

## 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 March 31, 2018.

2018-03-31, SEKK	Klarna Bank AB	Group
<b>Own funds</b>		
Common Equity Tier 1 capital	3 352 125	2 312 339
Additional Tier 1 capital	250 000	250 000
Tier 2 capital	297 217	297 217
<b>Total capital</b>	<b>3 899 342</b>	<b>2 859 556</b>
<b>Risk exposure amount</b>		
Credit risk according to standardised method	12 414 072	11 567 829
Market risk according to standardised method	1 307 772	219 638
Operative risk according to standardised method	4 875 197	5 369 394
<b>Total risk exposure amount</b>	<b>18 597 041</b>	<b>17 156 861</b>
<b>Capital requirement</b>		
Total minimum capital requirement	1 487 763	1 372 549
Internally assessed required capital	106 305	106 305
<b>Total capital requirement excl. regulatory capital buffers</b>	<b>1 594 068</b>	<b>1 478 854</b>
<b>Capital adequacy analysis</b>		
Common Equity Tier 1 capital ratio	18.0%	13.5%
Tier 1 capital ratio	19.4%	14.9%
Total capital ratio	21.0%	16.7%
Combined buffer requirement <sup>1</sup>	3.3%	3.4%
of which: capital conservation buffer requirement	2.5%	2.5%
of which: countercyclical buffer requirement	0.8%	0.9%
Common Equity Tier 1 capital available to meet buffers <sup>2</sup>	13.5%	9.0%

### Sources of funding

As of March 31, 2018 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 March 31, 2018 Klarna's liquidity reserve amounted to SEK 1.775 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.

**\*\* 21.09.18 - Operative risk exposure amount and capital adequacy ratio's have been revised\*\***