

SBAB!

Capital Base and Capital Requirements

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

Capital base

Group

SEK million	31 Mar 2014	31 Mar 2013*	31 Dec 2013*
Core Tier 1 capital			
Equity	9,948	9,024	9,681
Proposed dividend	-106	0	0
Unrealised revenues	-36	-	-
Unrealised value changes of loan and accounts receivable previously classified as assets available-for-sale	-	33	23
Prise adjustments	-12	-	-
Non-controlling interest	-	731	100
Intangible fixed assets	-145	-143	-165
Deferred tax assets	-	-50	-
Net reserves for IRB exposures	-49	-52	-38
Net pension assets	-36	-5	-18
Core Tier 1 capital	9,564	9,538	9,583
Tier 1 capital contribution			
Tier 1 capital contribution	2,395	2,994	2,994
Tier 1 capital	11,959	12,532	12,577
Tier 2 capital			
Time-limited subordinated debentures	2,804	3,277	2,123
Net reserves for IRB exposures	-	-53	-38
Net pension assets	-	-5	-18
Tier 2 capital	2,804	3,219	2,067
Expanded part of capital base	-	-	-
Deduction from entire capital base	-	-	-
Amount for capital base net after deductible items and limit value	14,763	15,751	14,644
Capital base according grandfathering rules	14,812	15,751	14,664

* According to earlier rules (Basel II)

Capital requirements

(including capital conservation buffer of 2,5%)

Group

SEK million	31 Mar 2014	31 Mar 2013*	31 Dec 2013*
Credit risk recognised in accordance with IRB approach			
Exposures to corporates	1,412	982	736
Retail exposures	902	1,176	1,124
Positions in securitisations	362	419	270
Total exposures in accordance with IRB approach	2,676	2,577	2,130
Credit risk reported in accordance with standardised approach			
Exposures to governments and central banks	0	0	0
Exposures to regional governments or local authorities	0	0	0
Exposures to institutions	106	428	397
Exposures to corporates	241	167	196
Retail exposures	147	103	99
Exposures in default	1	1	1
Exposures in the form of covered bonds	390	-	-
Exposures to institutions and corporates with a short-term credit assessment	9	-	-
Exposures to CIUs	24	12	17
Other items	132	11	10
Total exposures in accordance with standardised approach	1,050	722	720
Exposures for contribution to the default fund of a CCP	0	-	-
Market risk	429	147	287
Operational risk	215	154	154
CVA risk	69	-	-
Total capital requirements	4 437	3 600	3 291

* According to earlier rules (Basel II)

Capital Adequacy

Capital adequacy

(including capital conservation buffer of 2,5%)

Group

SEK million	31 Mar 2014	31 Mar 2013*	31 Dec 2013*
Core Equity Tier 1 capital	9,564	9,538	9,583
Tier 1 capital	11,959	12,532	12,577
Total capital	14,763	15,751	14,644
Without transition rules			
Risk exposure amounts	42,262	44,994	41,149
Core Equity Tier 1 capital ratio	22,6%	21,2%	23,3%
Tier 1 capital ratio	28,3%	27,9%	30,6%
Total capital ratio	34,9%	35,0%	35,6%
With transition rules			
Risk exposure amounts	142,192	137,284	139,600
Total capital ratio	10,4%	11,5%	10,5%

* According to earlier rules (Basel II)

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.

RMBSs are reported in the table at market value. These assets are excluded from the calculation of internal and regulatory liquidity measurements.

Group

SEK million

	March	Currency distribution			
		2014	SEK	EUR	USD
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	15 109	5 897	8 547	665	-
Securities issued or guaranteed by municipalities or Public Sector Entities	4 844	3 846	-	998	-
Covered bonds issued by other institutions	25 026	17 853	5 832	1 122	219
Covered bonds issued by SBAB	-	-	-	-	-
Securities issued by non-financial corporates	-	-	-	-	-
Securities issued by financial corporates (excl. covered bonds)	2 171	-	2 171	-	-
Other Securities	-	-	-	-	-
	47 149	27 595	16 550	2 785	219
Bank & Loan Facilities	-	-	-	-	-
Total	47 149	27 595	16 550	2 785	219
Currency distribution		59%	35%	6%	0%

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 inflows cannot be higher than 75% of the outflows in each column.

Group

SEK million

	Total	EUR	USD
Liquidity Coverage Ratio %	181%	7578%	339%
Liquid Assets *	35 413	12 181	2 617
Assets with 100% weight	21 248	7 309	1 663
Assets with 85% weight	14 165	4 873	954
Cash Outflows	35 299	643	1 239
Retail Deposits	3 928	0	0
Market Funding	25 118	321	1 239
Other cash outflows	6 253	322	1
Cash Inflows	15 757	482	468
Inflow from retail lending	779	0	0
Other cash inflows	14 978	482	468