



# Capital requirements for the Swedish banks, second quarter 2024

August 23, 2024



Dnr 24-334-10

## Contents

Preface .....	3
Capital requirements, second quarter 2024 .....	4
Capital requirements in percent.....	4
Capital requirements in SEK .....	8
Exposure amounts .....	10
Description of the calculations.....	11
Risk-based capital requirements .....	11
Leverage ratio requirement .....	12

Finansinspektionen  
Box 7821, 103 97 Stockholm  
Visiting address Brunnsgatan 3  
Phone +46 8 408 980 00  
finansinspektionen@fi.se  
www.fi.se

## Preface

Every quarter, Finansinspektionen (FI) publishes the capital requirements of all Swedish banks and credit market companies under its supervision that have been categorised as Categories 1 and 2.<sup>1,2</sup> This memorandum discloses these companies' capital requirements, Pillar 2 guidance and capital ratios as of the end of the second quarter 2024.

In the Swedish version of this publication we are using a simplified term for capital requirement (*kapitalkrav*) instead of its formal legal term in Swedish (*kapitalbaskrav*). Note that the Pillar 2 guidance is included in figures and tables that show capital requirements despite that the Pillar 2 guidance do not constitute a formal requirement.

The capital requirements are based on the capital adequacy regulations, FI's application of the buffer requirements and FI's latest review and evaluation of the companies. The most recent evaluation for Skandinaviska Enskilda Banken (SEB) Svenska Handelsbanken (SHB), Swedbank, SBAB, Nordnet, Klarna and Avanza was completed in September 2023. Länsförsäkringar was evaluated in September 2022 whereas Kommuninvest and Svensk Exportkredit (SEK) were evaluated in September 2021. FI has decided on Pillar 2 requirements for these companies and communicated the capital ratio that FI considers they should keep (Pillar 2 guidance).

Further information on the capital requirements and their application to the Swedish banks can be found in the memorandum "New capital requirements for Swedish banks", FI Ref. 20-20990, and on FI's website.<sup>3</sup>

---

<sup>1</sup> FI categorises all credit institutions under its supervision on an annual basis. This categorisation enables FI to apply the guidelines issued by the European Banking Authority (EBA). A list of the credit institutions' supervisory categories is available at the following link:

<https://www.fi.se/contentassets/9e2a1e10fcc9437f98085ec1975f27ea/tillsynskategorisering-kreditinstitut-filialer-2024.pdf>

<sup>2</sup> Swedish subsidiaries to foreign bank groups are not included in this memorandum. Hence, Nordea Hypotek's capital requirements are not included even though Nordea is categorised as a Category 1 institution.

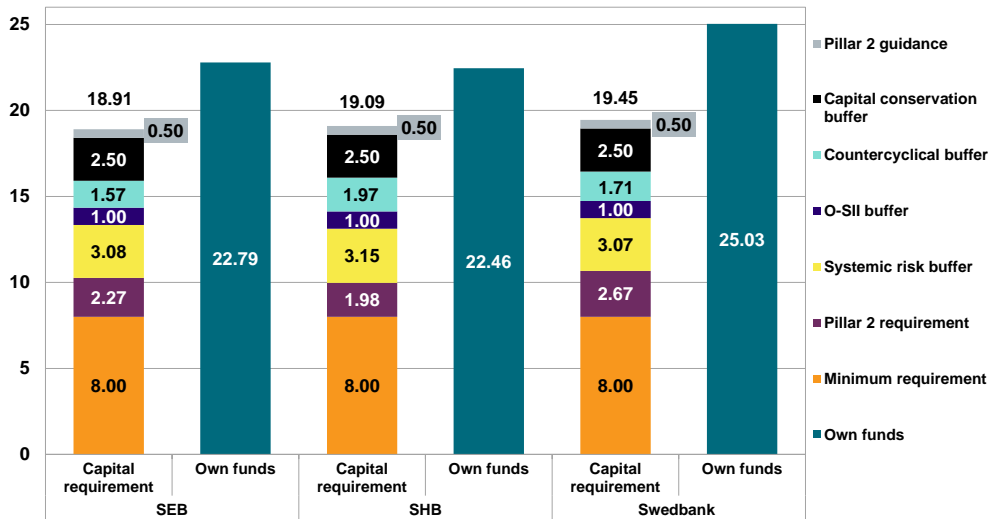
<sup>3</sup> <https://www.fi.se/en/bank/Capital-requirements-for-swedish-banks/>.

# Capital requirements, second quarter 2024

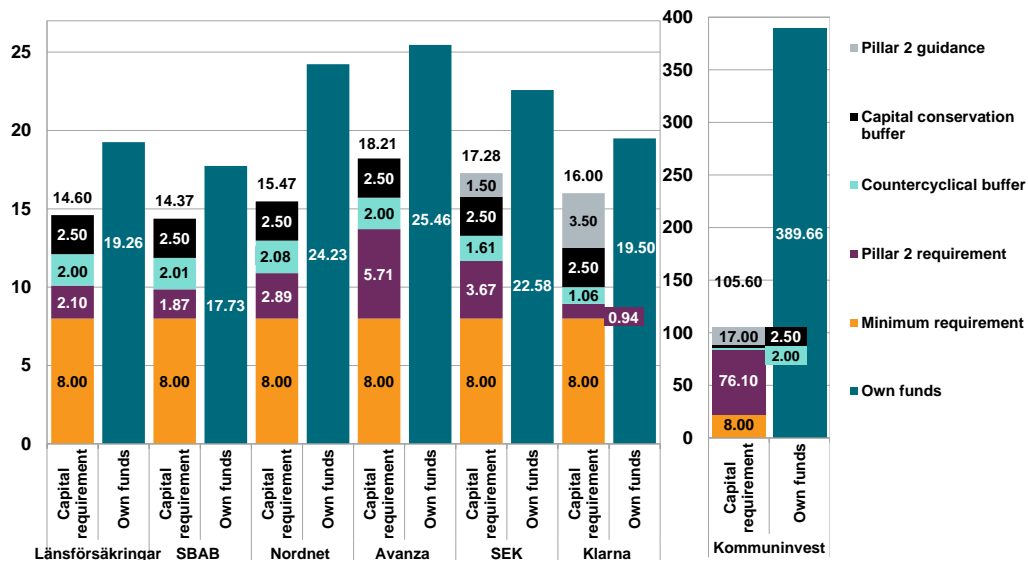
In this chapter we present the capital requirements for Swedish banks as of the second quarter 2024.

## Capital requirements in percent

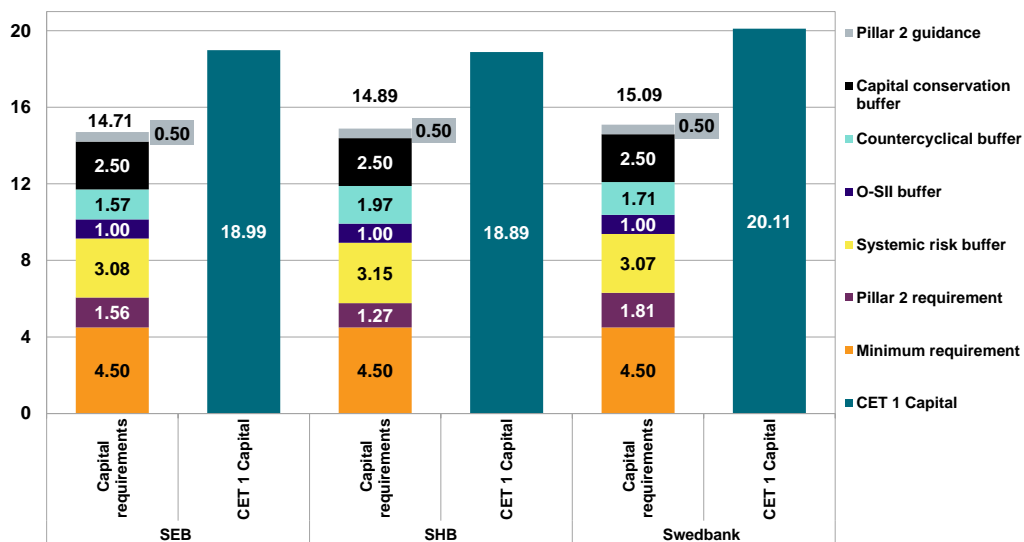
### 1. Own funds and capital requirements, three major banks (percent of REA)



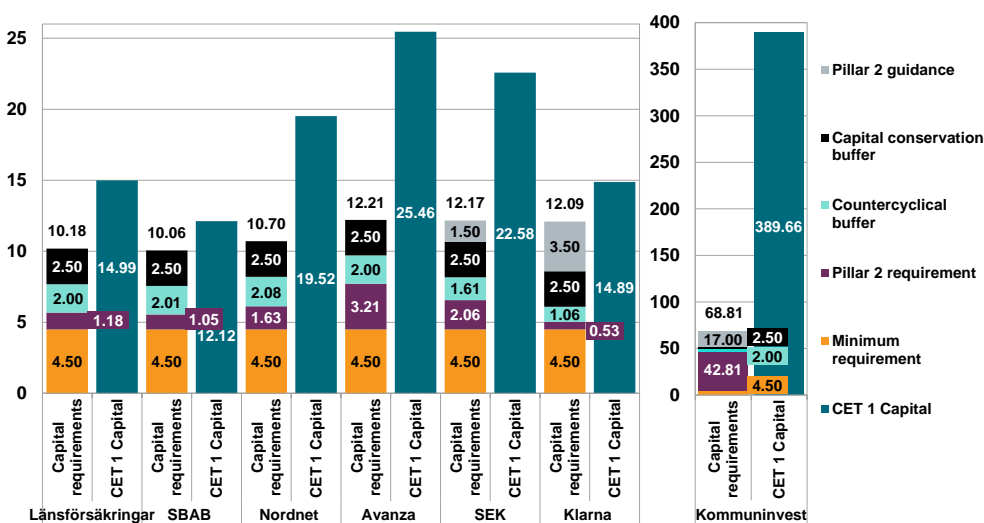
### 2. Own funds and capital requirements, category 2 (percent of REA)



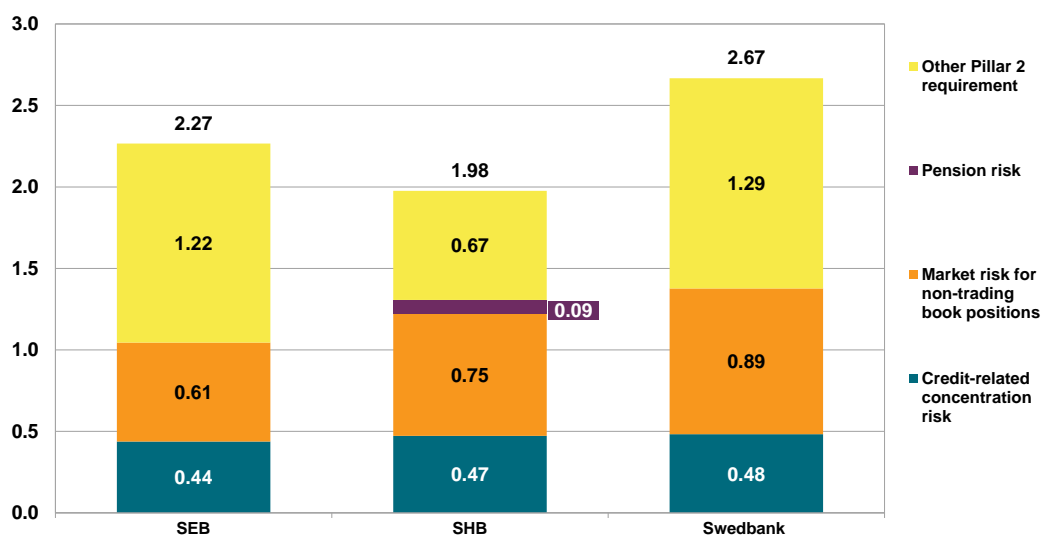
3. Common Equity Tier 1 capital and Common Equity Tier 1 capital requirements, three major banks (percent of REA)



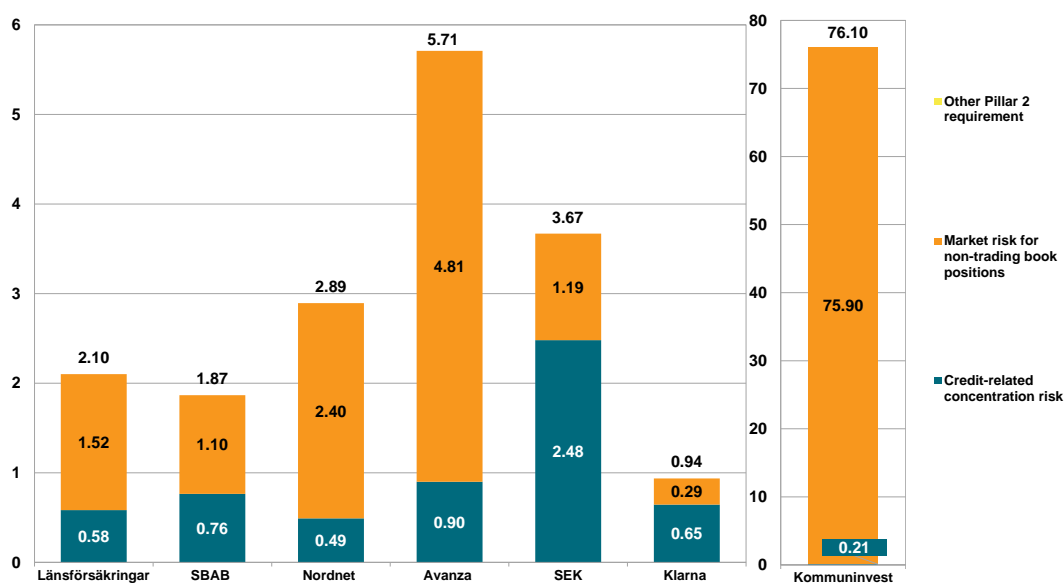
4. Common Equity Tier 1 capital and Common Equity Tier 1 capital requirements, category 2 (percent of REA)



5. Capital requirements in Pillar 2, three major banks (percent of REA)

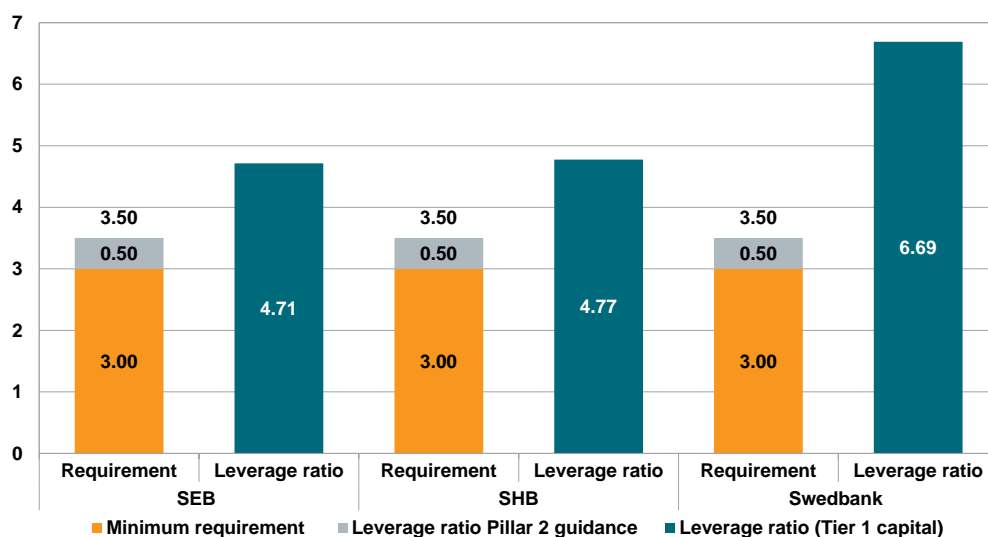


6. Capital requirements in Pillar 2, category 2 (percent of REA)

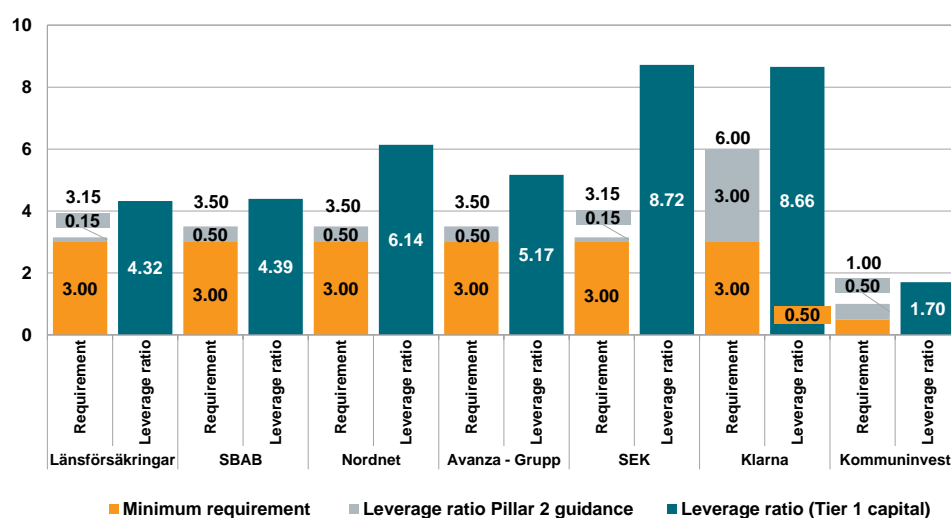


Note: None of the category 2 institutions have a Pillar 2 requirement for pension risk.

7. Leverage ratio and leverage ratio requirement, three major banks (percent of leverage ratio exposure)



8. Leverage ratio and leverage ratio requirement, category 2 (percent of leverage ratio exposures)



Note. Kommuninvest's Pillar 2 guidance for leverage ratio is calculated so that the company's leverage ratio requirement is one percent of the total leverage ratio exposure amount before the deduction Kommuninvest does according to the regulation for public development credit institutions. The leverage ratio exposure before the deduction was 635 billion SEK and after the deduction 105 billion SEK. The leverage ratio after deductions was 10.3 percent.

## Capital requirements in SEK

Table 1. Capital requirements in million SEK, Large Banks, 2024-06-30

<b>SEB</b>	<b>Total</b>	<b>Tier 1</b>	<b>CET 1</b>
Capital	209 736	189 294	174 743
Risk based capital requirements	174 024	150 967	135 360
Leverage ratio requirements		140 548	20 078

<b>SHB</b>	<b>Total</b>	<b>Tier 1</b>	<b>CET 1</b>
Capital	190 568	170 860	160 292
Risk based capital requirements	162 030	141 151	126 344
Leverage ratio requirements		125 247	17 892

<b>Swedbank</b>	<b>Total</b>	<b>Tier 1</b>	<b>CET 1</b>
Capital	212 259	192 269	170 511
Risk based capital requirements	164 918	142 852	127 944
Leverage ratio requirements		100 609	14 373



Table 2. Capital requirements in million SEK for banks in supervisory category 2, 2024-06-30

<b>Länsförsäkringar</b>	<b>Total</b>	<b>Tier 1</b>	<b>CET 1</b>
Capital	25 441	22 351	19 801
Risk based capital requirements	19 294	15 957	13 454
Leverage ratio requirements		16 292	776
<b>SBAB</b>	<b>Total</b>	<b>Tier 1</b>	<b>CET 1</b>
Capital	30 657	28 654	20 954
Risk based capital requirements	24 844	20 580	17 382
Leverage ratio requirements		22 867	3 267
<b>Nordnet</b>	<b>Total</b>	<b>Tier 1</b>	<b>CET 1</b>
Capital	4 635	4 635	3 735
Risk based capital requirements	2 960	2 439	2 048
Leverage ratio requirements		2 641	377
<b>Avanza</b>	<b>Total</b>	<b>Tier 1</b>	<b>CET 1</b>
Capital	3 615	3 615	3 615
Risk based capital requirements	2 585	2 099	1 734
Leverage ratio requirements		2 447	350
<b>Kommuninvest</b>	<b>Total</b>	<b>Tier 1</b>	<b>CET 1</b>
Capital	10 813	10 813	10 813
Risk based capital requirements	2 930	2 347	1 909
Leverage ratio requirements		6 351	3 194
<b>Svensk Exportkredit</b>	<b>Total</b>	<b>Tier 1</b>	<b>CET 1</b>
Capital	22 790	22 790	22 790
Risk based capital requirements	17 434	14 490	12 282
Leverage ratio requirements		8 234	392
<b>Klarna</b>	<b>Total</b>	<b>Tier 1</b>	<b>CET 1</b>
Capital	14 696	12 856	11 220
Risk based capital requirements	12 061	10 376	9 113
Leverage ratio requirements		8 912	4 456

Note 1. Kommuninvest's Pillar 2 guidance for leverage ratio is calculated so that the company's leverage ratio requirement is one percent of the total leverage ratio exposure amount before the deduction Kommuninvest does according to the regulation for public development credit institutions. The leverage ratio exposure before the deduction was 635 billion SEK and after the deduction 105 billion SEK. The leverage ratio after deductions was 10.3 percent.

Note 2. Rounding may lead to differences when comparing the above amounts to public reports.

## Exposure amounts

Table 2. REA and leverage ratio exposure amount, 2024-06-30

<b>mkr</b>	<b>Risk exposure amount</b>	<b>Leverage ratio exposure amount</b>
SEB	920 279	4 015 649
SHB	848 556	3 578 473
Swedbank	847 922	2 874 539
Länsförsäkringar	132 124	517 192
SBAB	172 860	653 330
Nordnet	19 134	75 467
Avanza	14 199	69 913
Kommuninvest	2 775	105 228
Svensk Exportkredit	100 922	261 383
Klarna	75 371	148 533

Note. Kommuninvest's leverage ratio exposure amount is presented after the deduction of exposures in accordance with the regulation for public development credit institutions.

# Description of the calculations

Own funds, the risk exposure amount (REA), the leverage ratio exposure amount, the countercyclical buffer and the systemic risk buffer are based on the companies' second quarter reporting in 2024. The reporting was submitted to FI on the 12<sup>th</sup> of August 2024. The rounding of each component of the capital requirement may result in a discrepancy between the sum of all parts and the total capital requirement. The data is reported at group level.

## Risk-based capital requirements

### **Minimum requirement, Pillar 1**

The Pillar 1 minimum requirement amounts to eight percent of the total risk exposure amount and must be covered by at least 75 percent Tier 1 capital, whereof at least 75 percent must be Common Equity Tier 1 (CET 1).

### **Pillar 2 requirement**

FI decides on a Pillar 2 requirement in conjunction with our supervisory review and evaluation of the companies. In support of the decision, FI uses a number of methods that disclose how we assess and calculate the requirement for specific risks. FI can also decide on Pillar 2 requirements based on other assessments that we make.<sup>4</sup>

Pillar 2 requirements shall be covered by at least 75 percent Tier 1 capital, of which at least 75 percent must be CET 1 capital, but FI can also decide on a higher proportion of Tier 1 capital or CET 1 capital.

### **Systemic risk buffer**

The systemic risk buffer amounts to three percent of the total risk-weighted exposure amount for the major banks and must be covered by CET 1 capital. FI may also recognize systemic risk buffers implemented by other countries, which can lead to a buffer that exceeds three percent.

### **Buffer for other systemically important institute (O-SII buffer)**

The O-SII buffer amounts to one percent of the total risk-weighted exposure amount for the major banks and must be covered by CET 1 capital.

### **Countercyclical capital buffer**

The countercyclical buffer value is currently set to two percent of exposures in Sweden (as of 22<sup>nd</sup> June, 2023). The buffer value that the banks report can, somewhat simplistically, be described as an average value, weighted by the risk exposure amount, of the countercyclical buffer values applied in the countries to

---

<sup>4</sup> For more information, see <https://www.fi.se/en/bank/Capital-requirements/capital-requirements-for-swedish-banks/>.

which the company has exposures. The countercyclical capital buffer must be covered by CET 1 capital.

**Capital conservation buffer**

The capital conservation buffer amounts to 2.5 percent of the total risk-weighted exposure amount and must be covered by CET 1 capital.

**Pillar 2 guidance**

FI communicates a risk-based guidance in conjunction with our supervisory review and evaluation process. The guidance is not a formally decided requirement for the company.

## Leverage ratio requirement

**Minimum requirement for leverage ratio**

The minimum requirement for the leverage ratio amounts to three percent of the leverage ratio exposure amount and must be covered by Tier 1 capital.

**Pillar 2 requirement**

FI has not decided on a Pillar 2 requirement for any of the companies included in the memorandum. However, we can decide on a Pillar 2 requirement in a similar way as for the risk-based requirement. The Pillar 2 requirement must be covered by Tier 1 capital unless we decide otherwise.

**Pillar 2 guidance**

FI communicates a leverage ratio guidance in conjunction with our supervisory review and evaluation process. The guidance is not a formally decided requirement for the company.