Banking capital in times of stress

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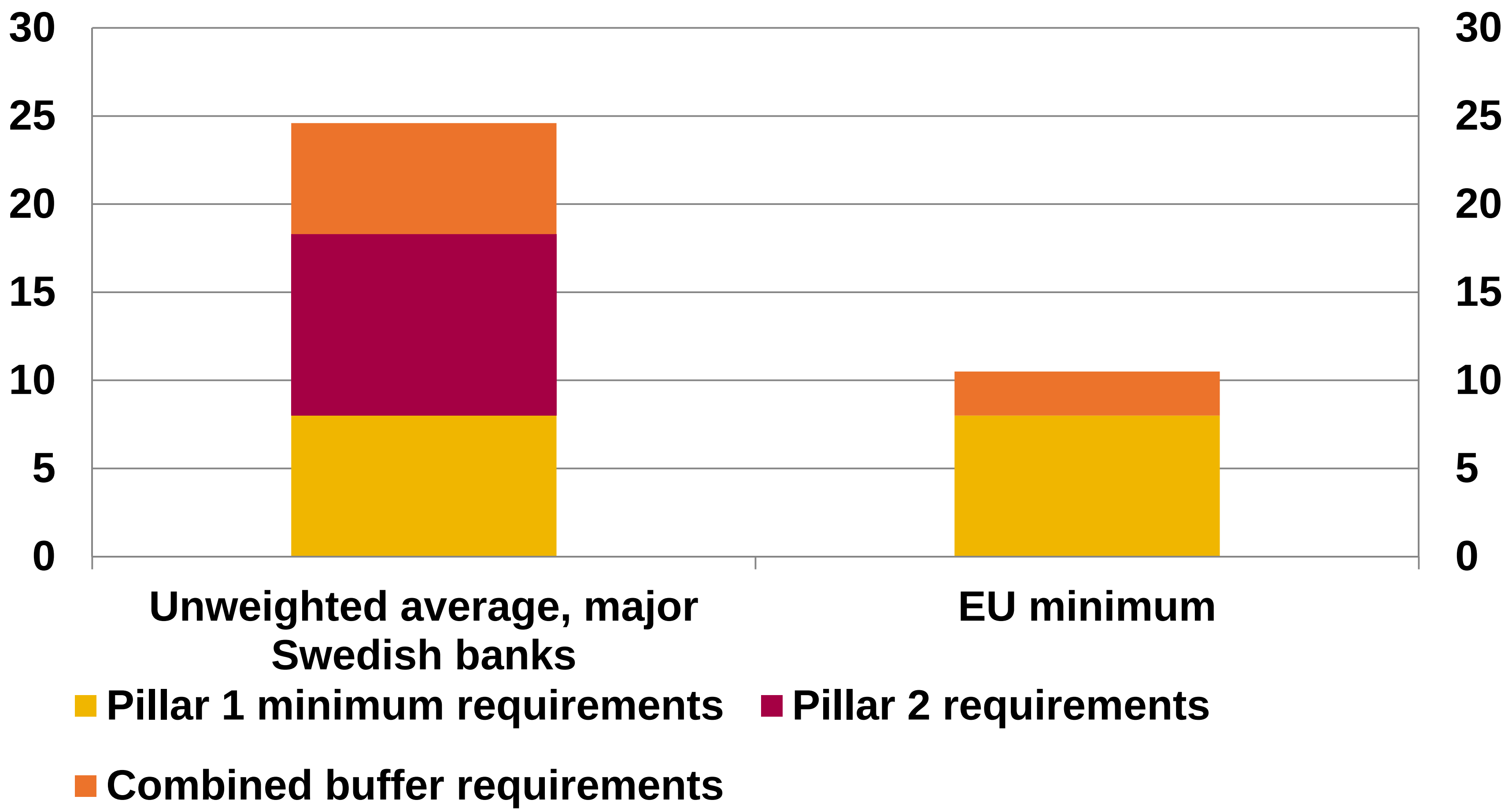
Capital requirements



Rules for regulation

- Promote sound risk taking.
- Transparency.
- Provide firms the opportunity to resolve problems if possible.
- Flexibility.
- Adapt to features and functions of financial system.
- Distinguish between going and gone concern requirements.

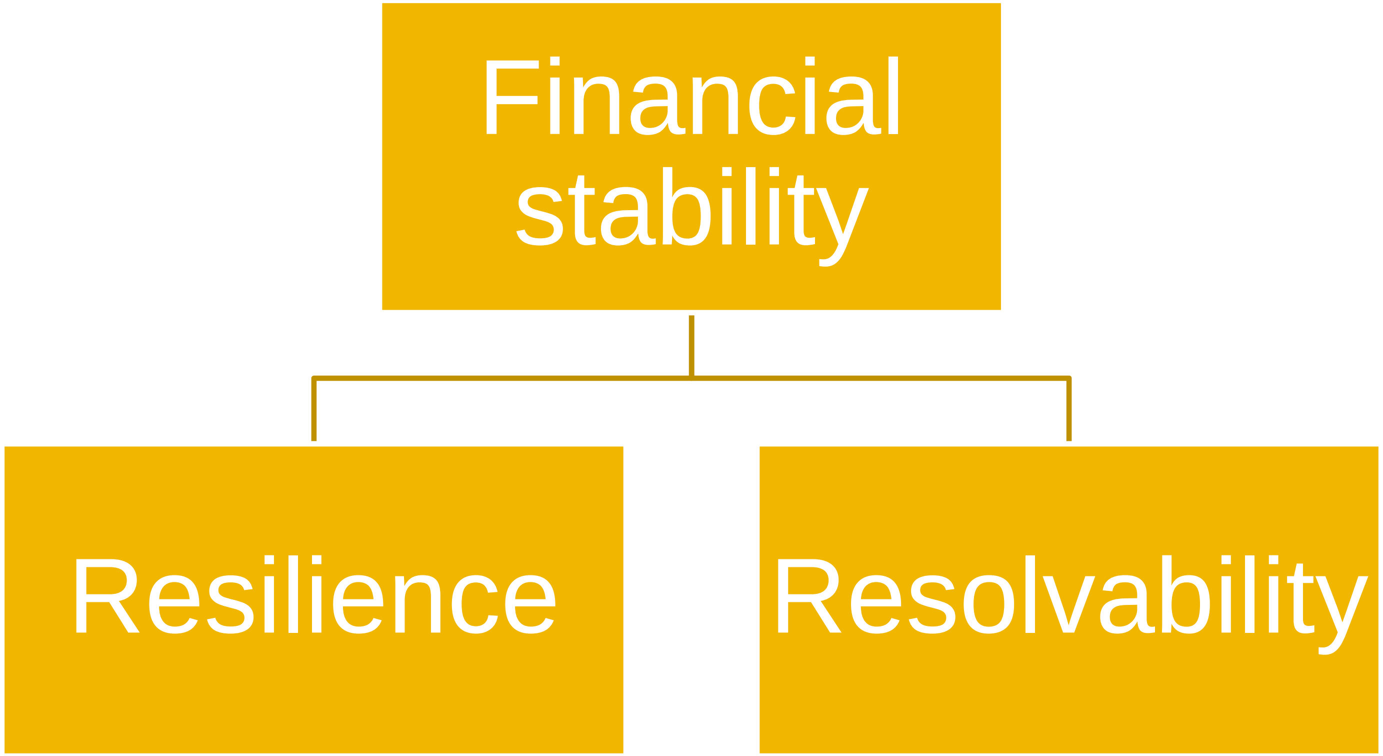
Capital principles

- Risk-based
- Buffer element
- Systemic risk perspective
- Transparency

Capital in crises

- Buffers should be usable in crises.
  - Pillar 1 buffers
  - Pillar 2 buffers
  - Management buffers
- Capital requirements can change in a crisis.

New crisis regime



- Existence and usability of buffers

- Risk based capital requirements

- Better setup for crises

Measures taken

Loan-to-value cap 85 %	October	2010
Risk-weight floor for Swedish mortgages 15 %	May	2013
LCR-regulation(based on Basel 3; USD, EUR and total)	January	2014
Pillar II capital add-on 2% for the four largest banks	September	2014
Risk-weight floor for Swedish mortgages 15 → 25 %	September	2014
2 → 5 % systemic risk buffer for four largest banks	January	2015
CCyB activated at level 1 %	September	2015
Tighter requirements on calculating corporate risk-weights	May	2016
Amortisation requirement	June	2016
CCyB raised 1 → 1,5 %	June	2016
CCyB raised 1,5 → 2 %	March	2017
Proposed stricter amortisation requirement	June	2017
Pillar 2 capital method for securitisation	June	2017

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