

# SBAB!

## Disclosure of own funds, liquidity and leverage ratio

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 regulatory framework (CRR and CRD IV) published by the European Commission include new rules for liquidity risk, the composition of the capital base, counterparty risk, pro-cyclicality and the implementation of leverage ratio. The framework is planned to be gradually implemented until 2019.

The tables below are based on 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. In compliance with FFFS 2010:7 liquidity reserve and Liquidity Coverage Ratio is published. In addition to this the leverage ratio is disclosed.

## SBAB, Consolidated situation

### Transitional own funds disclosure

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

Common Equity Tier 1 capital: instruments and reserves <sup>(1)</sup>	31 March 2015 SEKm	31 December 2014 SEKm
Capital instruments and the related share premium accounts	1,958	1,958
Retained earnings	8,323	7,710
Accumulated other comprehensive income (and any other reserves)	114	77
Independently reviewed interim profits net of any foreseeable charge or dividend	-	754
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>10,395</b>	<b>10,499</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>		
Additional value adjustments (negative amount)	-69	-70
Intangible assets (net of related tax liability) (negative amount)	-43	-43
Fair value reserves related to gains or losses on cash flow hedges	-187	-100
Negative amounts resulting from the calculation of expected loss amounts	-82	-85
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-15	-2
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>-396</b>	<b>-300</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>9,999</b>	<b>10,199</b>

<b>Additional Tier 1 (AT1) capital: instruments</b>		
Capital instruments and the related share premium accounts	1,500	-
of w hich: classified as liabilities under applicable accounting standards	1,500	-
Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	994	2,395
<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>2,494</b>	<b>2,395</b>
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>		
<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>		-
<b>Additional Tier 1 (AT1) capital</b>	<b>2,494</b>	<b>2,395</b>
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>12,493</b>	<b>12,594</b>
<b>Tier 2 (T2) capital: instruments and provisions</b>		
Capital instruments and the related share premium accounts	2,000	2,599
Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	91	114
<b>Tier 2 (T2) capital before regulatory adjustment</b>	<b>2,091</b>	<b>2,713</b>
<b>Tier 2 (T2) capital: regulatory adjustments</b>		
<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	-	-
<b>Tier 2 (T2) capital</b>	<b>2,091</b>	<b>2,713</b>
<b>Total capital (TC = T1 + T2)</b>	<b>14,584</b>	<b>15,307</b>
Risk w eighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amount)	36,328	34,247
<b>Total risk-weighted assets</b>	<b>36,328</b>	<b>34,247</b>
<b>Capital ratios and buffers</b>		
Common Equity Tier 1 (as a percentage of total risk exposure amount)	27,5%	29,8%
Tier 1 (as a percentage of total risk exposure amount)	34,4%	36,8%
Total capital (as a percentage of total risk exposure amount)	40,1%	44,7%
Institution specific buffer requirement (CET1 requirement in accordance w ith 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)	2,5%	2,5%
of w hich: capital conservation buffer requirement	2,5%	2,5%
of w hich: countercyclical buffer requirement	not yet implemented	not yet implemented
of w hich: systemic risk buffer requirement	not yet implemented	not yet implemented
of w hich: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	not yet implemented	not yet implemented
exposure amount)	not yet implemented	not yet implemented
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)</b>		
- Current cap on AT1 instruments subject to phase-out arrangements	2,096	2,395
- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	599
- Current cap on T2 instruments subject to phase-out arrangements	910	1,040

## Capital requirements

### Consolidated situation

SEK million	Capital requirement 31 March 2015	Risk exposure amount 31 March 2015	Capital requirement 31 Dec 2014	Risk exposure amount 31 Dec 2014
Credit risk recognised in accordance with IRB approach				
Exposures to corporates	582	7,280	558	6,975
Retail exposures	1,033	12,907	1,028	12,851
- of which exposures to SME	130	1,620	139	1,737
- of which retail exposures secured by immovable property	903	11,287	889	11,114
<b>Total exposures in accordance with IRB approach</b>	<b>1,615</b>	<b>20,187</b>	<b>1,586</b>	<b>19,826</b>
Credit risk reported in accordance with standardised approach				
Exposures to governments and central banks	0	0	0	0
Exposures to regional governments or local authorities	0	0	0	0
Exposures to institutions*	159	1,989	111	1,388
- of which derivatives according to appendix 2 to CRR	142	1,781	103	1,291
- of which repos	16	200	7	85
Exposures to corporates	163	2,041	146	1,829
Retail exposures	155	1,932	143	1,783
Exposures in default	1	10	1	10
Exposures in the form of covered bonds	58	731	59	744
Exposures to institutions and corporates with a short-term credit assessment	9	119	7	86
Exposures to CIUs	-	-	20	253
Other items	94	1,175	86	1,070
<b>Total exposures in accordance with standardised approach</b>	<b>639</b>	<b>7,997</b>	<b>573</b>	<b>7,163</b>
<b>Market risk</b>	<b>294</b>	<b>3,671</b>	<b>337</b>	<b>4,210</b>
- of which traded debt instruments	259	3,239	279	3,491
- of which foreign exchange	35	432	58	719
Operational risk	239	2,989	164	2,047
<b>CVA risk</b>	<b>119</b>	<b>1,484</b>	<b>80</b>	<b>1,001</b>
<b>Total capital requirements and risk exposure amount</b>	<b>2,906</b>	<b>36,328</b>	<b>2,740</b>	<b>34,247</b>
<b>Applicable capital buffer (Capital conservation buffer)</b>	<b>908</b>		<b>856</b>	
<b>Total capital requirement (incl. Capital conservation buffer)</b>	<b>3,814</b>		<b>3,596</b>	

\*The risk weighted exposure amount for counterparty risk according to Article 92, item 3f, of CRR amounts to SEK 1,980 million (1,376)

## Capital adequacy

SEK million	Consolidated situation	
	31 March 2015	31 Dec 2014
Common Equity Tier 1 capital	9,999	10,199
Tier 1 capital	12,493	12,594
Total capital	14,584	15,307
<b>Without transition rules</b>		
Risk exposure amount	36,328	34,247
Common Equity Tier 1 ratio	27,5%	29,8%
Excess of Common Equity Tier 1 capital	8,365	8,658
Tier 1 capital ratio	34,4%	36,8%
Excess of Tier 1 capital	10,314	10,539
Total capital ratio	40,1%	44,7%
Excess of total capital	11,678	12,567
<b>With transition rules</b>		
Own funds	14,667	15,392
Risk exposure amount	146,068	142,975
Total capital ratio	10,0%	10,8%

## Internal capital requirement

According to the Swedish Financial Supervisory Authority's Regulatory Code (FFFS 2014:12), corporations must quarterly publish the internal capital requirement that is a result of the company's internal process for assessing the capital requirement.

The internal capital adequacy assessment process is to ensure that SBAB has sufficient capital to deal with any financial problems that might arise. SBAB uses an economic capital model as the basis for its assessment of the company's capital requirement within the framework of the internal capital

adequacy assessment process (ICAAP). Economic capital is defined as the amount of capital needed to ensure solvency over a one-year period, given a predetermined confidence interval. In the case of SBAB, the level of confidence is 99.97, which corresponds to the long term AA– target rating (according to Standar & Poor’s rating scale). The internal capital requirement is defined as the larger of economic capital and regulatory capital requirement for each risk type. The table below renders the internal capital requirement for the consolidated situation with and without regards for the Swedish Financial Supervisory practices regarding the risk weight floor for Swedish mortgages.

31 March 2015

SEK million	Without risk weight floor			With risk weight floor			
	Pillar 1	Economic capital and stress test	Internal capital requirements without risk weight floor	Pillar 1	Economic capital and stress test	Risk weight floor	Internal capital requirements with risk weight floor
Credit risk	2 373	3 370	3 370	2 373	3 370	7 499	7 499
Market risk	294	526	526	294	526		526
Operational risk	239	313	313	239	313		313
Concentration risk		367	367		367		367
Earnings volatility		680	680		680		680
Capital Conservation buffer/ stress test buffer 1)	908	1 541	1 541	908	570		908
<b>Total</b>	<b>3 814</b>	<b>6 796</b>	<b>6 796</b>	<b>3 814</b>	<b>5 825</b>	<b>7 499</b>	<b>10 293</b>

1) The higher of the stress test buffer and the capital planning buffer is included in internal capital requirements. With consideration for the risk weight floor, the stress test buffer is calculated without consideration for risk migration in the residential mortgage portfolios, resulting in a smaller buffer.

## Leverage ratio

Leverage ratio is a non-risk sensitive measurement that is defined as T1 capital divided by an exposure measurement. The exposure measurement is defined as balance sheet total and off balance items with some adjustments. Leverage ratio for the consolidated situation has been calculated according to article 429 in the Regulation (EU) No 575/2013 of the European parliament and the council amounted to 3,1%.

## Liquidity Reserve

The assets in the liquidity reserve primarily comprises liquid, fixed income securities with a high rating and it is 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 AAA rating upon acquisition. In addition to these collective limits, limits for individual issuers may also be set.

**31 March 2015**  
**Group**  
 SEK million

Liquidity Reserve	March	Currency distribution			
		SEK	EUR	USD	Other
Cash and holdings in central banks	2 015	-	-	-	-
Deposits in other banks available o/n	-	-	-	-	-
Securities issued or guaranteed by sovereigns, central banks or multinational development banks	21 023	10 827	9 308	888	-
Securities issued or guaranteed by municipalities or Public Sector Entities	6 317	4 974	-	1 343	-
Covered bonds issued by other institutions	31 246	24 698	4 821	1 511	216
Covered bonds issued by SBAB	-	-	-	-	-
Securities issued by non-financial corporates	-	-	-	-	-
Securities issued by financial corporates (excl. covered bonds)	-	-	-	-	-
Other Securities	-	-	-	-	-
	<b>58 586</b>	<b>40 499</b>	<b>14 129</b>	<b>3 742</b>	<b>216</b>
Bank & Loan Facilities	-	-	-	-	-
<b>Total</b>	<b>58 586</b>	<b>40 499</b>	<b>14 129</b>	<b>3 742</b>	<b>216</b>
Currency distribution		<b>69%</b>	<b>24%</b>	<b>6%</b>	<b>0%</b>

## Liquidity Coverage Ratio

Liquidity Coverage Ratio = Liquid Assets / (Cash Outflows – Cash inflows). The figures are reported in accordance with the definitions and weights 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.

**31 March 2015**  
**Group**  
 SEK million

	Total	EUR	USD
Liquidity Coverage Ratio %	192%	1745%	1623%
<b>Liquid assets</b>	<b>50 784</b>	<b>13 406</b>	<b>3 516</b>
Assets with 100% weight	26 043	9 308	2 231
Assets with 85% weight	24 741	4 098	1 285
<b>Cash Outflows</b>	<b>34 106</b>	<b>3 074</b>	<b>867</b>
Retail Deposits	3 651	-	-
Market Funding	22 625	2 741	866
Other cash outflows	7 830	333	1
<b>Cash Inflows</b>	<b>11 449</b>	<b>5 404</b>	<b>964</b>
Inflow from retail lending	4 302	-	-
Other cash inflows	7 147	5 404	964

## SBAB Bank AB (publ)

### Transitional own funds disclosure

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

	31 March 2015 SEKm	31 December 2014 SEKm
<b>Common Equity Tier 1 capital: instruments and reserves <sup>(1)</sup></b>		
Capital instruments and the related share premium accounts	1,958	1,958
Retained earnings	6,105	6,246
Accumulated other comprehensive income (and any other reserves)	-6	-4
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>8,057</b>	<b>8,200</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>		
Additional value adjustments (negative amount)	-69	-70
Intangible assets (net of related tax liability) (negative amount)	-15	-13
Negative amounts resulting from the calculation of expected loss amounts	-45	-49
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-15	-2
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>-144</b>	<b>-134</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>7,913</b>	<b>8,066</b>
<b>Additional Tier 1 (AT1) capital: instruments</b>		
Capital instruments and the related share premium accounts	1,500	-
of which: classified as liabilities under applicable accounting standards	1,500	-
Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	994	2,395
<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>2,494</b>	<b>2,395</b>
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>		
<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>-</b>	<b>-</b>
<b>Additional Tier 1 (AT1) capital</b>	<b>2,494</b>	<b>2,395</b>
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>10,407</b>	<b>10,461</b>
<b>Tier 2 (T2) capital: instruments and provisions</b>		
Capital instruments and the related share premium accounts	2,000	2,599
Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	91	114
<b>Tier 2 (T2) capital before regulatory adjustment</b>	<b>2,091</b>	<b>2,713</b>
<b>Tier 2 (T2) capital: regulatory adjustments</b>		
<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>-</b>	<b>-</b>
<b>Tier 2 (T2) capital</b>	<b>2,091</b>	<b>2,713</b>
<b>Total capital (TC = T1 + T2)</b>	<b>12,498</b>	<b>13,174</b>
Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amount)	29,657	28,363
<b>Total risk-weighted assets</b>	<b>29,657</b>	<b>28,363</b>

<b>Capital ratios and buffers</b>		
Common Equity Tier 1 (as a percentage of total risk exposure amount)	26,7%	28,4%
Tier 1 (as a percentage of total risk exposure amount)	35,1%	36,9%
Total capital (as a percentage of total risk exposure amount)	42,1%	46,4%
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)	2,5%	2,5%
of which: capital conservation buffer requirement	2,5%	2,5%
of which: countercyclical buffer requirement	not yet implemented	not yet implemented
of which: systemic risk buffer requirement	not yet implemented	not yet implemented
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	not yet implemented	not yet implemented
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	not yet implemented	not yet implemented
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)</b>		
- Current cap on AT1 instruments subject to phase-out arrangements	2,096	2,395
- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	599
- Current cap on T2 instruments subject to phase-out arrangements	910	1,040

#### SBAB Bank AB (publ)

SEK million	Capital requirement 31 March 2015	Risk exposure amount 31 March 2015	Capital requirement 31 Dec 2014	Risk exposure amount 31 Dec 2013*
Credit risk recognised in accordance with IRB approach				
Exposures to corporates	185	2,319	188	2,341
Retail exposures	367	4,582	343	4,292
- of which exposures to SME	35	434	35	436
- of which retail exposures secured by immovable property	332	4,148	308	3,856
<b>Total exposures in accordance with IRB approach</b>	<b>552</b>	<b>6,901</b>	<b>531</b>	<b>6,633</b>
Credit risk reported in accordance with standardised approach				
Exposures to governments and central banks	0	0	0	0
Exposures to regional governments or local authorities	0	0	0	0
Exposures to institutions*	109	1,360	74	925
- of which derivatives according to appendix 2 to CRR	97	1,218	71	886
- of which repos	11	137	2	31
Exposures to corporates	162	2,023	145	1,817
Retail exposures	154	1,923	142	1,770
Exposures in default	1	10	1	10
Exposures in the form of covered bonds	58	731	59	744
Exposures to institutions and corporates with a short-term credit assessment	10	121	7	84
Exposures to CIUs	-	-	20	254
Equity exposures	824	10,300	824	10,300
Other items	10	127	7	90
<b>Total exposures in accordance with standardised approach</b>	<b>1,328</b>	<b>16,595</b>	<b>1,279</b>	<b>15,994</b>
<b>Market risk</b>	<b>279</b>	<b>3,489</b>	<b>299</b>	<b>3,733</b>
- of which traded debt instruments	259	3,239	279	3,491
- of which foreign exchange	20	250	20	242
Operational risk	137	1,709	112	1,402
<b>CVA risk</b>	<b>77</b>	<b>963</b>	<b>48</b>	<b>601</b>
<b>Total capital requirements and risk exposure amount</b>	<b>2,373</b>	<b>29,657</b>	<b>2,269</b>	<b>28,363</b>
<b>Applicable capital buffer (Capital conservation buffer)</b>	<b>741</b>		<b>709</b>	
<b>Total capital requirement (incl. Capital conservation buffer)</b>	<b>3,114</b>		<b>2,978</b>	

\*The risk weighted exposure amount for counterparty risk according to Article 92, item 3f, of CRR amounts to SEK 1,356 million (917)

## Capital adequacy

SEK million	SBAB Bank	
	31 March 2015	31 Dec 2014
Common Equity Tier 1 capital	7,913	8,066
Tier 1 capital	10,407	10,461
Total capital	12,498	13,174
<b>Without transition rules</b>		
Risk exposure amount	29,657	28,363
Common Equity Tier 1 ratio	26,7%	28,4%
Excess of Common Equity Tier 1 capital	6,579	6,790
Tier 1 capital ratio	35,1%	36,9%
Excess of Tier 1 capital	8,628	8,760
Total capital ratio	42,1%	46,4%
Excess of total capital	10,126	10,905
<b>With transition rules</b>		
Own funds	12,543	13,223
Risk exposure amount	32,140	29,938
Total capital ratio	39,0%	44,2%

For SBAB Bank AB (publ) the internal capital requirement without the risk weight floor amounted to SEK 2 976 million. The leverage ratio according to article 429 in the Regulation (EU) No 575/2013 of the European parliament and the council amounted to 4,1%.

## The Swedish Covered Bond Corporation, SCBC (Swedish Covered Bond Corporation – SCBC)

### Transitional own funds disclosure

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

	31 March 2015 SEKm	31 December 2014 SEKm
<b>Common Equity Tier 1 capital: instruments and reserves <sup>(1)</sup></b>		
Capital instruments and the related share premium accounts	9,600	9,600
Retained earnings	3,145	2,307
Accumulated other comprehensive income (and any other reserves)	187	100
Independently reviewed interim profits net of any foreseeable charge or dividend	-	838
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>12,932</b>	<b>12,845</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>		
Additional value adjustments (negative amount)	-9	-9
Fair value reserves related to gains or losses on cash flow hedges	-187	-100
Negative amounts resulting from the calculation of expected loss amounts	-37	-36
<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>-233</b>	<b>-145</b>
<b>Common Equity Tier 1 (CET1) capital</b>	<b>12,699</b>	<b>12,700</b>



<b>Additional Tier 1 (AT1) capital: instruments</b>		
<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	-	-
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>		
<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	-	-
<b>Additional Tier 1 (AT1) capital</b>	-	-
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>12,699</b>	<b>12,700</b>
<b>Tier 2 (T2) capital: instruments and provisions</b>		
<b>Tier 2 (T2) capital before regulatory adjustment</b>	-	-
<b>Tier 2 (T2) capital: regulatory adjustments</b>		
<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	-	-
<b>Tier 2 (T2) capital</b>	-	-
<b>Total capital (TC = T1 + T2)</b>	<b>12,699</b>	<b>12,700</b>
Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amount)	17,976	17,565
<b>Total risk-weighted assets</b>	<b>17,976</b>	<b>17,565</b>
<b>Capital ratios and buffers</b>		
Common Equity Tier 1 (as a percentage of total risk exposure amount)	70,6%	72,3%
Tier 1 (as a percentage of total risk exposure amount)	70,6%	72,3%
Total capital (as a percentage of total risk exposure amount)	70,6%	72,3%
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)	2,5%	2,5%
of which: capital conservation buffer requirement	2,5%	2,5%
of which: countercyclical buffer requirement	not yet implemented	not yet implemented
of which: systemic risk buffer requirement	not yet implemented	not yet implemented
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	not yet implemented	not yet implemented
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	not yet implemented	not yet implemented

## Capital requirements

### SCBC

SEK million	Capital requirement 31 March 2015	Risk exposure amount 31 March 2015	Capital requirement 31 Dec 2014	Risk exposure amount 31 Dec 2013*
Credit risk recognised in accordance with IRB approach				
Exposures to corporates	397	4,961	371	4,633
Retail exposures	666	8,325	684	8,560
- of which exposures to SME	95	1,186	104	1,301
- of which retail exposures secured by immovable property	571	7,138	580	7,259
<b>Total exposures in accordance with IRB approach</b>	<b>1,063</b>	<b>13,286</b>	<b>1,055</b>	<b>13,193</b>
Credit risk reported in accordance with standardised approach				
Exposures to governments and central banks	0	0	0	0
Exposures to regional governments or local authorities	0	0	0	0
Exposures to institutions*	50	628	37	463
- of which derivatives according to appendix 2 to CRR	45	563	4	54
- of which repos	5	62	32	405
Exposures to corporates	2	19	1	12
Retail exposures	1	9	1	12
Exposures to institutions and corporates with a short-term credit assessment	0	0	1	11
Other items	103	1,291	100	1,246
<b>Total exposures in accordance with standardised approach</b>	<b>156</b>	<b>1,947</b>	<b>140</b>	<b>1,744</b>
<b>Market risk</b>	<b>28</b>	<b>348</b>	<b>31</b>	<b>392</b>
- of which traded debt instruments	-	-	-	-
- of which foreign exchange	28	348	31	392
<b>Operational risk</b>	<b>150</b>	<b>1,874</b>	<b>147</b>	<b>1,836</b>
<b>CVA risk</b>	<b>41</b>	<b>521</b>	<b>32</b>	<b>400</b>
<b>Total capital requirements and risk exposure amount</b>	<b>1,438</b>	<b>17,976</b>	<b>1,405</b>	<b>17,565</b>
<b>Applicable capital buffer (Capital conservation buffer)</b>	<b>741</b>		<b>439</b>	
<b>Total capital requirement (incl. Capital conservation buffer)</b>	<b>3,114</b>		<b>1,844</b>	

\*The risk weighted exposure amount for counterparty risk according to Article 92, item 3f, of CRR amounts to SEK 625 million (459)

## Capital adequacy

SEK million	Consolidated situation	
	31 March 2015	31 Dec 2014
Common Equity Tier 1 capital	12,698	12,700
Tier 1 capital	12,698	12,700
Total capital	12,698	12,700
<b>Without transition rules</b>		
Risk exposure amount	17,976	17,565
Common Equity Tier 1 ratio	70,6%	72,3%
Excess of Common Equity Tier 1 capital	11,889	11,909
Tier 1 capital ratio	70,6%	72,3%
Excess of Tier 1 capital	11,620	11,646
Total capital ratio	70,6%	72,3%
Excess of total capital	11,260	11,295
<b>With transition rules</b>		
Own funds	12,736	12,736
Risk exposure amount	114,123	113,258
Total capital ratio	11,2%	11,2%

For SCBC the internal capital requirement without the risk weight floor amounted to SEK 3 820 million. The leverage ratio according to article 429 in the Regulation (EU) No 575/2013 of the European parliament and the council amounted to 5,6%.