

## Publication of information concerning capital adequacy and liquidity management

In accordance with Regulation (EU) 575/2013 and the Swedish Financial Supervisory Authority's regulations and general guidelines (FFFS 2014:12) on regulatory requirements and capital buffers, this information is presented on a quarterly basis on Klarna's website, www.klarna.com. Klarna's capital requirements are set out in Regulation (EU) 575/2013 and Directive (EU) 36/2013 as well as in the Directive's national implementation regulations. This capital requirement consists of minimum capital requirements for credit, market and operational risk, internal assessed required capital and regulatory capital buffers.

The information is presented for Klarna Bank AB (publ) (556737-0431) and for the consolidated situation ("Group") as of September 30, 2017.

2017-09-30, TSEK	Klarna Bank AB	Group
<b>Own funds</b>		
Common Equity Tier 1 capital	3,321,419	2,109,143
Additional Tier 1 capital	250,000	250,000
Tier 2 capital	297,022	297,022
<b>Total capital</b>	<b>3,868,441</b>	<b>2,656,165</b>
<b>Risk exposure amount</b>		
Credit risk according to standardized method	10,187,904	9,163,654
Market risk according to standardized method	1,456,108	229,925
Operative risk according to standardized method	3,791,144	4,153,164
<b>Total risk exposure amount</b>	<b>15,435,156</b>	<b>13,546,743</b>
<b>Capital requirement</b>		
Total minimum capital requirement	1,234,812	1,083,739
Internally assessed required capital	94,754	94,754
<b>Total capital requirement excl. regulatory capital buffer</b>	<b>1,329,566</b>	<b>1,178,493</b>
<b>Capital adequacy analysis</b>		
Common Equity Tier 1 capital ratio	21.5%	15.6%
Tier 1 capital ratio	23.1%	17.4%
Total capital ratio	25.1%	19.6%
Combined buffer requirement <sup>1</sup>	3.5%	3.5%
of which: capital conservation buffer requirement	2.5%	2.5%
of which: countercyclical buffer requirement	1.0%	1.0%
Common Equity Tier 1 capital available to meet buffers <sup>2</sup>	17.0%	11.1%

### Sources of funding

As of September 30, 2017 Klarna's business was funded by deposits from the public, debt securities in issue, operational liabilities, subordinated debt and borrowings from credit institutions.

### Liquidity reserve

As of September 30, 2017 Klarna's liquidity reserve amounted to SEK 1.230 billion and consisted of high-quality liquid assets.

<sup>1</sup> The group is currently not required to hold additional capital to meet demands for systemic risk buffer or other buffers.

<sup>2</sup> Common Equity Tier 1 capital available for use as buffer is defined as Klarna's Common Equity Tier 1 capital ratio, reduced by the Common Equity Tier 1 capital needed to meet Klarna's total minimum capital requirement.