N.B. This is a consolidated version and is therefore a compilation. The printed regulation in Swedish is the official, valid version. A consolidated version is a full-text version in which all amendments have been inserted into the original regulation.

This translation is furnished solely for information purposes. Only the printed version of the regulation in Swedish applies for the application of the law.

If institutions translate their annual accounts to English they may use other headings for the line items in the balance sheet and income statement

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Consolidated electronic issue

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Chapter 1 Scope and definitions

Section 1 These regulations and general guidelines shall be applied by credit institutions and securities companies when preparing their annual report, consolidated financial statements and interim reports in accordance with the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559).

The rules in sections 2 and 3 and in Chapters 7 and 8 apply to financial holding companies that in accordance with Chapter 1, section 1 of the Annual Accounts for Credit Institutions and Securities Companies Act shall apply the provisions for consolidated financial statements in Chapter 7 of the same act. *(FFFS 2017:18)*

The rules in sections 2 and 3, Chapters 2–4, Chapter 5, sections 21, 22 and 24 and Chapter 6 apply for the branches of foreign credit institutions and securities companies that shall apply the Annual Accounts for Credit Institutions and Securities Companies Act when preparing their annual report in accordance with Chapter 6, section 3a of the Bookkeeping Act (1999:1078). *(FFFS 2017:18)*

The rules in sections 2 and 3 and Chapters 2–4 apply to the branches of foreign credit institutions and securities companies that shall apply the Annual Accounts for Credit Institutions and Securities Companies Act when preparing their annual accounts in accordance with Chapter 6, section 3a of the Bookkeeping Act. *(FFFS 2017:18)*

Definitions

Section 2 In these regulations and general guidelines, the following definitions apply:

1. *approved international financial reporting standards:* International Financial Reporting Standards as adopted by the European Commission in accordance with Article 3 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the Application of International Accounting Standards (the IAS Regulation),

2. *institution:* unless otherwise indicated, a) credit institutions and securities companies, b) financial holding companies when they apply these rules for consolidated accounts, and c) branch offices when they apply the rules for annual reports or annual accounts,

3. *institutions with an international connection*: an institution that conducts cross-border operations or has one or several branch offices in another country or is part of the same group as at least one foreign financial undertaking, i.e. a foreign undertaking that is the equivalent of a credit institution, securities company or insurance undertaking,

4. *international financial reporting standards:* International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), interpretations from Standing Interpretations Committee (SIC) and interpretations from IFRS Interpretations Committee (IFRIC),

5. *listed institutions*: institutions whose securities are admitted to trading on a regulated market in the European Economic Area (EEA), i.e. institutions covered by Article 4 of the IAS Regulation,

6. *unlisted institutions:* institutions that are not listed institutions, and

7. *taken-over property:* property that the institution acquired to protect a claim in accordance with Chapter 7, sections 3 and 5 of the Banking and Financing Business Act (2004:297) or Chapter 7, section 10 of the Securities Market Act (2007:528), *(FFFS 2013:2)*

Exemption

Section 3 Finansinspektionen decides on exemption from these regulations where special grounds exist.

Chapter 2 General provisions regarding the annual accounts

Generally accepted accounting principles

Section 1 An institution shall apply a rule in approved international financial reporting standards if it is in agreement with the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559) and these regulations. In other cases, the corresponding regulation in Annual Accounts for Credit Institutions and Securities Companies Act and these regulations shall apply.

An institution does not need to apply a rule in approved international financial reporting standards that is in agreement with the Annual Accounts for Credit Institutions and Securities Companies Act and these regulations if it instead applies a corresponding regulation in Swedish Financial Reporting Board Recommendation RFR 2 *Accounting for Legal Entities*. *(FFFS 2013:2)*

General guidelines

An institution should not write up financial assets in accordance with Chapter 4, section 6 of the Annual Accounts Act (1995:1554), cf. Chapter 4, section 1 of the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559), or apply other options set out by law that are not in agreement with approved international financial reporting standards unless otherwise specified by these regulations.

The following clarifications are provided for the standards below:

a) IFRS 8 *Operating Segments*. This standard only needs to be applied by an institution covered by the standard's area of application.
b) IAS 33 *Earnings per Share*. This standard only needs to be applied by an institution covered by the standard's area of application.
c) IFRS 1 *First Time Adoption of International Financial Reporting Standards*. Easement regulations in the standard may be applied to the extent they are in agreement with point 1 relating to IFRS 1 in RFR 2 *Accounting for Legal Entities*. *(FFFS 2013:2)*

Section 2 For it to be determined that an institution controls another undertaking requires, in addition to fulfilment of the conditions in IFRS 10 *Consolidated Financial Statements*, that the institution holds a participation in the undertaking, cf. Chapter 1, section 4 of the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559) and Chapter 1, section 4 of the Annual Accounts Act (1995:1554).

If the institution does not hold a participation in the other undertaking but in accordance with IFRS 10 still controls the other undertaking, the institution shall disclose information regarding this situation in a note. In such a case the other undertaking shall state in a note, if it is an institution, which undertaking controls without participations and how the influence can be exercised. *(FFFS 2013:24)*

Chapter 3 Balance sheet and profit and loss statement

Content in the balance sheet and profit and loss statement

Section 1 Items on the balance sheet shall have the content specified in *Appendix 1*. The items in the profit and loss statement shall have the content specified in *Appendix 2*.

General guidelines

Except for tangible and intangible assets (Assets, item 10), neither current assets and non-current assets nor short-term and long-term liabilities need to be classified separately in the balance sheet, cf. IAS 1 *Presentation of Financial Statements*. Further additions to and exceptions from IAS 1 are set out in the Swedish Financial Reporting Board Recommendation RFR 2 *Accounting for Legal Entities*.

An institution should report in the profit and loss statement the subtotals indicated in *Appendix 3*. *(FFFS 2015:20)*

Deviations from the balance sheet layout

Section 2[1] Deviations in accordance with Chapter 3, section 1, second paragraph of the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559) due to the character and relative liquidity of the items are only permitted if
1. the deviation refers to the balance sheet,
2. the deviation is necessary to apply approved international financial reporting standards, and
3. the information that is provided must be at least the same level of information that would have been provided if the layout had been followed.

General guidelines

This paragraph clarifies when a deviation from the layout is permitted in accordance with the Annual Accounts for Credit Institutions and Securities Companies Act and the EU Directive. This only refers to the layout of the balance sheet. The same act also states that deviations can only be made by listed institutions and those unlisted institutions that are covered by a consolidated financial statement that is prepared in accordance with the IAS Regulation.

Pension commitments for employees

Section 3 An institution shall make a provision in its balance sheet for pension commitments for employees that are not covered by pension insurance or specifically separated assets (pension trust or the equivalent).

Institutions whose reported pension liabilities in the balance sheet or capital in specifically separated assets exceed the capital value of the pension commitments for employees shall not report the surplus in the balance sheet.

The first and second paragraphs do not apply to defined-benefit plans that are reported in accordance with IAS 19 Employee Benefits. *(FFFS 2013:2)*

Pledged property

Section 4[2] Assets shall be reported under the relevant balance sheet headings even when they have been pledged as collateral for own liabilities or those of third parties, or have otherwise been assigned as collateral to third parties.

An institution may not include in its balance sheet assets pledged or otherwise assigned to it as collateral, unless such assets are in the form of cash in hand of that institution.

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[1] Article 4a of Directive 86/635/EEC.
[2] Article 8 of Directive 86/635/EEC.

Syndicated loans

Section 5[3] In the event a loan has been granted by a syndicate consisting of a number of institutions, each participating institution shall only report its portion of the entire loan in its balance sheet.

An institution that has provided a guarantee for an amount greater than the institution's share of a syndicated loan, shall report the difference in the note regarding contingent liability, unless the guarantee is a commitment that is to be reported on the balance sheet. *(FFFS 2015:20)*

Managed assets

Section 6[4] Funds that an institution manages under its own name on behalf of a third party are reported in the balance sheet, if the institution is entitled to have the assets at its disposal.

Assets that were acquired in the name of a third party and on its behalf must not be reported in the balance sheet.

> *General guidelines*
>
> In order to be entitled to have the funds at its disposal in accordance with section 6, first paragraph, the institution must be a securities company with authorisation to receive funds on account from customers in accordance with Chapter 2, section 2, first paragraph, point 8 of the Securities Market Act (2007:528) or it must be a credit institution. *(FFFS 2013:2)*

Taken-over property

Section 7 Taken-over property shall be reported under the same asset item as property of a similar class that was acquired in a different manner. Income and expenses that refer to taken-over property shall in the same manner be distributed as other income and expenses in the profit and loss statement. For properties that an institution has taken over to protect a claim, rental income is reported under other operating income and operating expenses under other operating expenses.

Repos and other repurchase transactions

Section 8[5] A *repurchase transaction* is a contract whereby the parties have agreed on a sale of assets (for example bills of exchange, receivables or transferable securities) as well as a subsequent repurchase of equivalent assets at a fixed price. The *transferor* is the party who sells in the spot leg of a repurchase transaction. The *transferee* is the party who buys in the spot leg of a repurchase transaction.

If the transferee undertakes to sell back the assets on a date that has been determined or is to be determined by the transferor, the transaction is a *genuine repurchase transaction*. In that case the assets shall continue to be recognised in the transferor's balance sheet and the purchase consideration received recognised as a liability. The transferee shall not recognise the assets in its balance

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[3] Article 9 of Directive 86/635/EEC.
[4] Article 10 of Directive 86/635/EEC.
[5] Article 12 of Directive 86/635/EEC.

sheet, but recognise the purchase consideration paid as a receivable from the transferor.

If the transferee has a right, but not an obligation, to return the assets at a predetermined price, the transaction is a sale with the option to sell back the assets (*non-genuine repurchase transaction*). In such a case, it is not the transferor, but the transferee who shall recognise the assets in its balance sheet.

A non-genuine repurchase transaction shall nevertheless be recognised as a genuine repurchase transaction if it is evident that the option to return the assets will be exercised.

The following transactions shall not be considered repurchase transactions:
1. Forward foreign exchange transactions
2. Options instruments
3. Transactions that encompass the issuance of a debt instrument with a commitment to repurchase all or parts of the issue before maturity
4. Other similar transactions.

General guidelines

A distinction is made in the fifth paragraph to separate repurchase transactions from certain other types of financial contracts. If, however, the assets are covered by repurchase contracts, the rules also apply for such a repurchase contract.

Spot purchases and spot sales

Section 9 Spot purchases and spot sales shall be recognised on the transaction date. With regard to transactions on the Swedish market, spot purchases and sales refer to agreements with delivery within two banking days on the money, bond or stock markets and the commodities or currency markets. *(FFFS 2015:20)*

Held-for-trading

Section 10 Held-for-trading securities in accordance with IFRS 9 *Financial Instruments* should be reported as Held for trading purposes in accordance with the Annual Accounts Act (1995:1554). *(FFFS 2017:18)*

Equity

Section 11 The division of equity into restricted and non-restricted equity does not need to be shown on the balance sheet or in the notes if it is instead clear from a statement of changes in equity. The statement of changes in equity shall form part of the annual financial statements. *(FFFS 2015:20)*

Chapter 4 Valuation rules

Valuation of taken-over property

Section 1 Taken-over property shall be classified as a current asset in accordance with the Annual Accounts for Credit Institutions and Securities Companies Act

(1995:1559). If the property is a financial asset, it shall be classified as a financial asset that is reported at fair value through profit or loss or – if the conditions for such reporting are met – at fair value through other comprehensive income. If the property is tangible property, it shall be measured as inventories. *(FFFS 2017:18)*

General guidelines

This section sets out how taken-over property shall be treated in a valuation context. Taken-over property is defined in Chapter 1, section 2. Rules for the valuation of financial assets measured at fair value and inventories are set out in International Financial Reporting Standards, cf. IFRS 13 *Fair Value Measurement* and IAS 2 *Inventories*. *(FFFS 2017:18)*

Net realisable value and fair value for taken-over real estate

Section 2 When deciding net realisable value for real estate that is taken-over property, the realisable value shall be the price at which the real estate is sold on the closing date given a voluntary, publically exposed offer on a market that permits orderly disposal and that has a reasonable amount of time available for the negotiation of the sale.

The realisable value shall as a minimum be determined once a year via a separate valuation. Where special cause exists, the valuation of the single-family homes with limited value may be based on general information about price levels for such type of object.

The valuation shall be carried out by a competent valuer in accordance with recognised and accepted valuation methods. For each piece of real estate, the method or combination of methods shall be chosen that best reflects the realisable value on the closing date. The valuation shall be documented in writing for each piece of real estate, including information about when, how and on what grounds and by whom the valuation was carried out.

The provisions in the first-third paragraphs and section 1 shall also be applied to real estate that has been taken over by companies in the same group.

General guidelines

In accordance with the third paragraph, the valuation may be carried out by in-house personnel or external valuation consultants if they fulfil the general qualification requirement. This means that the valuer should have sufficient theoretical and practical knowledge about how the valuation is carried out and otherwise be familiar with the real estate market in general and in particular the specific real estate's local market conditions.

The valuer can apply the following methods or combinations of methods to determine the realisable value:

1. *Sales comparison method*
This method is based on market analyses. This means that the real estate's value is assessed taking into consideration prices paid for similar real estate, comparable objects, on a free and open market. Access to relevant market data is therefore a deciding factor for the quality of the valuation. In order to do the analysis, the prices must be related to factors that impact value.

2. *Cash flow method*
This method is also based on market analyses but is an investment calculation. It is based on a set calculation period, during which the cash flows and the future residual value are discounted to a present value, i.e. an estimated realisable value.

The future cash flows are estimated and determined from the current conditions for each property. In such cases, leases, lease developments, vacancies and vacancy rates, the developments of operating and maintenance costs and neglected maintenance, are assessed. Interest expenses and other financing costs are not taken into consideration in the flows. The assessments of future lease levels, vacancies and cost development should reflect the market's expectations and outlook.

Risks associated with each property are taken into consideration in the flows. Other risks are taken into consideration when the cost of capital and required return are determined. The required return corresponds to the market's return requirements for similar objects.

The present value of any interest contributions should be calculated separately in the flow.

Application of IFRS 9 *Financial Instruments*

Section 3 An institution shall not apply point 2 regarding IFRS 9 *Financial Instruments* in RFR 2 *Accounting for Legal Entities* on exemptions from IFRS 9. *(FFFS 2017:18)*

Leasing

Section 4 A lessor that, pursuant to RFR 2 *Accounting for Legal Entities*, reports a financial leasing agreement as an operational leasing agreement

– may depreciate the leased assets in accordance with the annuity method, even if this would not be consistent with IFRS 16 *Leases*, cf. IFRS 16 point 84, and
– should apply the rules for financial leasing agreements in terms of impairment losses and reversals of impairment losses for the leased asset, cf. IFRS 9 *Financial Instruments*, points 2.1(b)(i), 5.5.1 and 5.5.15(b). *(FFFS 2017:18)*

Social security contributions

Section 5 Social security contributions attributable to equity instruments to employees as remuneration for purchased services shall be expensed across the periods during which the services are performed. Cost shall then be calculated using the same valuation model that was used when the options were issued. An institution shall re-evaluate the provision that is made at every reporting occasion based on a calculation of the social security contributions that may be paid when the instrument is redeemed. *(FFFS 2013:2)*

Tax on returns

Section 6 An institution that has chosen to apply IAS 19 *Employee Benefits* to its defined-benefit pension plans shall regularly report the tax on returns that are charged to provisions in the balance sheet in the profit for the period to which the tax refers. Such tax on returns shall not be included when calculating liabilities of defined-benefit pension plans. *(FFFS 2013:2)*

Chapter 5 Disclosures

Balance Sheet

Treasury bills eligible for refinancing, etc.

Section 1[6] In the balance sheet or a note, the item "Treasury bills eligible for refinancing etc." (Assets, item 2) is divided into the following sub-items and has the content set out in section 3, first paragraph of Appendix 1:
1. Sub-item 2.a, Treasury bills eligible for refinancing.
2. Sub-item 2.b, Other securities eligible for refinancing.

Bonds and other interest-bearing securities

Section 2[7] In the balance sheet or in a note the item "Bonds and other interest-bearing securities" (Assets, item 5) are divided into the following sub-items:
1. Sub-item 5.a, Issued by public bodies.
2. Sub-item 5.b, Issued by other borrowers.

Disclosures about securities

Section 3[8] Each of the items "Bonds and other interest-bearing securities" (Assets, item 5), "Shares and participations" (that are not included in items 7, 8 or 9) (Assets, item 6), "Shares and participations in associates and joint ventures" (Assets, item 7), "Shares and participations in Group companies" (Assets, item 8) and "Shareholdings in other companies" (Assets, item 9), when applying IFRS 13 *Fair Value Measurement*, shall be divided in the note into levels 1, 2 or 3 in accordance with the fair value hierarchy. *(FFFS 2017:18)*

Maturity information

Section 4 The reported values for each of the items "Loans and advances to credit institutions" (Assets, item 3), "Loans to the public" (Assets, item 4), "Liabilities to credit institutions" (Liabilities, provisions and equity, item 1), Deposits and borrowings from the public – Deposits" (Liabilities, provisions and equity, item 2.a), "Deposits and borrowings from the public – Borrowings" (Liabilities, provisions and equity, item 2.b) and "Issued securities, etc. – Other" (Liabilities, provisions and equity, item 3.b) an institution shall state the agreed undiscounted cash flows in a note broken down into:

1. repayable on demand,
2. remaining maturity of not more than 3 months,
3. remaining maturity of more than 3 months but not more than 1 year,
4. remaining maturity of more than 1 year but not more than 5 years, and
5. remaining maturity longer than 5 years.

[6] Article 4 of Directive 86/635/EEC.
[7] Article 4 and 17 of Directive 86/635/EEC.
[8] Article 41.2 a of Directive 86/635/EEC.

For each of the following items “Treasury bills eligible for refinancing etc.” (Assets, item 2), “Bonds and other interest-bearing securities” (Assets, item 5) and “Issued securities, etc. – Issued debt securities” (Liabilities, provisions and equity, item 3.a), the agreed undiscounted cash flows shall be stated for the assets and liabilities that have a remaining maturity of not more than 1 year. The disclosures shall be provided in the same note that contains the disclosures referred to in the first paragraph. *(FFFS 2013:24)*

The remaining maturity for liabilities and receivables shall be calculated as the period until the date on which each instalment falls due. The residual maturity of agreements with periodically restricted terms shall be calculated as the time up until the next date for a change in terms.

Repayable on demand shall only refer to those amounts that can be withdrawn without notice or for which a period of notice of one working day has been agreed.

Holdings in credit institutions

Section 5[9] For each of the items “Shares and participations in associates and joint ventures” (Assets, item 7), “Shares and participations in Group companies” (Assets, item 8) and “Shareholdings in other companies” (Assets, item 9), the amount held in credit institutions shall be indicated in a note. *(FFFS 2015:20)*

Leasing transactions

Section 6[10] For each of the items on the balance sheet, details of the value of leasing transactions shall be provided in a note.

In the note to “Tangible assets – Leased assets” (Assets, item 11.b) information shall be provided on the method and principles of depreciation applied in order to determine the residual value of different types of leased assets and the depreciation periods applicable to different types of assets, as well as the method applied for revenue accrual. If the residual value of a leasing object is guaranteed by the supplier or a third party and the guaranteed amount is of significant important, this should also be specified.

The note shall indicate the carrying amount of repossessed leased assets. *(FFFS 2015:20)*

Buildings and land in own operations

Section 7[11] For the item “Tangible assets” (Assets, item 11) disclosures shall be provided of the carrying amount of owner-occupied properties and their share of the carrying amount of all properties. *(FFFS 2015:20)*

General guidelines

Owner-occupied properties are defined in IAS 40 *Investment Property*.

[9] Article 4 of Directive 86/635/EEC.
[10] Article 41.2 (c) of Directive 86/635/EEC.
[11] Article 4 of Directive 86/635/EEC.

Pledged assets

Section 8[12] The note containing disclosures about pledged assets shall have at least the following two sub-headings: 1. Pledged assets and equivalent collateral provided for own liabilities and for provisions for reported liabilities and 2. Other pledged assets and equivalent collateral.

Under the first sub-heading, details are given of the collateral that the institution has pledged for its own liabilities and provisions.

Under the second sub-heading, details are given of the securities that the institution has pledged for other than its own liabilities and provisions, such as collateral pledged for third parties or for its own contingent liabilities.

For each of the liability items, the provisions and the contingent liabilities, the note shall also indicate the total amounts of assets pledged as collateral for own or third-party obligations. *(FFFS 2015:20)*

Contingent liabilities

Section 8a[13] The note containing disclosures about contingent liabilities shall have as a minimum the following two sub-headings: 1. Contingent liabilities, and 2. Commitments.

Under the first sub-heading, details are given of “Acceptances and endorsements” and “Guarantees”. The guarantees include all guarantee obligations entered into for third party obligations, including sureties and irrevocable letters of credit.

Under the second sub-heading, details are given of such irrevocable commitments that involve risk-taking. These are divided into “Commitments resulting from repurchase transactions” and “Other contingent liabilities”. Undertakings that were made in connection with non-genuine repurchase transactions are reported under Commitments resulting from repurchase transactions. The transferor shall take up the strike price of the sell option specified in the transaction. Under “Other contingent liabilities”, details are given of, among other things, such irrevocable commitments that result from the on-lending of borrowed securities. *(FFFS 2015:20)*

Managed assets

Section 9[14] For each of the items in the balance sheet, an institution shall specify in a note the sum of the funds managed in its own name but on behalf of a third party, see Chapter 3, section 6, first paragraph. *(FFFS 2013:2)*

Section 9a Disclosures shall be provided in a note of the sum of assets acquired in the name of a third party and on its own account and that are not recognised in the balance sheet, see Chapter 3, section 6, second paragraph. *(FFFS 2013:2)*

[12] Articles 24, 25 and 40(3)(d) of Directive 86/635/EEC.
[13] Articles 12(5), 24 and 25 of Directive 86/635/EEC.
[14] Article 10 of Directive 86/635/EEC.

Subordinated assets

Section 10[15] For each of the asset items, information shall be provided in a note about the amount that refers to subordinated assets.

Subordinated assets are assets which, in the event of winding up or bankruptcy, whether or not represented by securities, are to be repaid only after the claims of other creditors have been met. *(FFFS 2015:20)*

Profit and loss statement

Interest rates

Section 11[16] “Interest income” (item 1) shall be specified in a note divided into interest income on interest-bearing securities (Assets, items 2 and 5), and other interest income.

Lessors shall provide disclosures about its total “net interest income”. The total net interest income means the sum of
a) interest income,
b) leasing income from financial leasing agreements in accordance with IFRS 16 *Leases*, even from leases reported as operational leasing,
c) interest expenses, and
d) depreciation according to plan for assets covered by financial leasing under IFRS 16, but that are reported as operational leasing.

Leasing

Section 12 In a note to the item “Lease income” (item 2), information is provided about the leasing income’s gross amount and depreciation according to plan.

Dividends received

Section 13[17] In the income statement or in the note, the item “Dividends received” (item 4) shall be divided into
1. sub-item 4.a: Dividends from shares and participations (Assets, item 6),
2. sub-item 4.b: Dividends from associates and joint ventures (Assets, item 7),
3. sub-item 4.c: Dividends from Group companies (Assets, item 8), and
4. sub-item 4.d: Dividends from shareholdings in other companies (Assets, item 9).
(FFFS 2015:20)

Remuneration and benefits for management

Section 14 Provisions concerning information about remuneration and benefits for management can be found in Chapter 5, sections 1 and 2 of the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559), cf. Chapter 5, sections 40–44 of the Annual Accounts Act (1995:1554). *(FFFS 2015:20)*

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[15] Article 6 of Directive 86/635/EEC.
[16] Article 27 of Directive 86/635/EEC.
[17] Article 27 of Directive 86/635/EEC.

General guidelines

Disclosures about significant conditions in agreements with key management personnel regarding future pensions and similar benefits after terminated employment should also include the following information:

– whether pensions are defined contribution or defined benefit,
– the cost for the financial year in relation to pensionable remuneration for defined-contribution plans,
– the cost for the financial year in relation to pensionable remuneration for defined-benefit plans, and
– for defined-benefit plans: the pension level expressed in relation to pensionable remuneration or, where appropriate, in Swedish krona if the pension is conditional on future employment.

Disclosures about other remuneration in accordance with Chapter 5, section 40 of the Annual Accounts Act (1995:1554) also includes work other than as a Board member or another member of executive management. This remuneration refers in addition to the fees for assignments that belong to the board member's normal professional activities, for example as a lawyer or consultant. It is irrelevant whether the remuneration for the work is paid directly to the person, to a company or to another third party.

The term "key management personnel" is defined in accordance with IAS 24 *Related Party Disclosures*. Key management personnel should also be considered part of the management in the application of Chapter 5, section 40, third paragraph, section 41, second paragraph, and section 44 of the Annual Accounts Act. *(FFFS 2015:20)*

Impairment of financial non-current assets

Section 15[18] For each of the items "Impairment of financial non-current assets" (item 13) and "Reversals of impairment of financial non-current assets" (item 14), the impairment losses and reversals of significance shall be disclosed in a note. *(FFFS 2017:18)*

Geographic distribution of income

Section 16[19] Information shall be provided in a note of how the sum of the amounts for the following items is distributed by geographical area: "Interest income" (item 1), "Leasing income" (item 2), "Dividends received" (item 4), "Commissions receivable" (item 5), "Net profit or net loss on financial operations" (item 7) and "Other operating income" (item 8).

General guidelines

What constitutes the different geographical areas should be determined in accordance with IFRS 8 *Operating Segments*.

[18] Article 34.3 of Directive 86/635/EEC.
[19] Article 40.5 of Directive 86/635/EEC.

Costs of subordinated liabilities

Section 17[20] Information shall be provided in a note regarding costs for “Subordinated liabilities” (Liabilities, provisions and equity, item 7).

Management and agency services

Section 18[21] Information shall be provided in a note regarding management and intermediary services provided by a third party to the extent that the scope of the activities are significant in relation to the institution’s total operations.

Foreign currency

Section 19[22] Information shall be disclosed about the total value of assets and liabilities in foreign currency.

Compliance

Section 20 An undertaking shall, in its annual report, state the regulation title and regulation number of the Finansinspektionen regulations and general guidelines that have been applied. The undertaking shall also state whether it has prepared its annual report and its consolidated financial statements according to these regulations.

General guidelines

The undertaking should, in further detail, state which standard in the field of accounting it has applied in addition to the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559) and these regulations and general guidelines. *(FFFS 2011:54)*

Non-reversed impairments

Section 21 Rules for impairment made before entry into force of the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559) are set out in point 5 of the transition regulations for the implementation of the Annual Accounts Act (1995:1554). Information that an impairment has not been reversed due to this transition regulation shall be provided in a note. The effect of such a non-reversed impairment on the institution’s position and profit or loss shall be provided in a note. *(FFFS 2013:2)*

Equity

Section 22 Repealed through (FFFS 2015:20).

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[20] Article 41.2e of Directive 86/635/EEC.
[21] Article 41.2f of Directive 86/635/EEC.
[22] Article 41.2g of Directive 86/635/EEC.

Small unlisted securities companies

Section 23 An unlisted securities companies whose balance sheet total for the two most recent financial years does not exceed 1,000 basic amounts in accordance with Chapter 2, section 7 of the Social Insurance Code (2010:110) only needs to provide disclosures in accordance with the following approved international financial reporting standards:

– IFRS 4 *Insurance Contracts*.
– IFRS 7 *Financial Instruments: Disclosures*.
– IFRS 13 *Fair Value Measurement.*
– IFRS 15 *Revenue from Contracts with Customers*. *(FFFS 2017:18)*
– IFRS 16 *Leases* with the exceptions and additions made in section 1 in relation to IFRS 16 in RFR 2 Accounting for legal entities. *(FFFS 2018:20)*
– IAS 1 *Presentation of Financial Statements*, in the section on capital disclosures.
– IAS 7 *Statement of Cash Flows*.
– IAS 10 *Events after the Reporting Period*.
– IAS 16 *Property, Plant and Equipment*, with the additions made in section 4 in relation to IAS 16 in RFR 2 *Accounting for Legal Entities*.
– IAS 19 *Employee Benefits*, with the exemptions and additions set out by point 1 regarding IAS 19 in RFR 2 *Accounting for Legal Entities*, if the pension commitment is of a significant nature.
– IAS 21 *The Effects of Changes in Foreign Exchange Rates.*
– IAS 23 *Borrowing Costs*.
– IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.*
– IAS 38 *Intangible Assets*, with the additions set out in points 3 and 6 regarding IAS 38 in RFR 2 *Accounting for Legal Entities*. *(FFFS 2017:18)*
– IAS 40 *Investment Property*, with the addition made in section 3 in relation to IAS 40 in RFR 2 *Accounting for Legal Entities*.

The first paragraph shall not apply if the institution

– prepares or is covered by consolidated financial statements, or
– has an international connection.

In the note that describes the accounting policies applied, the institution shall indicate whether it has applied disclosure reliefs. *(FFFS 2015:20)*

Branches of foreign undertakings

Section 24 Branches of a foreign undertaking that corresponds to a credit institution, securities company or insurance undertaking do not need to provide disclosures in accordance with approved International Financial Reporting Standards or RFR 2 *Accounting for Legal Entities. (FFFS 2013:2)*

Section 25 An institution that does not prepare consolidated accounts because it does not own participations in subsidiaries but conducts operations by establishing foreign branches shall provide information in its annual report in accordance with Chapter 7, section 4. *(FFFS 2014:18)*

Chapter 6 Management report and capital adequacy analysis

Management report

Section 1 The information that shall be provided in the management report in accordance with these regulations may be provided in a different part of the annual report. In such cases, the management report shall contain a reference to the place where this information can be found. *(FFFS 2013:2)*

Five-year overview

Section 2 Key financial figures and a summary of the profit and loss statement and balance sheet shall be reported in a multi-year overview covering at least the past five years.

The five-year summary shall be prepared in accordance with the accounting principles that are applied in the most recent annual report, unless this type of conversion is particularly complex. If no conversion has been implemented by the institution, this shall be specified and the reasons listed. *(FFFS 2013:2)*

Section 2a An institution shall disclose in its annual report key indicators regarding the yield on assets, calculated as the net profit divided by the balance sheet total. *(FFFS 2014:18)*

Capital adequacy analysis

Section 3 A capital adequacy analysis shall be included in the annual report in accordance with Chapter 2, section 1 and Chapter 6, section 3 of the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559). The analysis shall refer in part to the institution on its own and in part to the the consolidated situation in accordance with Article 18 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2014 on prudential requirements for credit institutions and securities companies and modifying Regulation (EU) No 648/2012 to which the institution belongs as the parent company.

If an institution has a financial parent holding company or a mixed financial parent holding company and is obligated to meet the requirements set out in Article 11.2 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and securities companies for the consolidated situation to which the institution belongs as a subsidiary, the institution’s capital adequacy analysis shall refer to this group.

If an institution is obliged to report capital adequacy for a financial conglomerate to a supervisory authority, the institution’s capital adequacy analysis shall also refer to this conglomerate. *(FFFS 2014:18)*

Section 4 The capital adequacy analysis shall provide, for the institution and where applicable for the consolidated situation in accordance with Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and securities companies, the information set out in Articles 92.3(d) and (f), 436, 437(b) and 438 of the same regulation and in Chapter 8, section 7 of Finansinspektionen’s regulations (FFFS 2014:12) regarding prudential requirements and capital buffers. Until 31 December 2017, this information shall also be provided in the analysis set out in Column A of Appendix 6 of Commission Implementing Regulation (EU) No 1423/2013 of 20 December 2013 laying down implementing technical standards with regard to disclosure of own funds requirements for institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council[23]. As of 1 January 2018, the information set out in Appendix 4 of the same regulation shall be provided in the analysis. It shall be clear which information refers to the institution and which information refers to the group.

Other information that shall be provided in accordance with Regulation (EU) No 575/2013 on prudential requirements for credit institutions and securities companies may be provided in the annual report. If the information is submitted in the annual report, it should be in the capital adequacy analysis. If the information is submitted in another place in the annual report, the capital adequacy shall contain a reference to its location.

The capital adequacy analysis for a financial conglomerate shall provide information about the own funds and capital requirements as well as the methods referred to in Chapter 5, section 4 of the Special Supervision of Financial Conglomerates Act (2006:531) that were used for the calculation. *(FFFS 2014:18)*

Section 5 Information shall be provided regarding how new or amended international financial reporting standards, which have been published but not yet applied, will affect the capital requirement, own funds and large exposures at the time of the transition. Amounts shall be stated unless there are practical obstacles to doing so. *(FFFS 2013:2)*

Chapter 7 Consolidated financial statements

Section 1 Repealed through (FFFS 2009:11).

Subsidiaries that are not consolidated

Section 1a The parent company shall specify any subsidiaries not covered by the consolidated financial statements. Key ratios shall be presented for these subsidiaries.

Section 1b Repealed through (FFFS 2009:11).

Consolidated financial statements

Section 2 International financial reporting standards as adopted by the European Commission in accordance with Article 3 of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (IAS Regulation), shall be applied when preparing consolidated financial statements, irrespective of whether the institution is listed or unlisted; cf. Chapter 7, Section 8 of the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559).

A parent company shall disclose equivalent information for the Group as required under

a) Chapter 5, section 14 regarding remuneration and benefits for management,

[23] EUT L 355, 31.12.2013, p. 60 (Celex 32013R1423).

b) Chapter 5, section 20 regarding regulatory compliance, and
c) Chapter 6, sections 2–5 regarding the five-year overview and capital adequacy analysis.

Disclosures under (c) may be provided other than in the Management Report. In such cases, the Management Report shall contain a reference to the place where this information can be found. *(FFFS 2015:20)*

General guidelines

An institution should apply Recommendation RFR 1 *Supplementary Accounting Rules for Corporate Groups* of the Swedish Financial Reporting Board in the consolidated financial statements. This recommendation should be applied with the exceptions and additions of the provisions of the Annual Accounts for Credit Institutions and Investment Companies Act (1995:1559), see Chapter 7, Section 7 of the same Act.

Statements from the Swedish Financial Reporting Board (UFR) should apply in the same way as RFR 1 *Supplementary Accounting Rules for Corporate Groups*.

The following clarifications are provided for the standards below:

a) IFRS 8 *Operating Segments*. This standard only has to be applied for the consolidated financial statements of an institution that is covered by the standard's area of application.
b) IAS 33 *Earnings Per Share*. This standard only has to be applied for the consolidated financial statements of an institution that is covered by the standard's area of application.

Capital adequacy analysis of financial holding companies

A capital adequacy analysis shall be included in the consolidated financial statements of a financial holding company under Chapter 7, section 1 of the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559). In accordance with Chapter 6, Section 3 of the same Act, the analysis shall relate to the consolidated situation under Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and securities companies in which the holding company is included as a parent company.

The capital adequacy analysis shall also refer to a financial conglomerate if the holding company is required to report capital adequacy for the conglomerate to a supervisory authority.

More detailed rules regarding the content of the capital adequacy analysis can be found in Chapter 6, section 4. *(FFFS 2015:20)*

Section 3 Repealed through (FFFS 2013:24).

Section 4 A parent company shall provide information about the following for every country in which it is established:

1. Name, nature of the operation and geographic area.
2. Net turnover.

3. Average number of employees.
4. Earnings before tax.
5. Tax on earnings.
6. Government subsidies. *(FFFS 2014:18)*

Chapter 8 Interim reports

Basic rules

Section 1 A listed institution that does not prepare consolidated financial statements, in addition to the disclosures required in accordance with Chapter 9 of the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559), shall also apply IAS 34 *Interim Financial Reporting,* where applicable, and provide the information set out in sections 2–4.

An institution that is not covered by the first paragraph only needs to apply in its interim report for legal entities Chapter 9 of the Annual Accounts for Credit Institutions and Securities Companies Act and provide the information that is set out in sections 2–4. *(FFFS 2013:24)*

Special rules for disclosure

Section 2 General disclosures in accordance with Chapter 6, section 5 regarding how new or amended international financial reporting standards, which have been published but not yet applied, will affect the capital requirement, own funds and large exposures at the time of the transition shall be provided in the interim report. *(FFFS 2013:2)*

Section 3 Information about remuneration and benefits for management shall be disclosed if such remuneration and benefits have changed to a not insignificant extent during the interim period.

Section 4 An institution shall provide information in its interim report about significant changes to the own funds or the own fund requirements since the previous financial year.

The institution shall also provide the information set out in Chapter 8, sections 3–7 of Finansinspektionen’s regulations (FFFS 2014:12) regarding prudential requirements and capital buffers.

The interim report may also include other information that shall or may be disclosed more often than once a year in accordance with the same regulations. If this information is disclosed outside the interim report, the interim report shall contain details of where this information is located.

The first–third paragraphs shall be applied to information for the institution as well as for a consolidated situation in accordance with Article 18 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and securities companies, if the institution in accordance with Chapter 6, section 3 is obligated to disclose corresponding information for the consolidated situation. *(FFFS 2014:18)*

Section 5 An institution shall apply IAS 34 and sections 2–4 in an interim report for the group. *(FFFS 2013:2)*

Entry into force and transition provisions

2008:25.

1. These regulations and general guidelines shall enter into force on 1 January 2009, whereupon Finansinspektionen's regulations and general guidelines (FFFS 2006:16) regarding the annual accounts of credit institutions and securities companies shall be repealed.

2. These rules shall be applied for the first time to annual financial statements, annual reports and consolidated financial statements prepared for financial years starting on 1 January 2009 or later, and in interim reports prepared for some of this financial year, unless otherwise set out in points 3 or 4.

3. These rules may be applied to annual financial statements, annual reports, consolidated financial statements and interim reports for financial years that started in 2008.

4. The following rules do not need to be applied on annual financial statements, annual reports and consolidated financial statements for financial years that started on 1 January 2009 or later.

a) Chapter 2, general guidelines, point 5 on exemptions from disclosure rules in IAS 19 *Employee Benefits* for some smaller companies.
b) Chapter 7, section 1, general guidelines, second paragraph, on exemptions from IAS 19 in accordance with RFR 2 *Accounting for Legal Entities* about defined-benefit pension plans in the consolidated financial statements.

2009:11.

These regulations and general guidelines shall enter into force on 1 January 2010 and shall be applied to annual financial statements, annual reports and consolidated financial statements that are prepared for the financial years that started after 31 December 2009.

2011:54.

These regulations and general guidelines shall enter into force on 31 December 2011 and are applied to annual financial statements, annual reports and consolidated financial statements prepared for financial years that started on 1 January 2011 or later and in interim reports prepared for financial years that started on 1 January 2012 or later.

2013:2.

These regulations shall enter into force on 1 March 2013 and apply to annual financial statements, annual reports, consolidated financial statements and interim reports prepared for financial years that started on 1 January 2013 or later.

2013:24.

1. These regulations and general guidelines shall enter into force on 1 January 2014 and are applied to annual financial statements, annual reports and consolidated financial statements prepared for financial years that started on 1 January 2014 or later and in interim reports prepared for part of such a financial year.

2. The rules in Chapter 5, section 4 may be applied to annual financial statements, annual reports and consolidated financial statements that started in 2013 and in interim reports prepared for part of such a financial year.

2014:18.

These regulations shall enter into force on 2 August 2014 and apply to annual financial statements, annual reports, consolidated financial statements and interim reports prepared for financial years that started on 1 January 2014 or later.

2015:20.

These regulations shall enter into force on 1 January 2016 and apply to annual financial statements, annual reports and consolidated financial statements prepared for the financial year commencing after 31 December 2015.

2017:18.

These regulations and general guidelines enter into force on 1 January 2018 and are initially applied to annual financial statements, annual reports and consolidated financial statements prepared for financial years commencing immediately after 31 December 2017 and in interim reports prepared for parts of such financial year. The provisions set out in Chapter 1, section 1 are initially applied to annual financial statements and annual reports that are prepared as at 31 December 2017.

2018:20

These regulations shall enter into force on 1 January 2019 and apply to annual financial statements, annual reports and consolidated financial statements prepared for the financial year commencing immediately after 31 December 2018 and in interim reports prepared for part of such a financial year.

Appendix 1

Balance sheet items

Section 1 The items in sections 2-28 refer to the layout for the balance sheet in accordance with Appendix 1 of the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559).

If an institution deviates from the presentation of the balance sheet in accordance with Chapter 3, section 2, the institution may make a corresponding deviation from sections 2–28. *(FFFS 2015:20)*

General guidelines

When a deviation is made and the items are divided according to their nature and relative liquidity, it is assumed that the terms and definitions used have the same meaning as in the Annual Accounts for Credit Institutions and Securities Companies Act and these regulations and general guidelines.

An institution that uses terms or definitions in their annual report that have a different meaning to the ones set out in the Annual Accounts for Credit Institutions and Securities Companies Act and these regulations and general guidelines should state this and specify what these differences are.

If an item can be reported or presented in more than one way, it should be indicated which option or, where permitted, options are applied.

Assets

Section 2[24] Assets: Item 1 — Cash and balances with central banks. Cash assets are reported here. Cash assets include legal tender including foreign notes and coins.

Balances with central banks and municipal postal giros are reported here if the following conditions are met:
1. The central bank or postal giro shall be from the country where the institution is established.
2. The balances shall be readily available at all times.

Other claims on central banks or postal giros that do not meet the requirements in the second paragraph shall be reported as Loans and advances to credit institutions (Assets, item 3) or Loans to the general public (Assets, item 4).

Section 3[25] Assets: Item 2 — Treasury bills eligible for repayment etc. The following assets are reported here:
1. Treasury bills, government bonds, treasury bonds and other similar securities issued by public bodies that are eligible for refinancing with the central bank of the country where the institution is established (sub-item 2.a Treasury bills).

[24] Article 13 of Directive 86/635/EEC.
[25] Article 14 of Directive 86/635/EEC.

2. Other securities that are eligible for refinancing with central banks in the country where the institution is established, to the extent that they are eligible for refinancing under national law (sub-item 2.b Other bills eligible for refinancing).

Debt instruments that are issued by public bodies but do not meet the conditions set out in the first paragraph, 1, shall be included in “Bonds and other interest-bearing securities” (Assets, item 5).

General guidelines

The requirement for eligibility for refinancing refers to the character of the asset and not the capacity of the individual institution to refinance.

The eligibility for refinancing for other securities than government and municipal security holdings must be established in law (first paragraph, point 2). It is therefore not sufficient for a central bank to be willing to refinance, for example, real estate security holdings, based on their own rules.

Public body refers to public authorities, including central banks, and municipalities, but not publicly or municipally-owned companies.

The provisions for dividing up this item into the sub-items Treasury bills eligible for refinancing and Other bills eligible for refinancing are set out in Chapter 5, section 1.

Section 4[26] Assets: Item 3 — Loans to credit institutions. This item covers loans and advances to credit institutions and central banks. Credit institutions also refer to corresponding foreign institutions, including international banking organisations.

The provision in the first paragraph does not apply to
1. loans and advances that are represented by bonds or other interest-bearing securities that shall be reported under Treasury bills eligible for refinancing etc. (Assets, item 2) or Bonds and other interest-bearing securities (Assets, item 5),
2. balances with central banks that are readily available at all times and which shall be reported under Cash and balances with central banks (Assets, item 1), and
3. claims on such financial holding companies as those set out in Chapter 1, section 1, second paragraph.

General guidelines

Claims at central banks and credit institutions include clearing claims for the institution concerned.

For a genuine repurchase transaction, the transferee reports in accordance with Chapter 3, section 8, second paragraph the consideration as a claim on the transferor. The claim should be reported under this item if the transferor is a credit institution or a central bank. Otherwise the claim is reported under Loans and advances to customers (Assets, item 4). *(FFFS 2017:18)*

A claim in the form of cash collateral for securities borrowing should be reported under this item if the lender is a credit institution or a central bank. Otherwise the claim is reported under Lending to the general public (Assets, item 4)

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[26] Article 15 of Directive 86/635/EEC.

Section 5[27] Assets: Item 4 — Loans to the general public. Loans to the general public cover loans and advances, including credit card claims, to customers that are not credit institutions. This item also includes lending at the Swedish National Debt Office.

The requirement in the first paragraph does not apply to claims in the forms of bonds or other securities that shall be reported under
1. Bonds and other interest-bearing securities (Assets, item 5), or
2. Treasury bills eligible for refinancing etc. (Assets, item 2).

Section 6[28] Assets: Item 5 — Bonds and other interest-bearing securities. This item comprises negotiable bonds and other interest-bearing securities (including zero coupon and discounting instruments) issued by credit institutions, other undertakings or public bodies.

The requirement in the first paragraph does not apply to any bonds and other interest-bearing securities that are eligible for refinancing with central banks or in general meet the conditions to be reported under Treasury bills eligible for refinancing etc. (Assets, item 2).

General guidelines

Requirements for dividing up this item into the sub-items "Issued by public bodies" and "Issued by other borrowers" are found in Chapter 5, section 2.

The primary criterion for the demarcation between interest-bearing securities in item 5 and loans in items 3 and 4 should be whether the institution's claim is negotiable or transferable. Debts that correspond to bearer securities are normally reported under this item. Non-transferable securities are normally reported under one of the loans and advances items.

Section 7[29] Assets: Item 6 — Shares and participations (that are not included in items 7, 8 or 9). Holdings of shares and participations as well as subscription rights and fractional rights are reported here.

The requirement of the first paragraph do not apply to shares and participations in associates, joint ventures, Group companies and shareholdings in other companies. These should be reported under the asset item 7, 8 or 9. *(FFFS 2015:20)*

General guidelines

Shares in a tenant association (tenant-owned property) and shares in a Swedish UCITS are examples of shares that should be reported under this item.

When recognising share options other than subscription rights and fractional rights, the references to derivatives in the general guidelines for section 13 regarding Other Assets (Assets, item 13) apply. *(FFFS 2015:20)*

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[27] Article 16 of Directive 86/635/EEC.
[28] Article 17 of Directive 86/635/EEC.
[29] Article 4 of Directive 86/635/EEC.

Section 8[30] Assets: Item 7 – Shares and participations in associated companies and joint ventures. Holdings of shares and participations in associates and joint ventures are reported here, along with subscription rights, fractional rights and derivatives for shares in associates and joint ventures; cf. Chapter 1, sections 5 and 5a of the Annual Accounts Act (1995:1554).
(FFFS 2015:20)

Section 9[31] Assets: Item 8 — Shares and participations in group companies. Holdings of shares and participations in group companies, and subscription rights, fractional rights and derivatives of shares in group companies are reported here, cf. Chapter 1, section 4 of the Annual Accounts Act (1995:1554). *(FFFS 2013:2)*

Section 9a Assets: Item 9 – Shareholdings in other companies. Shareholdings in other companies are reported here, along with subscription rights, fractional rights and derivatives for shareholdings in other companies. Shareholdings in other companies means shareholdings in accordance with Chapter 1, section 4 (a) of the Annual Accounts Act (1995:1554) that do not consist of shares in Group companies, associates and joint ventures. *(FFFS 2015:20)*

Section 10[32] Assets: Item 10– Intangible non-current assets. This item includes
1. capitalised expenditure for development and similar activities,
2. concessions, patents, licences, brands and similar rights and assets,
3. tenancy and similar rights,
4. goodwill, and
5. advance payments for intangible non-current assets.
(FFFS 2015:20)

General guidelines

What may be recognised as an intangible asset and what as goodwill is specified in Chapter 4, Section 1 of the Annual Accounts for Credit Institutions and Securities Companies Act, cf. Chapter 4, section 2 of the Annual Accounts Act. There are supplementary requirements in approved international financial reporting standards, cf. IAS 38 *Intangible Assets* and the Swedish Financial Reporting Board Recommendation RFR 2 *Accounting for Legal Entities*.

A contractual right to manage financial assets on behalf of another is an example of such a similar right as referred to in point 2.

Section 11[33] Assets: Item 11 – Tangible assets. This item includes
1. buildings and land,
2. machinery and technical facilities,
3. equipment, tools and installations,
4. assets under construction, and
5. advance payments for tangible assets.

[30] Article 8 of Directive 86/635/EEC.
[31] Article 8 of Directive 86/635/EEC.
[32] Article 8 of Directive 86/635/EEC.
[33] Article 8 of Directive 86/635/EEC.

Buildings and land include
1. buildings and land,
2. buildings under construction, and
3. down payment in respect of buildings and land.

The item includes such properties as the institution has taken over in order to protect a claim and properties where it carries out its own operations.

When reporting leases in accordance with the requirements for operating leases, the lessor shall report all leased assets constituting non-current assets under this item. Depreciation/amortisation and impairment of leased assets shall be reported under the item "Depreciation/amortisation and impairment of tangible assets and intangible assets" (Profit and loss statement, item 10). Prepayments to suppliers for leased assets shall be reported in the item Tangible assets. The prepayment amounts shall be disclosed in a note.
(FFFS 2015:20)

Section 12 Assets: Item 12 – Subscribed capital unpaid. Receivables relating to payments not yet made for subscribed shares are reported here.

Before a new issue decision has been registered, the corresponding amount in liabilities shall be reported under the item Other liabilities (Liabilities, provisions and equity, item 4). Following registration, the amount shall be transferred to Share capital/Basic fund/Paid-up capital (Liabilities, provisions and equity, item 9). *(FFFS 2015:20)*

General guidelines

This item includes receivables from new share issues. Once the new share issue decision is registered, the equivalent amount in liabilities shall be transferred to the item Share capital; see Chapter 13, section 29, paragraph 1 of the Companies Act (2005:551).

Subscribed capital unpaid may be reported here even if not all the conditions for the inclusion of an asset on the balance sheet in accordance with approved international financial reporting standards are met.

Section 13 Assets: Item 13 – Other assets. Unless it is more appropriate to recognise an asset under a different item, the following are reported here:
1. those derivatives which have a positive value,
2. receivables not arising through bank transactions, such as announced but unpaid leasing fees, securities settlement receivables and overdue interest receivables, and
3. other assets.
(FFFS 2015:20)

General guidelines

Share-based and interest-rate-based derivatives do not need to be reported together with the corresponding underlying instrument, but may be included under Other assets (Assets, item 13) or Other liabilities (Liabilities, provisions and equity, item 4). Subscription rights (share options) and fractional rights are reported, however, in accordance with sections 7–9. Derivative instruments can also be reported separately as an own item.
(FFFS 2015:20)

Section 14[34] **Assets: Item 14 – Prepaid expenses and accrued income.** Such expenditure that is recognised during the financial period but which refers to expenses for periods after the balance sheet date and income that is recognised during the financial period but which refers to income after the balance sheet date are reported here.
(FFFS 2015:20)

General guidelines

Accrued interest on loans and accrued coupon interest on interest-bearing securities can also be reported here.

Liabilities, provisions and equity

Section 15[35] **Liabilities, provisions and equity: Item 1 — Liabilities to credit institutions.** This item covers liabilities to credit institutions and central banks. Credit institutions also refer to corresponding foreign institutions, including international banking organisations.

The requirement in the first paragraph does not apply to
1. bonds and other securities that are reported under Issued securities, etc. (Liabilities, provisions and equity, item 3),
2. liabilities reported under Subordinated liabilities (Liabilities, provisions and equity, item 7), and
3. liabilities to the financial holding companies set out in Chapter 1, section 1, second paragraph.

General guidelines

Liabilities to central banks and credit institutions include clearing debts to relevant institutions.

For a genuine repurchase transaction, the transferor reports in accordance with Chapter 3, section 8, second paragraph the received consideration as a liability to the transferee. If the transferee is a credit institution or a central bank, the liability should be reported under this item. Otherwise the liability is reported under Deposits and borrowings from the public (Liabilities, provisions and equity, item 2).

A liability resulting from a lender receiving cash collateral for lending securities should be reported under this item if the borrower is a credit institution or a central bank. Otherwise the liability is reported under Deposits and borrowings from the public (Liabilities, provisions and equity, item 2). *(FFFS 2013:2)*

Section 16[36] **Liabilities, provisions and equity: Item 2 — Deposits and borrowings from the public.** All deposits and borrowings from the public, i.e. not from credit institutions and central banks, are reported here. Deposits and borrowings from the Swedish National Debt Office are also reported here.

[34] Article 1(1) in Directive 86/635/EEC, cf. Article 18 in Council Directive 78/660/EEC of 28 July 1978 on the annual accounts of certain types of companies (EGT L 222, 14.8.1978, pp. 11–31, Celex 31978L0660).
[35] Article 18 of Directive 86/635/EEC.
[36] Article 19 of Directive 86/635/EEC.

The requirement in the first paragraph does not apply to
1. borrowings in the form of bonds and other securities that are reported under Issued securities etc. (Liabilities, provisions and equity, item 3), and
2. liabilities that shall be reported under Subordinated liabilities (Liabilities, provisions and equity, item 7).

Savings placed in a bank and the funds managed under an own name but on behalf of a third party are reported under sub-item 2.a Deposits. *(FFFS 2013:2)*

Section 17[37] Liabilities, provisions and equity: Item 3 — Issued securities, etc. Bonds and other debt for which negotiable securities have been issued, for example certificate of deposit and debt arising out of own acceptances or promissory notes, are reported here. *(FFFS 2017:18)*

Only bills or notes which a credit institution has issued for its own refinancing and in respect of which it is the first party liable (drawee) shall be treated as own acceptances. *(FFFS 2017:18)*

This requirement does not apply to debt reported under Subordinated liabilities (Liabilities, provisions and equity, item 7).

Debt through own acceptances or bills/notes and similar securities are reported under sub-item 3.b Other. *(FFFS 2017:18)*

Repurchased own-debt securities shall be deducted from the outstanding liability.

General guidelines

The primary criterion for the demarcation between issued securities in item 3 and liabilities in items 1 and 2 should be whether the claim on the institution is negotiable or transferable from the point of view of the creditor. Liabilities that correspond to bearer securities are normally reported under this item. Non-transferable securities are normally reported under Liabilities to credit institutions (item 1) or Deposits and borrowings from the public (item 2).

Section 18 Liabilities, provisions and equity: Item 4 – Other liabilities. Unless it is more appropriate to present a liability under a different item, the following are presented here:
1. derivatives that have a negative value,
2. liabilities not arising through bank transactions, such as own tax liabilities, trade payables and securities settlement payables, and
3. other liabilities.
(FFFS 2015:20)

General guidelines

Share-based and interest-rate-based derivatives do not need to be reported together with the corresponding underlying instrument, but may be included under Other assets (Assets, item 13) or Other liabilities (Liabilities, provisions and equity, item 4). Derivative instruments can also be reported separately as an own item.
(FFFS 2015:20)

[37] Article 20 of Directive 86/635/EEC.

Section 19[38] Liabilities, provisions and equity: Item 5 — Accrued expenses and deferred income. Income that is recognised during the financial period but refers to income for periods after the balance sheet date, and expenses that refer to the financial period, but which only refer to expenditure after the balance sheet date are reported here.

General guidelines

This item can also include accrued interest on deposits and borrowings and accrued coupon interest on financial liabilities.

Section 20 Liabilities, provisions and equity: Item 6 — Provisions. Provisions are reported here, cf. Chapter 3, section 2 of the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559) and Chapter 3, section 9 of the Annual Accounts Act (1995:1554).

Sub-item 6a Provisions for pensions and similar obligations covers provisions in accordance with the Safeguarding of Pension Commitments Act (1967:531) and other provisions for compensation to employees after terminated employment. Chapter 3, section 3 contains requirements as to when provisions for pension commitments for employees shall be recognised in the balance sheet.

General guidelines

Provisions for loan commitments and financial guarantees that are not derivatives can be included in sub-item 6c Other provisions. *(FFFS 2017:18)*

Section 21[39] Liabilities, provisions and equity: Item 7 — Subordinated liabilities. This item covers liabilities where it has been contractually agreed that they will be repaid, in the event of winding up or of bankruptcy, and whether or not evidenced by securities, only after the claims of all creditors have been made.

Section 22 Liabilities, provisions and equity: Item 8 — Untaxed reserves. Accumulated excess depreciation, replacement reserves, tax allocation reserves, transitional reserves and other untaxed reserves are reported here.

In a consolidated balance sheet, untaxed reserves are divided into deferred tax liabilities, which are shown in sub-item 6.b Provisions for taxation as well as in a restricted capital item, which is reported under sub-item 12.e Other reserves.

Section 23[40] Liabilities, provisions and equity: Item 9 — Share capital/Basic fund/Paid-up capital. Capital that, depending on the legal structure of the institution concerned, is regarded as equity or subscribed by shareholders or other proprietors, is recognised here.

General guidelines

This item stands for “Share capital” for banking companies and limited liability companies; “Primary capital” for savings banks and “Contribution capital” in members’ banks.

[38] Article 11 in Directive 86/635/EEC, cf. Article 21 of Directive 78/660/EEC.
[39] Article 21 of Directive 86/635/EEC.
[40] Article 22 of Directive 86/635/EEC.

Section 24 Liabilities, provisions and equity: Item 10 — Share premium reserve. The share premium for share issues is reported here.

Section 25 Liabilities, provisions and equity: Item 11 — Revaluation reserve. Revaluation reserves in accordance with the requirements set out in Chapter 4, sections 1 and 2 of the Annual Accounts for Credit Institutions and Securities Companies Act are reported here.

Section 26 Liabilities, provisions and equity: Item 12 – Other funds.
When reporting sub-item 12.b Equity method reserve, an institution shall make provisions for and deductions from the equity method reserve by moving amounts within equity to adjust retained earnings.

Provisions to an equity method reserve shall be recognised after tax.

In sub-item 12.c Fair value reserve, changes in value are reported in accordance with Chapter 4, section 1 of the Annual Accounts for Credit Institutions and Securities Companies Act; cf. Chapter 4, section 14 (d) of the Annual Accounts Act.

Sub-item 12.d Guarantee fund refers to such a fund as indicated in Chapter 5, section 1 of the Savings Bank Act (1987:619).

Sub-item 12.e Development expenditure fund refers to such a fund as indicated in Chapter 4, section 2, Paragraph 2 of the Annual Accounts Act.
(FFFS 2015:20)

Section 27 Liabilities, provisions and equity: Item 13 — Profit or loss brought forward. Profit or loss brought forward is presented here.

Section 28 Liabilities, provisions and equity: Item 14 — Profit or loss for the financial year. Net profit or net loss for the financial year is reported here.

Memorandum items

Section 29 Repealed through (FFFS 2015:20).

Section 30 Repealed through (FFFS 2015:20).

Section 31 Repealed through (FFFS 2015:20).

Section 32[41] Repealed through (FFFS 2015:20).

Section 33 Repealed through (FFFS 2015:20).

[41] Article 12.5 and 25 of Directive 86/635/EEC.

Appendix 2

Items in the Profit and loss statement

Section 1 The items in sections 2-20 relate to the layout for profit and loss statements in accordance with Appendix 3.

Deviations to the content of the items in sections 2–20 can be made if
1. the deviation is necessary as a direct result of any deviations from the balance sheet layout that are allowed in accordance with the provisions set out in Chapter 3, section 2 on deviations from the balance sheet's layout,
2. at least the same level of information is submitted as if the content of the items had been applied, and
3. disclosures about this and the reasons for deviations are disclosed in a note.

General guidelines

The regulation does not allow for deviations in the layout itself, only for deviations to the content of the items.

An institution that uses terms or definitions in their annual report that have a different meaning to the ones set out in the Annual Accounts for Credit Institutions and Securities Companies Act (1995:1559) and these regulations and general guidelines should state this and specify what these differences are.

If an individual item can be reported or presented in more than one way, the institution should state the alternative, or where so permitted, the alternatives that are being applied.

Profit and loss statement

Section 2[42] **Item 1 — Interest income.** Income from assets that are recorded under Assets, items 1-5 in the balance sheet (Cash and balances with central banks, Treasury bills eligible for repayment etc., Loans and advances to credit institutions, Loans to the public and Bonds and other interest-bearing securities) are reported here.

Income in the form of any commission similar in nature to interest that is calculated on a time basis or by the amount of the claim is reported here.

General guidelines

Interest income and expenses on any interest rate swaps that protect interest-bearing assets in hedge accounting should be included here.

Payments that are taken into consideration when calculating the effective interest rate should be reported here.

Payments that are not taken into consideration in accordance with the effective interest rate method should not be reported in this item, cf. IFRS 15

[42] Article 29 of Directive 86/635/EEC.

Revenue from Contracts with Customers and related guidelines. These payments should be reported in accordance with section 6.

Income from any loan commitments where it is probable that a loan will be entered into shall be reported under this item, cf. IFRS 15 and related guidelines. *(2017:18)*

Section 3 Item 2 — Lease income. Gross lease income is reported here, i.e. before depreciation according to plan.

Section 4[43] Item 3 — Interest expenses. Expenses for liabilities that are included under Liabilities, provisions and equity, items 1, 2, 3 or 7 (Liabilities to credit institutions, Deposits and borrowings from the public, Issued securities etc. and Subordinated liabilities), shall be reported under this item.

Fees for the deposit guarantee are reported under this item.

Expenditure in the form of commission similar in nature to interest that are calculated on a time basis or by reference to the amount of the liability are reported here. Payment charged in connection with a withdrawal from a deposit account is a correction of the agreed interest, which will reduce the institution's interest expenses.

General guidelines

Interest income and expenses on any interest rate swaps that protect interest-bearing liabilities in hedge accounting should be reported here.

Section 5[44] Item 4 – Dividends received. All dividends from shares and participations are reported here, including dividends from associates, joint ventures, Group companies and shareholdings in other companies. Group contributions received from subsidiaries are also reported here if the institution has not chosen as a policy to report these as appropriations or has chosen to report Group contributions received from subsidiaries on a separate line item in the profit and loss statement immediately following the item Dividends received. Dividends must not be reported here for holdings of shares and participations reported using the equity method. *(FFFS 2015:20)*

Section 6[45] Item 5 — Commission revenue. Income for services supplied are recognised here to the extent they are not considered to be interest, see section 2.

Securities companies may report commission revenue and commission expenses at the top of the layout of the profit and loss statement.

General guidelines

Examples of commissions are:
– payments for debit cards and credit cards that are not considered to be interest (see section 2),
– payments related to guarantees, loans administration on behalf of other lenders and securities transactions on behalf of third parties,

[43] Article 29 of Directive 86/635/EEC.
[44] Article 30 of Directive 86/635/EEC.
[45] Article 2.4 and 31 of Directive 86/635/EEC.

– payments and other charges and income related to payment transactions, clearing transactions, account administration charges and commissions for the safe custody and administration of securities,
– payments that can be related to foreign currency transactions, and to the sale and purchase of coins and precious metals on behalf of third parties, and
– payments for brokerage services in connection with savings and insurance contracts and loans.

Any profits and losses that refer to guarantees that are derivatives should not be reported here. These can be reported under Net profit on financial operations (item 7) in accordance with section 8. The provision of financial guarantees in other cases involves risk-taking rather than carrying out a service. When income from financial guarantees that are not derivatives is reported under this item, it may therefore need to be reported separately in a sub-item, cf. Chapter 3, section 2 of the Annual Accounts for Credit Institutions and Securities Companies Act, Chapter 3, section 4 of the Annual Accounts Act (1995:1554) and IAS 1 *Presentation of Financial Statements.*

Section 7 [46] **Item 6 — Commission expenses.** Expenses for services received are reported here, to the extent that they cannot be considered to be interest, see section 4.

General guidelines

Examples of commissions and the presentation of commission expenses in a securities company's profit and loss statement can be found in section 6.

Any transaction costs that are to be taken into consideration when calculating the effective interest rate should not be reported here, cf. IFRS 9 *Financial Instruments*. *(2017:18)*

Section 8[47] **Item 7 — Net profit or net loss on financial transactions.** This item covers
1. the net profit or net loss of trading with financial instruments and trading with precious metals,
2. value changes of the financial instruments that are measured at fair value through profit or loss and precious metals, and
3. net profit or net loss on currency exchange activities and other recognised changes in the value of assets and liabilities in foreign currency to the extent they can be attributed to exchange rate changes that will be reported in the profit and loss statement. *(2017:18)*

Net profits, net losses or value changes that are to be recognised as interest in accordance with sections 2 and 4 shall not be included here.

General guidelines

In the profit/loss item, impairment losses and reversals of these losses should be reported when they apply to bonds and other interest-bearing securities measured at fair value through other comprehensive income. The profit/loss item should also include reclassification adjustments arising when financial

[46] Article 31 of Directive 86/635/EEC.
[47] Article 32 of Directive 86/635/EEC.

assets are measured at fair value through other comprehensive income are removed from the statement of financial position.

Net profit and net loss and value changes of financial guarantees that are derivatives can be reported here.

Net profit, net loss and other reported value changes relating to trading with emissions rights and electricity certificates can be reported under this item.

An institution which deviates in its profit and loss statement from the provisions on merging items or from requirements on offsetting in accordance with IAS 1 should detail this in a note. *(2017:18)*

Section 9 Item 8 — Other operating income. Any operating income that cannot suitably be included under any other item is reported here, for example statute-barred funds, income from real estate and capital gains when selling tangible and intangible assets that are held to maturity.

General guidelines

The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid (interest differential compensation), including any non-cash assets transferred or liabilities assumed can be reported here, cf. IFRS *Financial instruments*. This also applies to differences from the early repayment of financial assets, valued at the amortised cost (interest differential compensation). *(2017:18)*

Section 10[48] **Item 9 — General administrative expenses**. This item covers
1. staff costs, including salaries and fees, bonuses and commissions, pension expenses and other social security expenses, and
2. other administrative expenses.

Even institutions applying the exception from IAS 19 in RFR 2 *Accounting for Legal Entities* and reporting defined-benefit pension schemes in accordance with the principles stated therein may report the portion of the pension expense for the year that consists of interest in this item. *(FFFS 2013:2)*

General guidelines

Other administrative expenses include, for example, expenses for rent, auditing, training, IT, telecommunications, travel and entertainment, as well as cash differences.

Section 11[49] **Item 10 — Depreciation/amortisation and impairment of tangible and intangible assets.** Depreciation/amortisation and impairment of any non-current assets that are included under the items Intangible assets (Assets, item 10) or Tangible assets (Assets, item 11) are reported here. *(FFFS 2015:20)*

Section 12 Item 11 — Other operating expenses. Any operating expenses that cannot suitably be included under another item are reported here.

[48] Article 27 of Directive 86/635/EEC.
[49] Article 27 of Directive 86/635/EEC.

Operating costs for real estate are also reported here.

General guidelines

Expenses that can be reported here include, for example, marketing expenses and insurance expenses.

The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid (interest differential compensation), including any non-cash assets transferred or liabilities assumed can be reported here, cf. IFRS *Financial instruments*. This also applies to differences from the early repayment of financial assets, valued at the amortised cost (interest differential compensation). *(2017:18)*

Section 13[50] **Item 12 — Credit losses, net.** This item covers
1. impairment loss on loans and advances that are included under the items Loans to credit institutions (Assets, item 3) or Loans to the public (Assets, item 4) and impairment losses on interest that have been capitalised in previous annual financial statements,
2. provisions attributable to loan commitments and financial guarantee agreements and other provisions for such contingent liabilities and commitments as would otherwise have been included in the note on contingent liabilities,
3. expenses for impairment losses on leasing receivables and contractual assets,
4. income from the recovery of impaired loans, and
5. reversals of previous impairments or provisions.
(2017:18)

General guidelines

The net cost of meeting guarantees provided should be assessed with reference to the value of any rights of recourse.

Section 14[51] **Item 13 – Impairment of financial non-current assets.** This includes impairment losses on financial assets that are included under
– Bonds and other interest-bearing securities (Assets, item 5),
– Shares and participations in associates and joint ventures (Assets, item 7), or
– Shares and participations in Group undertakings (Assets, item 8).
(2017:18)

Section 15[52] **Item 14 — Reversals of impairment losses on financial non-current assets.** Amounts that have been reversed following previous impairment losses on financial assets are reported here, if the impairment loss has been expensed in accordance with section 14. *(2017:18)*

Section 16 Item 14A – Share of profits from shareholdings. The share of the profits from holdings of shares and participations recognised using the equity method are reported here. Dividends are reported in item 4 – Dividends received, unless the equity method is applied. *(FFFS 2015:20)*

Section 17 Item 15 — Appropriations. Provisions to and dissolutions of untaxed reserves and paid and received Group contributions if the institution has selected as

[50] Article 33 of Directive 86/635/EEC.
[51] Article 34 of Directive 86/635/EEC.
[52] Article 34 of Directive 86/635/EEC.

its principle to report these as appropriations (cf. section 5, item 4 – Dividends received) are reported here.

Provisions and dissolutions of untaxed reserves shall not be reported in a consolidated income statement. The deferred tax expense shall be reported under the appropriate tax item (item 16 Tax on profit/loss for the year or item 17 Other taxes). *(FFFS 2013:2)*

Section 18 Item 16 — Tax on profit/loss for the year. Tax on profit or loss for the year, in accordance with generally accepted accounting principles, is reported here.

Section 19 Item 17 — Other taxes. Other taxes than tax on profit for the year, in accordance with generally accepted accounting principles, are reported here.

Section 20 Item 18 — Profit/loss for the year. The net profit or loss for the financial year is reported here.

Appendix 3

Presentation of the income statement

General guidelines

The income statement should contain the entries listed below.

1. Interest income
2. Lease income
3. Interest expenses
   NET INTEREST INCOME
4. Dividend income
5. Commission income
6. Commission expense
7. Net result of financial transactions
8. Other operating income
   TOTAL OPERATING INCOME
9. General administrative expenses
10. Depreciation/amortisation and impairment of property, plant and equipment and intangible non-current assets
11. Other operating expenses
    TOTAL EXPENSES BEFORE CREDIT LOSSES
    PROFIT/LOSS BEFORE CREDIT LOSSES
12. Credit losses, net
13. Impairment of financial assets
    (FFFS 2017:18)
14. Reversals of impairment of financial assets *(FFFS 2017:18)*

14A. Share of participating interests
    OPERATING PROFIT/LOSS

15. Appropriations
16. Tax on profit or loss for the year
17. Other taxes
    PROFIT OR LOSS FOR THE YEAR

Securities companies may report Commission income and Commission expense before interest income, in accordance with section 6 of Appendix 2.

Information on net interest income is provided in accordance with Chapter 5, section 11. Only companies that do not report leasing in accordance with the rules for operating leases can report net interest income in their profit and loss statement in the sub-summary row NET INTEREST INCOME.

In accordance with section 16 of Appendix 2, shares of profit or loss from shareholdings reported using the equity method are reported in item 14A Share in profit or loss from shareholdings.
(FFFS 2015:20)