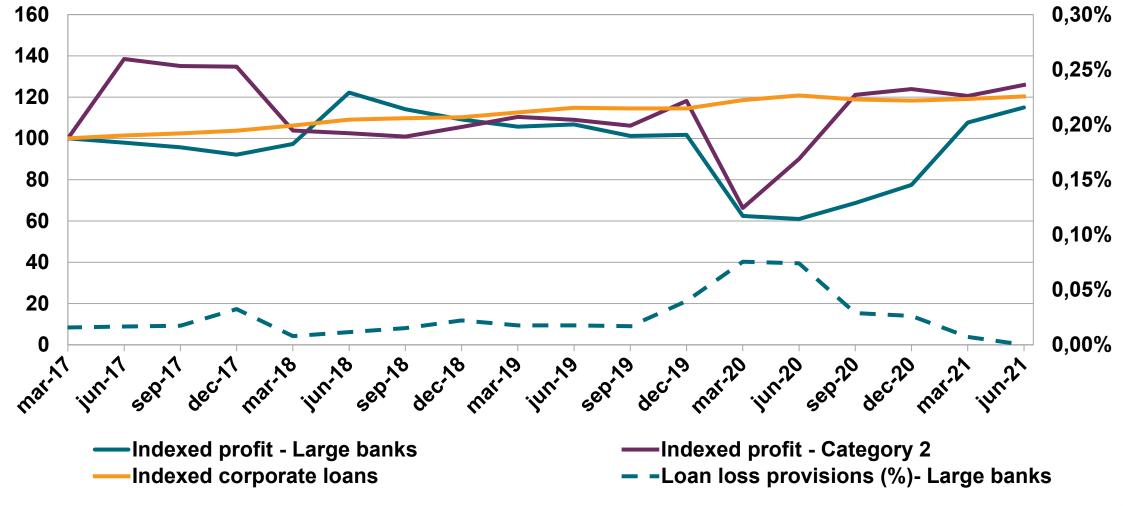
Finansinspektionen's view on capital and distributions

UBS Nordic Financial Services Conference

Karin Lundberg, Executive Director Banking September 2, 2021



COVID-19 effects on the Swedish banking system





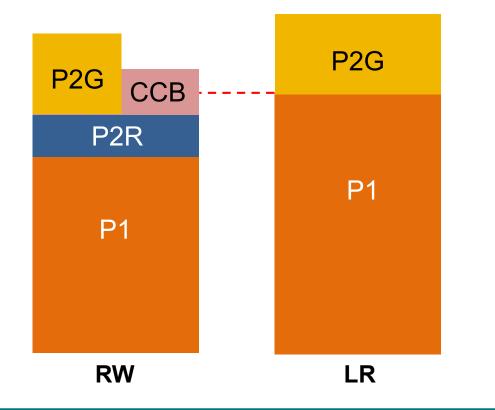
Fundamental principles for capital regulation

A bank should be able to use its capital to absorb losses in going concern so that the capital is there to mitigate resolution or liquidation.

The capital requirements should be sensitive both to idiosyncratic and systemic risks.



Leverage ratio requirement affects buffer usability



Pillar 2 Guidance (P2G)

Pillar 2 Requirement (P2R)

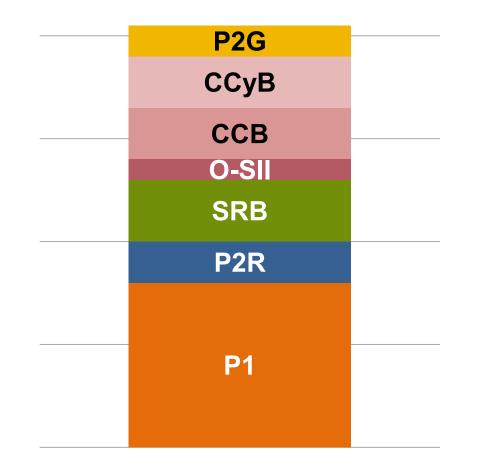
Capital Conservation Buffer (CCB)

Pillar 1 (P1)



Note: The illustrations are schematic and simplified. Risk weighted capital requirement (RW), Leverage ratio requirement (LR)

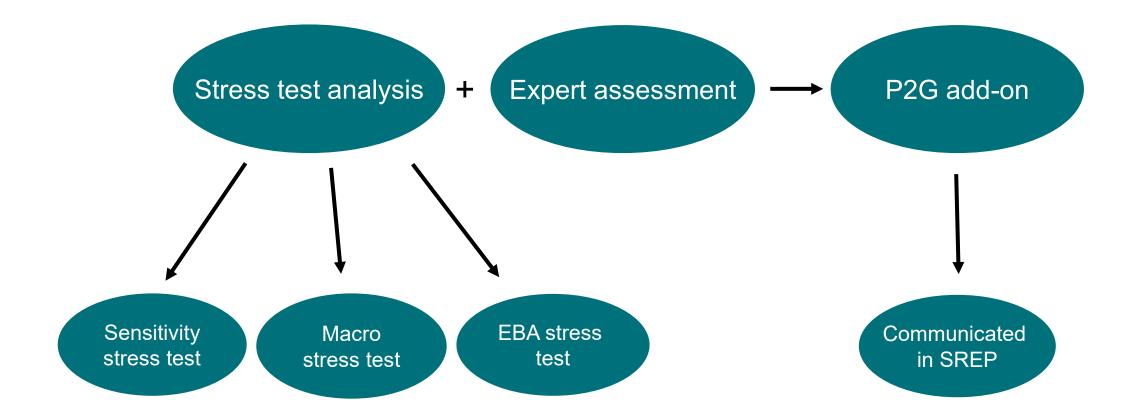
Risk-weighted capital requirement



- Pillar 2 Guidance (P2G)
- Countercyclical Capital Buffer (CCyB)
- Capital Conservation Buffer (CCB)
- Capital buffer for systemically important banks (O-SII)
- Systemic risk buffer (SRB)
- Pillar 2 Requirement (P2R)
- Pillar 1 (P1)



P2G assessment process





Note: Supervisory Review and Evaluation Process (SREP), Pillar 2 Guidance (P2G)

Finalisation of Basel 3

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