



AS SEB Pank

Capital Adequacy and Risk Management Report (Pillar 3)

2018

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## Basis for the report

This report is prepared in accordance with the requirements of the Capital Requirements Directive (CRD IV) and the Capital Requirements Regulation No 575/2013 (CRR) Part 8 as well as the European Banking Authority's (EBA) implementing technical standards (ITS) with regard to disclosure of own funds (EU Regulation No 1423/2013), countercyclical capital buffer (EU Regulation No 2015/1555), and leverage ratio (EU Regulation No 2016/200). Templates recommended by the EBA's guidelines on disclosure requirements under Part 8 of the CRR have been used as relevant. According to CRR, information specified in articles 437, 438, 440, 442, 450, 451 and 453 of CRR shall be disclosed for material subsidiaries.

Together with the Annual Report, this report provides information on AS SEB Pank's (the "Bank") material risks as part of the Pillar 3 framework, including details on the Bank's risk profile and business volumes by customer categories and risk classes, which form the basis for the calculation of the capital requirement. The Pillar 3 report complements the Annual Report with additional information, and is intended to be read in conjunction with the Annual Report, in particular the Notes to the Consolidated Financial Statements, including Risk Policy and Management section within it, where the Bank's risk and capital management policies and practices are described. Reference is also made to SEB Group's Annual Report and Capital Adequacy and Risk Management Report (Pillar 3), which describes SEB Group's risk and capital management, including internal ratings systems, internal measurement approaches and principles for calculating own funds and capital adequacy. SEB Group's Pillar 3 report is available in English and is published on SEB Group's webpage [www.sebgroup.com](http://www.sebgroup.com).

Disclosures in relation to remuneration are included in the Annual Report sections "Management Report", page 3. Significant accounting policies for the Bank are presented in the Annual Report, Note 1 – Significant accounting policies, page 23.

AS SEB Pank is a subsidiary of the consolidated group of Skandinaviska Enskilda Banken AB (publ) ("SEB Group") that is registered in Sweden. AS SEB Pank Group consists of two fully owned subsidiaries, AS SEB Liising Group and AS SEB Varahaldus, and the associated company SK ID Solutions AS, which is owned to 25%.

The report is based on the Bank's consolidated situation as of 31 December 2018. The Financial Group forms the basis for consolidation for prudential purposes, which requires the Bank to prepare consolidated accounts for the group entities engaged in financial service activities without consolidation of the entities involved in other activities. To comply with this requirement, the Bank has fully consolidated all its subsidiaries AS SEB Liising Group and AS SEB Varahaldus. Associated company SK ID Solutions AS is consolidated using equity method. The Consolidated Group in the Pillar 3 Report is same as in the Annual Report.

The information in this report is not required to be, and has not been, subject to external audit. The report has been approved by the Bank's Management Board.

## Internal capital adequacy assessment process

SEB Group's Capital Policy defines how capital management should support the business goals. Shareholders' return requirement shall be balanced against the capital requirements of the regulators and the equity necessary to conduct the business of the Group.

The Asset and Liability Committee (ALCO) and the Chief Financial Officer are responsible for the process linked to overall business planning, to assess capital requirements in relation to the Group's risk profile, and for proposing a strategy for maintaining the desired capital levels. The Group's capitalisation shall be risk-based and built on an assessment of all risks incurred in the Group's business. It shall be forward-looking and aligned with short- and long-term business plans as well as with expected macroeconomic developments.

Capital ratios are the main communication vehicle for capital strength. Good risk management notwithstanding, the Group must keep capital buffers against unexpected losses. Together with continuous monitoring, and reporting of the capital adequacy to the Management Board, this ensures that the relationships between shareholders' equity, ICAAP and regulatory based requirements are managed in such a way that the Group does not jeopardise the profitability of the business and the financial strength of the Group.

In the SEB Group, capital is managed centrally, meeting also local requirements as regards statutory and internal capital requirements. Following the SEB Group Capital Policy, the parent company shall promptly arrange for additional capital if SEB Pank requires capital injections to meet the decided level.

The Internal Capital Adequacy Assessment Process ("ICAAP") is performed for SEB Group and all material legal entities. The process is coordinated by Group Treasury and subsidiaries' ICAAPs are part of the SEB Group's ICAAP. The ICAAP is a continuous process within SEB, closely interrelated with the strategy and business planning, risk strategy and financial planning processes. Subsidiaries' ICAAPs are performed locally by the risk and treasury functions in close cooperation with the corresponding Group functions.

The ICAAP shall be approved annually by SEB Pank Management Board (the "Management Board") and by the SEB Pank Supervisory Council ("Council"). The ICAAP is revised on a yearly basis. The framework shall be maintained by SEB Pank Treasury in coordination with SEB Group Financial Management. Any changes or amendments need to be approved by the Management Board and Council and are to be proposed by SEB Pank Treasury after coordination with SEB Group Financial Management. The focus of SEB Group Financial Management and SEB Group Risk Control lies on methodology, while SEB Pank Treasury focuses on processes, monitoring, reporting and compliance with Estonian regulations.

## Own funds and capital requirements

Table 1. Balance sheet reconciliation

EUR m	31 Dec 2018		Cross reference to the own funds template
	<i>Financial Group</i>	<i>Group</i>	
Cash and balances with central bank	1 157	1 157	
Loans to credit institutions	80	80	
Loans to the public	5 153	5 153	
Debt securities	110	110	
Derivatives	7	7	
Equity instruments	10	10	
Investments in associates	1	1	
Intangible assets	5	5	a
Property, plant and equipment	10	10	
Other financial assets	12	12	
Other non-financial assets	13	13	
<b>TOTAL ASSETS</b>	<b>6 558</b>	<b>6 558</b>	
Deposits from central banks and credit institutions	1 022	1 022	
Deposits and borrowings from the public	4 400	4 400	
Derivatives	6	6	
Current income tax liabilities	11	11	
Provisions	6	6	
Other financial liabilities	66	66	
Other non-financial liabilities	14	14	
<b>Total Liabilities</b>	<b>5 525</b>	<b>5 525</b>	
Share capital	43	43	b
Share premium	86	86	c
Other reserves	19	19	
<i>of which funds for general banking risk</i>	19	19	d
<i>of which accumulated other comprehensive income</i>	0	0	e
Retained earnings	885	885	f
<b>Total shareholders' equity</b>	<b>1 034</b>	<b>1 034</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6 558</b>	<b>6 558</b>	

Table 2. Overview of own funds and capital adequacy

EUR m	31 Dec 2018	31 Dec 2017
Own funds		
Common Equity Tier 1 capital	957	959
Tier 1 capital	957	959
Total own funds	957	959
Own funds requirement		
Risk exposure amount	2 617	2 484
Expressed as own funds requirement	209	199
Common Equity Tier 1 capital ratio	36,6%	38,6%
Tier 1 capital ratio	36,6%	38,6%
Total capital ratio	36,6%	38,6%
Own funds in relation to own funds requirement	4,57	4,82
Regulatory Common Equity Tier 1 capital requirement including buffer requirement (Pillar 1 only)		
of which capital conservation buffer requirement	2,5%	2,5%
of which systemic risk buffer requirement	1,0%	1,0%
of which countercyclical capital buffer requirement	0,0%	0,0%
of which other systemically important institution buffer	2,0%	2,0%
Common Equity Tier 1 capital available to meet buffer <sup>1)</sup>	32,1%	34,1%
Leverage ratio		
Exposure measure for leverage ratio calculation	7 149	6 684
of which on balance sheet items	6 544	6 109
of which off balance sheet items	605	575
Leverage ratio	13,4%	14,3%

<sup>1)</sup> CET1 ratio less minimum capital requirement of 4.5% excluding buffers.

Table 3. EU OV1 - Overview of RWAs

Breakdown by Risk Type EUR m	Risk Exposure Amount		Minimum own funds requirements
	31 Dec 2018	31 Dec 2017	31 Dec 2018
Credit risk (excluding counterparty credit risk) (CCR)	2 450	2 325	196
<i>of which standardised approach (SA)</i>	339	309	27
<i>of which foundation internal rating-based (F-IRB) approach</i>	1 808	1 702	145
<i>of which advanced internal rating-based (A-IRB) approach</i>	303	314	24
Counterparty credit risk	0	0	0
<i>of which CVA</i>	0	0	0
Settlement risk	0	0	0
Securitisation exposures in banking book	0	0	0
Market risk	26	24	2
<i>of which standardised approach</i>	26	24	2
Large exposures	0	0	0
Operational risk	141	135	11
<i>of which advanced measurement approach</i>	141	135	11
Amounts below the thresholds for deduction (subject to 250% risk weight)	0	0	0
Floor adjustment	0	0	0
Additional risk exposure amount due to Article 3 CRR	0	0	0
<b>Total</b>	<b>2 617</b>	<b>2 484</b>	<b>209</b>

Total REA in reporting period increased by EUR 133m to EUR 2 617m as a result of natural growth in business.

Table 4. Own funds

Disclosure according to Article 4 in EU Regulation No 1423/2013

EUR m	31 Dec 2018	31 Dec 2017	BS Cross reference
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1 Capital instruments and the related share premium accounts	129	129	
of which: share capital	43	43	b
of which: share premium	86	86	c
2 Retained earnings	822	823	f
3 Accumulated other comprehensive income (and other reserves)	0	2	e
3a Funds for general banking risk	19	19	d
Amount of qualifying items referred to in Article 484 (3) and the related share			
4 premium accounts subject to phase out from CET1			
5 Minority Interests (amount allowed in consolidated CET1)			
Independently reviewed interim profits net of any foreseeable charge or			
5a dividend			
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	971	973	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7 Additional value adjustments (negative amount)	0	0	
8 Intangible assets (net of related tax liability) (negative amount)	-5	-4	a
9 Empty Set in the EU			
Deferred tax assets that rely on future profitability excluding those arising from			
temporary differences (net of related tax liability where the conditions in Article			
10 38 (3) are met) (negative amount)			
11 Fair value reserves related to gains or losses on cash flow hedges			
12 Negative amounts resulting from the calculation of expected loss amounts	-9	-10	
13 Any increase in equity that results from securitised assets (negative amount)			
Gains or losses on liabilities valued at fair value resulting from changes in own			
14 credit standing			
15 Defined-benefit pension fund assets (negative amount)			
Direct and indirect holdings by an institution of own CET1 instruments (negative			
16 amount)			
Direct, indirect and synthetic holdings of the CET1 instruments of financial sector			
entities where those entities have reciprocal cross holdings with the institution			
17 designed to inflate artificially the own funds of the institution (negative amount)			
Direct, indirect and synthetic holdings by the institution of the CET1 instruments			
of financial sector entities where the institution does not have a significant			
18 investment in those entities (amount above the 10% threshold and net of eligible			
short positions) (negative amount)			
Direct, indirect and synthetic holdings by the institution of the CET1 instruments			
of financial sector entities where the institution has a significant investment in			
those entities (amount above 10% threshold and net of eligible short positions)			
19 (negative amount)			
20 Empty Set in the EU			
Exposure amount of the following items which qualify for a RW of 1250%,			
20a where the institution opts for the deduction alternative			
20b of which qualifying holdings outside the financial sector (negative amount)			
20c of which: securitisation positions (negative amount)			
20d of which: free deliveries (negative amount)			
Deferred tax assets arising from temporary differences (amount above 10%			
threshold, net of related tax liability where the conditions in Article 38 (3) are			
21 met) (negative amount)			



EUR m	31 Dec 2018	31 Dec 2017	BS Cross reference
22			
of which: 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			
23			
24			
Empty Set in the EU			
25			
of which: deferred tax assets arising from temporary differences			
25a			
Losses for the current financial year (negative amount)			
25b			
Foreseeable tax charges relating to CET1 items (negative amount)			
Qualifying AT1 deductions that exceed the AT1 capital of the institution			
27			
(negative amount)			
28	-14	-14	
29	957	959	
Additional Tier 1 (AT1) capital: instruments			
30			
Capital instruments and the related share premium accounts			
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 referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1			
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			
35			
of which: instruments issued by subsidiaries subject to phase out			
36	0	0	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37			
Direct and indirect holdings by an institution of own AT1 Instruments (negative amount)			
38			
Direct, indirect and synthetic holdings of the AT1 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)			
39			
Direct and indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)			
40			
Direct and indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)			
41			
Empty set in the EU			
42			
Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)			
43	0	0	
44	0	0	
45	957	959	
Tier 2 (T2) capital: instruments and provisions			
46			
Capital instruments and the related share premium accounts			
47			
Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2			
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			
49			
of which: instruments issued by subsidiaries subject to phase out			
50			
Credit risk adjustments			
51	0	0	

EUR m	31 Dec 2018	31 Dec 2017	BS Cross reference
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		
53	Holdings of the T2 instruments and subordinated loans 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)		
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
56	Empty set in EU		
57	0	0	
58	0	0	
59	957	959	
60	2 617	2 484	
Capital ratios and buffers			
61	36,6%	38,6%	
62	36,6%	38,6%	
63	36,6%	38,6%	
64	10,0%	10,0%	
65	2,5%	2,5%	
66	0,0%	0,0%	
67	1,0%	1,0%	
67a	2,0%	2,0%	
68	31,7%	34,1%	
69			(Non relevant in EU regulation)
70			(Non relevant in EU regulation)
71			(Non relevant in EU regulation)
Amounts below the thresholds for deduction (before risk weighting)			
72	5	3	
73			Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)
74			Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)
75			Empty Set in the EU
76			Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)
Applicable caps on the inclusion of provisions in Tier 2			
76			Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)

EUR m	31 Dec 2018	31 Dec 2017	BS Cross reference
77 Cap on inclusion of credit risk adjustments in T2 under standardised approach	4	4	
78 Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)			
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	13	12	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80 Current cap on CET1 instruments subject to phase out arrangements			
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82 Current cap on AT1 instruments subject to phase out arrangements			
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84 Current cap on T2 instruments subject to phase out arrangements			
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

Table 5. Capital instruments' main features

Disclosure according to Article 3 in EU Regulation No 1423/2013

31 Dec 2018		
		AS SEB Pank
1	Issuer	reg. No 10004252
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	EE3100001793
3	Governing law(s) of the instrument	Estonian Law
	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	Solo and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	43 EUR m
9	Nominal amount of instrument	43 EUR m
9a	Issue price	EUR 0,64
9b	Redemption price	n/a
10	Accounting classification	Share capital
11	Original date of issuance	06.05.1994
12	Perpetual or dated	Perpetual
13	Original maturity date	Perpetual
14	Issuer call subject to prior supervisory approval	NO
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	Floating
18	Coupon rate and any related index	n/a
19	Existence of a dividend stopper	NO
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	NO
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
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, specify instrument type convertible into	n/a
29	If convertible, specify issuer of instrument it converts into	n/a
30	Write-down features	NO
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
	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to	
35	instrument)	n/a
36	Non-compliant transitioned features	NO
37	If yes, specify non-compliant features	n/a

Table 6. Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

Disclosure according to EU Regulation No 1555/2015

31 Dec 2018, EUR m	General credit exposures		Trading book exposures		Securitisation exposures		Own funds requirements					
	Exposure value SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value SA	Exposure value IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures	Total	Own funds requirement weights	Countercyclical capital buffer rate
Breakdown by country												
Estonia	392	5 191	0	0	0	0	182	0	0	182	98,9%	0,0%
Sweden	1	2	0	0	0	0	0	0	0	0	0,1%	2,0%
Norway	0	4	0	0	0	0	0	0	0	0	0,0%	2,0%
Other	8	46	0	0	0	0	3	0	0	3	1,0%	0,0%
Total	401	5 243	0	0	0	0	185	0	0	185	100,0%	0,0%

Table 7. Amount of institution-specific countercyclical capital buffer

Disclosure according to EU Regulation No 1555/2015

31 Dec 2017, EUR m	
Total risk exposure amount	5 644
Institution specific countercyclical buffer rate	0,0%
Institution specific countercyclical buffer requirement	0,0%

Table 8. Leverage ratio

*Disclosure according to EU Regulation 2016/200*

EUR m		31 Dec 2018	31 Dec 2017
<b>Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures</b>		<b>Applicable amount</b>	
1	Total assets as per published financial statements	6 558	6 124
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation		
	(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)		
3			
4	Adjustments for derivative financial instruments	4	5
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)	600	569
	(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-6a			
	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)		
EU-6b			
7	Other adjustments	-14	-14
8	Leverage ratio total exposure measure	7 149	6 684
<b>Table LRCom: Leverage ratio common disclosure</b>		<b>CRR leverage ratio exposure</b>	
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	6 552	6 101
2	(Asset amounts deducted in determining Tier 1 capital)	-14	-14
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	6 538	6 087
	Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	6	21
5	Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	5	6
EU-5a	Exposure determined under Original Exposure Method		
6	Gross-up for derivatives 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)	11	27
	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 CCP leg of client-cleared SFT exposure)		
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	0	0

EUR m	31 Dec 2018	31 Dec 2017	
	Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	1 214	1 528
18	(Adjustments for conversion to credit equivalent amounts)	-614	-688
19	Other off-balance sheet exposures (sum of lines 17 and 18)	600	570
	Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)		
	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))		
EU-19a	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))		
EU-19b			
	Capital and total exposure measure		
20	Tier 1 capital	957	959
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	7 149	6 684
	Leverage ratio		
22	Leverage ratio	13,4%	14,3%
	Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	Fully phased in	Fully phased in
EU-24	Amount of derecognised fiduciary 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 exposure
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:
EU-2	Trading book exposures
EU-3	Banking book exposures, of which:
EU-4	Covered bonds
EU-5	Exposures treated as sovereigns
EU-6	Exposures to regional governments, MDB, international organisations and PSE <u>not</u> treated as sovereigns
EU-7	Institutions
EU-8	Secured by mortgages of immovable properties
EU-9	Retail exposures
EU-10	Corporate
EU-11	Exposures in default
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)

Table LRQua: Free format text boxes for disclosure on qualitative items

Leverage ratio is considered in capital and risk management and planning. The leverage ratio is frequently monitored and risks involved are assessed.

SEB's capital plan covers the strategic planning horizon and projects economic and legal capital requirements, as well as available capital resources and relevant ratios including risk-based and non-risk based metrics such as the leverage ratio. It is forward-looking, taking into account current and planned business volumes. The capital plan is stress tested for potential down-turns in the macroeconomic environment, strategic risk factors identified in the business planning, and other relevant scenarios. The capital plan is established annually, and updated as needs arise during the year. Capital is managed centrally, pursuant to an internal framework in accordance with local requirements as regards statutory and internal capital.

In 2018, there were no significant factors impacting the leverage ratio.

## Credit exposure

Table 9. EU CRB-B - Total and average net amount of exposures

Net value of exposure, EUR m	31 Dec 2018			31 Dec 2017		
	Estonia	Other *	Total	Estonia	Other *	Total
Central governments or central banks						
Institutions	1	140	141	0	27	27
Corporates	3 168	23	3 191	2 931	30	2 961
<i>of which large corporates</i>	1 952	18	1 970	1 216	13	1 229
<i>of which SME corporates</i>	1 183	5	1 187	1 638	17	1 655
<i>of which Specialised Lending</i>	33	0	33	77		77
Retail exposures	2 518	33	2 550	2 354	9	2 363
<i>of which secured by real estate property</i>	2 290	31	2 321	2 137	9	2 146
<i>of which retail SME</i>	71	0	71	69	0	69
<i>of which other retail exposures</i>	157	2	158	148	0	149
<b>Total IRB approach</b>	<b>5 687</b>	<b>196</b>	<b>5 883</b>	<b>5 285</b>	<b>66</b>	<b>5 352</b>
Central governments or central banks	1 166	110	1 275	1 202	89	1 291
Other exposures	533	2	535	487	1	488
<b>Total Standardised approach</b>	<b>1 699</b>	<b>112</b>	<b>1 811</b>	<b>1 689</b>	<b>90</b>	<b>1 779</b>
<b>Total</b>	<b>7 385</b>	<b>308</b>	<b>7 693</b>	<b>6 974</b>	<b>156</b>	<b>7 131</b>

Table 10. EU CRB-C - Geographical breakdown of exposures

Net value of exposure, EUR m	31 Dec 2018			31 Dec 2017		
	Estonia	Other *	Total	Estonia	Other *	Total
Central governments or central banks						
Institutions	1	140	141	0	27	27
Corporates	3 168	23	3 191	2 931	30	2 961
<i>of which large corporates</i>	1 952	18	1 970	1 216	13	1 229
<i>of which SME corporates</i>	1 183	5	1 187	1 638	17	1 655
<i>of which Specialised Lending</i>	33	0	33	77		77
Retail exposures	2 518	33	2 550	2 354	9	2 363
<i>of which secured by real estate property</i>	2 290	31	2 321	2 137	9	2 146
<i>of which retail SME</i>	71	0	71	69	0	69
<i>of which other retail exposures</i>	157	2	158	148	0	149
<b>Total IRB approach</b>	<b>5 687</b>	<b>196</b>	<b>5 883</b>	<b>5 285</b>	<b>66</b>	<b>5 352</b>
Central governments or central banks	1 166	110	1 275	1 202	89	1 291
Other exposures	533	2	535	487	1	488
<b>Total Standardised approach</b>	<b>1 699</b>	<b>112</b>	<b>1 811</b>	<b>1 689</b>	<b>90</b>	<b>1 779</b>
<b>Total</b>	<b>7 385</b>	<b>308</b>	<b>7 693</b>	<b>6 974</b>	<b>156</b>	<b>7 131</b>

\* Credit exposure is primarily concentrated to Estonia. The category "Other countries" consists mainly Sweden, Lithuania, Latvia and Finland (2017: Latvia, Lithuania, Netherlands and Turkey).



Table 11. EU CRB-D - Concentration of exposures by industry

	Banks	Finance and insurance	Wholesale and retail	Transportation	Shipping	Business and household services	Construction	Manufacturing	Agriculture, forestry and fishing	Mining, oil and gas extraction	Electricity, water and gas supply	Commercial real estate management	Public Administration	Household mortgage	Other
<b>31 Dec 2018, EUR m</b>															
Central governments or central banks															
Institutions	141														
Corporates		57	558	155	68	185	109	507	166	59	478	825			25
<i>of which large corporates</i>		26	405	106	68	75	59	273	11	56	419	462			10
<i>of which SME corporates</i>		31	153	49	0	110	50	235	155	3	30	358			15
<i>of which Specialised Lending</i>		0	0	0	0	0	0	0	0	0	28	4			0
Retail exposures		1	18	3	0	74	5	14	19	0	1	14		2 239	161
<i>of which secured by real estate property</i>		0	15	2	0	13	4	12	19	0	1	13		2 239	2
<i>of which retail SME</i>		0	4	1	0	62	1	3	0	0	0	1			0
<i>of which other retail exposures</i>		0	0	0	0	0	0	0	0	0	0	0			158
<b>Total IRB approach</b>	<b>141</b>	<b>58</b>	<b>576</b>	<b>158</b>	<b>68</b>	<b>259</b>	<b>114</b>	<b>522</b>	<b>185</b>	<b>59</b>	<b>479</b>	<b>839</b>	<b>0</b>	<b>2 239</b>	<b>186</b>
Central governments or central banks	1 121												154		
Other exposures		1	20	16	0	21	26	17	14	1	1	3	175		240
<b>Total Standardised approach</b>	<b>1 121</b>	<b>1</b>	<b>20</b>	<b>16</b>	<b>0</b>	<b>21</b>	<b>26</b>	<b>17</b>	<b>14</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>329</b>	<b>0</b>	<b>240</b>
<b>Total</b>	<b>1 263</b>	<b>58</b>	<b>596</b>	<b>174</b>	<b>68</b>	<b>281</b>	<b>140</b>	<b>539</b>	<b>199</b>	<b>60</b>	<b>480</b>	<b>842</b>	<b>329</b>	<b>2 239</b>	<b>426</b>
<b>31 Dec 2017, EUR m</b>															
Central governments or central banks															
Institutions	27														
Corporates		71	510	144	61	176	102	474	156	115	408	723			21
<i>of which large corporates</i>		21	257	45	0	43	54	157	9	112	356	163			11
<i>of which SME corporates</i>		50	250	99	61	132	48	317	147	3	17	522			9
<i>of which Specialised Lending</i>		0	3	0	0	1	0	0	0	0	34	38			0
Retail exposures		0	20	4	0	70	6	15	18	0	1	16		2 063	149
<i>of which secured by real estate property</i>		0	16	3	0	12	5	13	18	0	1	16		2 063	0
<i>of which retail SME</i>		0	4	1	0	58	1	3	0	0	0	1			1
<i>of which other retail exposures</i>		0	0	0	0	0	0	0	0	0	0	0			149
<b>Total IRB approach</b>	<b>27</b>	<b>71</b>	<b>530</b>	<b>148</b>	<b>61</b>	<b>246</b>	<b>108</b>	<b>490</b>	<b>175</b>	<b>115</b>	<b>408</b>	<b>739</b>	<b>0</b>	<b>2 063</b>	<b>170</b>
Central governments or central banks	1 010												281		
Other exposures		0	20	17	0	22	25	20	11	1	1	3	139		229
<b>Total Standardised approach</b>	<b>1 010</b>	<b>0</b>	<b>20</b>	<b>17</b>	<b>0</b>	<b>22</b>	<b>25</b>	<b>20</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>420</b>	<b>0</b>	<b>229</b>
<b>Total</b>	<b>1 037</b>	<b>72</b>	<b>551</b>	<b>165</b>	<b>61</b>	<b>268</b>	<b>132</b>	<b>509</b>	<b>186</b>	<b>116</b>	<b>409</b>	<b>742</b>	<b>420</b>	<b>2 063</b>	<b>399</b>

Table 12. EU CRB-E - Maturity of exposures

31 Dec 2018, EUR m	Net exposure value				No stated maturity	Total
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years		
Central governments or central banks						
Institutions	38	101	3	0		141
Corporates	299	649	2 096	147		3 191
<i>of which large corporates</i>	178	387	1 348	57		1 970
<i>of which SME corporates</i>	121	261	735	71		1 187
<i>of which Specialised Lending</i>	0	1	13	19		33
Retail exposures	116	33	184	2 217		2 550
<i>of which secured by real estate property</i>	15	23	117	2 166		2 321
<i>of which retail SME</i>	9	2	10	50		71
<i>of which other retail exposures</i>	92	8	57	1		158
<b>Total IRB approach</b>	<b>454</b>	<b>782</b>	<b>2 283</b>	<b>2 363</b>	<b>0</b>	<b>5 883</b>
Central governments or central banks	1 122	32	122	0		1 275
Other exposures	16	35	341	143		535
<b>Total Standardised approach</b>	<b>1 138</b>	<b>67</b>	<b>463</b>	<b>143</b>	<b>0</b>	<b>1 811</b>
<b>Total</b>	<b>1 592</b>	<b>849</b>	<b>2 746</b>	<b>2 506</b>	<b>0</b>	<b>7 693</b>

31 Dec 2017, EUR m	Net exposure value				No stated maturity	Total
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years		
Central governments or central banks						
Institutions	20	7	0	0		27
Corporates	444	630	1 748	139		2 961
<i>of which large corporates</i>	162	322	741	4		1 229
<i>of which SME corporates</i>	281	306	940	127		1 655
<i>of which Specialised Lending</i>	1	1	66	8		77
Retail exposures	81	74	174	2 035		2 363
<i>of which secured by real estate property</i>	25	16	117	1 987		2 146
<i>of which retail SME</i>	6	6	11	46		69
<i>of which other retail exposures</i>	49	52	46	2		149
<b>Total IRB approach</b>	<b>545</b>	<b>711</b>	<b>1 922</b>	<b>2 174</b>	<b>0</b>	<b>5 352</b>
Central governments or central banks	1 034	151	106	0		1 291
Other exposures	52	24	316	96		488
<b>Total Standardised approach</b>	<b>1 086</b>	<b>176</b>	<b>422</b>	<b>96</b>	<b>0</b>	<b>1 779</b>
<b>Total</b>	<b>1 631</b>	<b>886</b>	<b>2 344</b>	<b>2 270</b>	<b>0</b>	<b>7 131</b>

## Credit risk mitigation

Depending on the creditworthiness of the customer, as well as the nature and complexity of the transaction, collateral and netting agreements can be used to a varying extent to mitigate the credit risk. In the selection of a particular credit risk mitigation technique, consideration is given to its suitability for the product and customer in question, its legal enforceability, and on the experience and capacity to manage and control the particular technique. The most important credit risk mitigation techniques are pledges and guarantees. The most common types of pledges are real estate, floating charges and financial securities.

For large corporate customers, credit risk is commonly mitigated through the use of restrictive covenants in the credit agreements, including negative pledges. Independent and professional credit analysis is particularly important for this customer segment. A credit analysis function within the Corporates and Institutions Area provides independent analysis and credit opinions to business units throughout the bank where relevant as well as to the credit committees.

All non-retail collateral values are reviewed at least annually by the relevant credit committees. Collateral values for watch-listed engagements are reviewed on a more frequent basis. The general rule is that the value of the collateral shall be calculated on the basis of the estimated market value of the asset with a conservative discount. The market value shall be documented by an independent external valuation or, when applicable, by a well justified internal estimate.

The general control process for various credit risk mitigation techniques includes credit review and approval requirements, specific credit product policies and credit risk monitoring and control. The value of both the exposure and the mitigating collateral are monitored on a regular basis. The frequency depends on the type of counterparty, the structure of the transaction and the type of collateral.

The most common collateral is the real estate and from exposures secured by collateral, the residential real estate made 58%, commercial real estate 37% and other collateral types (floating charges, financial collaterals, etc.) 5%.

Table 13. EU CR3 - Credit risk mitigation techniques

	Exposures unsecured - Carrying amount	Exposures secured - Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
<b>31 Dec 2018, EUR m</b>					
Total loans	2 524	3 843	3 739	104	
Total debt securities	110	0	0	0	
<b>Total exposures</b>	<b>2 633</b>	<b>3 843</b>	<b>3 739</b>	<b>104</b>	<b>0</b>
Of which defaulted	12	4	3	0	

	Exposures unsecured - Carrying amount	Exposures secured - Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
<b>31 Dec 2017, EUR m</b>					
Total loans	2 142	3 645	3 583	62	
Total debt securities	89				
<b>Total exposures</b>	<b>2 220</b>	<b>3 645</b>	<b>3 583</b>	<b>62</b>	<b>0</b>
Of which defaulted	10	36	36	0	

## Credit quality

Bank's impairment process is described in the Annual Report Note 1.8. – Expected credit loss.

If an obligor has not paid an amount of principal, interest or fee at the date it was due, this shall be recognised as a payment obligation past due. An overdraft exposure shall be considered as past due if the counterparty has breached an advised limit or been advised of a limit smaller than the amount outstanding.

Table 14. EU CR1-A - Credit quality of exposures by exposure class and instrument

	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
	Defaulted exposures	Non-defaulted exposures					
<b>31 Dec 2018, EUR m</b>							
Central governments or central banks	0	0	0		0		0
Institutions	0	141	0		0	0	141
Corporates	19	3 180	11		18	0	3 189
<i>of which large corporates</i>	3	1 969	2		3	2	1 970
<i>of which SME corporates</i>	17	1 178	8		1	0	1 187
<i>of which Specialised Lending</i>	0	32	1		15	2	31
Retail exposures	33	2 530	13		70	0	2 550
<i>of which secured by real estate property</i>	30	2 301	10		25	-1	2 321
<i>of which retail SME</i>	1	72	1		38	-1	71
<i>of which other retail exposures</i>	2	158	1		7	0	158
<b>Total IRB approach</b>	<b>52</b>	<b>5 852</b>	<b>23</b>	<b>0</b>	<b>88</b>	<b>0</b>	<b>5 880</b>
Central governments or central banks	0	1 275	0		0	1	1 275
Other exposures	3	535	1		0	0	538
<b>Total Standardised approach</b>	<b>3</b>	<b>1 811</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1 813</b>
<b>Total</b>	<b>55</b>	<b>7 662</b>	<b>24</b>	<b>0</b>	<b>88</b>	<b>1</b>	<b>7 693</b>
Of which: Loans	55	6 336	24	0	88	1	6 367
Of which: Debt securities	0	110					110
Of which: Off-balance-sheet exposures	0	1 217					1 217
<b>31 Dec 2017, EUR m</b>							
Central governments or central banks							
Institutions	0	27	0		0	0	27
Corporates	22	2 949	10		22	0	2 961
<i>of which large corporates</i>	0	1 230	1		3	0	1 229
<i>of which SME corporates</i>	20	1 644	8		4	0	1 655
<i>of which Specialised Lending</i>	2	76	1		16	0	77
Retail exposures	35	2 337	9		71	0	2 363
<i>of which secured by real estate property</i>	33	2 119	6		25	0	2 146
<i>of which retail SME</i>	1	69	1		38	0	69
<i>of which other retail exposures</i>	1	149	2		8	0	149
<b>Total IRB approach</b>	<b>57</b>	<b>5 313</b>	<b>19</b>	<b>0</b>	<b>93</b>	<b>0</b>	<b>5 352</b>
Central governments or central banks	0	1 291	0		0	0	1 291
Other exposures	1	488	1		0	0	488
<b>Total Standardised approach</b>	<b>1</b>	<b>1 779</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 779</b>
<b>Total</b>	<b>58</b>	<b>7 092</b>	<b>20</b>	<b>0</b>	<b>93</b>	<b>0</b>	<b>7 131</b>
Of which: Loans	58	5 748	20	0	93	0	5 786
Of which: Debt securities	0	89					89
Of which: Off-balance-sheet exposures	0	1 255					1 255

Table 15. EU CR1-B - Credit quality of exposures by industry or counterparty types

31 Dec 2018, EUR m	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
	Defaulted exposures	Non-defaulted exposures					
Banks	0	1 263	0		0	0	1 263
Finance and insurance	0	58	0		4	0	58
Wholesale and retail	1	597	2		6	2	596
Transportation	2	173	1		1	0	174
Shipping	0	68	0		0	0	68
Business and household services	0	282	1		2	0	281
Construction	0	140	0		10	0	140
Manufacturing	3	538	1		12	0	539
Agriculture, forestry and fishing	9	193	3		0	0	199
Mining, oil and gas extraction	0	60	0		0	0	60
Electricity, water and gas supply	0	480	0		0	0	480
Commercial real estate management	9	837	4		19	0	842
Public Administration	0	329	0		0	0	329
Household mortgage	29	2 220	10		25	-1	2 239
Other	2	426	2		8	0	426
<b>Total</b>	<b>55</b>	<b>7 662</b>	<b>24</b>	<b>0</b>	<b>88</b>	<b>1</b>	<b>7 693</b>

31 Dec 2017, EUR m	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
	Defaulted exposures	Non-defaulted exposures					
Banks	0	1 037	0		0	0	1 037
Finance and insurance	0	72	0		4	0	72
Wholesale and retail	1	551	1		6	0	551
Transportation	1	164	1		1	0	165
Shipping	0	61	0		0	0	61
Business and household services	1	268	1		2	0	268
Construction	0	132	0		11	0	132
Manufacturing	2	509	1		15	0	509
Agriculture, forestry and fishing	10	180	3		0	0	186
Mining, oil and gas extraction	0	116	0		0	0	116
Electricity, water and gas supply	0	409	0		0	0	409
Commercial real estate management	10	736	4		20	0	742
Public Administration	0	420	0		0	0	420
Household mortgage	32	2 035	6		25	0	2 060
Other	2	402	2		9	0	402
<b>Total</b>	<b>58</b>	<b>7 092</b>	<b>20</b>	<b>0</b>	<b>93</b>	<b>0</b>	<b>7 131</b>

Table 16. EU CR1-C - Credit quality of exposures by geography

31 Dec 2018, EUR m	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
	Defaulted exposures	Non-defaulted exposures					
Estonia	54	7 355	24	0	87	1	7 385
Other countries *	1	308	1	0	0	0	308
<b>Total</b>	<b>55</b>	<b>7 662</b>	<b>24</b>	<b>0</b>	<b>88</b>	<b>1</b>	<b>7 693</b>

\* Credit exposure is primarily concentrated to Estonia. The category "Other countries" consists mainly Sweden, Lithuania, Latvia and Finland.

31 Dec 2017, EUR m	Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
	Defaulted exposures	Non-defaulted exposures					
Estonia	58	6 937	20		93	0	6 974
Other countries *	1	156	0		0	0	156
<b>Total</b>	<b>58</b>	<b>7 092</b>	<b>20</b>	<b>0</b>	<b>93</b>	<b>0</b>	<b>7 131</b>

\* Credit exposure is primarily concentrated to Estonia. The category "Other countries" consists mainly Lithuania, Latvia, Netherlands and Turkey.

Table 17. EU CR1-D - Ageing of past due exposures

31 Dec 2018, EUR m	Gross carrying values					
	≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year
Loans	56	6	3	3	3	18
Debt securities						
<b>Total exposures</b>	<b>56</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>18</b>

31 Dec 2017, EUR m	Gross carrying values					
	≤ 30 days	> 30 days ≤ 60 days	> 60 days ≤ 90 days	> 90 days ≤ 180 days	> 180 days ≤ 1 year	> 1 year
Loans	63	5	3	4	2	18
Debt securities						
<b>Total exposures</b>	<b>63</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>18</b>

Table 18. EU CR1-E - Non-performing and forborne exposures

	Gross carrying values							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees 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				
<b>31 Dec 2018, EUR m</b>													
Debt securities	110												
Loans and advances	6 391	5	22	66	55	55	26	4	0	20	8	35	39
Off-balance-sheet exposures	1 217	0	0	1	0	0	0	0	0	0	0	0	0

	Gross carrying values							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees 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				
<b>31 Dec 2017, EUR m</b>													
Debt securities	89												
Loans and advances	5 806	4	29	62	58	22	30	7	0	12	5	44	51
Off-balance-sheet exposures	1 255	0	0	0	0	0	0	0	0	0	0	0	0

Table 19. EU CR2-A - Changes in stock of general and specific risk adjustments

	Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
<b>31 Dec 2018, EUR m</b>		
<b>Opening balance</b>		<b>23</b>
Increases due to amounts set aside for estimated loan losses during the period	4	
Decreases due to amounts reversed for estimated loan losses during the period	-2	
Decreases due to amounts taken against accumulated credit risk adjustments	0	
Transfers between credit risk adjustments	0	
Impact of exchange rate differences	0	
Business combinations, including acquisitions and disposals of subsidiaries	0	
Other adjustments	0	
<b>Closing balance</b>		<b>24</b>
Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	-1	
Specific credit risk adjustments directly recorded to the statement of profit or loss	0	
<b>31 Dec 2017, EUR m</b>		
<b>Opening balance</b>		<b>25</b>
Increases due to amounts set aside for estimated loan losses during the period	0	
Decreases due to amounts reversed for estimated loan losses during the period	-5	
Decreases due to amounts taken against accumulated credit risk adjustments	0	
Transfers between credit risk adjustments	0	
Impact of exchange rate differences	0	
Business combinations, including acquisitions and disposals of subsidiaries	0	
Other adjustments	0	
<b>Closing balance</b>		<b>20</b>
Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	-1	
Specific credit risk adjustments directly recorded to the statement of profit or loss	1	

Table 20. EU CR2-B - Changes in stock of defaulted and impaired loans and debt securities

	Gross carrying value defaulted exposures
<b>31 Dec 2018, EUR m</b>	
<b>Opening balance</b>	<b>58</b>
Loans and debt securities that have defaulted or impaired since the last reporting period	9
Returned to non-defaulted status	-3
Amounts written off	-1
Other changes *	-9
<b>Closing balance</b>	<b>55</b>
<b>31 Dec 2017, EUR m</b>	
<b>Opening balance</b>	<b>63</b>
Loans and debt securities that have defaulted or impaired since the last reporting period	10
Returned to non-defaulted status	-4
Amounts written off	-1
Other changes *	-10
<b>Closing balance</b>	<b>58</b>

\*Category "Other changes" consists repaid loans