

SCBC

Disclosure of own funds

1 January – 30 September 2015

Swedish Covered Bonds Corporation (SCBC), reports credit risk mainly in accordance with the IRB approach, and reports operational risk, market risk and CVA risk in accordance with the standardised approach.

The tables below are based on Swedish Financial Supervisory Authority's Regulatory Code FFFS 2014:18 and FFFS 2014:12. According to these regulations SBAB shall publish the structure of own funds, risk exposure amount per exposure class and information about capital adequacy and buffers on a quarterly basis.

For SCBC, the internal capital requirement without the risk weight floor amounted to SEK 3 859 million.

Own Funds

Disclosure according to Article 5 in Commission implementing regulation (EU) No 1423/2013

SCBC, SEK million	30 Sept 2015	31 Dec 2014	30 Sept 2014	Amounts subject to pre-regulation or prescribed residual amount*
Common Equity Tier 1 capital: instruments and reserves				
Capital instruments and associated share premium reserves	9,600	9,600	9,600	N/A
Retained earnings	3,145	2,307	2,307	N/A
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses according to applicable accounting standards)	218	100	-22	N/A
Interim profit/loss after deduction of foreseeable costs and dividends, verified by persons in an independent position	563	838	-	N/A
Common Equity Tier 1 capital before regulatory adjustments	13,526	12,845	11,885	N/A
Common Equity Tier 1 capital: regulatory adjustments				
Additional value adjustments (negative amount)	-7	-9	-9	N/A
Reserves in fair value related to profit or loss on cash flow hedging	-218	-100	22	N/A
Negative amounts following the calculation of expected loss amounts	-25	-36	-40	N/A
Gains or losses on liabilities valued at fair value that result from changes in the own credit standing of the institution	-1	0	-5	N/A
Total regulatory adjustments to the Common Equity Tier 1 capital	-251	-145	-32	N/A
Common Equity Tier 1 capital	13,275	12,700	11,853	N/A
Additional Tier 1 instruments: instruments				
Additional Tier 1 instruments before regulatory adjustments	-	-	-	N/A
Additional Tier 1 instruments: Regulatory adjustments				
Total regulatory adjustments of additional Tier 1 instruments	-	-	-	N/A
Additional Tier 1 instruments	-	-	-	N/A
Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital + additional Tier 1 instruments)	13,275	12,700	11,853	N/A
Tier 2 capital: instruments and allocations				
Tier 2 capital before regulatory adjustments	-	-	-	N/A
Tier 2 capital: regulatory adjustments				
Total regulatory adjustments of Tier 2 capital	-	-	-	N/A
Tier 2 capital	-	-	-	N/A
Total capital (total capital = Tier 1 capital + Tier 2 capital)	13,275	12,700	11,853	N/A
Total risk-weighted assets	18,294	17,565	21,799	N/A
Capital ratios and buffers				
Common Equity Tier 1 (as a percentage of total risk exposure amount)	72.6%	72.3%	54.4%	N/A
Tier 1 (as a percentage of total risk exposure amount)	72.6%	72.3%	54.4%	N/A
Total capital (as a percentage of total risk exposure amount)	72.6%	72.3%	54.4%	N/A
Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total risk exposure amount)	8.0%	7.0%	7.0%	N/A
<i>of which: capital conservation buffer requirement</i>	2.5%	2.5%	2.5%	N/A
<i>of which: countercyclical buffer requirement</i>	1.0%	-	-	N/A
<i>of which: systemic risk buffer requirement</i>	-	-	-	N/A
<i>of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer</i>	-	-	-	N/A
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	64.6%	64.3%	46.4%	N/A

* Amounts subject to pre-regulation (EU) No 575/2013 treatment of prescribed residual amount of regulation (EU) 575/2013

Capital requirements

SCBC, SEK million	30 Sept 2015		31 Dec 2014		30 Sept 2014	
	Capital requirement	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement	Risk exposure amount
Credit risk recognised in accordance with IRB approach						
Exposures to corporates	354	4,422	371	4,633	400	5,003
Retail exposures	649	8,108	684	8,560	717	8,965
- of which exposures to SME	83	1,040	104	1,301	101	1,259
- of which retail exposures secured by immovable property	566	7,068	580	7,259	616	7,706
Total exposures in accordance with IRB approach	1,003	12,530	1,055	13,193	1,117	13,968
Credit risk reported in accordance with standardised approach						
Exposures to governments and central banks	0	0	0	0	0	0
Exposures to regional governments or local authorities	0	0	0	0	0	0
Exposures to institutions*	47	583	37	463	41	514
- of which, derivatives according to CRR, Appendix 2	37	461	4	54	41	510
- of which, repos	10	119	32	405	0	1
Exposures to corporates	-	-	1	12	1	17
Retail exposures	-	-	1	12	1	10
Exposures in default	-	-	-	-	0	0
Exposures in the form of covered bonds	-	-	-	-	109	1,367
Exposures to institutions and corporates with a short-term credit assessment	123	1,542	1	11	144	1,805
Other items	81	1,012	100	1,246	99	1,235
Total exposures in accordance with standardised approach	251	3,137	140	1,744	396	4,948
Market risk	33	411	31	392	53	665
- of which, position risk	-	-	-	-	-	-
- of which, currency risk	33	411	31	392	53	665
Operational risk	150	1,874	147	1,836	147	1,836
Credit valuation adjustment risk	27	342	32	400	31	382
Total capital requirements and risk exposure amount	1,464	18,294	1,405	17,565	1,744	21,799
Capital requirements for capital conservation buffer	457		439		545	
Capital requirements for countercyclical buffer	183		-		-	
Total capital requirements	2,104		1,844		2,289	

*The risk-weighted exposure amount for counterparty risk according to CRR, Article 92, item 3(f), amounts to SEK 580 million (459).

Capital adequacy

SCBC, SEK million	30 Sept 2015	31 Dec 2014	30 Sept 2014
Common Equity Tier 1 capital	13,275	12,700	11,853
Tier 1 capital	13,275	12,700	11,853
Total own funds	13,275	12,700	11,853
Without transition rules			
Risk exposure amount	18,294	17,565	21,799
Common Equity Tier 1 capital ratio	72.6%	72.3%	54.4%
Excess* Common Equity Tier 1 capital	12,452	11,909	10,872
Tier 1 capital ratio	72.6%	72.3%	54.4%
Excess* Tier 1 capital	12,177	11,646	10,545
Total capital ratio	72.6%	72.3%	54.4%
Excess* total capital	11,811	11,295	10,109
With transition rules			
Own funds	13,317	12,736	11,892
Risk exposure amount	117,429	113,258	115,476
Total capital ratio	11.3%	11.2%	10.3%

* Surplus of capital has been calculated based on the minimum capital requirements (without buffer requirements)