

AB SEB bankas



Capital Adequacy and Risk Management Report (Pillar 3)

30 June 2022

2022

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Basis for the report

This report is prepared in accordance with the requirements of the Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council (the ‘CRR’) and the Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013. In addition to this, disclosures according to the EBA Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis are included in this report.

AB SEB bankas (the ‘Bank’), identified by LEI code* 549300SBPFE9JX7N8J82, is a part of Skandinaviska Enskilda Banken group (the ‘SEB Group’). The Bank is 100 % owned by Skandinaviska Enskilda Banken AB (publ), registered in Sweden (the ‘Parent’). The Bank is categorized as large institution, other than Global Systemically Important Institution, that is non-listed, and a large subsidiary of EU parent institution. The key metrics referred to in Article 447 of CRR (as required according to Article 433a of CRR) shall be disclosed for the large subsidiaries of EU parent institutions on a semi-annual basis.

On 1 March 2022 the Bank sold 100% of its sole subsidiary UAB SEB investicijų valdymas shares to SEB Life and Pensions Baltic SE. This report is based on the Bank’s individual situation as of 30 June 2022, 31 December 2021 and 30 June 2021, where applicable. This report is published on the same date as the date on which financial statements of the Bank are published for the corresponding period.

The report has been attested by

Jurgita Sinkevičienė, acting Head of Business Support Division and Chief Financial Officer of AB SEB bankas
and
Rasoul Najafi, Head of Credits and Risk Management Division and Chief Risk Officer of AB SEB bankas

Vilnius,
29 August 2022

**LEI code – an unique identifier of legal person (Legal Entity Identifier), which is used to identify legal entities, operating in the financial markets.*

Table 1. EU KM1 - Key metrics template

		30 Jun 2022	31 Dec 2021	30 Jun 2021
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	820,887	816,705	817,728
2	Tier 1 capital	820,887	816,705	817,728
3	Total capital	825,881	821,004	820,182
Risk-weighted exposure amounts				
4	Total risk exposure amount	4,290,641	3,785,314	3,995,399
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	19.13%	21.58%	20.47%
6	Tier 1 ratio (%)	19.13%	21.58%	20.47%
7	Total capital ratio (%)	19.25%	21.69%	20.53%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.00%	0.00%	0.00%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.0113	0.0000	0.0000
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.0150	0.0000	0.0000
EU 7d	Total SREP own funds requirements (%)	10.00%	8.00%	8.00%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.00%	0.00%	0.00%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	2.00%	0.00%	0.00%
11	Combined buffer requirement (%)	4.50%	2.50%	2.50%
EU 11a	Overall capital requirements (%)	14.50%	10.50%	10.50%
12	CET1 available after meeting the total SREP own funds requirements (%)	9.13%	13.58%	12.47%
Leverage ratio				
13	Total exposure measure	12,184,450	11,893,593	11,470,715
14	Leverage ratio (%)	6.74%	6.87%	7.13%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)				
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%
Liquidity Coverage Ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	2,497,357	2,446,348	2,282,827
EU 16a	Cash outflows - Total weighted value	1,650,119	1,594,347	1,526,249
EU 16b	Cash inflows - Total weighted value	1,345,609	1,933,910	1,782,569
16	Total net cash outflows (adjusted value)	412,530	398,587	381,562
17	Liquidity coverage ratio (%)	605.38%	613.76%	598.28%
Net Stable Funding Ratio				
18	Total available stable funding	8,712,427	8,726,530	8,280,605
19	Total required stable funding	7,393,703	4,680,677	4,567,822
20	NSFR ratio (%)	117.84%	186.44%	181.28%

COMMENT

As of 31 December 2021 and 30 June 2021 additional own funds requirements (2 %) and Other systemically Important Institution buffer (2 %) were required on a consolidated basis for AB SEB bankas group (the Bank and its sole subsidiary UAB SEB investicijų valdymas). Since 1 March 2022 (i.e. sale of sole subsidiary UAB SEB investicijų valdymas) the above mentioned requirements were imposed on individual basis to the Bank.

Table 2. Information on loans and advances subject to legislative and non-legislative moratoria

30 Jun 2022	Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk					Gross carrying amount
	Performing			Non performing		Performing			Non performing		
	Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	
Loans and advances subject to moratorium of which: Households <i>of which: Collateralised by residential immovable property</i> of which: Non-financial <i>of which: Small and Medium-sized Enterprises</i> <i>of which: Collateralised by commercial immovable property</i>											Inflows to non-performing exposures

Table 2. Information on loans and advances subject to legislative and non-legislative moratoria (continued)

31 Dec 2021	Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk					Gross carrying amount
	Performing			Non performing		Performing			Non performing		Inflows to non-performing exposures
	Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	

Loans and advances subject to moratorium

of which: Households
 of which: Collateralised by residential immovable property
 of which: Non-financial
 of which: Small and Medium-sized Enterprises
 of which: Collateralised by commercial immovable property

COMMENT

Moratoria was one of the measures, applied by credit institutions as a response to the outbreak of the COVID-19 pandemic to support corporates and private individuals. In Lithuania moratoria for corporate and private customers were applied till 31 of March, 2021. In respect to this, the bank had no exposure subject to moratoria as at 31 December 2021 and 30 June 2022.

Table 3. Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

30 Jun 2022	Number of obligors*	Gross carrying amount							
		Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria					
				<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year	
Loans and advances for which moratorium was offered	1,121	56,780							
Loans and advances subject to moratorium (granted)	1,121	56,780		56,780					
of which: Households		50,722		50,722					
<i>of which: Collateralised by residential immovable property</i>		48,909		48,909					
of which: Non-financial corporations		6,058		6,058					
<i>of which: Small and Medium-sized Enterprises</i>		6,058		6,058					
<i>of which: Collateralised by commercial immovable property</i>		3,026		3,026					

*Count, not thousands

31 Dec 2021	Number of obligors*	Gross carrying amount							
		Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria					
				<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year	
Loans and advances for which moratorium was offered	1,303	63,514							
Loans and advances subject to moratorium (granted)	1,303	63,514		63,514					
of which: Households		54,937		54,937					
<i>of which: Collateralised by residential immovable property</i>		52,727		52,727					
of which: Non-financial corporations		8,577		8,577					
<i>of which: Small and Medium-sized Enterprises</i>		8,577		8,577					
<i>of which: Collateralised by commercial immovable property</i>		3,893		3,893					

*Count, not thousands

Table 4. Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

30 Jun 2022	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
		of which: forborne	Public guarantees received	Inflows to non-performing exposures
Newly originated loans and advances subject to public guarantee schemes	3,332	1,672	555	
of which: Households				
of which: Collateralised by residential immovable property				
of which: Non-financial corporations	3,332	1,672	555	
of which: Small and Medium-sized Enterprises	3,332			
of which: Collateralised by commercial immovable property	1,628			
31 Dec 2021	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
		of which: forborne	Public guarantees received	Inflows to non-performing exposures
Newly originated loans and advances subject to public guarantee schemes	4,255	1,744	713	
of which: Households				
of which: Collateralised by residential immovable property				
of which: Non-financial corporations	4,255	1,744	713	
of which: Small and Medium-sized Enterprises	4,255			
of which: Collateralised by commercial immovable property	1,775			