



# Finansinspektionen's view on capital and distributions

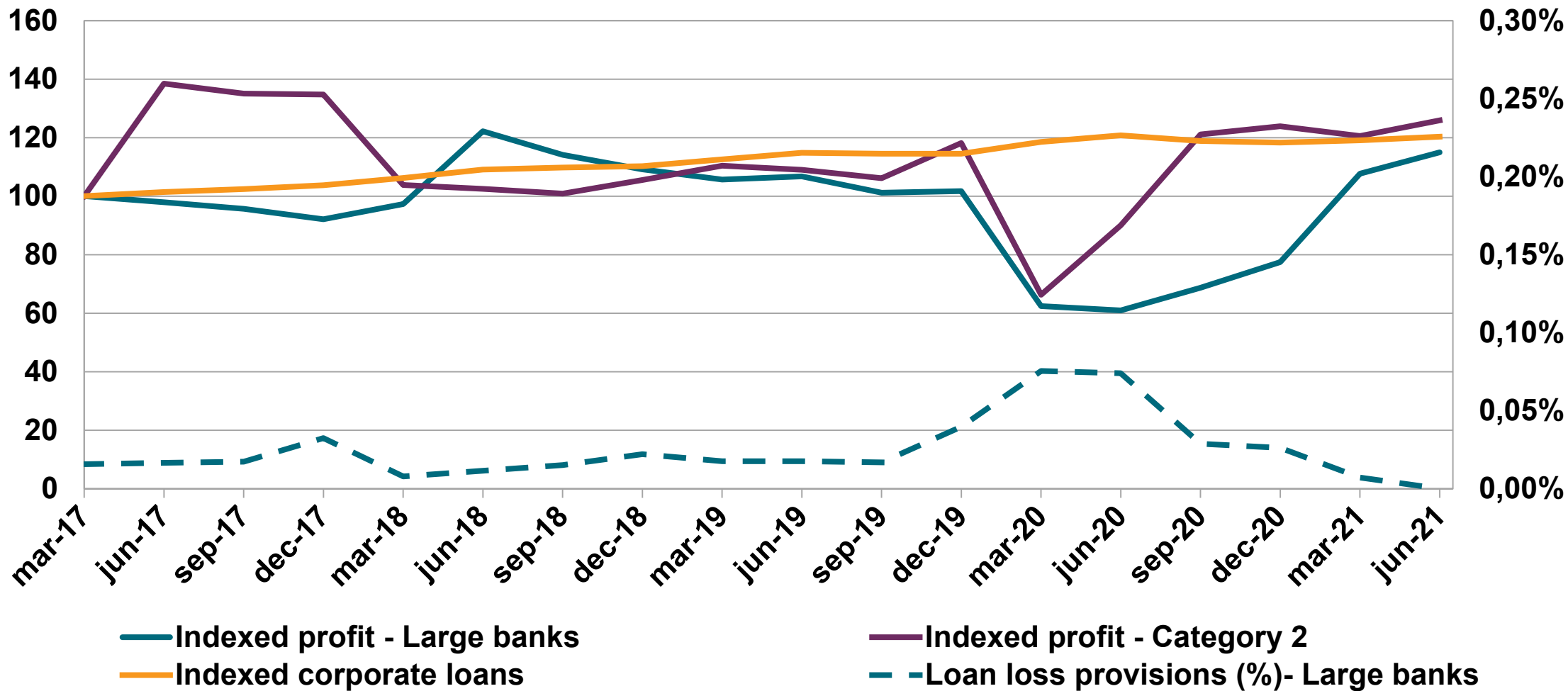
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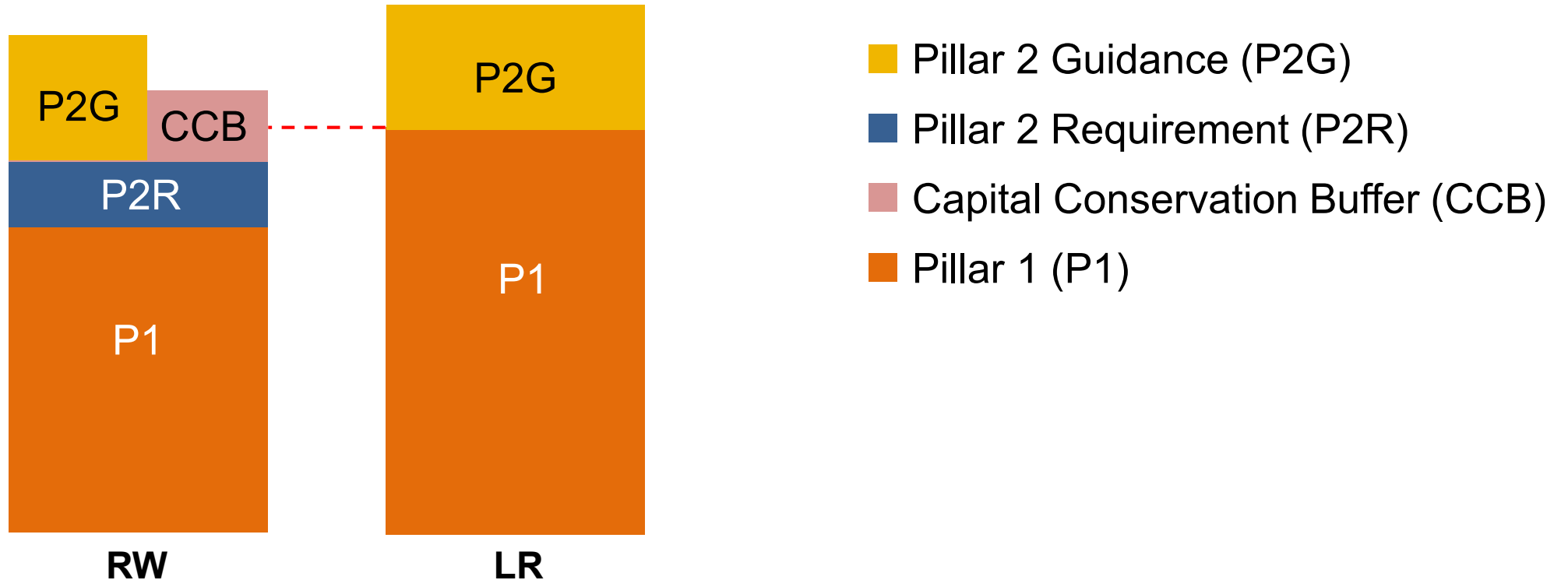
# COVID-19 effects on the Swedish banking system



# Fundamental principles for capital regulation

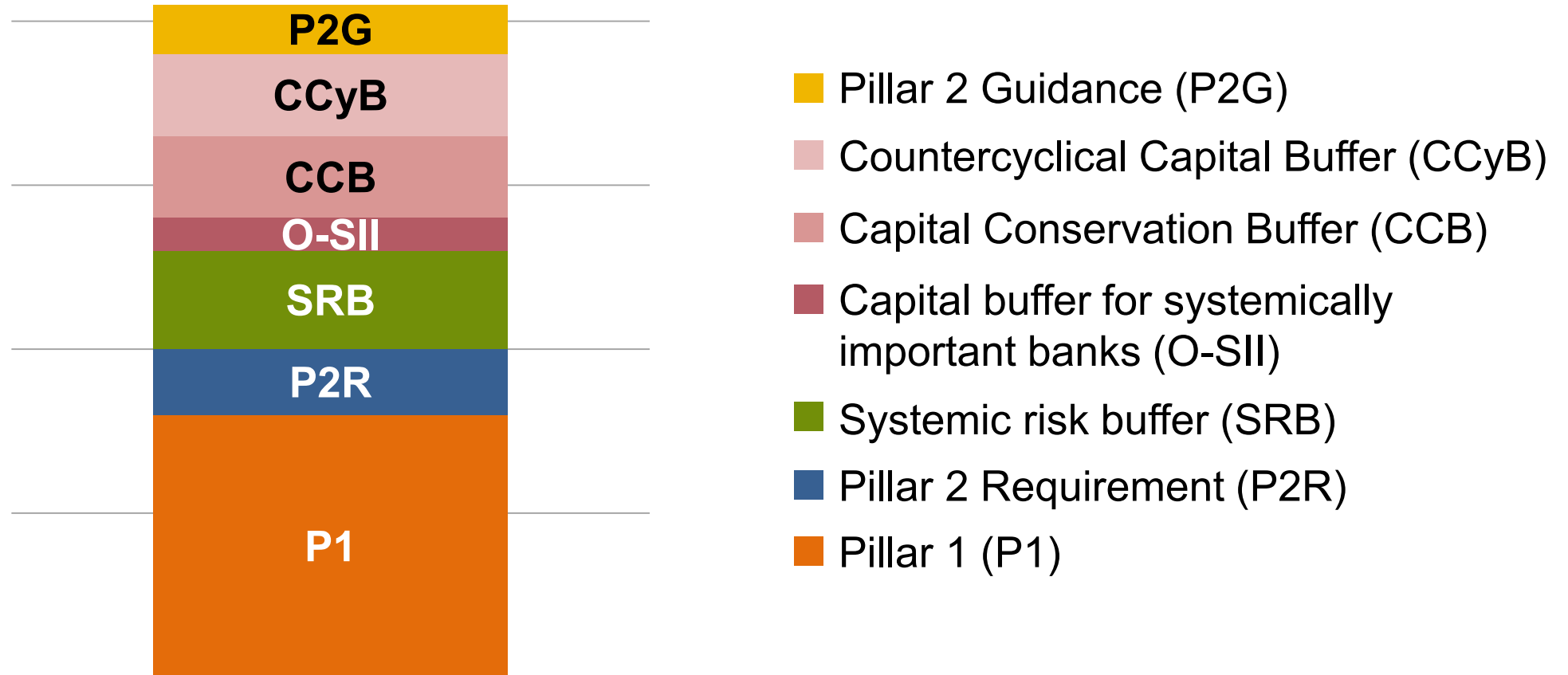
- A bank should be able to use its capital to absorb losses *in going concern* so that the capital is there to mitigate resolution or liquidation.
  
- The capital requirements should be sensitive both to idiosyncratic and systemic risks.

# Leverage ratio requirement affects buffer usability



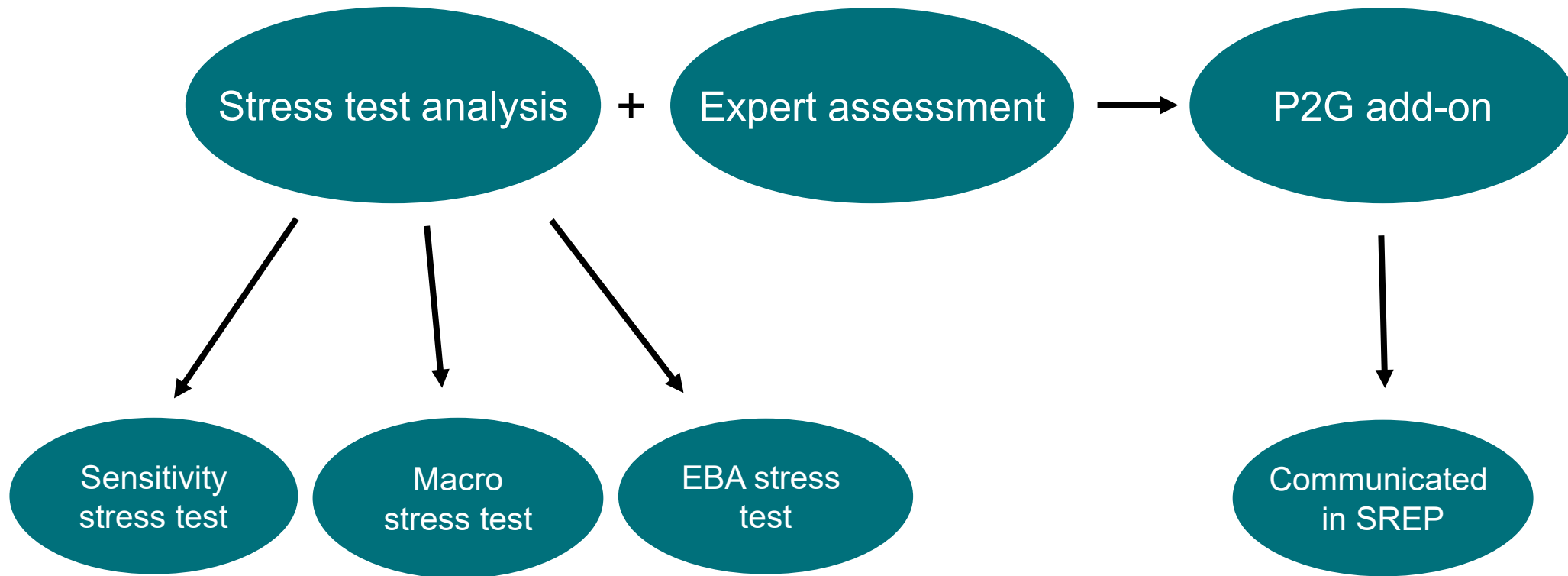
Note: The illustrations are schematic and simplified. Risk weighted capital requirement (RW), Leverage ratio requirement (LR)

# Risk-weighted capital requirement



Note: The illustration is schematic and simplified.

# P2G assessment process



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





# Finalisation of Basel 3

