

Thomas Bengtson

3 Q 2010

SEB, Residential
Mortgage Lending and
Covered Bonds

January
2011



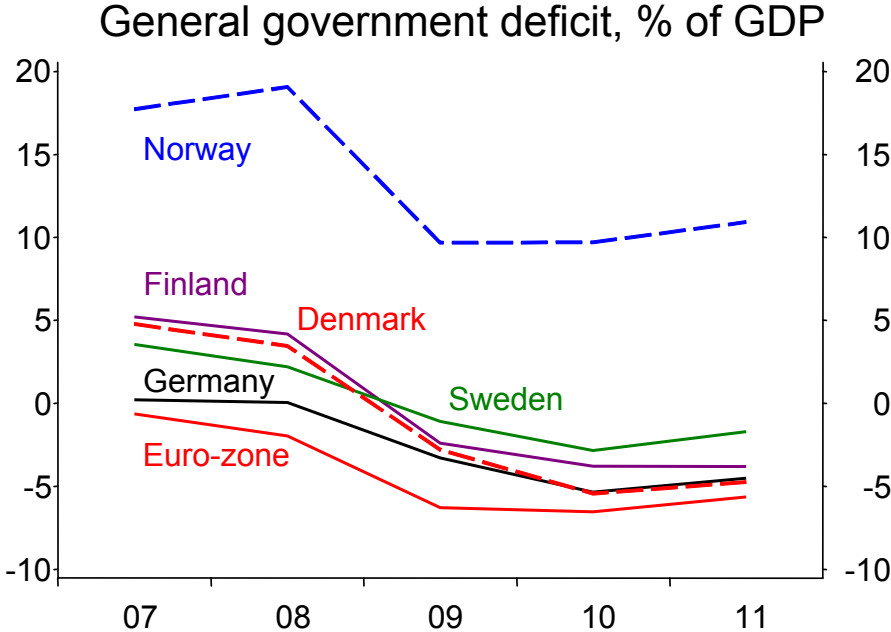
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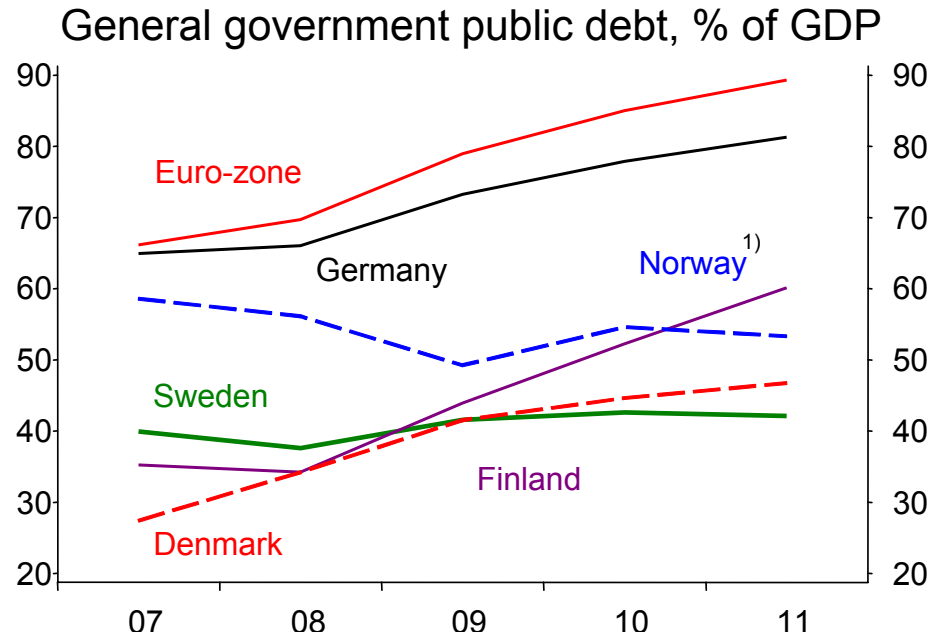
- SEB founded in 1856
- Total assets of approx. USD 322bn as at September 2010 and a market capitalisation of approx. USD 16bn
- Retail business
 - The leading Swedish Private Bank in terms of assets under management
 - No 2 in the Swedish total household savings market
 - No 1 in unit-linked insurance and no 3 Life and Pension company in Sweden
 - No 4 in residential mortgage lending with approx 13% of the market
- Corporate and Institutional business
 - The leading Nordic franchise in trading and capital market activities, equities, corporate and investment banking
 - No 2 Nordic asset manager with approx. USD192bn under management
 - No 1 Nordic custodian with approx EUR 533bn under custody
- Stable unsecured ratings: A1 by Moody's, A by S&P and A+ by Fitch
- Stable Covered Bond rating: Aaa by Moody's
- Publicly traded and listed on the SOX. Largest owners: Investor AB 21%; Trygg foundation 8%; Alecta 7%; Robur funds 4%; AMF 2%; Non-Swedish owners 20%

Exchange rate: SEK/USD = 7.0

SEB's primary markets have shown remarkable resilience over the last four years



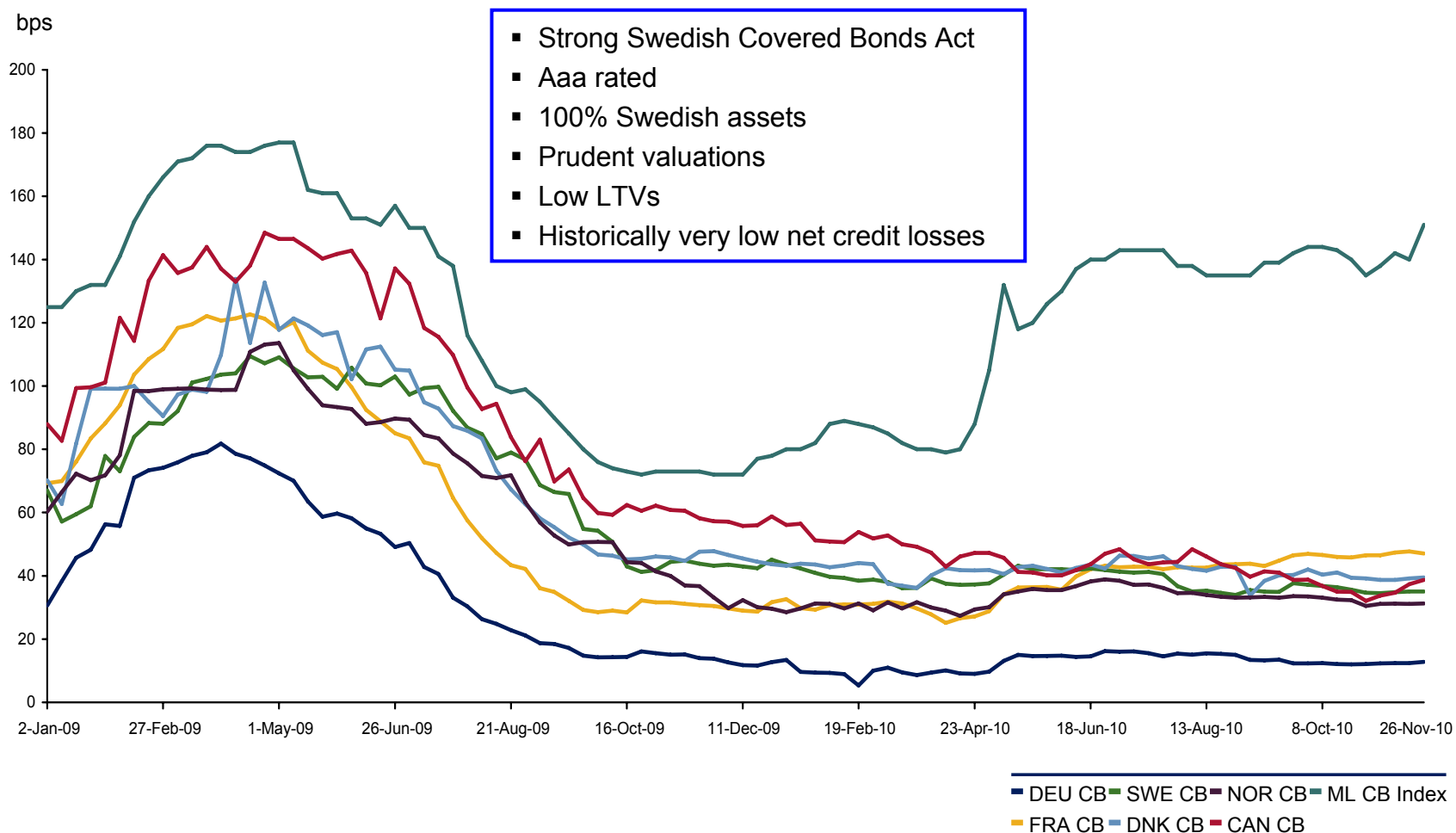
Source: OECD



Source: OECD

1) Norway depicts here gross financial debt. Net financial debt would show >150% surplus

Swedish Euro Covered Bonds have performed well in 2009 and in 2010 and remained stable in recent times

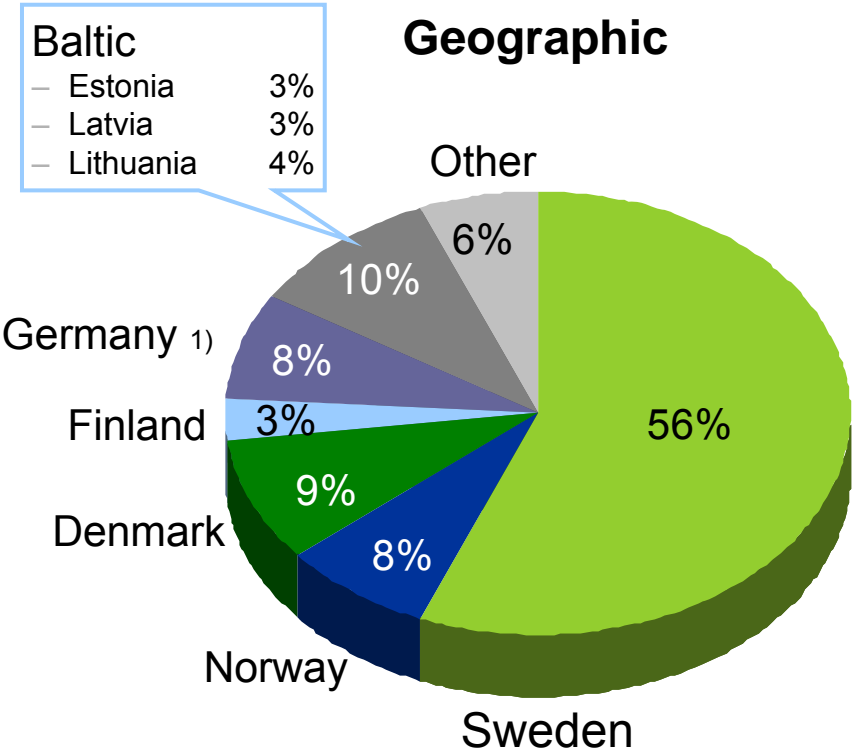


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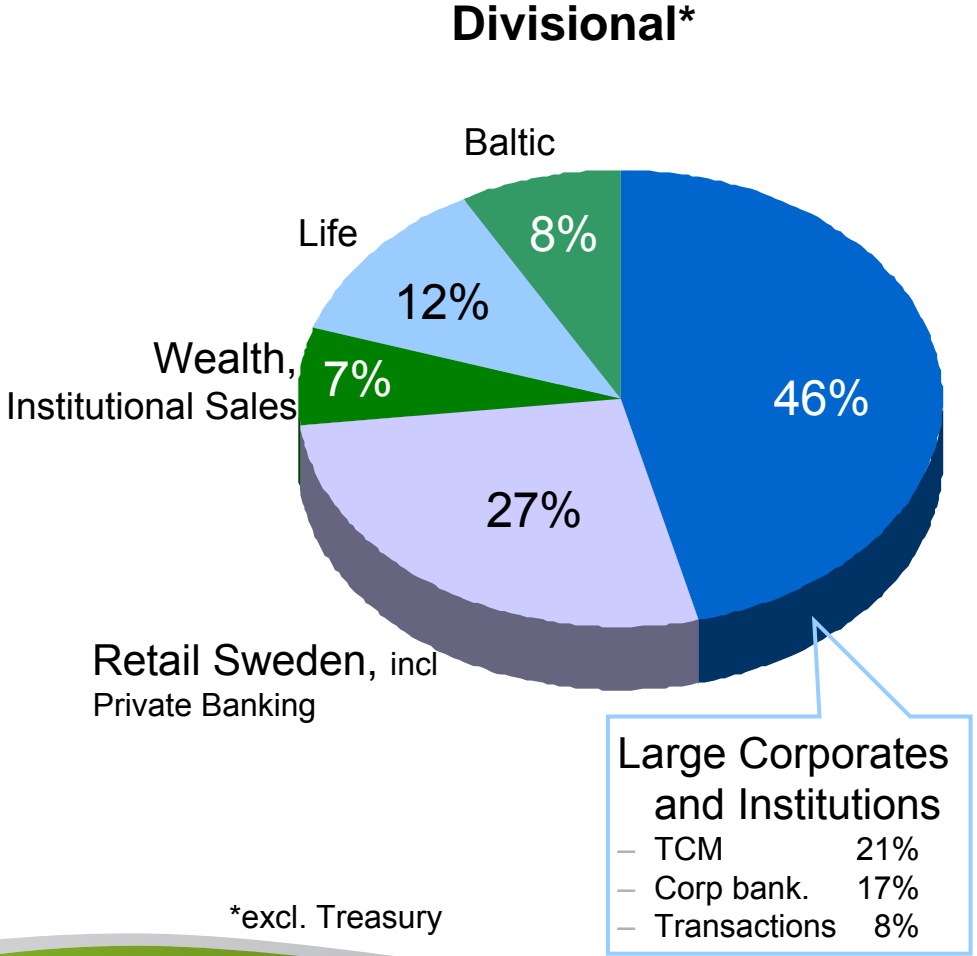
SEB AB Business Model

SEB has a very well-diversified income base

Jan – Sep 2010. Total operating income: SEK 26.8bn (USD 3.8bn)



1) excluding discontinued operations

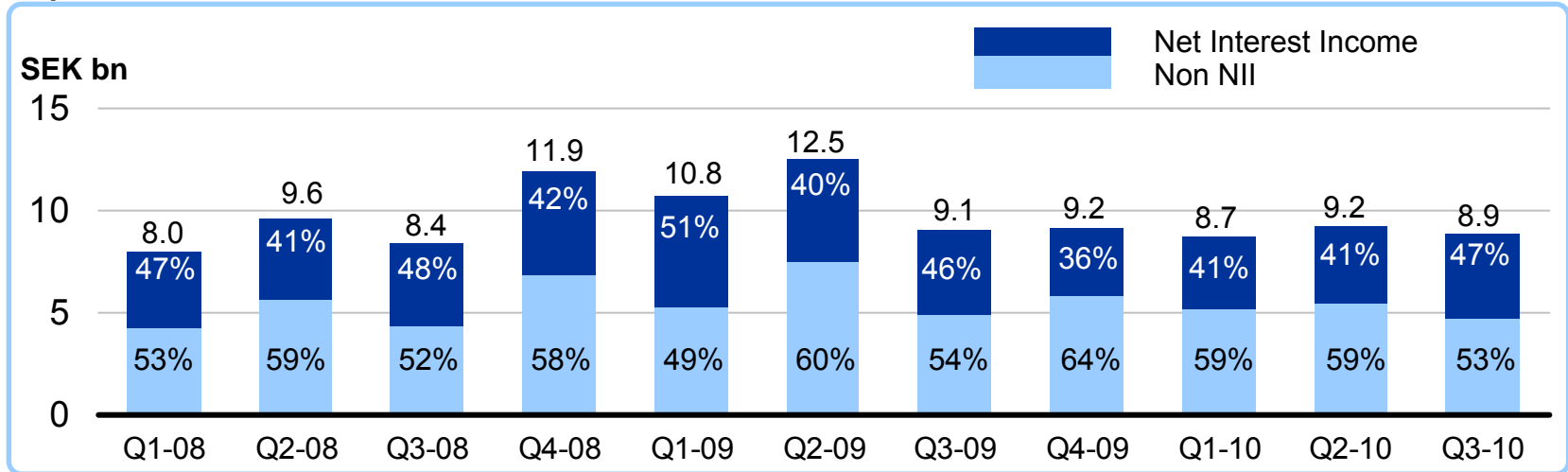


*excl. Treasury

SEB's businesses generate stable and distinct revenue streams

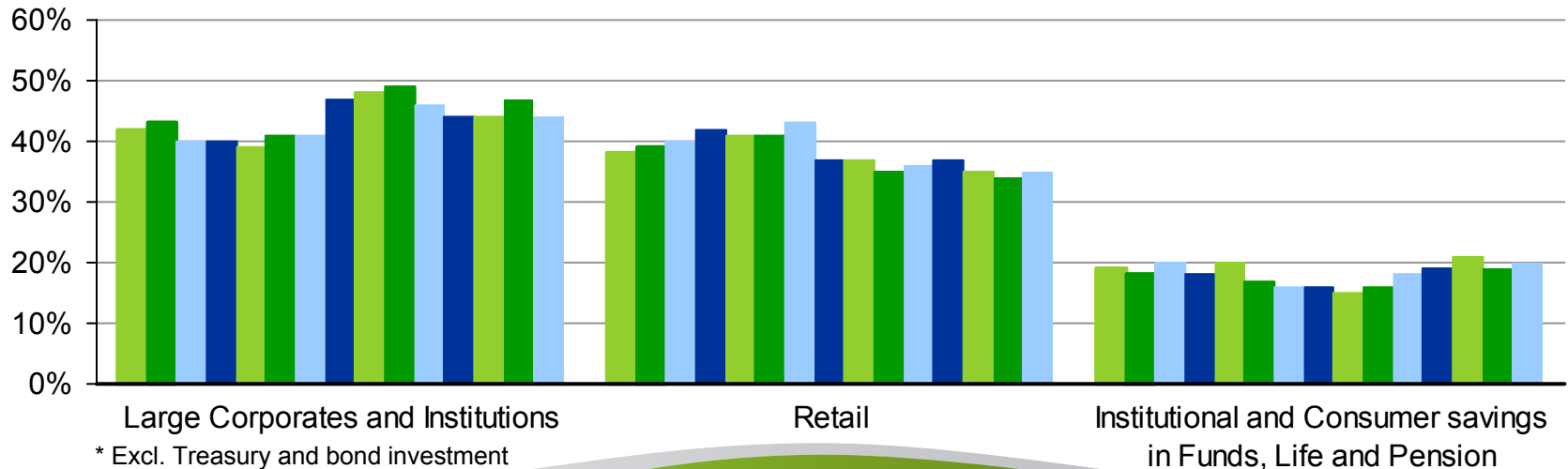


Split between Non NII and NII



Relative importance different types of income

Divisional income* Q1 2007 – Q3 2010



* Excl. Treasury and bond investment portfolio

SEB's Credit Portfolio is well diversified and Net Credit Losses are materially down



Credit portfolio

On & off Balance Sheet

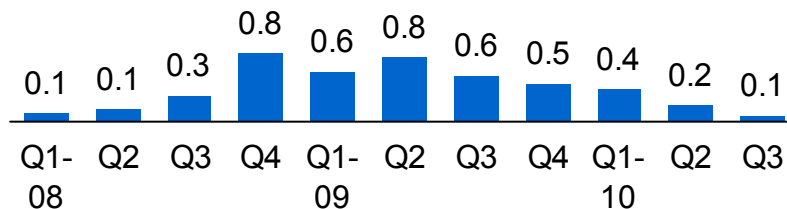
Total SEK 1,699bn (USD 240bn)

Sep 2010	Swedish	Nordic	German ¹⁾	Baltic	Total
Corporates	19%	9%	6%	3%	38%
Property					
Management	8%	1%	4%	1%	14%
Households	19%	3%	5%	3%	30%
Public					
Administration	1%	0%	4%	0%	5%
Total non-banks	47%	13%	19%	8%	87%
Banks	6%	4%	3%	0%	13%
Total	54%	17%	22%	8%	100%

1) incl discontinued operations

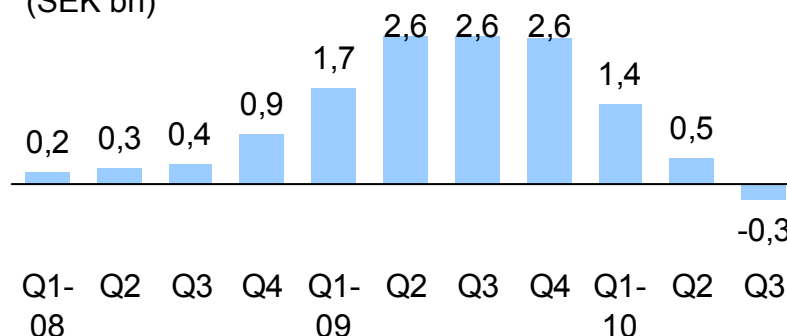
✓ Total asset portfolio performing well and resulted in a net write-back in Q3

Net Credit Losses outside the Baltic region (SEK bn)



✓ No single specific provision in the Nordic countries above SEK 10m (USD 1.4m)

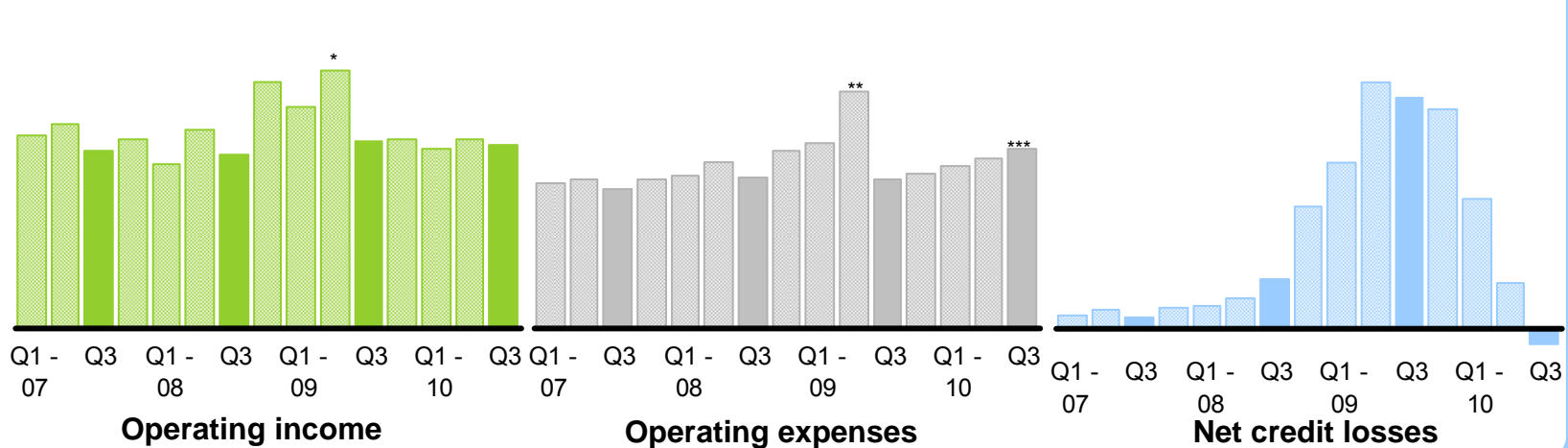
Baltic Net Credit Losses (SEK bn)



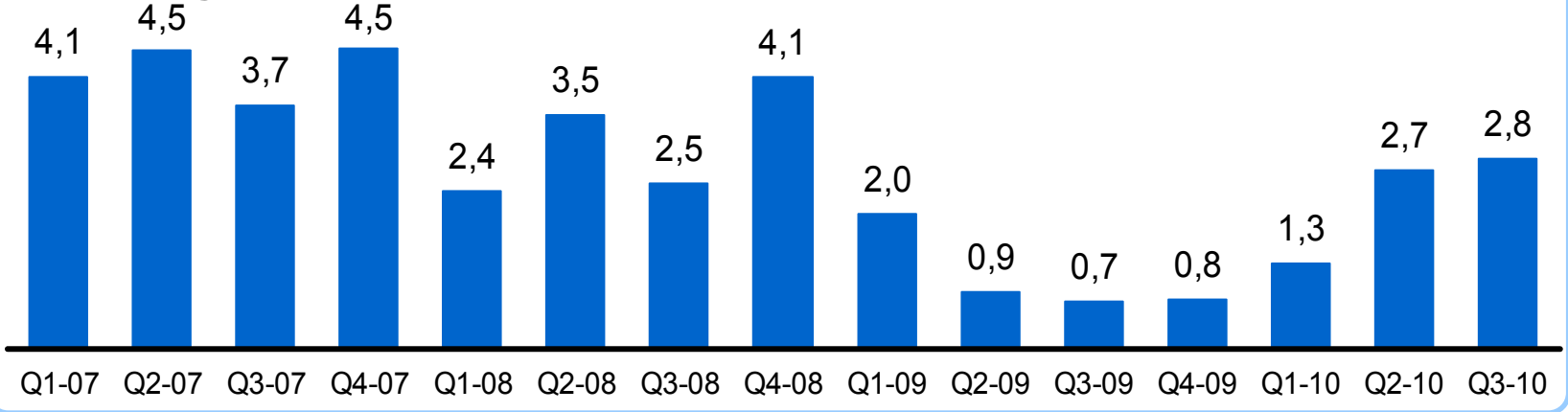
✓ New guidance for the full year is materially lower than previously communicated

SEB was profitable throughout the financial crisis

Q1-07 – Q3-10 (SEK bn)



Operating profit (SEK bn)



2007 excl. Retail Germany Proforma

*Of which 1.3bn buy back of sub debt. ** of which 3.0bn goodwill write-offs

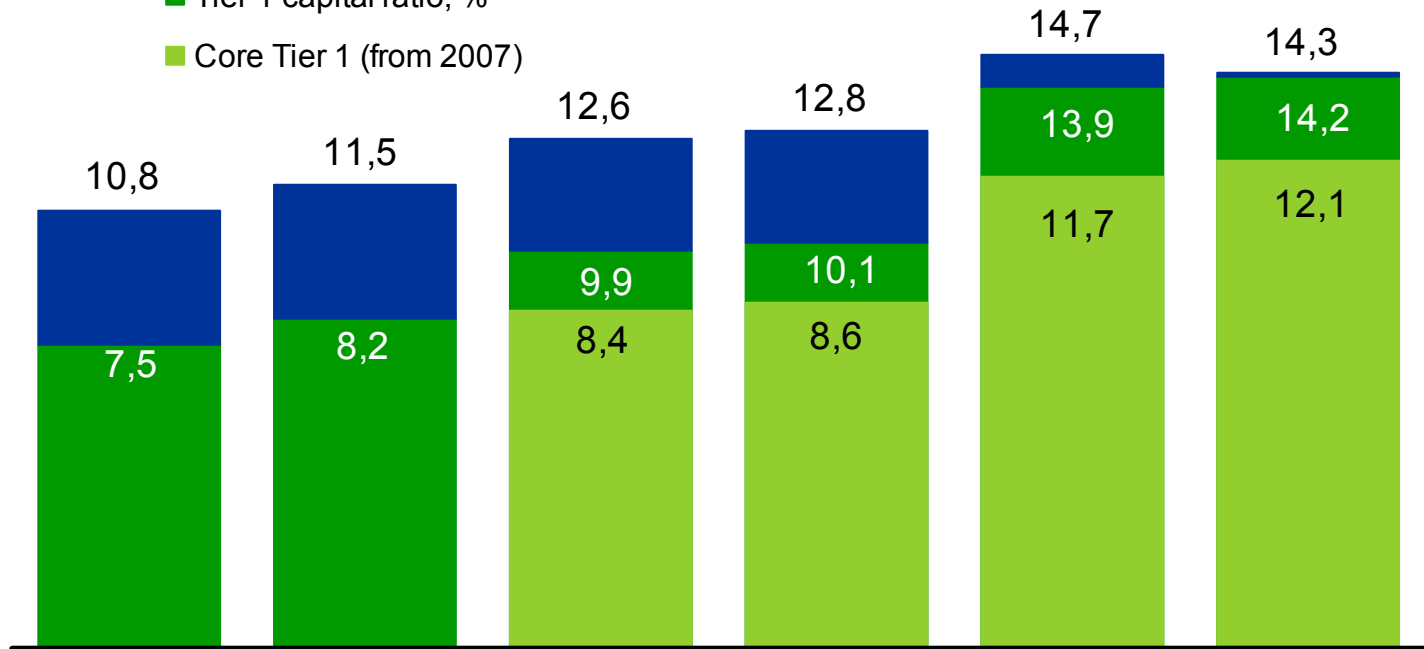
*** of which 0.8bn restructuring costs in SEB AG

SEB's Core Tier 1 ratio is amongst the strongest in Europe



Basel II
(without transition rules)

- Total capital ratio, %
- Tier 1 capital ratio, %
- Core Tier 1 (from 2007)



SEKbn
Capital base
Risk-w. Assets

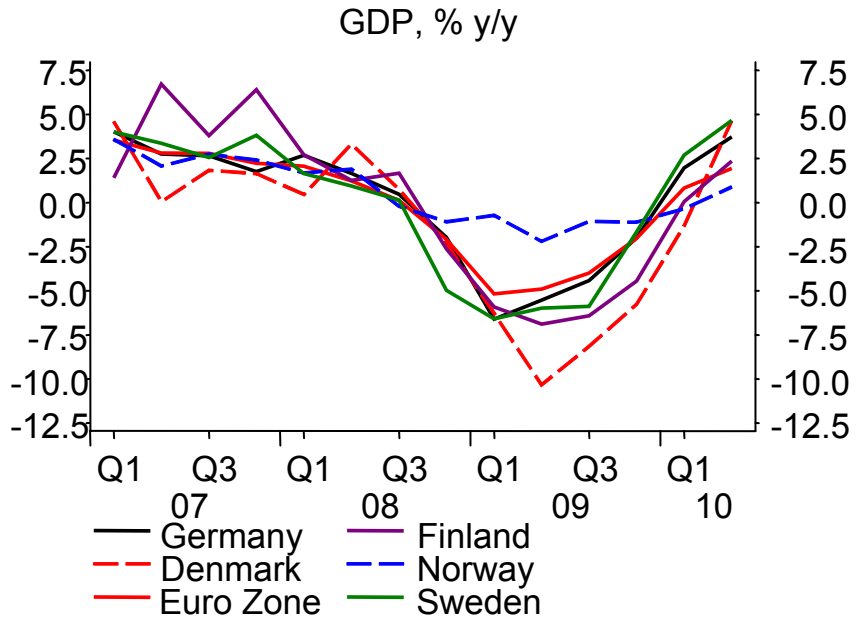
	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Sep 2010
Capital base	76.3	84.9	93.0	104.7	107.3	101.5
Risk-w. Assets	704	741	737	818	730	711

Estimated Basel III effect on Core Tier 1 is 100-150 bps

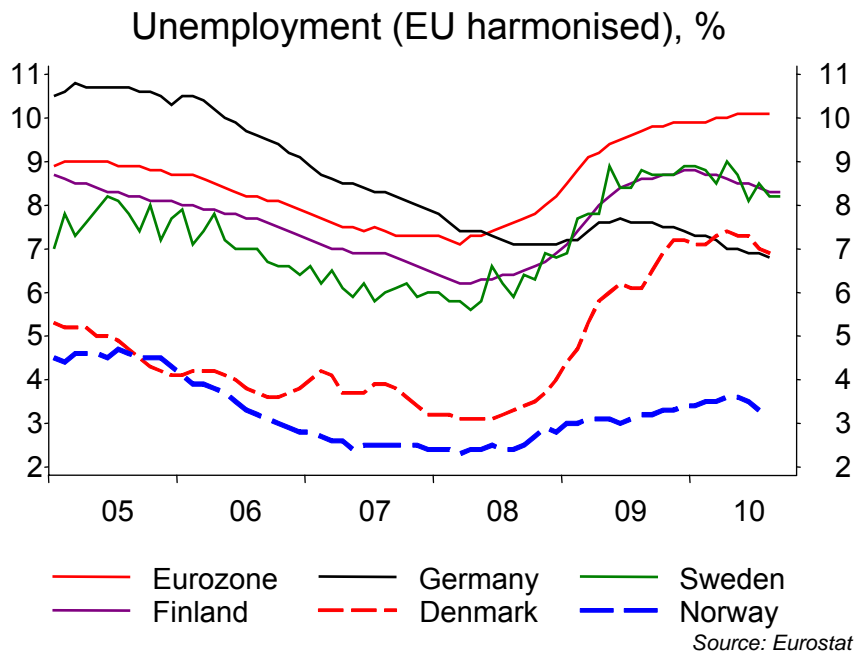
Macroeconomic Environment

SEB's core markets have experienced a strong economic recovery

Investments, consumption and exports drive Swedish GDP



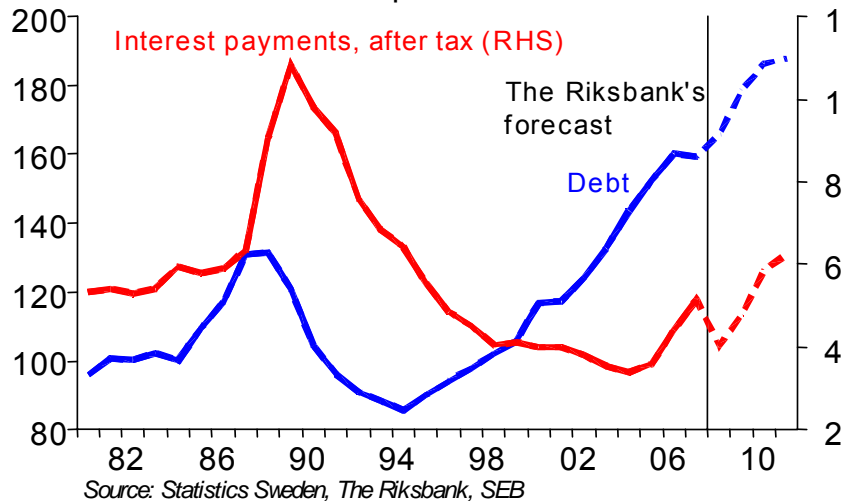
Higher labour force participation behind positive trend in Sweden



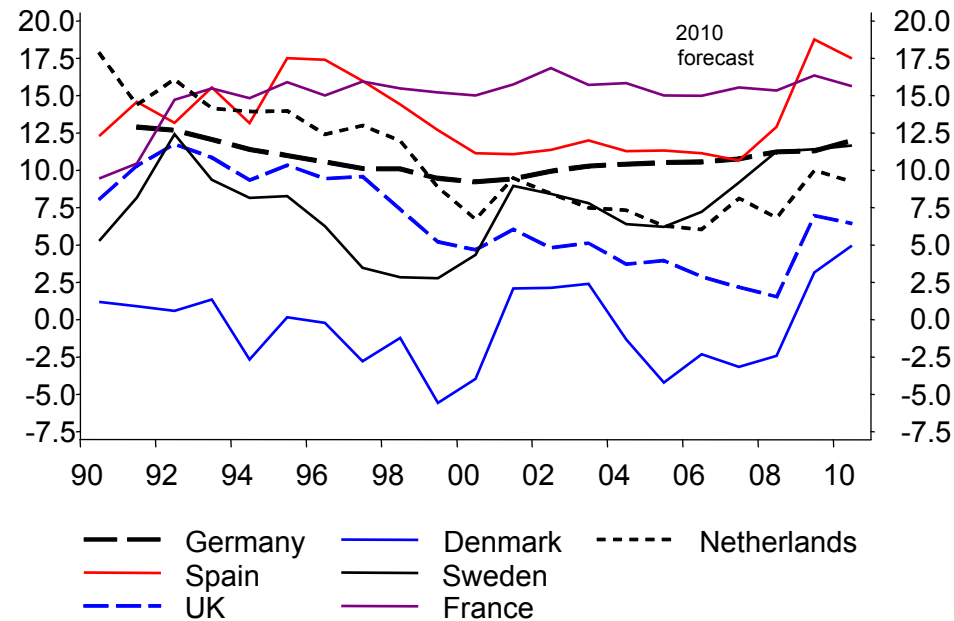
Swedish household debt manageable given high savings ratio and value of household assets

- According to stress tests by the Swedish Riksbank, households' debt-servicing ability is affected primarily by higher mortgage rates
- Active steps by policymakers and Swedish Central bank to ensure manageable household debt and to tighten up mortgage lending
- Value of household assets (real and financial) about three times as high as household debt both in relation to disposable income (Source: Swedish Central Bank December 2010)

Swe: Household debt and interest ratio
% of disposable income

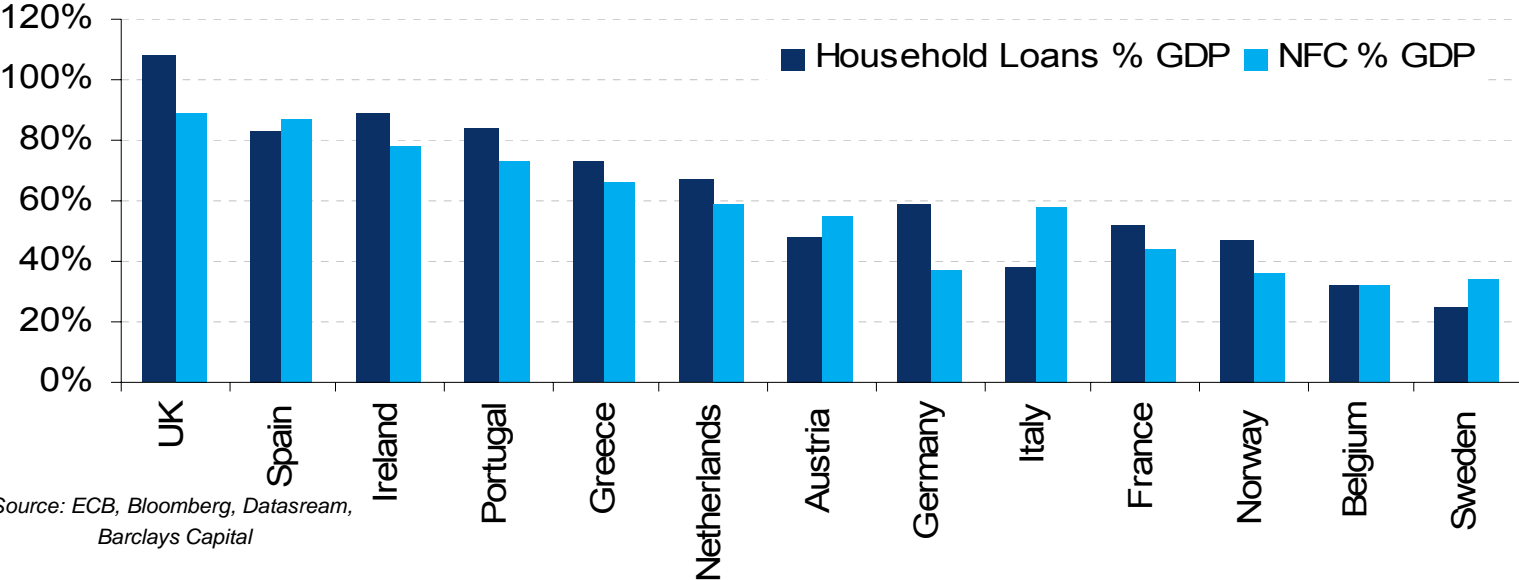


Household savings ratio, % of disposable income

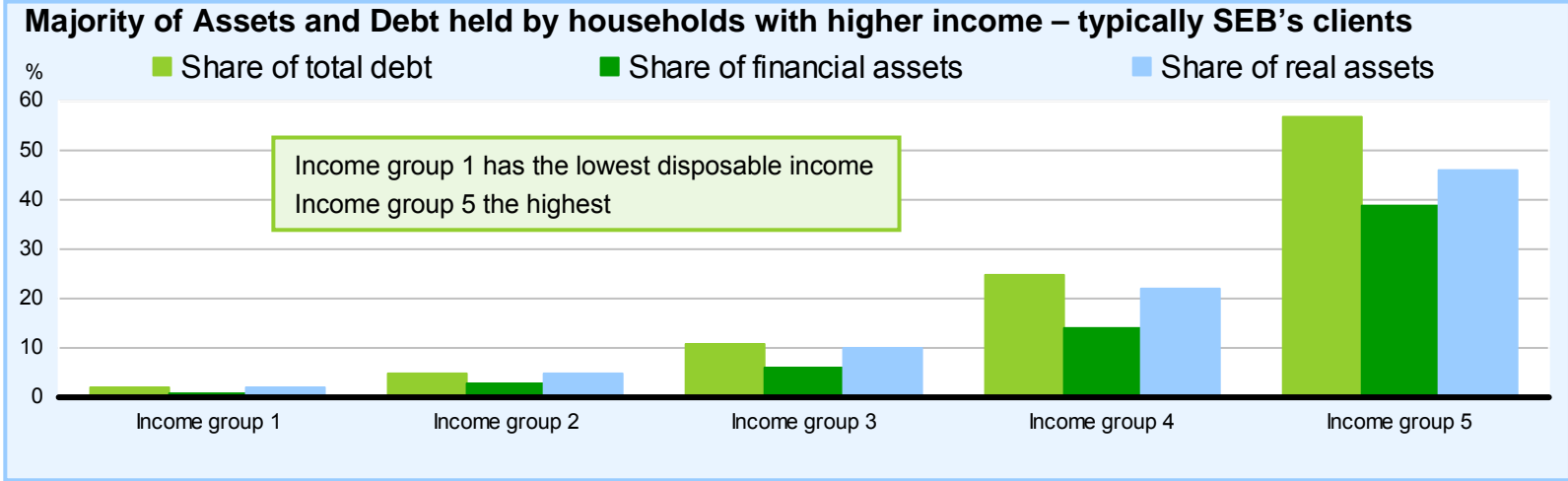


Source: OECD

Household debt low by European standards and focused on those with higher incomes

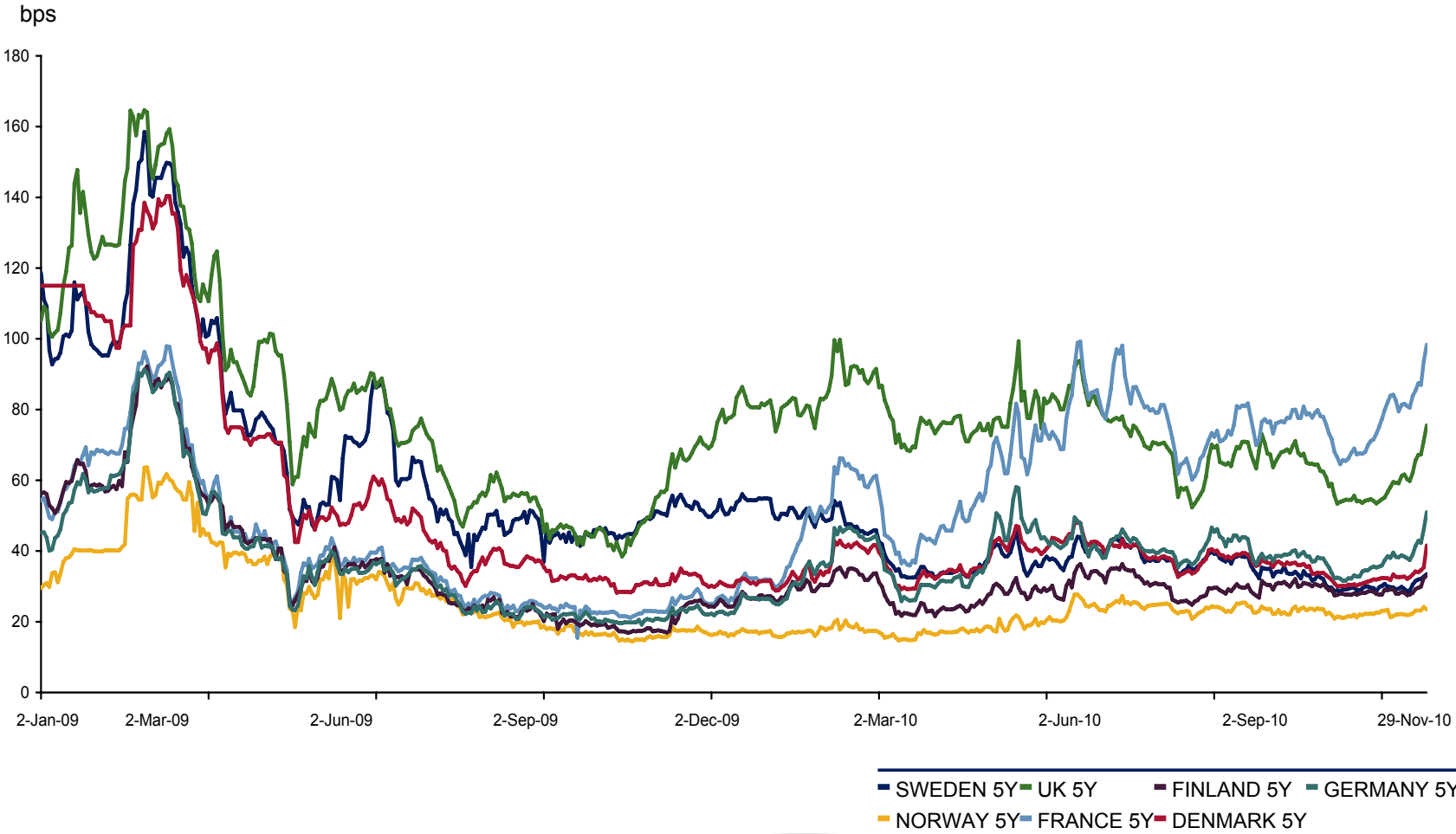


Source: ECB, Bloomberg, Datasream, Barclays Capital



Source: Sveriges Riksbank Nov 2009

Sweden's sovereign CDS amongst the tightest in the world



The background features several decorative wavy lines. A prominent light green wave starts from the left edge and curves upwards towards the right. Below it, there are overlapping waves in shades of grey and darker green, creating a layered, abstract effect. The bottom of the slide is a solid light green color.

Swedish Mortgage Market

Key characteristics:

Direct and life-long personal liability, strong welfare system and a regulated housing market make mortgage lending low risk

Personal liability

A borrower is personally liable, for life, even after a default and foreclosure procedure

Direct debit

Customers make payments via authorized direct debit from their account

Social security

Well-developed welfare system increases households' ability to service debt even during unemployment

No buy-to-let market

No buy-to-let market due to regulated rental market and tenant owner subletting restrictions

Credit information agency

National computerized data base ('UC') with information regarding, for example, customers' marital and employment status, income, assets, debt, payment complaints

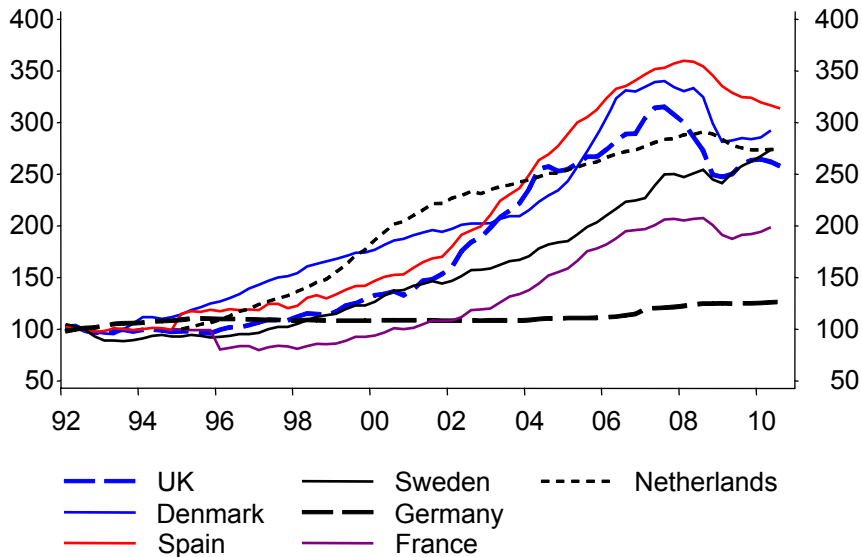
State enforcement office

Lender can initiate enforcement order with this office to enforce his claim, this process normally takes up to 90 days

Steady and sustained increase in Swedish house prices is supported by both macro and micro factors

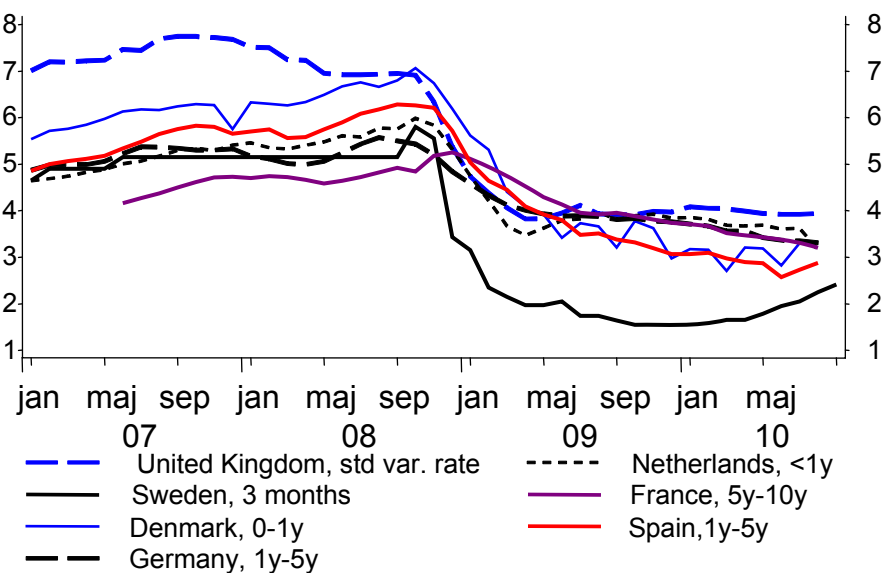
International comparison

House prices, index 1992 = 100



Source: Reuters EcoWin

Mortgage lending rates, %



Source: Reuters EcoWin

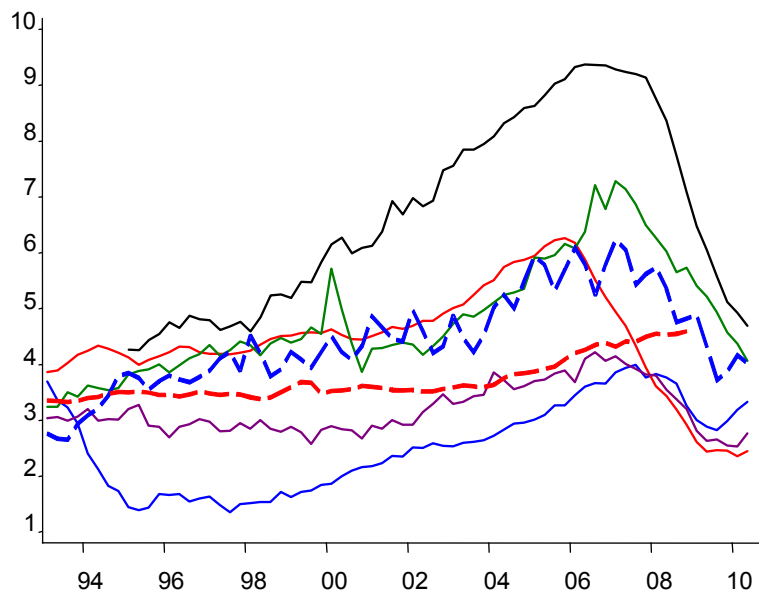
- Lack of supply in the larger urban areas
- Regulated housing market
- Abolition of residential real estate and wealth tax

- Independent Central Bank
- Cap on banks' granting of mortgage loans

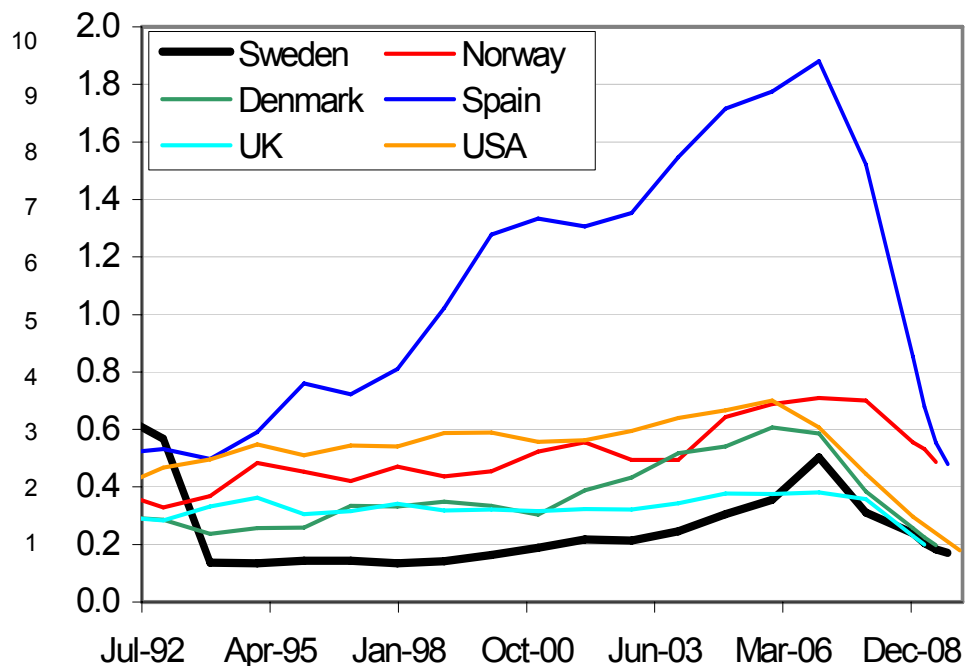
Housing starts and investments have not compensated for population growth

International comparison


Residential investment, % of GDP



Number of housing starts in relation to population (%)

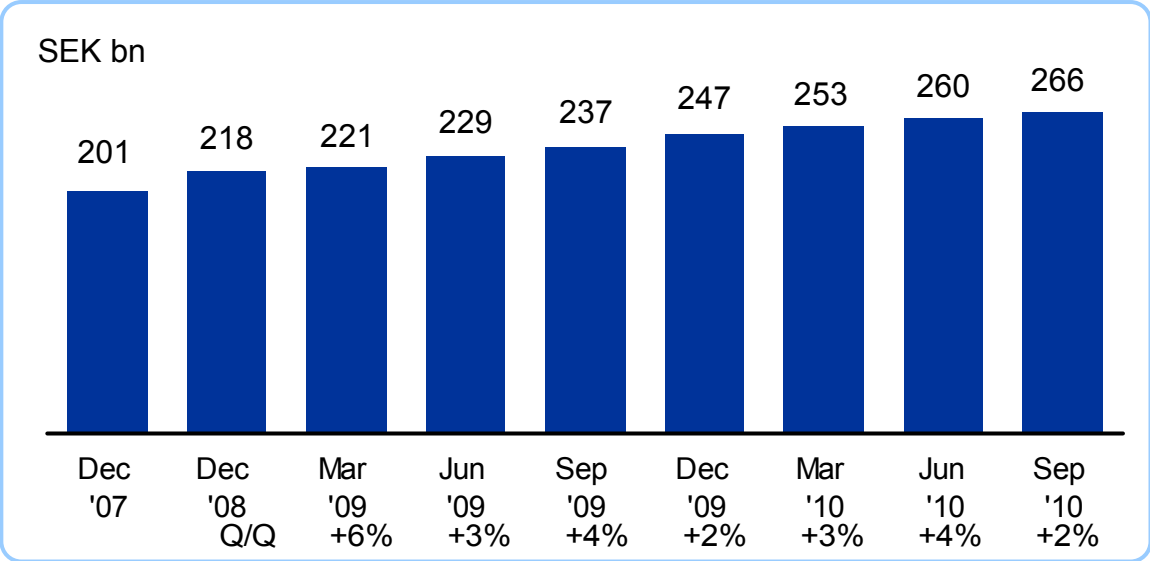


Source: Riksbank Stability Report 2009:2

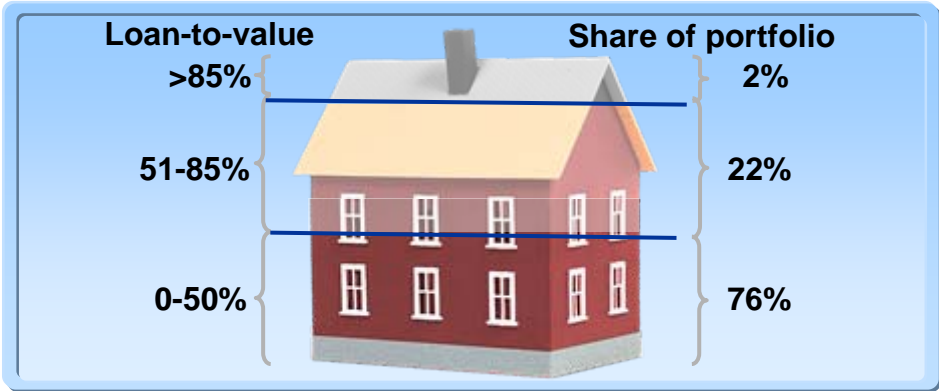
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SEB Residential Mortgage Lending

SEB's Swedish household mortgage lending



- ### Jan-Sep 2010
- Low level of 'Loans past due more than 60 days' at 13bps
 - Net credit loss level remains low at 1.2bps
 - Interest rate type
 - New loans: 78% floating
 - Stock: 75% floating

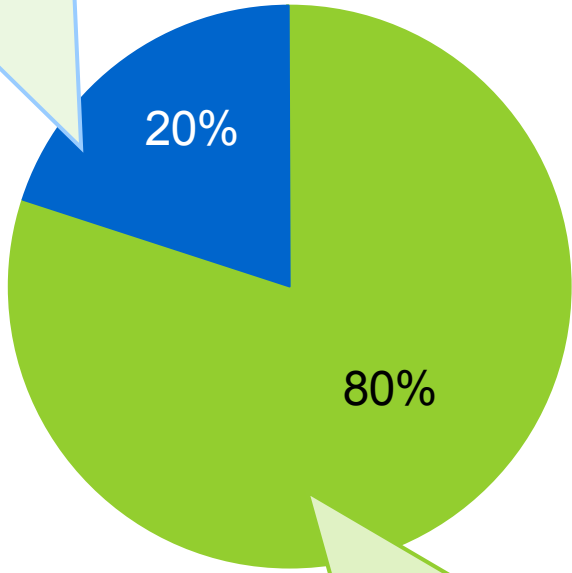


- ### Current mortgage lending policy
- Credit scoring and assessment
 - 7% interest rate test
 - 85% first lien mortgage cap
 - Second mortgages abolished
 - 15% of own equity required
 - Max loan amount 5x total gross household income irrespective of LTV and no payment remarks ('UC')

SEB's Swedish residential mortgage lending

Multifamily houses SEK 67bn

Private sector	8%
Tenant owners' assoc.	7%
State/Community owned	5%



Households SEK 266bn

Single family homes	53%
Tenant owned apts	23%
Second homes	4%

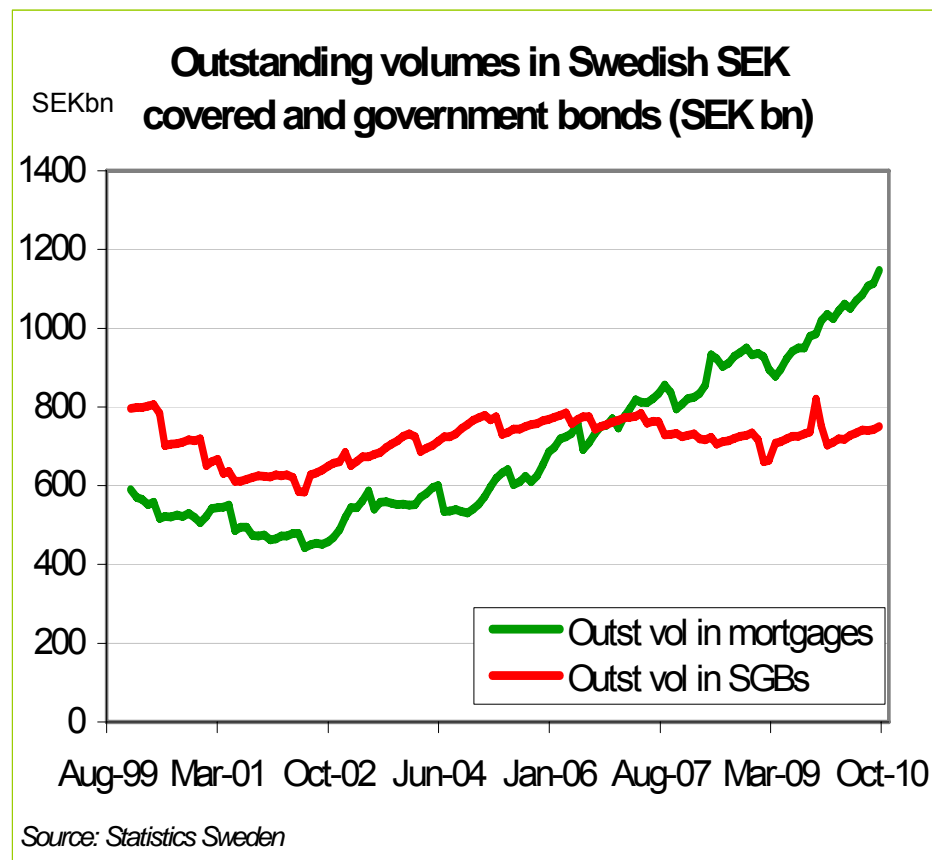
Multifamily houses

- **Strong asset quality**
 - Low and conservative LTVs
 - Volume of impaired loans very low at SEK 89m (USD13m) – 13bps
 - No net credit losses since 2004
 - No major problem loans since the 1990's
- **Conservative lending policy**
 - Purpose
 - Cash-flow generation
 - Legal situation. Counterparty has to have clear and immediate access to the cash-flow and the assets taken in as collateral.
 - Tenor max 10 years
 - LTV <70% but depending on geographic location
 - Amortization depending on geographical location

Swedish Covered Bonds

Swedish domestic Covered Bond market larger than the SEK treasury market

- Issuance of mortgage bonds developed after the deregulation of markets during the 1980's
- Benchmark system established in the early 1990's
- The Covered Bond Act was enacted on 1 July 2004. Conversion of 'old' mortgage bonds to Covered Bonds started in 2006. Now complete
- Domestic issuance 2007-2009 ~USD 50bn per year of which SEB approx 10-15%
- Total gross issuance for 2010 end-October ~ USD 88bn
- Extremely active markets with daily taps of the outstanding bonds. Typical deal volume SEK50-200m but can also be between SEK1m-2bn or more
- Five active market-makers quoting bid/ask on all outstanding benchmark bonds
- Strong demand from Swedish Pension Funds and Insurance Companies and also from Consumer Savings Funds

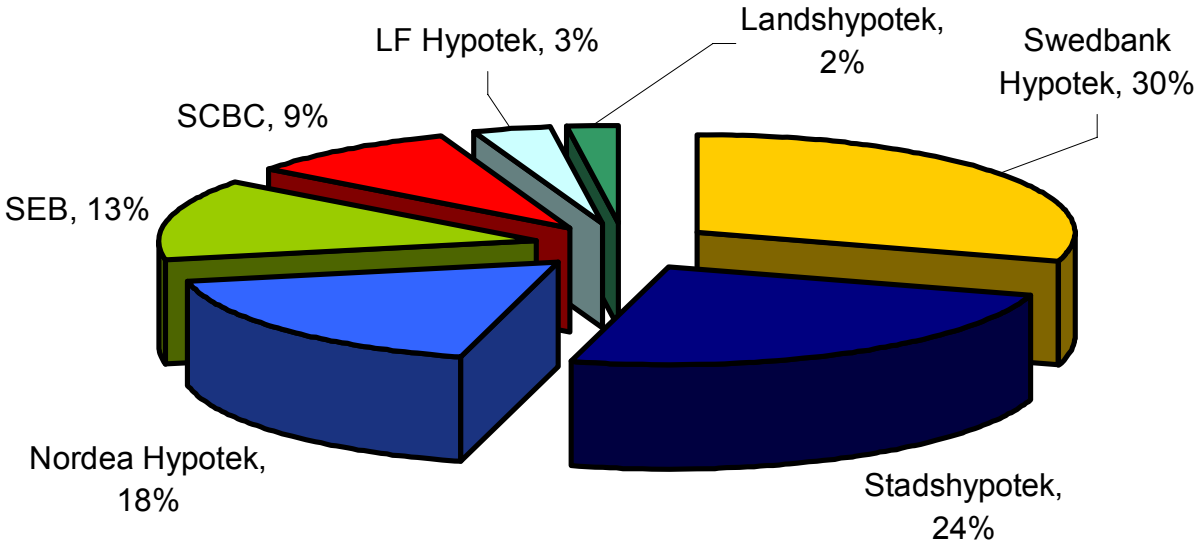


Market was open without interruption throughout the financial crisis

Five players dominate the market

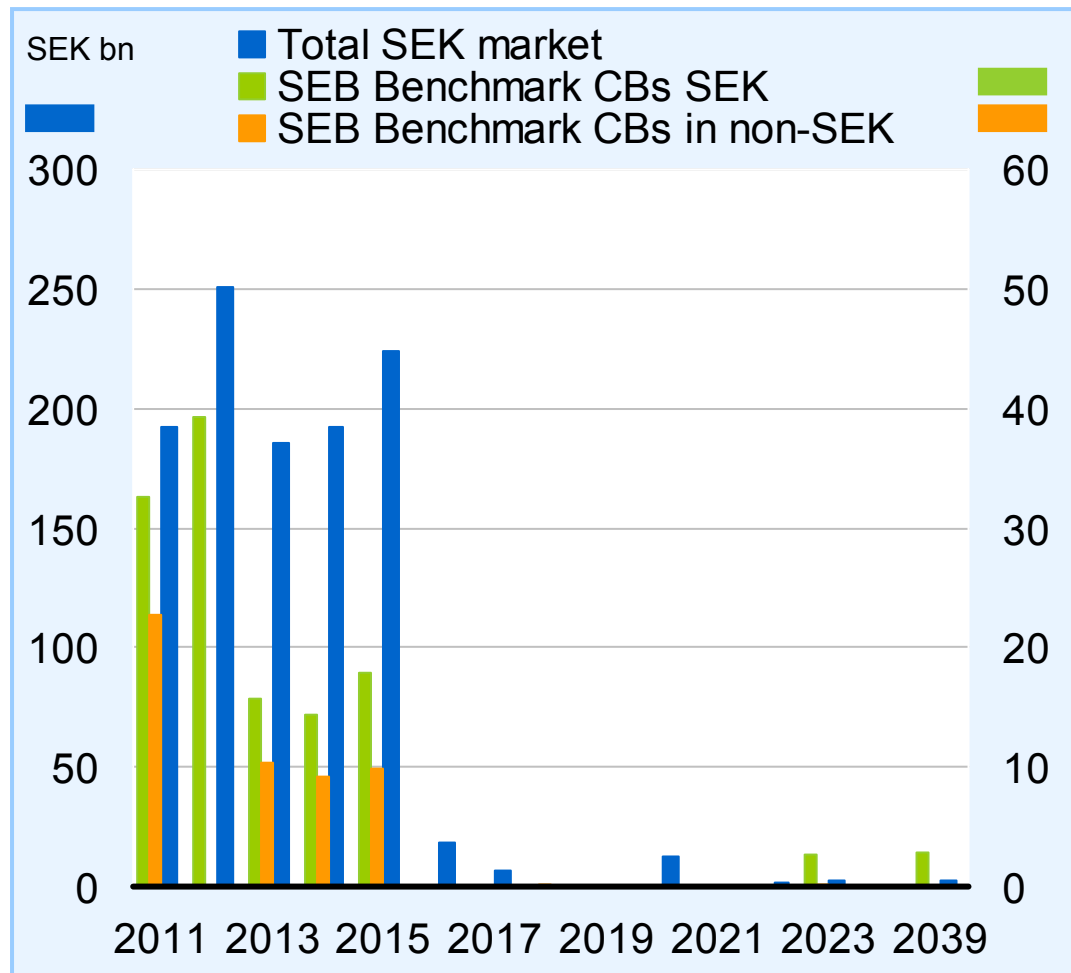
Market share in terms of cover pool notional

As of Q2 2010



Source: Company information

Maturity profile of SEB benchmark Covered Bonds follows market practice



- **Relatively low refinancing risk at redemptions by international standards thanks to:**
 - Swedish Covered Bond issuers' market practice regarding redeeming bonds is to smooth refinancing risks over time.
 - Well ahead of redemptions, issuers mostly offer investors the opportunity to switch into a bond of longer maturity.

Swedish Covered Bond Act

Association of Swedish Covered Bond Issuers



Specialist Banking Principle	No, Issuance of covered bonds is subject to a licence	Substitute Collateral	Max. 20% total cover pool (up to 30% within limited period with special approval from the SFSA)
Eligible Cover Assets	Mortgage loans (max. 10% commercial), public sector loans	Legally Anchored Preferential Claim in Bankruptcy	Yes (cover assets) including claims of derivatives counterparties
Derivatives Allowed as Cover Assets	Yes	Matching Principle	Issuer must ensure nominal coverage, net present value and cash flow matching
Regional Constraint on Collateral Assets	Mortgage: EEA Public: OECD	Mandatory Overcollateralization (OC)	No
Mortgage Loan-to-value Limits	Residential 75% Agricultural 70% Commercial 60%	Stress Tests	Yes, NPV cover must hold even after a 1% upward and downward shift in the yield curve and a 10% change in the currency
Valuation	Market value (excluding speculative and temporary circumstances)	Supervisory Body	Swedish Financial Supervisory Authority (Finansinspektionen), "SFSA"
Mark to Market of Collateral	No formal requirement to revalue properties. The issuer should monitor property prices and revalue in case of significant drop (generally interpreted as 15% drop)	Direct Supervision/ Independent Trustee	Yes
Cover Register	Yes, but no segregation between public and mortgage. Only one single register	Art. 22(4) UCITS Directive/CRD Fulfilled	Yes => 10% risk weighting in most European jurisdictions
Cover Assets	Remain on the balance sheet		
Asset Segregation in Case of Bankruptcy	In case of insolvency, the registered cover assets, the covered bonds and derivative contracts are segregated from the general bankruptcy estate. If the proceeds are insufficient to repay all liabilities on covered bonds, covered bond holders and derivatives counterparties would have a claim against the general estate ranking passu with joint seniority in relation to the cover pool		

The SEB Cover Pool and Covered Bonds

*Information regarding SEB Cover pool/Covered
Bonds is available on www.sebgroup.com and
www.seb.se*

*You will find it under Investor Relations/Debt
investors/Covered bonds*

The information is updated quarterly

Characteristics of Cover Pool and Bonds

September 2010

Loans originated by and reside with	Skandinaviska Enskilda Banken AB (publ) - the parent	
Pool type / Current available pool size	Dynamic / SEK 287bn	
Collateral type distribution	100% residential Swedish mortgages	
	<u>Households of which</u>	<u>87%</u>
	Single family	63%
	Tenant owned apartments	24%
	<u>Multifamily</u>	<u>13%</u>
Geographic distribution	A concentration to larger urban areas in the south 70% in the three largest cities	
Substitute collateral	No substitute collateral is included	
Number of loans / Number of borrowers	502k / 331k	
WA loan balance	SEK 572k	
WA LTV	~50%	
LTV distribution	0 <=40%	46%
	>40<=50%	13%
	>50<=60%	12%
	>60<=70%	11%
	>70<=75%	18%

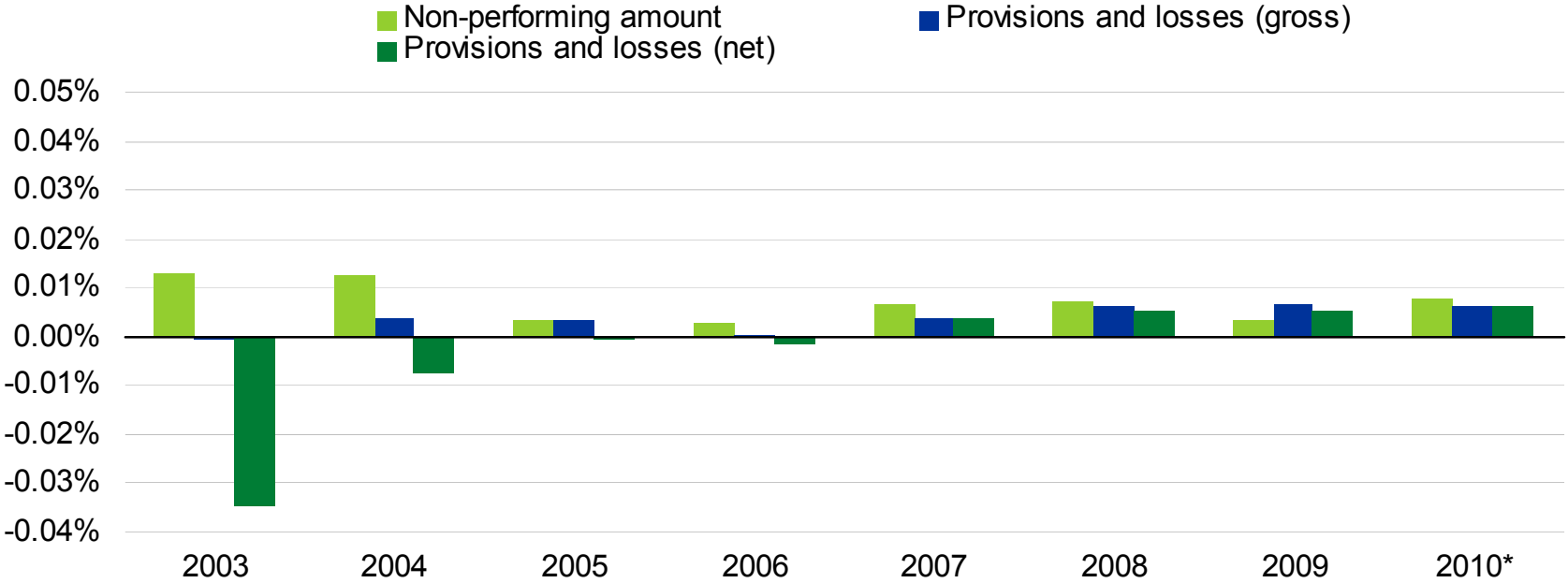
Characteristics of Cover Pool and Cover Bonds,

cont. September 2010

Interest rate type	Floating rate	74%
	Fixed reset <2yrs	15%
	Fixed rate reset 2yrs <5yrs	9%
	Fixed rate reset => 5yrs	2%
Payment frequency	Monthly	84%
	Quarterly	16%
Prior ranks	No prior ranks	95%
	Prior ranks of value <25% of value	4%
	>25%<50% of value	1%
Non-performing loans		0,0075%
Net credit losses		0,0061%
Foreclosure		0,017%

Covered Bonds		
Rating	Aaa by Moody's	
Notional amount outstanding	SEK 178bn	
Overcollateralization	61%	
Voluntary overcollateralization	13.5%	
Currencies	70% SEK	
	30% non-SEK	

Development of the Cover Pool Asset Quality



* Q3 2010

- **Macroeconomic environment**
 - SEB's core markets have seen strong economic growth in recent months
- **SEB**
 - Resilient and well diversified revenue generation
 - Sound split between between retail, large corporate, institutional and consumer savings revenues
 - Historically unique large corporate relationships with low risk and minimal net credit losses
 - Strong overall asset quality
 - One of the strongest capitalized banks in Europe - even after impact of Basel III taken into account
- **SEB Cover Pool and Covered Bonds**
 - Bondholders protected by a strong and rigorously enforced Swedish Act
 - SEB's Covered Bonds are Aaa
 - SEB's Cover Pool is comprised of 100% Swedish residential mortgages
 - Lending based on prudent assessments of borrowers' ability to pay and valuations of collateral
 - LTVs in SEB's Cover Pool are low by regional and global standards
 - Net credit losses have historically been exceptionally low

Appendix

- ❑ The Swedish Covered Bond Act
- ❑ Supervision
- ❑ Administration in the event of bankruptcy
- ❑ The Swedish Central Bank (Riksbank)

Sources:

Association of Swedish Covered Bond Issuers – The Covered Bond Voice of the Swedish Bankers' Association

(<http://www.ascb.se/projectweb/portalproject/Legislation.html>)

Overview of the Covered Bond Issuance Act

- ✓ Issuance of mortgage bonds developed after the deregulations of financial markets during the 1980's
- ✓ The Covered Bond Act entered into force on 1 July 2004. Conversions to covered bonds started in 2006. It enables Swedish banks and credit market companies ("Institutions"), which have been granted a specific licence by the Swedish Financial Supervisory Authority (Sw: Finansinspektionen) (the "Swedish FSA"), to issue full-recourse debt instruments secured by a pool of mortgage credits and / or public sector credits
- ✓ The Swedish FSA has issued regulations and recommendations under the authority conferred on it by the Covered Bond Issuance Act (Sw: Finansinspektionens föreskrifter och allmänna råd om säkerställda obligationer (FFFS 2004:11)) (the "SFSA Regulations"). Swedish covered bonds may take the form of bonds and other comparable debt instruments, such as commercial paper
- ✓ In the event of an Institution's bankruptcy, holders of covered bonds (and certain eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the Cover Pool with those of the covered bonds) benefit from a priority claim over the pool of assets (the "Cover Pool"). The Covered Bond Act also enables such holders (and derivative counterparties) to continue to receive timely payments also following the Institution's bankruptcy, subject to certain conditions being met

The Cover Pool

- ✓ The Cover Pool may consist of certain mortgage credits, public credits and substitute collateral
- ✓ Mortgage credits are defined as loans secured by:
 - mortgages over real property (Sw: fastigheter) intended for residential, agricultural, office or commercial purposes or site leasehold rights (Sw: tomträtter) intended for residential, office or commercial purposes
 - pledges over tenant-owner rights (Sw: bostadsrätter), or
 - comparable security interests over equivalent assets situated in other countries within the European Economic Area
- ✓ Public credits are defined as certain loans to (or guaranteed by) inter alia the Kingdom of Sweden, Swedish municipalities and comparable public bodies, the European Communities, certain foreign states and central banks and certain foreign municipalities and comparable public bodies with powers of taxation
- ✓ Substitute collateral consist primarily of government bonds and cash, although the Swedish FSA may also authorise certain debt instruments issued by credit institutions and other bodies to be used as supplemental assets

LTV ratios and other restrictions

- ✓ For mortgage credits, there is a maximum loan amount which may be included in the Cover Pool, depending on the value of the underlying collateral:
 - For residential collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 75 % of the market value
 - For agricultural collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 70 % of the market value
 - For office or commercial collateral, a loan may be included in the Cover Pool only to the extent the loan amount does not exceed 60 % of the market value
 - The Covered Bond Act restricts the overall proportion of loans provided against security over real property (or site leasehold rights or tenant-owner rights) intended for office or commercial purposes to 10 %
- ✓ Furthermore, the proportion of substitute collateral may not exceed 20 % of the Cover Pool, although the Swedish FSA has the authority to raise this limit to 30 per cent. for a limited period of time provided there is a particular reason for such increase

LTV ratios and other restrictions continued...

- ✓ Institutions are required to regularly monitor the market value of the mortgage assets that serve as collateral for loans included in the Cover Pool. If the market value of such a mortgage asset declines significantly (15 per cent. or more according to the preparatory works to the Covered Bond Issuance Act), then only such part of the loan that falls within the permitted loan-to-value ratio will be eligible for inclusion in the Cover Pool and will be subject to the priority right described below. However, a decline in the market value following an Institution's bankruptcy would not result in a reduction of the assets to which holders of covered bonds (and relevant derivative counterparties) have a priority right, but may result in the Cover Pool ceasing to meet the matching requirements

Matching requirements

- ✓ The Covered Bond Issuance Act prescribes that the value of the Cover Pool shall at all times exceed the aggregate value of claims that may be asserted against an Institution by reference to covered bonds. The calculation shall be made on the basis of current book values and shall take into account the effect of relevant derivative contracts
- ✓ Furthermore, an Institution must compose the Cover Pool in such a way as to ensure a sound balance between the covered bonds and the assets in the Cover Pool in terms of currency, interest rate and maturity profile. Such sound balance is deemed to exist when the present value of the Cover Pool at all times exceeds the present value of the liabilities relating to the covered bonds. The present value of derivative contracts shall be taken into account for the purposes of such calculation. The calculations of present value shall withstand certain stress tests (changes in interest rates and/or currency exchange rates)
- ✓ The payment flows relating to the assets in the Cover Pool, derivative contracts and covered bonds shall be such that an Institution is at all times able to perform its payment obligations towards holders of covered bonds and relevant derivative counterparties
- ✓ Non-performing assets in the Cover Pool which are more than 60 days overdue must be disregarded for the purposes of the matching tests

Supervision by Swedish FSA and Independent Inspector

- ✓ The Swedish FSA monitors that an Institution complies with the Covered Bond Act and other provisions of the legislative and regulatory framework which regulates the business of the Institution.
- ✓ In addition, the Swedish FSA appoints an independent inspector (Sw: oberoende granskare) for each Institution that issues covered bonds. The independent inspector is responsible for monitoring the Register to assess whether or not it is being maintained correctly and in compliance with the Covered Bond Issuance Act and the SFSA Regulations. In particular, the independent inspector shall verify that:
 - covered bonds and relevant derivative contracts are registered in the Register
 - only loans and substitute collateral that satisfy the eligibility criteria are included in the Cover Pool and registered in the Register
 - the valuations of the underlying collateral for loans in the Cover Pool are in accordance with the Covered Bond Issuance Act and the SFSA Regulations
 - mortgage loans of the underlying collateral which has decreased significantly in value are, for the purpose of the matching requirements, are deducted from the Cover Pool to the extent necessary to comply with the relevant loan-to-value ratio and
 - the matching requirements are complied with

Supervision by Swedish FSA and Independent Inspector

continued ...

- ✓ The independent inspector is entitled to request information from the Institution, conduct site visits and is required to report regularly and at least once a year to the Swedish FSA. The Covered Bond Issuance Act does not provide for any change to the independent inspector's remit upon the bankruptcy of an Institution

Benefit of a priority right over the Cover Pool **SEB**

- ✓ Pursuant to the Covered Bond Issuance Act and the Swedish Preferential Rights of Creditors Act (Sw: förmånsrättslagen (1970: 979)), holders of covered bonds benefit from a priority claim over the Cover Pool should the Institution be declared bankrupt (Sw: försatt i konkurs). The same priority is awarded to the Institution's eligible counterparties to derivative contracts entered into for the purpose of matching the financial terms of the assets in the Cover Pool with those of the covered bonds. Such derivative counterparties and the holders of covered bonds rank pari passu with joint seniority in relation to the Cover Pool
- ✓ By virtue of the aforementioned priority, holders of covered bonds and relevant derivative counterparties rank ahead of unsecured creditors and all other creditors of the Institution in respect of assets in the Cover Pool (except the administrator-in-bankruptcy as regards fees for his administration of assets in the Cover Pool and costs for such administration). The priority claim also covers cash received by an Institution and deriving from the Cover Pool or relevant derivative contracts, provided that certain administrative procedures have been complied with

Administration of the Cover Pool in the event of bankruptcy

- ✓ Should an Institution be declared bankrupt, at least one administrator-in-bankruptcy would be appointed by the bankruptcy court and one administrator-in-bankruptcy would be appointed by the Swedish FSA. The administrators-in-bankruptcy would take over the administration of the bankruptcy estate, including the Cover Pool
- ✓ Provided that (and as long as) the Cover Pool meets the requirements of the Covered Bond Act (including the matching requirements), the assets in the Cover Pool, the covered bonds and any relevant derivative contracts that have been entered into the Register are required to be maintained as a unit and kept segregated from other assets and liabilities of the bankruptcy estate of the Institution. The administrators-in-bankruptcy are then required to procure the continued timely service of payments due under the covered bonds and any relevant derivative contracts. Consequently, the bankruptcy would not as such result in early repayment or suspension of payments to holders of covered bonds or to counterparties to derivative contracts, so long as the Cover Pool continues to meet the requirements of the Covered Bond Act

Administration of the Cover Pool in the event of bankruptcy. Continued...

- ✓ If, however, the Cover Pool ceases to meet the requirements of the Covered Bond Act, and the deviations are not just temporary and minor, the Cover Pool may no longer be maintained as a unit and the continuous payment under the terms and conditions of the covered bonds and derivative contracts will cease. The holders of covered bonds and counterparties to derivative contracts would in such case instead benefit from a priority claim over the proceeds of a sale of the assets in the Cover Pool in accordance with general bankruptcy rules. This could result in the holders of covered bonds receiving payment according to a schedule that is different from that contemplated by the terms and conditions of the covered bonds (with accelerations as well as delays) or that the holders of covered bonds are not paid in full. However, the holders of covered bonds and derivative counterparties would retain the benefit of the right of priority to the assets comprised in the Cover Pool. Any residual claims of the holders of covered bonds and derivative counterparties remain valid claims against the Institution, but will rank pari passu with other unsecured and unsubordinated claims

Amendment to the Covered Bond Act in the event of bankruptcy

- ✓ The Swedish Ministry of Finance initiated in the end of June 2009 a consultation of a memorandum with a draft proposal to amend the Covered Bond Issuance Act. The amendment was enacted on June 1, 2010 – An amendment to the Covered Bonds Issuance Act (SFS 2003:1223).
- ✓ The amendment aims at the insolvency of the issuing institution and is intended to give the bankruptcy administrator an express mandate, on behalf of the bankruptcy estate, to take out liquidity loans and enter into other agreements for the purpose of maintaining matching between the cover pool, covered bonds and derivative contracts so as to avoid premature forced sales.

The Swedish Central Bank (The Riksbank)

- ✓ The Riksbank accepts covered bonds on condition that they meet the Riksbank's normal requirements for approved collateral:
 - The securities are listed
 - The issue or issuer has an external credit rating of at least A-/A3
 - The outstanding volume is at least SEK 100 million (or equivalent)
 - The securities are issued in SEK, DKK, EUR, GBP, JPY, NOK or USD
 - There is an arrangement under which the Riksbank will be provided with collateral (such an arrangement exists, for example, if the securities are issued in Euroclear Sweden or in Euroclear Bank)
- ✓ Covered bonds belong to liquidity class 2 when calculating the haircut (between 1 and 7.5 percentage points depending on maturity), given that the Riksbank has access to daily prices. Otherwise they belong to liquidity class 4 (between 4 and 24 percentage points depending on maturity)

The Swedish Central Bank (The Riksbank)

- ✓ Unlike the situation for other securities, the Riksbank accepts covered bonds issued by the counterparty or by companies with close links to the counterparty. In such cases, however, there is an extra haircut of between 1 and 10 percentage points depending on maturity. This exception to the rule to not accept securities issued by the counterparty or companies with close links to the counterparty applies only to covered bonds under Swedish law
- ✓ For covered bonds governed by other legislation the ban also applies to securities issued by banks or foreign credit institutions domiciled in the same country as the counterparty. If the issuer is not domiciled in the same country as the counterparty, the collateral value (the market value minus the haircut) for each individual issuer or group of closely-linked issuers may not amount to more than 25 per cent of the collateral value of all the collateral the counterparty provides to the Riksbank