differences			36 (1) (c), 38, 48 (1) (a)
25a	Losses for the current financial year (negative amount)			36 (1) (a)
25b	Foreseeable tax charges relating to CET1 items (negative amount)			36 (1) (l)
27	Qualifying AT1 deductions that exceed the AT1 capital of the instiitution (negative amount)			36 (1) (j)
28	**Total regulatory adjustmens to Common Equity Tier 1 (CET1)**	**-6 302 611**	**-2 572 176**	**Sum of rows 7 to 20a, 21,22 and 25a to 27**
29	**Common Equity Tier 1 (CET1) capital**	**2 247 656**	**468 048**	**Row 6 minus row 28**

Additional Tier (AT1) capital: instruments				
30	Capial instruments and the related share premium accounts			51, 52
31	of which: classified as equity under applicable accounting standards			
32	of which: classified as liabilities under applicable accounting standards			
33	Amount of qualifying items reffered to in Article 484 (4) and the related share premium accounts subject to phase out from AT1			486 (3)
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties			85, 86
35	of which: instruments issued by subsidiaries subject to phase out			486 (3)
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**0**	**0**	**Sum of rows 30, 33 and 34**
Additional Tier (AT1) capital: regulatory adjustments				
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)			52 (1) (b), 56 (a), 57
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entitites have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)			56 (b), 58
39	Direct, indirect and synthetic holdings of the AT1 instruments if financial sector entities where the institution does not have a significant investment in those entities (amount above 10% treshold and net of eligible short positions) (negative amount)			56 (c), 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entitites where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)			56 (d), 59, 79
41	Empty set in the EU			
42	Qualifying T2 deductions that exceed the T2 captial of the institution (negative amount)			56 (e)
43	**Total regulatory adjustmens to Additional Tier 1 (AT1) capital**	**0**	**0**	**Sum of rows 37 to 42**
44	**Additional Tier 1 (AT1) capital**	**0**	**0**	**Row 36 minus row 43**
45	**Tier 1 capital (T1=CET1 + AT1)**	**2 247 656**	**468 048**	**Sum of rows 29 and row 44**
Tier 2 (T2) capital: instruments and provisions				
46	Capital instruments and the relates share premium accounts			62, 63
47	Amount of qualifying items reffered to in Article 484 (5) and the related share premium accounts subject to phase out from T2			486 (4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties			87, 88
49	of which: instruments issued by subsidiaries subject to phase out			486 (4)
50	Credit risk adjustments			62 (c) & (d)
51	**Tier 2 (T2) capital before regulatory adjustments**	**0**	**0**	
Tier 2 (T2) capital: regulatory adjustment				
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)			63 (b) (i), 66 (a), 67
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution does not have a significant investment in those entities (net of eligible short positions) (negative amount)			66 (b), 68
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entitites where the institution does not have a significant investment in those entities (amount above 10% treshold and net eligible short positions) (negative amount)			66 (c), 69, 70, 79
55	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entitites where the institution has a significant investment in those entities (amount above 10% treshold and net eligible short positions) (negative amount)			66 (d), 69, 79
56	Empty set in the EU			
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**0**	**0**	**Sum of rows 52 to 56**
58	**Tier 2 (T2) capital**	**0**	**0**	**Row 51 minus row 57**
59	**Total capital (TC=T1 + T2)**	**2 247 656**	**468 048**	**Sum of row 45 and row 58**
60	**Total risk weighted assets**	**4 180 972**	**1 996 539**	

Capital ratio buffers				
61	Common Equity Tier 1 (as percentage of total risk exposure amount)	53,76%	23,44%	92 (2) (a)
62	Tier 1 (as a percentage of total risk exposure amount)	53,76%	23,44%	92 (2) (b)
63	Total capital (as percentage of total risk exposure amount)	53,76%	23,44%	92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	10,52%	12,35%	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2,50%	2,50%	
66	of which: countercyclical buffer requirement	0,02%	1,85%	
67	of which: systemic risk buffer requirement			
67a	of which: Global Systemically Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer			
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount	51,24%	19,09%	CRD 128
69	[non relevant in EU regulation]			
70	[non relevant in EU regulation]			
71	[non relevant in EU regulation]			
Amounts below the treshold for deduction (before risk weighting)				
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have significant investment in those entities (amount below 10% treshold and net of eligible short positions)			36 (1) (h), 45, 46, 56 (c), 59, 60, 66 (c), 69, 70
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% and net if eligible short positions)			36 (1) (i), 45, 48
74	Empty set in the EU			
75	Deferred tax assets arising from temporary differences (amount above 10% treshold, net of related tax liability where the conditions in Article 38 (3) are met)			36 (1) (c), 38, 48
Applicable caps on the inclusion of provisions in Tier 2				
76	Credit risk adjustments included in T2 in respect of exposure subject to standardised approach (prior to the application of the cap)			62
77	Cap on inclustion of credit risk adjustments in T2 under standardised approach			62
78	Credit risk adjustments included in T2 in respect of exposures subject to internalratings-based approach (prior to the application of the cap)			62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach			62
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022				
80	- Current cap on CET1 instruments subject to phase out arrangements			484 (3), 486 (2) & (5)
81	- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			484 (3), 486 (2) & (5)
82	- Current cap on AT1 instruments subject to phase out arrangements			484 (4), 486 (3) & (5)
83	- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			484 (4), 486 (3) & (5)
84	- Current cap on T2 instruments subject to phase out arrangements			484 (5), 486 (4) & (5)
85	- Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			484 (5), 486 (4) & (5)

Table 3. Main features of capital instruments according to Annex II in Regulation (EU) 1423/2013

1	Issuer	E. Öhman J:or AB
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Swedish
	Regulatory treatment	
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Share capital as published in Regulation (EU) No 575/2013 article 28
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	2 MSEK
9	Nominal amount of instrument	2 000 000
9a	Issue price	N/A
9b	Redemption price	N/A
10	Accounting classification	Shareholders' Equity
11	Original date of issuance	N/A
12	Perpeptual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subjet to prior supervisory approval	N/A
15	Optional call date, contingent call dates, and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger (s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specifiy instrument type convertible into	N/A
29	If convertible, specifiy issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger (s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierachy in liquidation (specify instrument type immediately senior to instrument)	N/A
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
	N/A inserted if the question is not applicable.	

6. Capital requirements

6.1. Capital requirement Pillar 1

To comply with the regulation, the consolidated situation shall hold a capital relation of a minimum of 4,5% of CET1 capital, 6% of T1 capital and 8% in total capital. Furthermore, CRR stipulates that the consolidated situation shall have capital that covers the capital conservation buffer, 2,5% of the total risk weighted assets, as well as a counter cyclical buffer. A more extensive description of the capital buffers is found in chapter 12. During 2020, Öhman's capital ratios have been above the set thresholds.

The capital requirement is linked to the risk weighted assets of the consolidated situation, i.e. the credit risk, operational risk, foreign exchange risk and market risk. The consolidated situation uses the standardized approach as described in CRR, in which each asset type is assigned a risk weight according to CRR. The asset types within the consolidated situation are assigned a risk weight between 0% up to 250%, as described in Articles 114 to 134 of CRR. To calculate the risk exposure amount for operational risk, the consolidated situation uses the basic indicator approach, which implies that the exposure amount shall equal 15% of the average of the previous three years of the consolidated situation's operating income as according to Article 316 of CRR. Furthermore, the consolidated situation has a constant FX risk towards EUR/SEK, hence Öhman Bank's functional currency is EUR while the consolidated situation publishes its financial statements in SEK. The capital requirement is 8% of the risk exposure values.

As of 31 December 2020 (2019) the total capital relation of the consolidated was 56,12% (23,44%). Since the consolidated situation only has CET1-capital in its own funds, the CET1-capital ratio is equal to the total capital ratio.

Table 4. Exposure amounts and capital requirements of the consolidated situation, Pillar 1

KSEK	2020-12-31			2019-12-31		
Specification of risk-weighted exposure amounts and own funds requirement	**Exposure amounts**	**Risk exposure amounts**	**Own funds requirements Pillar 1**	**Exposure amounts**	**Risk exposure amounts**	**Own funds requirements Pillar 1**
Credit risk according to the Standardised Approach						
Exposures to central governments or central banks (0% RWA)	228 337	0	0	261 388	0	0
Exposures to institutions (20% RWA)	1 585 572	317 114	25 369	505 456	101 091	8 087
Exposures to institutions (100% RWA)	159 264	9 706	776	212 927	53 273	4 262
Retail exposures (75% RWA)	352 665	168 335	13 467	361 202	181 613	14 529
Items associated with particular high risk (150% RWA)	727 978	1 091 968	87 357	210 432	315 647	25 252
Exposures in the form of collective investment undertakings (CIU) (100% RWA)	645 012	645 012	51 601	41 387	41 387	3 311
Equity exposures (100% RWA)	10 837	10 837	867	54 269	54 269	4 342
Equity exposures (250% RWA)	287 611	719 028	57 522	82 611	206 526	16 522
Other items (20% RWA)	1 802	360	29	-	-	-
Other items (100% RWA)	131 847	131 847	10 548	142 926	142 926	11 434
	4 130 925	**3 094 208**	**247 537**	**1 872 598**	**1 096 733**	**87 739**
Foreign exchange risk	n/a	124 535	9 963	n/a	114 995	9 200
Credit valuation adjustment risk (standardised approach)	-	-	-	69	858	69
Operational risk according to the Basic Indicator Approach	n/a	962 230	76 978	n/a	783 954	62 716
Total	**4 130 925**	**4 180 972**	**334 478**	**1 872 666**	**1 996 539**	**159 723**

6.2. Assessment of internal capital (Pillar 2)

In order to assess its capacity to support all the risks it is exposed to when conduction its business, the Consolidated situation has set up a Consolidated ICLAAP methodology in accordance with article 73 of Directive 2013/36/EU. The ICLAAP functions as a bridge between risks assumed and capital allocated.

The consolidated ICLAAP describes the consolidated situation, the internal control environment, the relevant risks, the historic, current and the projected financial situation, the capital situation, stressed scenarios and finally the use test. The ICLAAP aggregates the risks and capital across the group by calculating a risk-weighted asset depending on the risks assumed in relation to the financial business activities. In addition to the minimal capital requirements as set by the methods in CRR, Öhman also assign an internal capital need. This is based on various factors, depending on the different needs in the different businesses. The total internal capital need always exceeds the capital and buffer requirements. The methods are also discussed in the recovery plan, which states those internal buffers that must never be breached without initiating a recapitalization. The capital need is countered by holding enough own funds. The consolidated situation has assessed the internal capital need to SEK 6 million to cover the risks that arise from the business.

Table 5. Capital need according to Pillar 2 in excess of Pillar 1

Capital need according to Pillar 2				
	Sum	**E. Öhman J:or AB**	**Öhman Bank S.A.**	**E. Öhman J:or Fonder AB**
Amounts in SEK thousands				
Capital need to respective risk type				
Credit	0			
Market	0			
Operational	0			
FX	0			
Credit valuation adjustments	0			
Liquidity	2 000			2 000
Concentration	4 000		4 000	
Business	0			
Other	0			
Sum (6:14) =	**6 000**		**4 000**	**2 000**

7. Exposure to counterparty credit risk

Within the consolidated situation it is Öhman Bank that is exposed to counterparty credit risk. The Bank does not have an active trading book in proprietary trading, it just trades on behalf of clients. Given the Bank's small scale and that it does not take any active positions themselves but rather trades on behalf of their clients, the limit to counter party credit risk is related to the limit of large exposures of the Bank. As mentioned above as the Bank only trades on behalf of its clients the notion of wrong-way counterparty risk is not attributable to the Bank's activities. Furthermore, the Bank has no credit rating from a rating institute and subsequently the amount of collateral provided if a downgrade of credit rating is forthcoming is therefore nonexistent. The Bank has in place a procedure for enforceability of netting agreements and collateral agreements. The capital requirement is calculated in accordance with the standardized approach, and the mark to market method to set the standard add-ons.

In a preparatory step in the transfer with VP Bank, all derivatives in Öhman Bank were closed before year-end 2020.

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8. Asset Encumbrance

In the tables below, an asset is treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralize or credit enhance any transaction from which it cannot be freely withdrawn. Amounts are median values based on end of carrying amounts of asset encumbrance reporting for each of the latest four quarters. As the Group has less than EUR 30 billion in total assets it will not disclose quantitative information regarding the asset quality indicator.

Table 7. Encumbered and unencumbered assets

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which notionally elligible EHQLA and HQLA		of which notionally elligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
	010	030	040	050	060	080	090	100
Assets of the reporting institution	106 579	9 673			5 078 337	249 116		
Equity instruments					1 230 867			
Debt securities					7 769			
of which: covered bonds								
of which: asset-backed securities								
of which: issued by general governments								
of which: issued by financial corporations								
of which: issued by non-financial corporations					7 769			
Other assets	106 579	9 673			3 664 581	249 116		
of which: …								

Table 8. Collateral received

	Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
			Fair value of collateral received or own debt securities issued available for encumbrance	
		of which notionally elligible EHQLA and HQLA		of which EHQLA and HQLA
	010	030	040	060
Collateral received by the reporting institution			3 048 012	
Loans on demand				
Equity instruments				
Debt securities				
of which: covered bonds				
of which: asset-backed securities				
of which: issued by general governments				
of which: issued by financial corporations				
of which: issued by non-financial corporations				
Loans and advances other than loans on demand			3 048 012	
Other collateral received				
of which: …				
Own debt securities issued other than own covered bonds or asset-backed securities				
Own covered bonds and asset-backed securities issued and not yet pledged				
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED				

9. Credit risk adjustments

Within the consolidated situation, credit risk adjustments are applied by Öhman Bank, where the credit risk adjustments are calculated in accordance with the financial collateral comprehensive method. The group defines past due as “when a client is paying dues later than specified in a contract” and impaired asset is treated according to stage 3 under IFRS 9 that equals to past due for more than 90 days.

Quantitative information regarding credit risk adjustments of the Consolidated situation is disclosed in appendix 2 of this report.

10. Leverage Ratio

To avoid the group from entering into excessive leverage and subsequently an excessive leverage ratio, the group has set a limit on its business area “investments”, the area that can have the largest impact on the own funds of the consolidated situation and its leverage ratio. The limit is applied on the own funds of the group, where the group shall be able to cope with loss of 50% in its significant investments and still have an adequate capital adequacy. Thus, a carrying amount in the significant investments that is too large in relation to the eligible capital will not be tolerated. The limit also applies when the group evaluates potential new investments that might affect the thresholds that is applied on the significant investments.

The leverage ratio of the group was 53,34% at year-end 2020 compared to 24,60% at year-end 2019. An explanation of the increase is that the businesses within the group amassed profits during 2020 and thus contributing to the Tier-1 capital as well as to the total assets of the group. As noticed from the table below, the group’s leverage ratio is above the threshold of 3%, is to the fact that the consolidated situation makes large deductions from its total assets in determining the Tier1-capital.

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Table 9. Leverage ratio according to Commission Implementing Regulation (EU) No 2016/200

Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures		
		Applicable Amount
1	Total assets as per published financial statements	10 513 332
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regualtory consolidation	
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)	
4	Adjustments for derivative financial instruments	
5	Adjustment for securities financing transactions (SFTs)	
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	3 267
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013)	
EU-6b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)	
7	Other adjustments	-6 302 611
8	**Leverage ratio total exposure measure**	4 213 988
Table LRCom: Leverage ratio common disclosure		
		CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	10 513 332
2	(Asset amounts deducted in determining Tier 1 capital)	-6 302 611
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	4 210 721
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	0
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	0
EU-5a	Exposure determined under Original Exposure Method	
6	Gross-up for derivatieves collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	**Total derivatives exposures (sum of lines 4 to 10)**	0

SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	Counterparty credit risk exposure for SFT assets	
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013	
15	Agent transaction exposures	
EU-15a	(Exempted effective notional offsets and add-on deductions for written credit derivatives)	
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	3 267
18	(Adjustments for converison to credit equivalent amounts)	
19	**Other off-balance sheet exposures (sum of lines 17 and 18)**	3 267
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)		
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	
EU-19b	(Intragroup exposures exempted in accordance with Article 429(14) of Regulation (EU) No 575/2013 (on and off balance sheet))	
Capital and total exposure measure		
20	Tier 1 capital	2 247 656
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a, EU-19b)	4 213 988
Leverage ratio		
22	Leverage ratio	53,34%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arranements for the definition of the capital measure	
EU-24	Amount of derecognised fiuciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	

Table LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)		
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivative, SFTs, and exempted exposusres), of which:	10 513 332
EU-2	Trading book exposures	
EU-3	Banking book exposures, of which:	10 513 332
EU-4	Covered bonds	
EU-5	Exposures treated as sovereigns	228 337
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	
EU-7	Institutions	1 744 835
EU-8	Secured by mortgages of immovable properties	
EU-9	Retail exposures	349 398
EU-10	Corporate	
EU-11	Exposures in default	
EU-12	Other exposures (eg equity, securitisations, and non-credit obligation assets)	8 190 763

11. Liquidity coverage Ratio

The Liquidity Coverage Ratio (LCR) shows the ratio of high-quality liquid assets to its, modelled, total net cash outflows over a stressed scenario of 30 days. Öhman's LCR amounted to 162 percent (188 percent) as of year-end 2020. This shows that the group is well funded in the event of a short-term stress in the funding markets.

Table 10. LCR summary, disclosure according to Article 435 of Regulation (EU) No 575/2013

kSEK		Total unweighted value (average)				Total weighted value (average)			
		Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Number of data points used in the calculation of averages		*12*	*12*	*12*	*12*	*12*	*12*	*12*	*12*
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					253 723	253 922	251 767	247 673
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	460 421	488 387	496 706	523 661	51 753	55 274	56 257	59 043
3	*Stable deposits*								
4	*Less stable deposits*	*460 421*	*488 387*	*496 706*	*523 661*	*51 753*	*55 274*	*56 257*	*59 043*
5	Unsecured wholesale funding	712 566	675 574	620 418	584 392	450 900	450 651	439 678	430 609
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*								
7	*Non-operational deposits (all counterparties)*	*712 566*	*675 574*	*620 418*	*584 392*	*450 900*	*450 651*	*439 678*	*430 609*
8	*Unsecured debt*								
9	Secured wholesale funding								
10	Additional requirements	9 603	12 331	12 981	11 829	9 603	12 331	12 981	11 829
11	*Outflows related to derivative exposures and other collateral requirements*	*9 603*	*12 331*	*12 981*	*11 829*	*9 603*	*12 331*	*12 981*	*11 829*
12	*Outflows related to loss of funding on debt products*								
13	*Credit and liquidity facilities*								
14	Other contractual funding obligations	120 302	118 778	119 018	121 111	75 740	75 031	75 270	76 547
15	Other contingent funding obligations	246 954	206 256	138 802	83 752	0	0	0	0
16	**TOTAL CASH OUTFLOWS**					**587 996**	**593 287**	**584 186**	**578 029**
CASH-INFLOWS									
17	Secured lending (eg reverse repos)								
18	Inflows from fully performing exposures	509 879	503 727	450 602	454 802	509 879	503 727	450 602	454 802
19	Other cash inflows	161 694	185 038	219 164	416 954	161 694	185 038	219 164	416 954
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	**TOTAL CASH INFLOWS**	**671 573**	**688 765**	**669 767**	**871 756**	**671 573**	**688 765**	**669 767**	**871 756**
EU-20a	***Fully exempt inflows***								
EU-20b	***Inflows Subject to 90% Cap***								
EU-20c	***Inflows Subject to 75% Cap***	***671 573***	***688 765***	***669 767***	***871 756***	***671 573***	***688 765***	***669 767***	***871 756***
						TOTAL ADJUSTED VALUE			
21	**LIQUIDITY BUFFER**					**253 723**	**253 922**	**251 767**	**247 673**
22	**TOTAL NET CASH OUTFLOWS**					**146 999**	**148 322**	**146 046**	**144 507**
23	**LIQUIDITY COVERAGE RATIO (%)**					**174**	**175**	**176**	**175**

12. Combined buffer requirements

Apart from holding capital to fulfill the capital conservation buffer, 2,5% of the risk weighted assets, the consolidated situation is also obliged to have capital that covers the countercyclical capital buffer. The countercyclical capital buffer is measured as the weighted average of the buffers in jurisdictions where the consolidated situation has credit exposures in. The combined buffer requirement of the consolidated situation was 10,52% (12,35%) at 31 December 2020 (2019), where the capital conservation buffer was 2,5% (2,5%) and the countercyclical capital buffer was 0,02% (1,85%).

The consolidated situation's countercyclical capital buffer was lower in 2020 than 2019, since multiple jurisdictions lowered its countercyclical capital buffer rate amidst the Corona-crisis.

Table 11. Breakdown by country in calculation of the countercyclical capital buffer

	General credit exposures		Trading book exposures		Securitisation		Own funds requirements					
	Exposure value for SA	Exposure value for IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value for IRB	Of which: general credit exposures	Of which: trading book exposures	Of which: securitisation exposures	Total	Own funds requirement weights	Countercyclical capital buffer rates
Breakdown by country												
Sweden	2 479 222						198 338			198 338	89,59%	0,00%
Luxembourg	185 867						14 869			14 869	6,72%	0,25%
United Kingdom	102 299						8 184			8 184	3,70%	0,00%
Total	**2 767 388**						**221 391**			**221 391**		

Table 12. Amount of institution-specific countercyclical capital buffer

Total risk exposure amount (kSEK)	4 180 972
Institution specific countercyclical buffer rate (%)	0,02%
Institution specific countercyclical buffer requirement (kSEK)	702

13. Exposures in equities not included in the trading book

Öhman has no trading book. Exposures in equities consists of listed and non-listed shares held for strategic and ROI-reasons.

Öhman uses the following accounting principles on its holdings. Holdings in associated companies where voting rights including shares available for subscription under contract total a minimum of 20% and a maximum of 50%, are reported in accordance with IAS 28 Equity method, meaning that the Group continuously reports the Group's share of associated companies' profit after tax less dividends received. Holdings in companies not classified as associated companies are treated as non-trading financial assets mandatorily at fair value through profit or loss and are revalued accordingly to IFRS 9.

Table 13. Exposures in equities not included in the trading book

Instrument Name	***Type***	***Objective***	***Balance Sheet Value (kSEK)***	***Fair Value (kSEK)***	***Market Value (kSEK) (if listed)***
Neqst 2020 AB	Private Equity	Strategic Reasons	1 463 812	1 463 812	(N/A)
Neqst 4 AB	Private Equity	Strategic Reasons	194 969	194 969	(N/A)
Neqst Investment 2020 AB	Private Equity	Strategic Reasons	2	2	(N/A)
Nordnet AB (publ)	Credit Institution	Strategic Reasons	5 642 235	5 642 235	6 984 490
RP Ventures	Other	Strategic Reasons	783	783	(N/A)
Sprint Capital II LP	Private Equity	Strategic Reasons	36 315	36 315	(N/A)
SPC IX A Limited	Private Equity	Strategic Reasons	31 583	31 583	(N/A)
SPC X A Limited	Private Equity	Strategic Reasons	301	301	(N/A)
Bokio AB (Red Flag)	Other	Strategic Reasons	4 996	4 996	(N/A)
ÅAC Clyde Space	Other	Strategic Reasons	58	58	58
Öhman FRN-fond SEK A	CIU	Strategic Reasons	336 455	336 455	(N/A)
Öhman Företagsobligationsfond A	CIU	Strategic Reasons	90 000	90 000	(N/A)
Öhman Räntefond Kompass A	CIU	Strategic Reasons	210 000	210 000	(N/A)
Öhman Navigator	CIU	Strategic Reasons	8 556	8 556	(N/A)
Öhman Räntefond Kompass C	CIU	Strategic Reasons	1	1	(N/A)

14. Credit risk mitigation techniques

In the consolidated situation credit risk mitigation techniques and collateral are used within Öhman Bank. The collateral values used for regulatory and internal purposes are detailed in the Bank's policy called "Valuation of collateral policy". All securities held by clients are given an internal and regulatory collateral value based on a number of criteria. The internal collateral values are determined based on criteria such as the market cap of the company, the market in which it is listed and the liquidity of the security. The utilization of the credits is monitored on a daily basis and collateral are revalued on a daily basis. The generic collateral values can be lowered further if the client holds a significant position in a security or if the client's portfolio is unbalanced to address the increased systemic risk in these cases. For credit risk mitigation purposes, the Bank only accepts financial instruments and cash as collateral. The Bank does not apply on- or off-balance sheet netting when using credit risk mitigation techniques nor is the Bank involved in credit derivatives transactions to reduce capital requirements. The Bank does not cover risk exposure amounts with either financial collateral, other collateral, guarantees or credit derivatives. The risk exposure amounts associated are covered by the eligible own funds.

15. Exposure to interest rate risk on positions not included in the trading book

The interest rate risk in the non-trading book within the consolidated situation is limited. Öhman Bank is committed in very short-term maturities for its assets and liability positions. Most of the assets are interbank deposits at sight and the credit portfolio is limited in size with daily rates that are repriced each day. The liabilities are foremost deposits from customers placed in current accounts, accounts that have 0% interest. The average duration for the Bank is less than one day for both assets and liabilities, respectively. When widening the scope to the consolidated situation three other exposures emerges. The consolidated situation has investments in three different UCITS-funds primarily investing in corporate bonds. The first fund amounts to circa SEK 335 million, the second fund amounts to approximately SEK 210 million and the third fund amounts to approximately SEK 90 million. The average duration of the first fund was 0.3 years, the second fund had an average duration of 2,2 years and the third had an average duration of 2 years. Utilizing the basic scenario of the stress test applied on interest rates by EU, which correspond to a shift of plusminus 200 basis points, implicate a total interest rate risk of plusminus SEK 14.9 million.

16. Market risk

As Öhman does not have a trading-book business or securitized assets, market risks are not related to position risk nor large exposures (as defined in Article 92.3 b CRR). The consolidated situation has no exposure against settlement risks or commodities risks, but there exist foreign-exchange risks in the consolidated situation (as defined in Article 92.3 c CRR). The foreign-exchange risk is structural and originate from Öhman Bank S.A., as the Bank's functional currency is EUR while the consolidated situation publishes its financial statements in SEK. The capital requirement for the foreign exchange was at year-end 2020 SEK 10 million and the corresponding risk exposure amount was SEK 125 million, as shown in table 4.

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17. Remunerations

Disclosure in accordance with Article 450 of 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 Öhman Group's intention is that the remuneration policy should result in a remuneration system that allows the Öhman Group to attract and retain competent and qualified personnel, while also being compatible with and promoting effective risk management and not encouraging excessive risk-taking.

The rules on remuneration within the Öhman Group therefore distinguish to some extent between employees who are considered to be able to influence the relevant company's level of risk ("risk takers" and "staff whose professional activities have a material impact on the company's risk profile") and employees who are considered to be able to do so only to a very limited extent or not at all. The remuneration policy also contains rules that are designed, among other things, to achieve a balance between risk and reward and an appropriate balance between fixed and variable remuneration in the long term.

The remuneration rules should ensure that the Group companies' total variable remuneration does not limit the ability of the Group companies, or the consolidated situation, to maintain a sufficient capital base or, if necessary, strengthen their capital base. For this purpose, the policy contains rules on risk adjustment and consideration of the cost of liquidity requirements and capital when calculating the amount available for variable remuneration, deferred payment and cancellation of remuneration in some cases.

Prior to the remuneration policy being adopted, a risk analysis was carried out on the risk of the Öhman Group's remuneration system having an impact in the form of excessive risk-taking, which could affect the level of risk in the relevant Group companies. The risk analysis covers both the Öhman Group as a whole and its size and activities in relation to other players in the markets where the Öhman Group is active, and each business area in which the Swedish Group companies requiring a license have activities.

It also takes into account how the Öhman Group's exposure to excessive risk-taking may be affected by the design of the remuneration system.

The risk analysis has formed the basis for decisions on which employees within the relevant Group companies are considered to be risk-takers, employees whose professional activities have a material impact on the company's risk profile and employees who may have a material impact on the services provided and/or the Group company's conduct towards its customers. Variable remuneration for such staff is subject to additional restrictions compared with other employee categories. The variable portion of remuneration must not exceed 100% of the fixed portion of total remuneration.

In view of the overall risk analysis, determining which employees should be defined as risk-takers includes taking into account the existence and size of mandates that employees may have for conducting business on behalf of a Group company or funds managed by a Group company, as well as other professional activities that expose the Group company to risk. When determining which employees should be considered employees whose professional activities have a material impact on the company's risk profile, the size of the employees' remuneration has been taken into account, as have some of the positions held by these employees, in accordance with the rules relating to this in FFFS 2011:1 and the Commission's technical standards for this area. The employees who are considered to be able to have a material impact on the services provided and/or Öhman's conduct towards customers include asset managers, investment advisors and sales staff and their managers, staff handling complaints, account managers and product developers.

17.1. Results criteria

Various criteria are used to establish both fixed basic salary and any variable remuneration. When calculating the total amount available to be paid out in variable remuneration for the respective Group companies, the results, capital base and liquidity of the Group company and the consolidated situation are taken into account. Distribution of variable remuneration on an individual level is discretionary and decided on the basis of an evaluation of the employee's performance in at least the past financial year. The evaluation criteria include how well the employee has met set objectives, contributed to the relevant Group company's profitability and complied with applicable rules, whether internal or external. For employees who may have a material impact on the services provided and/or Öhman's conduct towards customers, qualitative criteria need to be considered to at least the same degree as quantitative criteria relating to profitability. Qualitative criteria refer to criteria that encourage employees to act in the best interests of customers, such as compliance, fair treatment of customers, customer satisfaction, the outcome of investment services provided and low levels of customer complaints.

17.2. Principles for deferred payment, etc.

According to the remuneration policy, at least 40 percent of variable remuneration must be deferred for staff who have been defined as employees whose professional activities have a material impact on the company's risk profile. In Öhman Bank, the variable gross remuneration has to exceed EUR 100,000 for the deferral to apply. In the Swedish companies the deferral of remuneration applies to all amounts of variable gross remuneration. For employees whose professional activities have a material impact on the company's risk profile and whose variable remuneration in a financial year exceeds a yearly determined level, at least 60 percent of the variable remuneration in cash is to be deferred. The deferred remuneration must be paid out over a period of three years after the end of the financial year that formed the basis of the remuneration. The deferral period is determined by the amount of responsibility and risk attributable to the employee in question and is detailed in the policy. Variable remuneration for staff whose duties have a material impact on the risk profile of a Group company should be cancelled in whole or in part if it is later found that any of the criteria for calculation of variable remuneration, either the total remuneration within the company or the distribution at individual level, have not been met. Remuneration should also be cancelled in whole or in part if the relevant Group company's position has deteriorated to the point where payment cannot be justified given the relevant Group company's financial situation.

17.3. Variable remuneration in fund units

According to the Finansinspektionen's Regulations FFFS 2013:9 regarding Swedish UCITS, the Fund Company must pay the half amount of the variable remuneration in fund units managed by the fund company. The quantitative information below regarding remuneration in fund units is only applicable to the fund company.

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17.4. Quantitative information

The tables below provide quantitative information regarding remunerations for the Consolidated situation. As the Consolidated situation is not organized into separate business areas the information required by CRR article 450.1 (g) is presented in relation to each relevant Licensed Company. All figures are presented in kSEK.

Table 14. Aggregate quantitative information on remuneration broken down by Licensed Company

	2020		***2019***	
Company	*Senior management and other material impact*	*Total remunerations*	*Senior management and other material impact*	*Total remunerations*
ÖAB	7 932	20 380	8 038	12 779
ÖF	33 155	65 933	37 431	70 290
Öhman Bank S.A.	23 920	57 584	16 777	57 319
Total	**65 007**	**143 897**	**62 246**	**140 388**

Table 15. Aggregate quantitative information presented according to CRR article 450 1 (h) i – vi.,

	2020		***2019***	
	Senior Management	*Other employees whose work have material impact on risk profile*	*Senior Management*	*Other employees whose work have material impact on risk profile*
Fixed renumeration	24 497	27 902	26 625	26 102
Variable renumeration	7 603	5 005	5 354	4 166
Number of beneficiaries	13	20	14	22
Variable renumeration (cash)	4 592	1 179	2 402	961
Variable renumeration (funds units)	530	961	530	961
Outstanding acc. deferred renumeration at year end	3 978	2 965	3 212	3 441
Defered renumeration awarded during the year	1 893	1 282	1 893	1 282
Deferred renumeration paid out during the year	730	1 955	656	1 933

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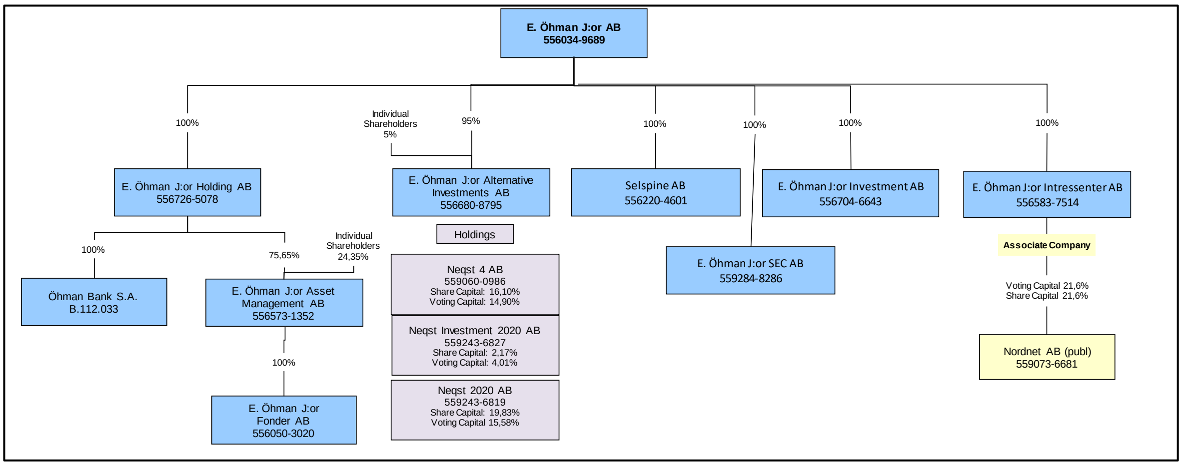
Appendix A

A.1. Appendix 1 - Organizational and legal structure of Öhman Group



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A.2. Appendix 2 – Credit risk adjustments

	Net value of exposures at the end of the period	Average net exposure over the period
Central governments or central banks	228 337	257 027
Institutions	1 744 835	1 132 702
Retail	352 665	354 213
Items associated with particularly high risk	727 978	394 921
Colletive investments undertakings	645 012	192 964
Equity exposures	298 448	168 833
Other exposures	133 650	133 015
Total standardised approach	**4 130 925**	**2 633 674**
Total	**4 130 925**	**2 633 674**

	Net value			
	Luxembourg	**Sweden**	**United Kingdom**	***Total***
Central governments or central banks	227 414	922		***228 337***
Institutions	618 624	1 126 211		***1 744 835***
Retail	352 665	-		***352 665***
Items associated with particularly high risk	-	659 779	68 199	***727 978***
Colletive investments undertakings	-	645 012		***645 012***
Equity exposures	-	298 448		***298 448***
Other exposures	18 973	114 676		***133 650***
Total standardised approach	***1 217 677***	***2 845 049***	***68 199***	***4 130 925***
Total	***1 217 677***	***2 845 049***	***68 199***	***4 130 925***

	Net value of exposures at the end of the period		
	Financial sector entity	Non-financial sector entity	***Total***
Central governments or central banks		228 337	***228 337***
Institutions	1 744 835		***1 744 835***
Retail		352 665	***352 665***
Items associated with particularly high risk		727 978	***727 978***
Colletive investments undertakings		645 012	***645 012***
Equity exposures	287 611	10 837	***298 448***
Other exposures		133 650	***133 650***
Total standardised approach	**2 032 446**	**2 098 479**	***4 130 925***
Total	**2 032 446**	**2 098 479**	***4 130 925***

	Net exposure value		
	On demand	Longer maturity	***Total***
Central governments or central banks	228 337		***228 337***
Institutions	1 744 835		***1 744 835***
Retail		352 665	***352 665***
Items associated with particularly high risk		727 978	***727 978***
Colletive investments undertakings		645 012	***645 012***
Equity exposures		298 448	***298 448***
Other exposures		133 650	***133 650***
Total standardised approach	**1 973 172**	**2 157 753**	***4 130 925***
Total	**1 973 172**	**2 157 753**	***4 130 925***

	a	b	c	d	e	f	g
	Gross carrying values of		**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges of the period**	**Net values a+b-c-d**
	Defaulted exposures	**Non-defaulted exposures**					
Central governments or central banks		228 337					**228 337**
Institutions		1 744 835					**1 744 835**
Retail		352 665					**352 665**
Items associated with particularly high risk		727 978					**727 978**
Collective investments undertakings		645 012					**645 012**
Equity exposures		298 448					**298 448**
Other exposures		133 650					**133 650**
Total standardised approach	**0**	**4 130 925**	**0**	**0**	**0**	**0**	**4 130 925**

	a	b	c	d	e	f	g
	Gross carrying values of		**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges of the period**	**Net values a+b-c-d**
	Defaulted exposures	**Non-defaulted exposures**					
Financial sector entities		2 032 446					**2 032 446**
Non-financial sector entities		2 098 479					**2 098 479**
Total standardised approach	**0**	**4 130 925**	**0**	**0**	**0**	**0**	**4 130 925**

	a	b	c	d	e	f	g
	Gross carrying values of		**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges of the period**	**Net values a+b-c-d**
	Defaulted exposures	**Non-defaulted exposures**					
Sweden		2 845 049					**2 845 049**
Luxembourg		1 217 677					**1 217 677**
United Kingdom		68 199					**68 199**
Total	**0**	**4 130 925**	**0**	**0**	**0**	**0**	**4 130 925**

	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial gurantees received	
		Of which performing but past due > 30 days and <= 90 days	Of which performing forborne	Of which non-performing				On performing exposures		On non-performing exposures		On non-performing exposures	of which forborne exposures
					Of which defaulted	Of which impaired	Of which forborne		of which forborne		of which forborne		
Debt Securities	5 000												
Loans and advances	1 126 211												
Off-balance-sheet exposures													