

Finansinspektionen's Regulatory Code

Publisher: Finansinspektionen, Sweden, www.fi.se
ISSN 1102-7460



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Regulations amending Finansinspektionen's regulations and general guidelines (FFFS 2007:1) governing capital adequacy and large exposures;

FFFS 2012:9

Published on 14
December 2012

decided on 10 December 2012.

Finansinspektionen prescribes pursuant to Section 32, points 6 and 11 of the Capital Adequacy and Large Exposures Ordinance (2006:1533) in respect of Finansinspektionen's regulations and general guidelines (FFFS 2007:1) regarding capital adequacy and large exposures

in part that Chapter 39, section 13 shall have the following wording,
in part that point 3 of the entry into force and transition provisions for Finansinspektionen's regulations and general guidelines (FFFS 2011:45) amending mentioned regulations and general guidelines shall have the following wording.

Chapter 39

Section 13 The exposure-weighted average of the LGD values used when calculating risk-weighted exposure amounts may not be less than 10 per cent for real estate credits if the collateral consists of

- tenant-owner rights,
- collateral in properties for residential purposes on a third party's site,
- liens on residential property or site-leasehold rights to such real estate.

If the average falls below 10 per cent an adjustment must be made so that the average is at least 10 per cent. The adjustment shall be made with the same factor for all LGD classes.

This section does not apply to exposures benefiting from government guarantees.

The provisions of this section apply until 31 December 2013.

3. Equity in accordance with Chapter 3, section 2 of the Capital Adequacy Act which does not meet the requirements set out in Chapter 7, section 1a may, together with contributions in accordance with Chapter 7, section 16, up until 31 December 2013, be included in Tier 1 capital at a maximum of 50 per cent following deductions that shall be made pursuant to the Capital Adequacy and Large Exposures Act (2006:1371) and Finansinspektionen's regulations and general guidelines (FFFS 2007:1) regarding capital adequacy and large exposures.

These regulations shall enter into force on 1 January 2013.

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