

SBAB!

Capital Base and Capital Requirements

SBAB reports credit risk mainly in accordance with the IRB approach, and reports operational and market risk in accordance with the standardised approach. The proposed amendments in the regulatory framework (CRD IV) published by the European Commission include new rules for liquidity risks, capital base, counterparty risks, pro-cyclicality and the implementation of what is known as a leverage ratio. The adaptations are planned to be gradually implemented until 2019.

Group SEK million	31 Mars 2013	31 Mars 2012	31 Dec 2012
Core Tier 1 capital			
Equity	9,024	8,256	8,761
Proposed dividend	-	-33	-
Unrealised value changes of loan and accounts receivable previously classified as assets available-for-sale	33	47	37
Non-controlling interest	731	706	731
Intangible fixed assets	-143	-64	-122
Deferred tax assets	-50	-255	(36)
Net reserves for IRB exposures and net pension liabilities	-57	-135	-69
Core Tier 1 capital	9,538	8,522	9,338
Tier 1 capital contribution			
Tier 1 capital contribution without redemption incentives*	2,000	2,000	2,000
Tier 1 capital contribution with redemption incentives*	994	994	994
Tier 1 capital	12,532	11,516	12,332
Tier 2 capital			
Perpetual subordinated debentures	-	-	-
Time-limited subordinated debentures	3,277	2,484	3,300
Net reserves for IRB exposures and net pension liabilities	-58	-135	-70
Tier 2 capital	3,219	2,349	3,230
Expanded part of capital base	-	-	-
Deduction from entire capital base	-	-	-
Amount for capital base net after deductible items and limit value	15,751	13,865	15,562

* Encompassed by transitional rules to FFFS 2007:1

Capital requirements

Group SEK million	31 Mars 2013	31 Mars 2012	31 Dec 2012
Credit risk recognised in accordance with IRB approach			
Exposures to corporates	982	2,467	2,173
Retail exposures	1,176	899	908
Positions in securitisations	419	221	423
Total exposures in accordance with IRB approach	2,577	3,366	3,504
Credit risk reported in accordance with standardised approach			
Exposures to governments and central banks	0	0	0
Exposures to municipalities and comparable associations	0	0	0
Exposures to institutions	428	548	387
Exposures to corporates	167	126	169
Retail exposures	103	55	76
Past due items	1	0	1
Exposures to CIUs	12	-	12
Other items	11	9	9
Total exposures in accordance with standardised approach	722	738	654
Risk in commercial portfolio	147	197	162
Operational risk	154	211	211
Currency risk	-	-	-
Raw material risk	-	-	-
Total minimum capital requirements	3,600	4,512	4,531
Addition to transitional rules	7,383	6,107	6,279
Total capital requirements according to transition rules	10,983	10,619	10,810

Capital Adequacy

Capital adequacy

Group		31 Mars 2013	31 Mars 2012	31 Dec 2012
SEK million				
Core Tier 1 capital		9,538	8,522	9,302
Tier 1 capital		12,532	11,516	12,296
Total capital		15,751	13,865	15,526
Without transition rules				
Risk-weighted assets		44,994	59,165	56,638
Core Tier 1 capital ratio		21,2%	14,4%	16,4%
Tier 1 capital ratio		27,9%	19,5%	21,7%
Capital adequacy ratio		35,0%	23,4%	27,4%
Capital quotient		4,38	2,93	3,43
With transition rules				
Risk-weighted assets		137,284	135,501	135,124
Core Tier 1 capital ratio		6,9%	6,3%	6,9%
Tier 1 capital ratio		9,1%	8,5%	9,1%
Capital adequacy ratio		11,5%	10,2%	11,5%
Capital quotient		1,43	1,28	1,44

SBAB Bank AB (publ)		31 Mars 2013	31 Mars 2012	31 Dec 2012
SEK million				
Core Tier 1 capital		7,994	7,341	7,920
Tier 1 capital		10,988	10,335	10,914
Total capital		14,231	12,759	14,179
Without transition rules				
Risk-weighted assets		23,993	25,543	26,688
Core Tier 1 capital ratio		33,3%	28,7%	29,7%
Tier 1 capital ratio		45,8%	40,5%	40,9%
Capital adequacy ratio		59,3%	50,0%	53,1%
Capital quotient		7,41	6,24	6,64
With transition rules				
Risk-weighted assets		31,545	33,034	30,719
Core Tier 1 capital ratio		25,3%	22,2%	25,8%
Tier 1 capital ratio		34,8%	31,3%	35,5%
Capital adequacy ratio		45,1%	38,6%	46,2%
Capital quotient		5,64	4,83	5,77

Liquidity Reserve

The assets in SBAB's liquidity reserve primarily comprise liquid, fixed income securities with a high rating and are an integrated part of the Group's liquidity risk management. Holdings in securities are limited by asset class and by country, respectively, and must have the highest rating upon acquisition. In addition to these collective limits, limits for individual issuers may also be set. RMBS's are reported in the table at market value. These assets are excluded from the calculation of internal and regulatory liquidity measurements.

Liquidity Reserve, SEKm	March 2013	Currency distribution			
		SEK	EUR	USD	Other
Cash and holdings in central banks	-	-	-	-	-
Deposits in other banks available o/n	-	-	-	-	-
Securities issued or guaranteed by sovereigns, central banks or multinational development banks	14 153	4 829	7 787	792	745
Securities issued or guaranteed by municipalities or Public Sector Entities	3 591	3 319	-	272	-
Covered bonds issued by other institutions	16 052	12 431	3 312	309	-
Covered bonds issued by SBAB	-	-	-	-	-
Securities issued by non-financial corporates	-	-	-	-	-
Securities issued by financial corporates (excl. covered bonds)	3 975	-	3 677	93	205
Other Securities	-	-	-	-	-
	37 771	20 579	14 776	1 466	950
Bank & Loan Facilities	-	-	-	-	-
Total	37 771	20 579	14 776	1 466	950
Currency distribution		54%	39%	4%	3%

Liquidity Coverage Ratio

Liquidity Coverage Ratio = Liquid Assets / (Cash Outflows – Cash inflows). Liquid Assets in accordance with definitions in FFFS 2012:6. The calculation takes into account that assets with 85% weight must not represent more than 40% of the liquid assets and that inflows cannot be higher than 75% of the outflows in each column.

Group SEK million	Total	EUR	USD
Liquidity Coverage Ratio %	132%	738%	166%
Liquid Assets	32,774	11,741	1,473
Assets with 100% weight	18,559	8,225	1,137
Assets with 85% weight	14,215	3,516	336
Cash Outflows	44,415	2,138	3,435
Retail Deposits	2,265	0	0
Market Funding	33,710	649	3,407
Other cash outflows	8,440	1,490	28
Cash Inflows	20,894	619	4,352
Inflow from retail lending	846	0	0
Other cash inflows	20,048	619	4,352