

# Financial Stability

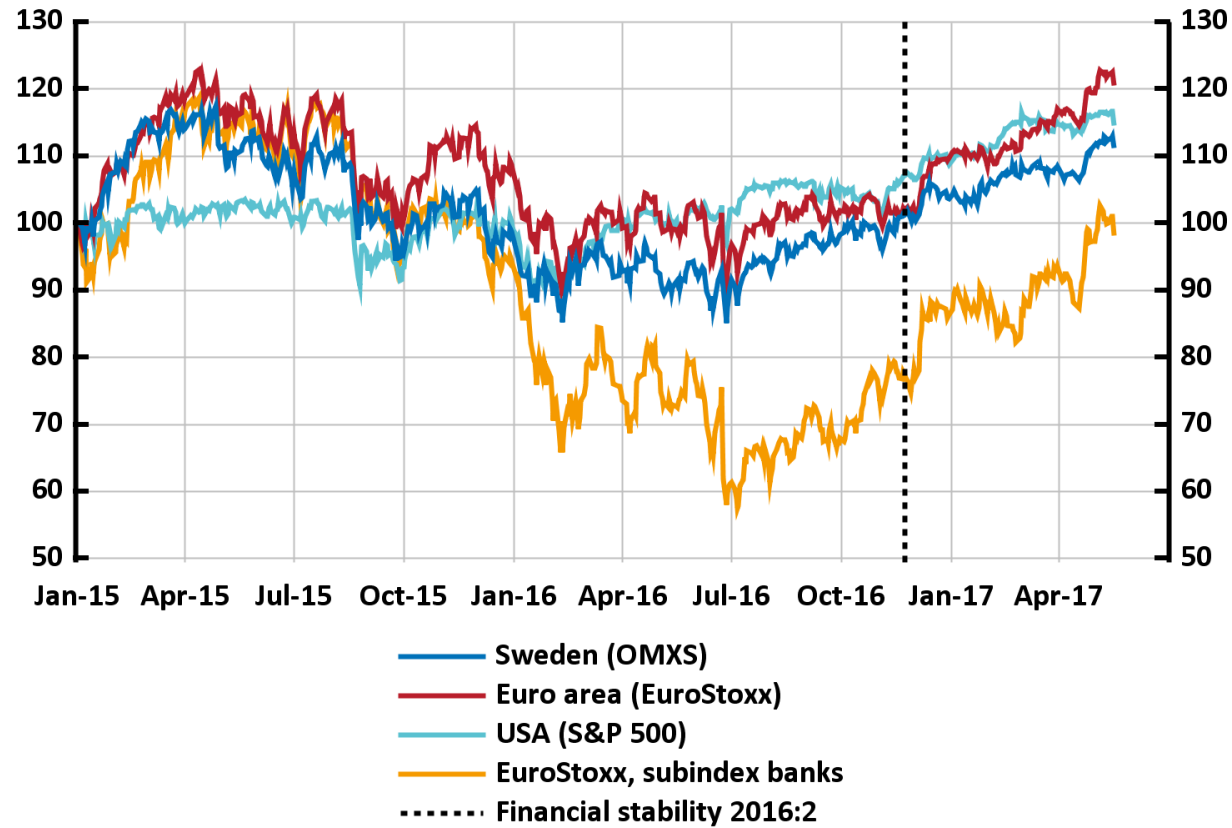
## 2017:1

### Chapter 1

The current economic and financial  
situation

# 1:1 Stock market movements

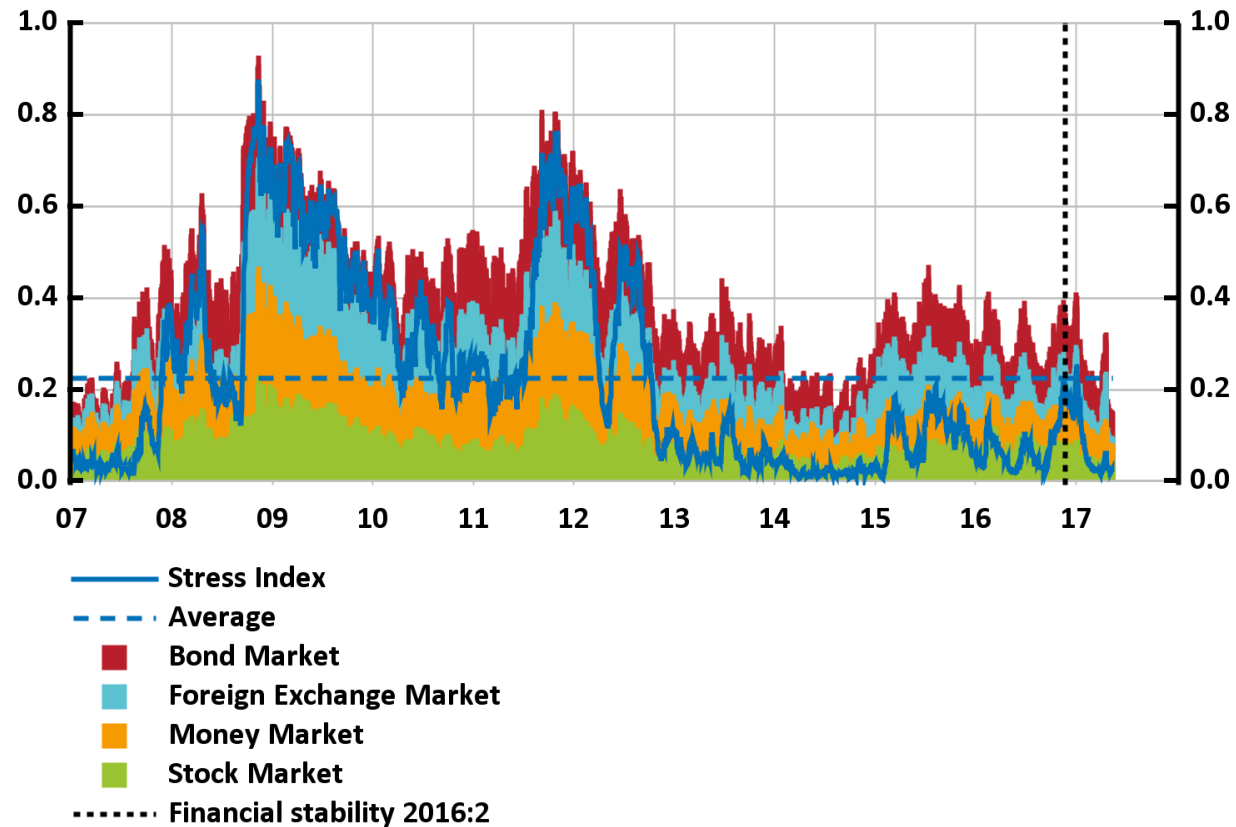
Index, 2 January 2015 = 100



Sources: Macrobond and Thomson Reuters

# 1:2 Swedish stress index

Ranking (0=low stress, 1=high stress)

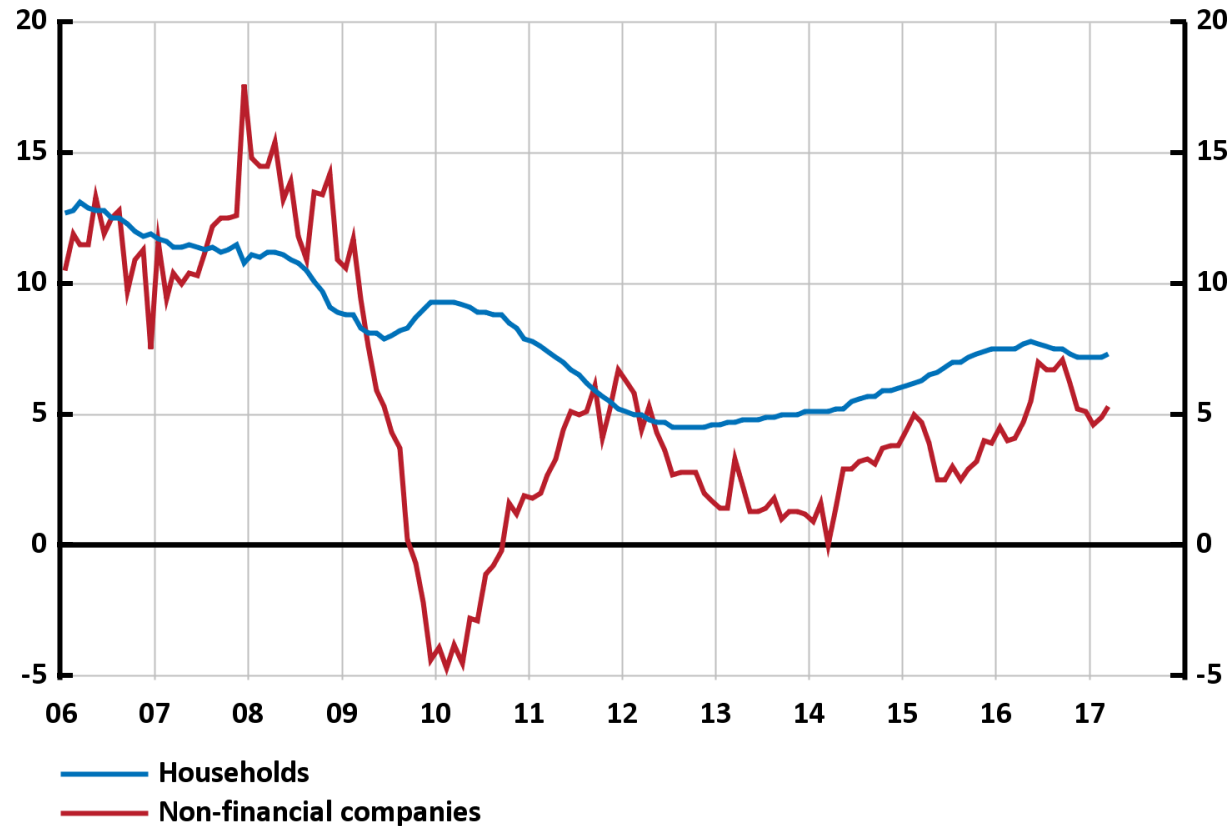


Note. The Swedish stress index has been produced by the Riksbank using a method similar to that used by the ECB for the European stress index. See Johansson, Tor and Bonthron, Fredrik (2013), Further development of the index for financial stress in Sweden, Sveriges Riksbank Economic Review 2013:1. Sveriges Riksbank.

Sources: Bloomberg and the Riksbank

# 1:3 loans to households and non-financial companies in Sweden

Annual percentage change

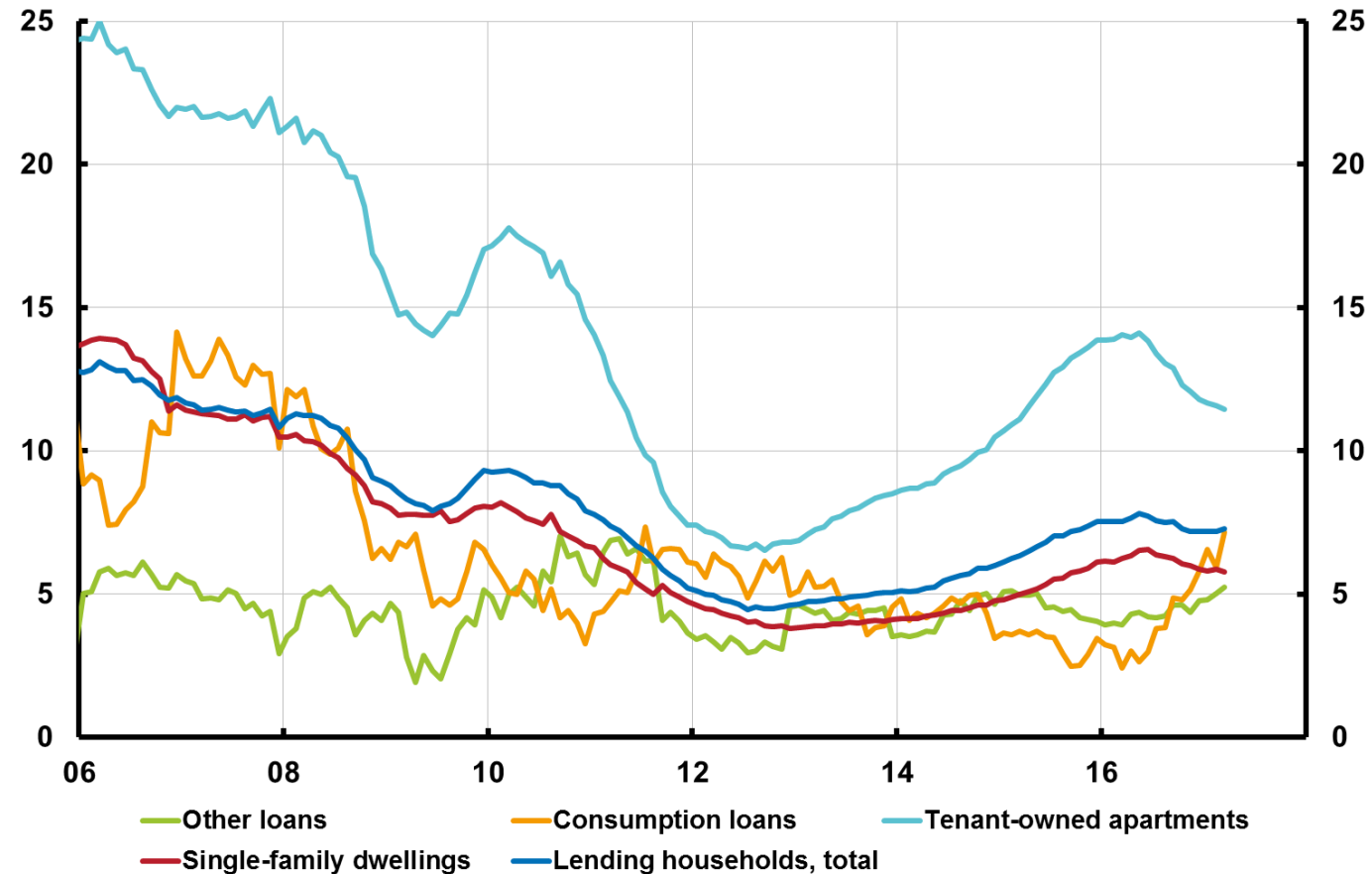


Note. Refers to loans from monetary financial institutions (MFIs).

Source: Statistics Sweden

# 1:4 Growth of household loans, broken down by collateral

Annual percentage change

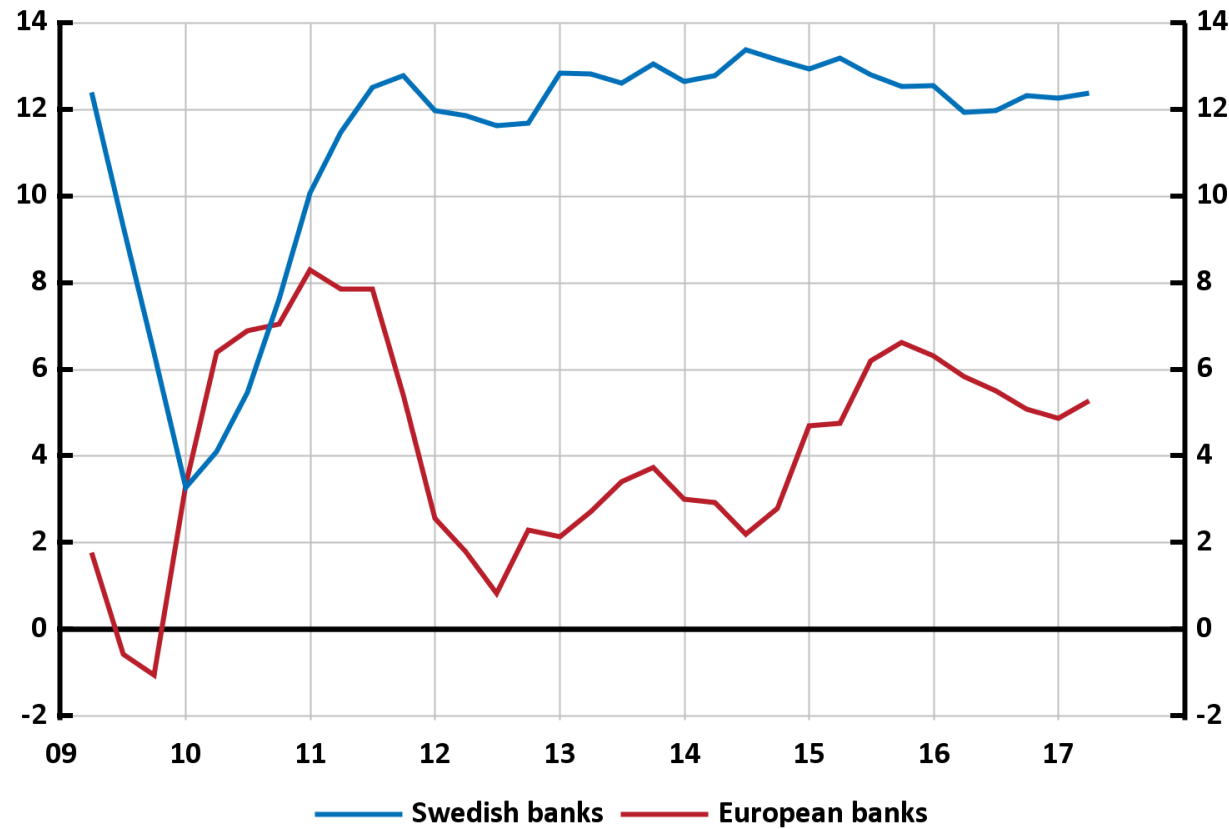


Note. Annual growth rate, for household lending, totally, consumer loans and other loans, has been adjusted for reclassifications and bought and sold loans.

Source: Statistics Sweden

# 1:5 Return on equity

Rolling four quarters, per cent

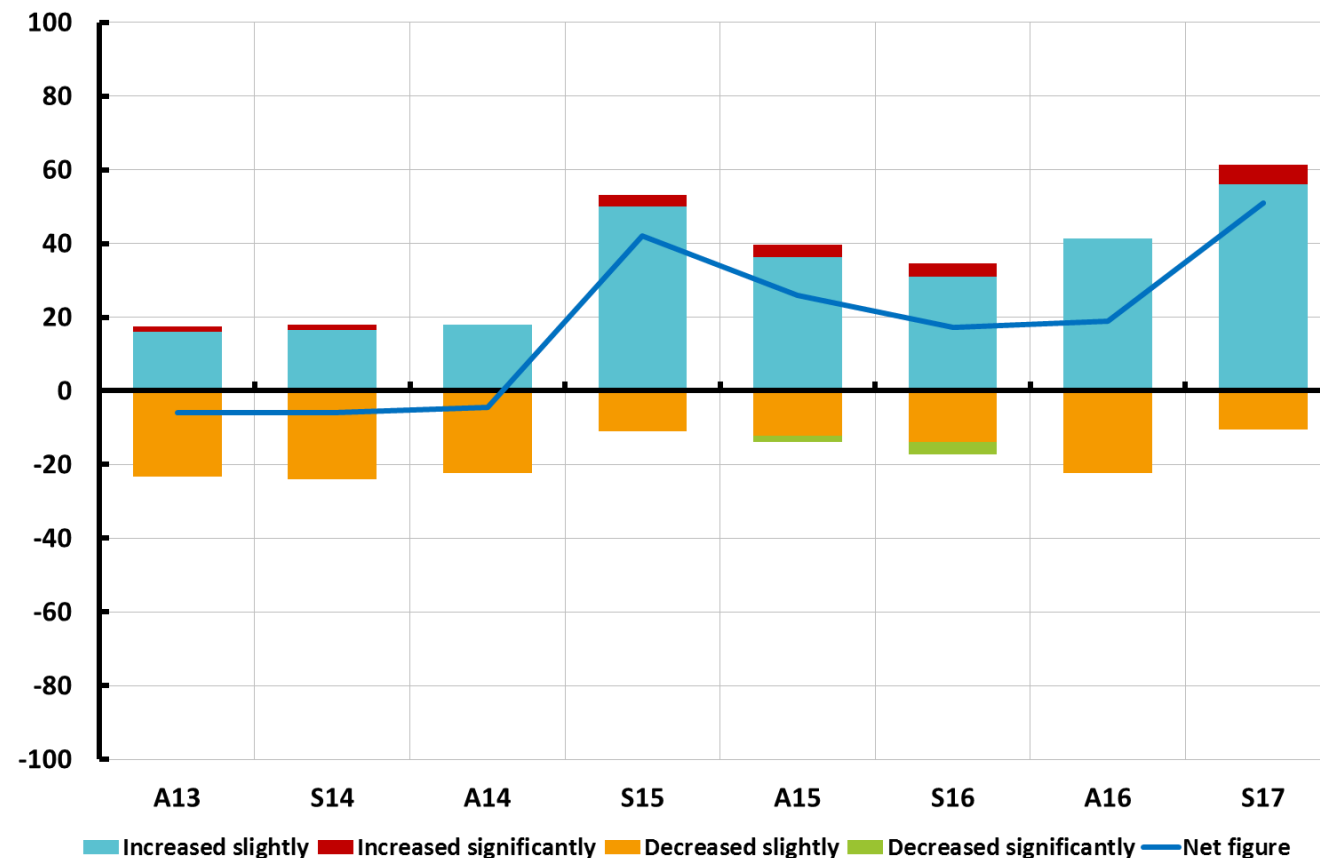


Note. Unweighted average. The red line represents a sample of European banks, see footnote 2 in *Financial Stability 2016:2*.

Sources: SNL Financial and the Riksbank

# 1:6 Market participant's perception of the total risk level in the Swedish financial system

Percentage of responses



Note. The participants have responded to the question "What is your perception of the way the total risk level in the Swedish financial system has developed in the past six months?" The category "Neither better nor worse" is not shown in this chart. Net figure shows the difference between the columns above and below zero.

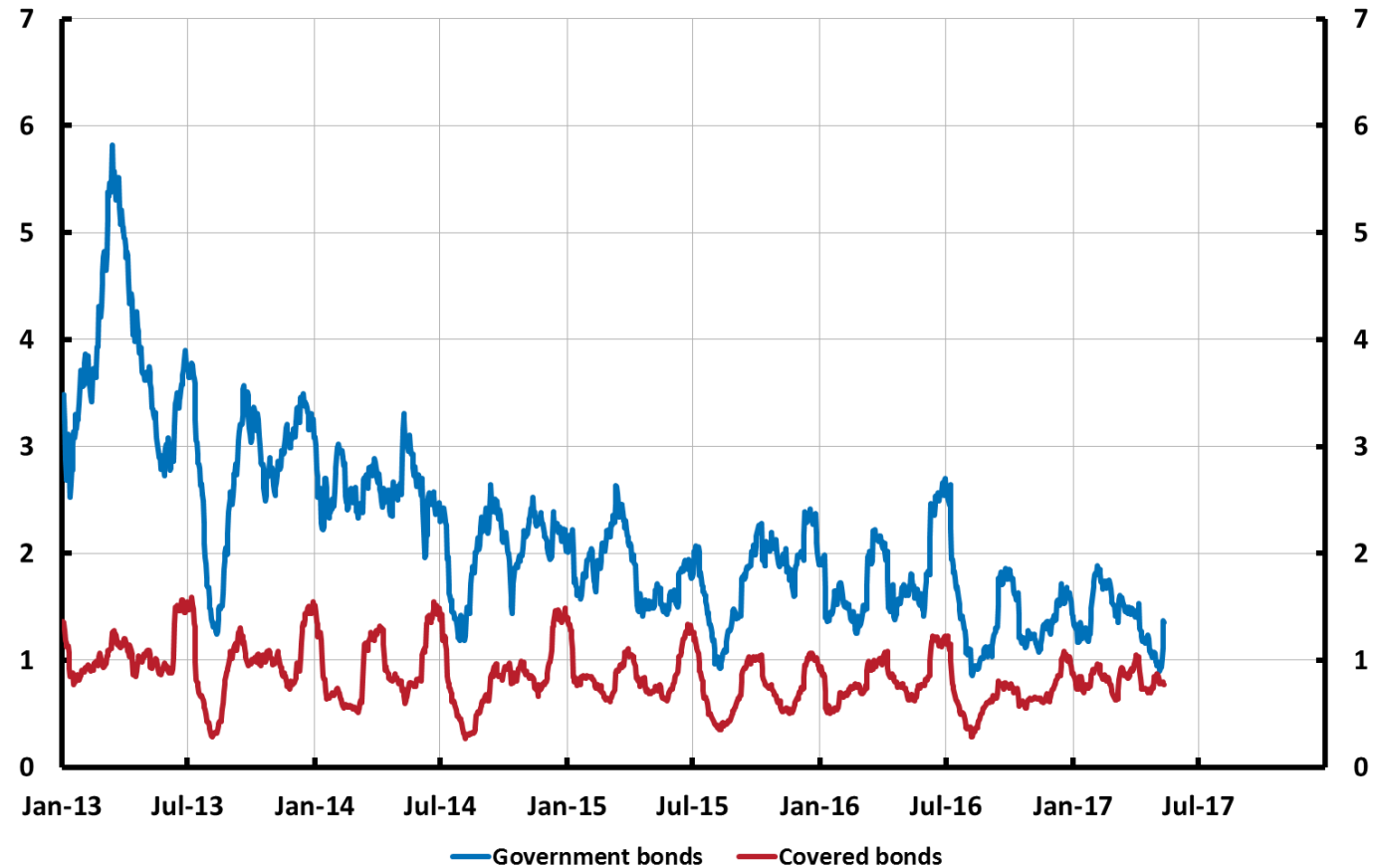
Source: *Market participants' views on risks and the functioning of the Swedish fixed-income and foreign exchange markets, May 2017.*

Sveriges Riksbank.



# 1:7 Bond turnover relative to outstanding volume

Per cent



Note. Refers to turnover during one day relative to the stock.

Sources: Macrobond, the Swedish National Debt Office and the Riksbank



# Financial Stability

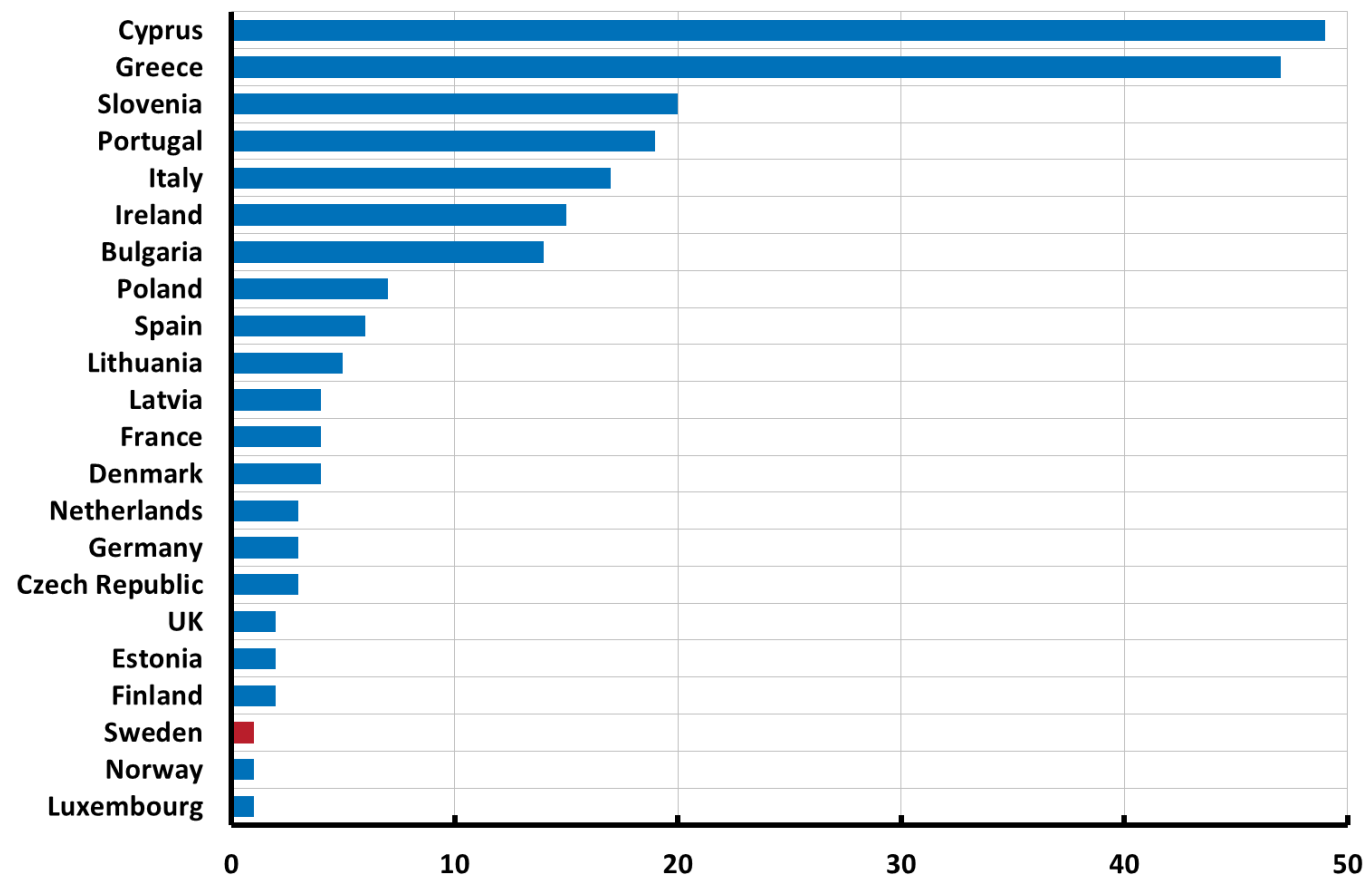
2017:1

## Chapter 2

Vulnerabilities and risks in the financial system

# 2:1 Non-performing loans at European banks

Non-performing loans as a percentage of total lending, March 2016

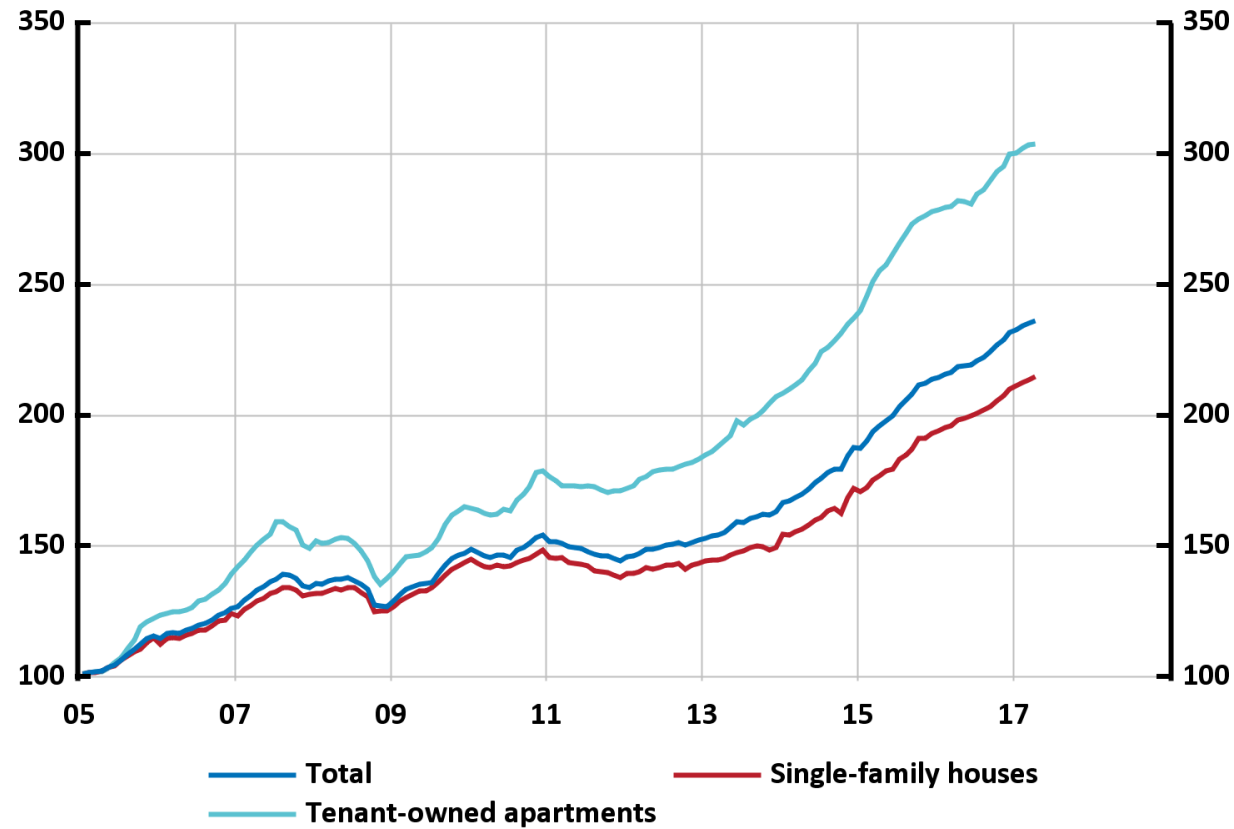


Note. Non-performing loans are defined by the European Banking Authority (EBA) as loans in which the borrower has paid neither interest nor amortisations in the last 90 days.

Source: EBA

## 2:2 Housing prices in Sweden

Index, January 2005 = 100

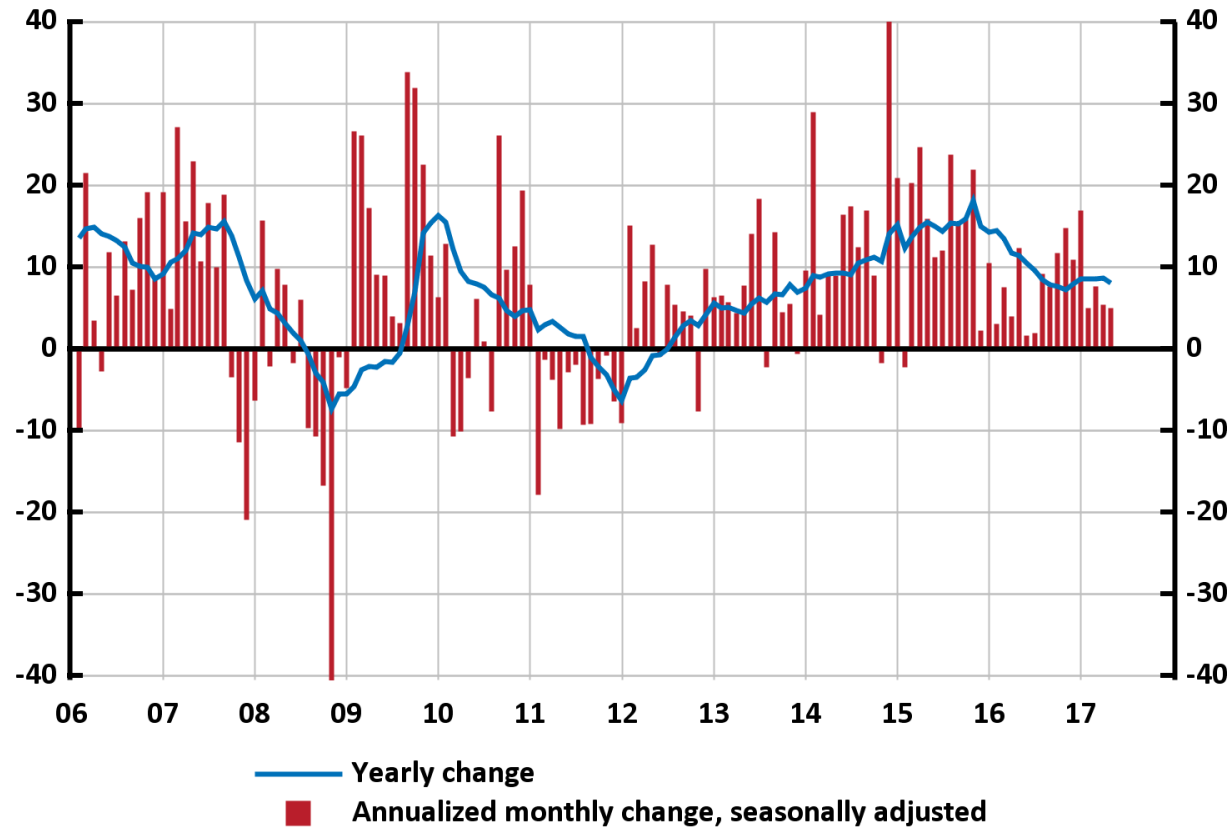


Note. Seasonally-adjusted housing prices.

Sources: Valueguard and the Riksbank

## 2:3 Housing price growth in Sweden

Per cent

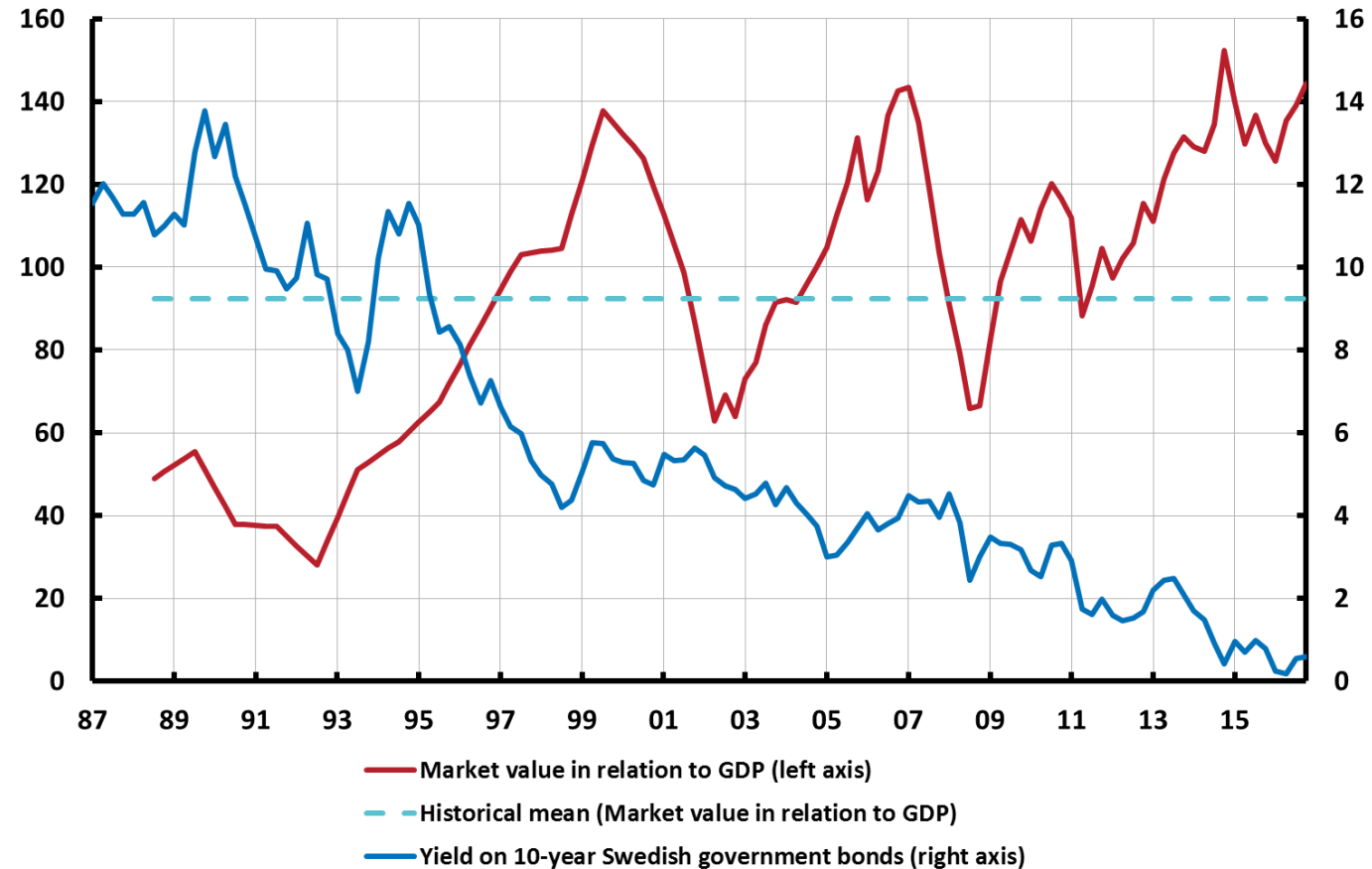


Note. Annual change and monthly change adjusted to annual growth rate.

Source: Valueguard and the Riksbank

# 2:4 Stock market value in relation to GDP, Sweden

Per cent

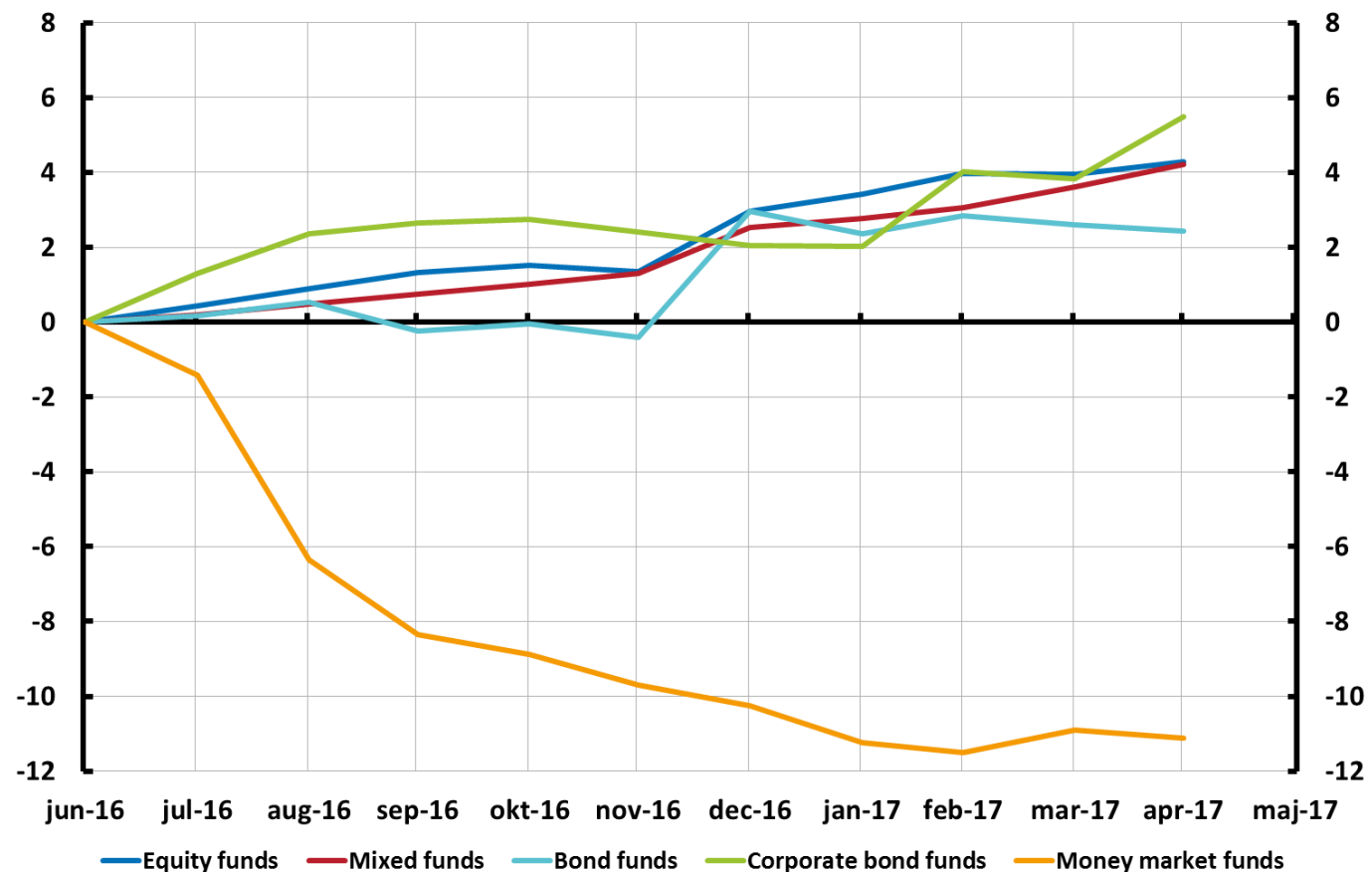


Note. Market valuation refers to the total stock value for the assets included in the index for all listed shares on the Stockholm stock exchange (SAX-index). Annual data for market value till 2002, thereafter quarterly data. Data refers to the end of each period.

Source: Bloomberg, World Bank, Statistics Sweden and the Riksbank

# 2:5 Aggregate monthly net flows in relation to fund wealth

Per cent, development since 30 June 2016

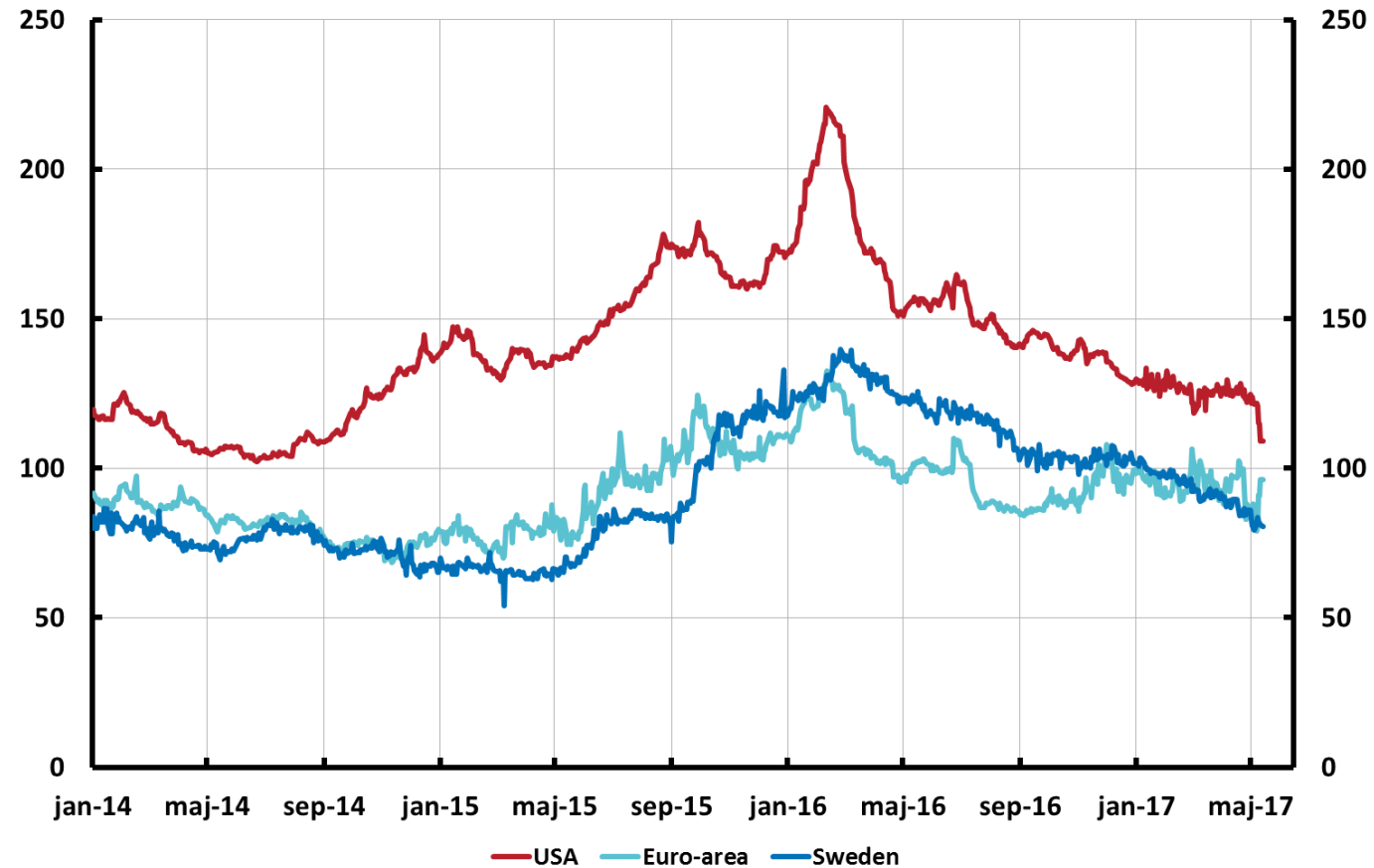


Note. Fund flows refers to Swedish investors. The corporate bond funds are excluded from the bond funds.

Source: Swedish Investment Fund Association.

# 2:6 Risk premiums for five-year corporate bonds

Basis points



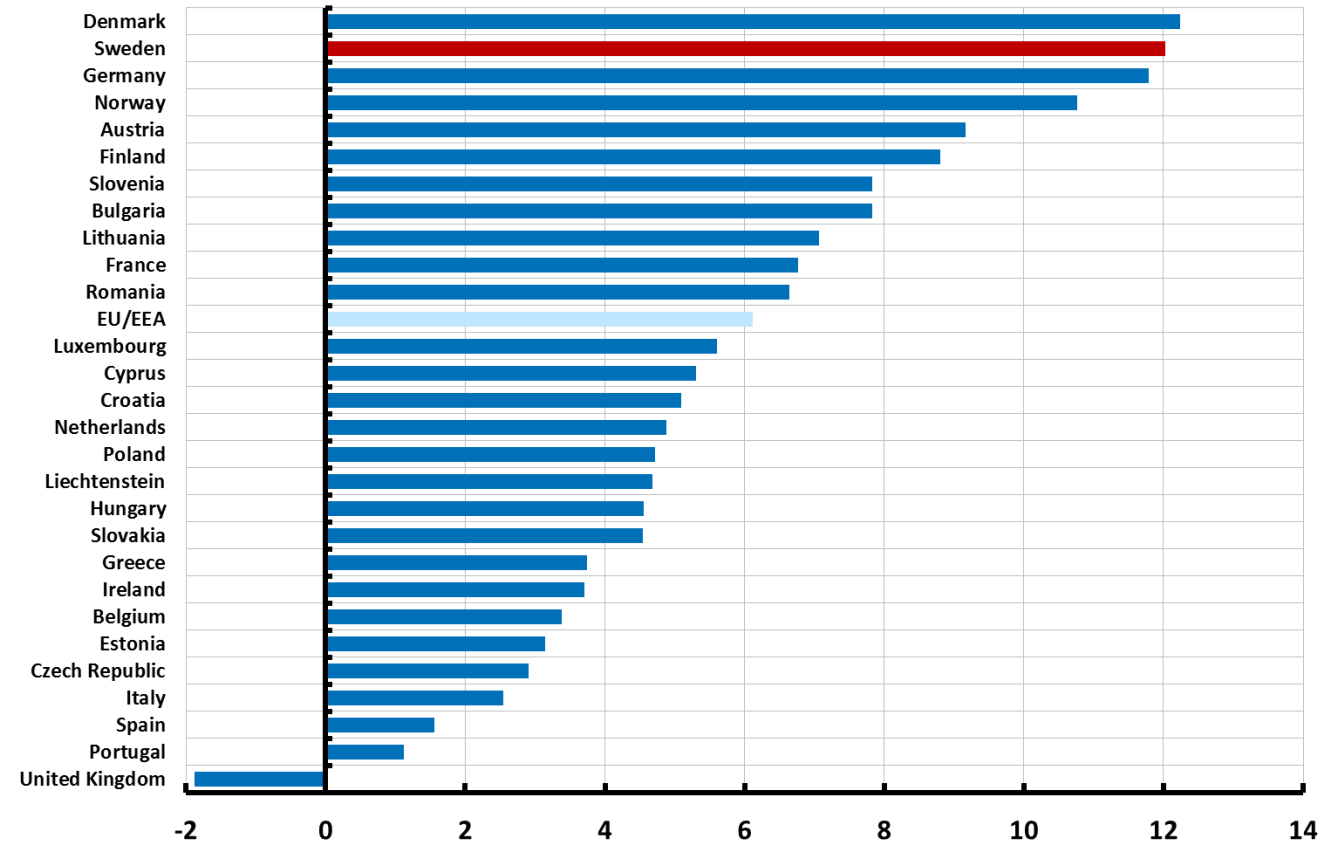
Note. The difference between bond yields and swap rate.

Source: Bloomberg and the Riksbank



# 2:7 Maturity mismatch among life insurance companies

Years

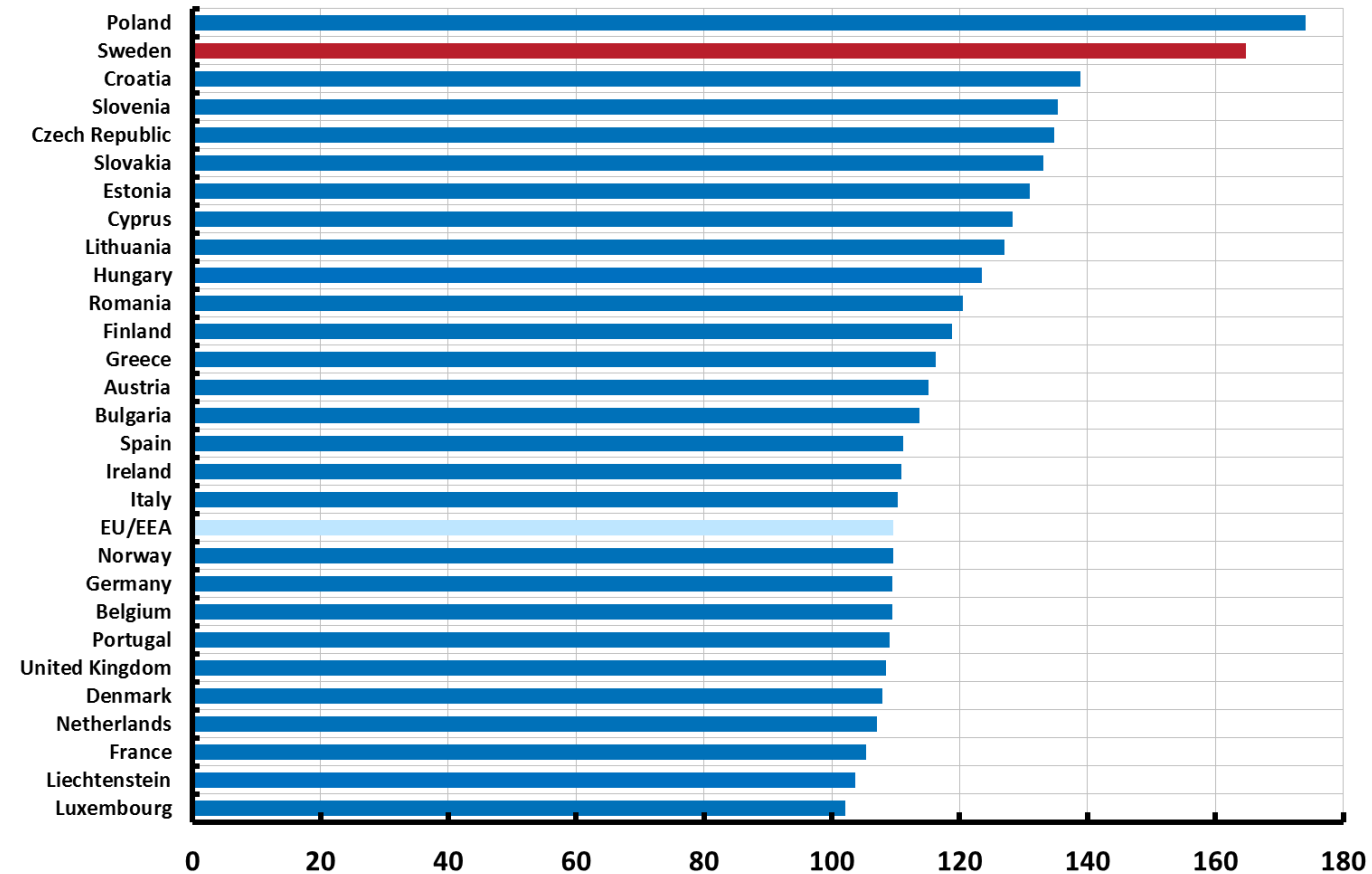


Note. Refers to the difference in duration between the life assurance companies' commitments and assets in December 2015 for the companies included in the EIOPA stress test. Note that only corporate holdings of bonds are included in the assets, that is, corporate holdings of interest rate derivatives and property are not included.

Source: European Insurance and Occupational Pensions Authority (EIOPA)

# 2:8 Insurance companies' assets as share of their liabilities

Per cent

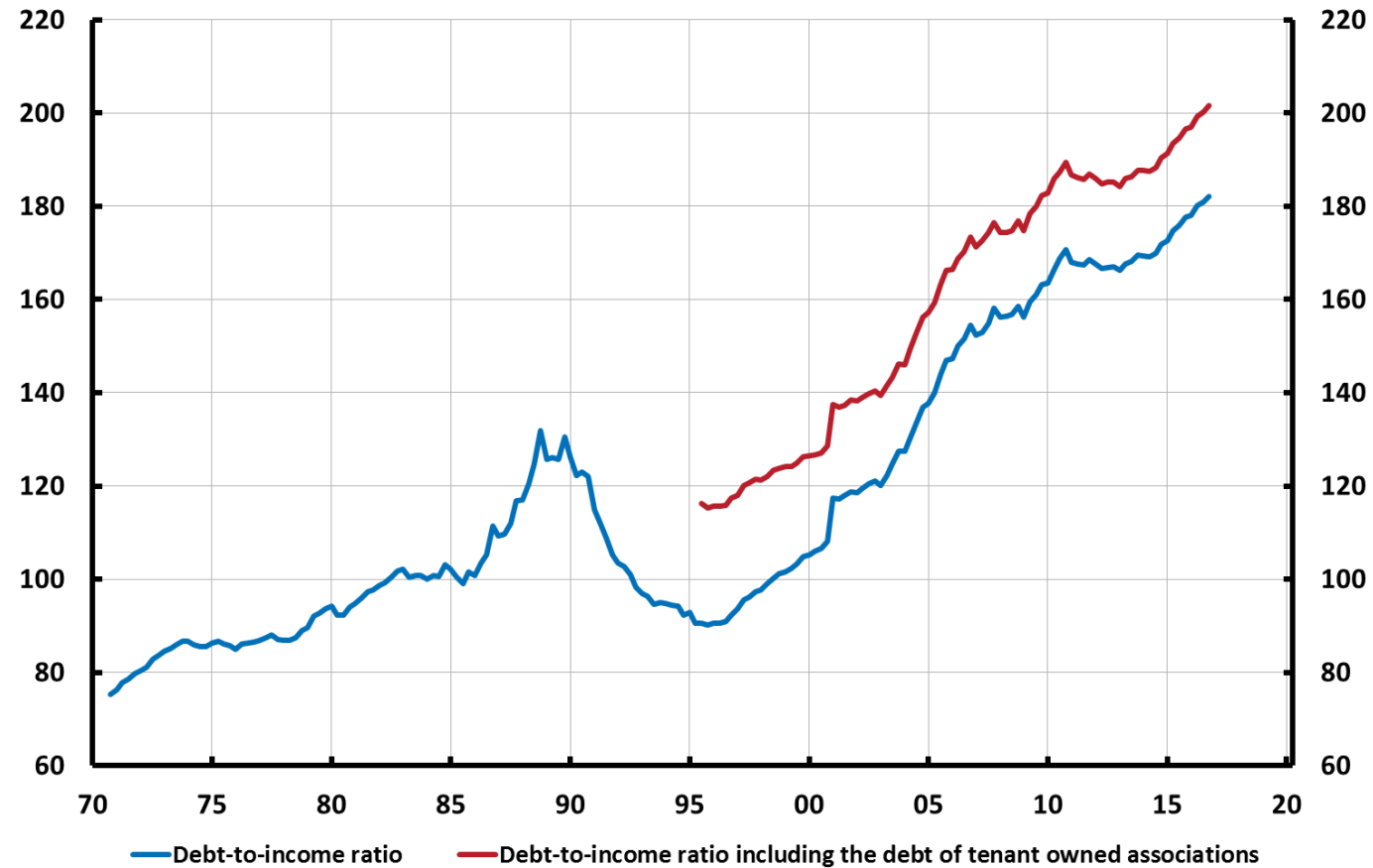


Note. Refers to the relation between the size of the insurance companies' assets and liabilities (commitments) December 2015 for the companies included in the EIOPA stress test. This is based on the baseline scenario in the stress test.

Source: European Insurance and Occupational Pensions Authority (EIOPA).

# 2:9 Household debt-to-income ratio in Sweden

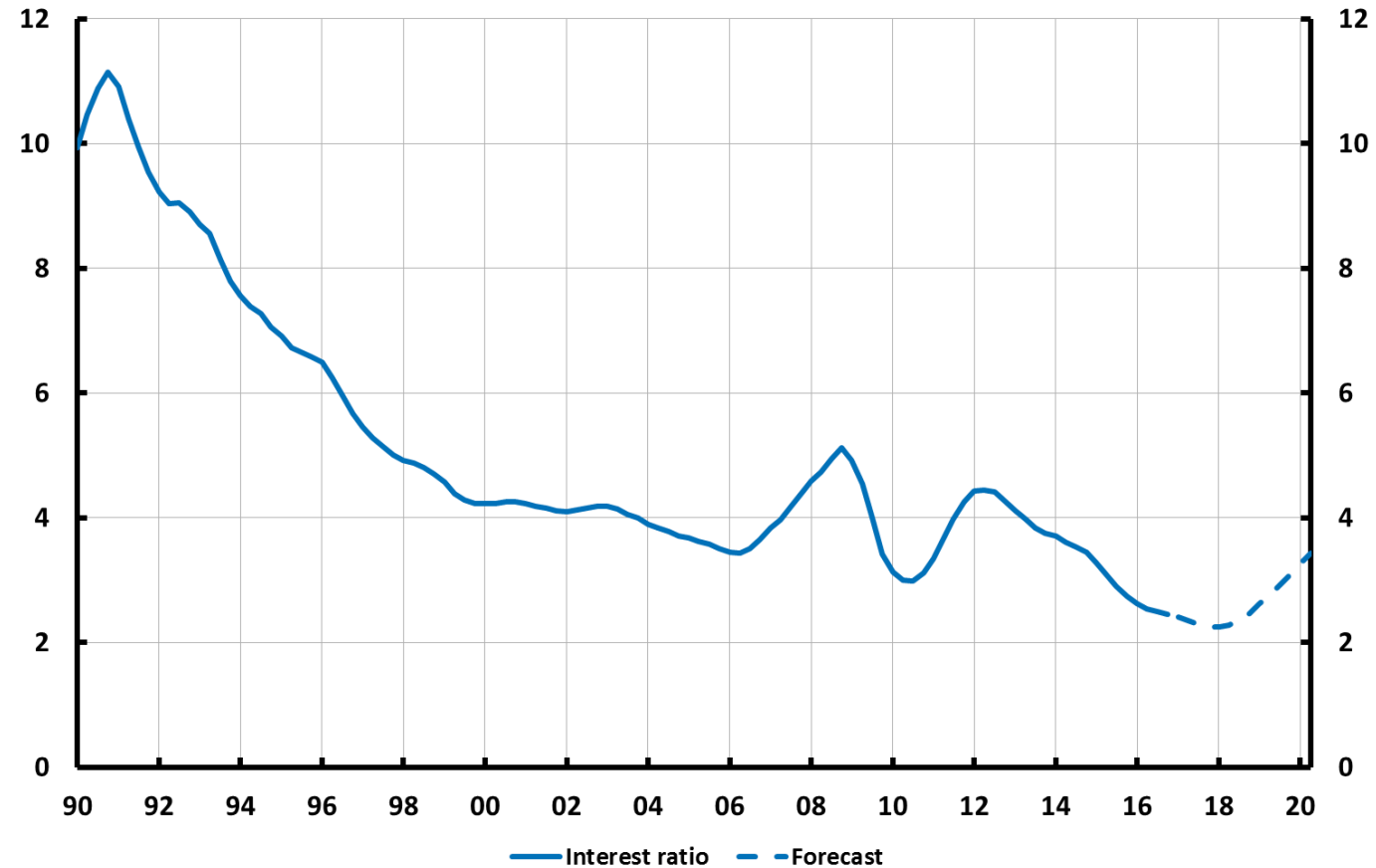
Percentage of disposable income



Sources: Statistics Sweden and the Riksbank

## 2:10 The Swedish households' interest ratio

Per cent, interest expenditure as a percentage of disposable income

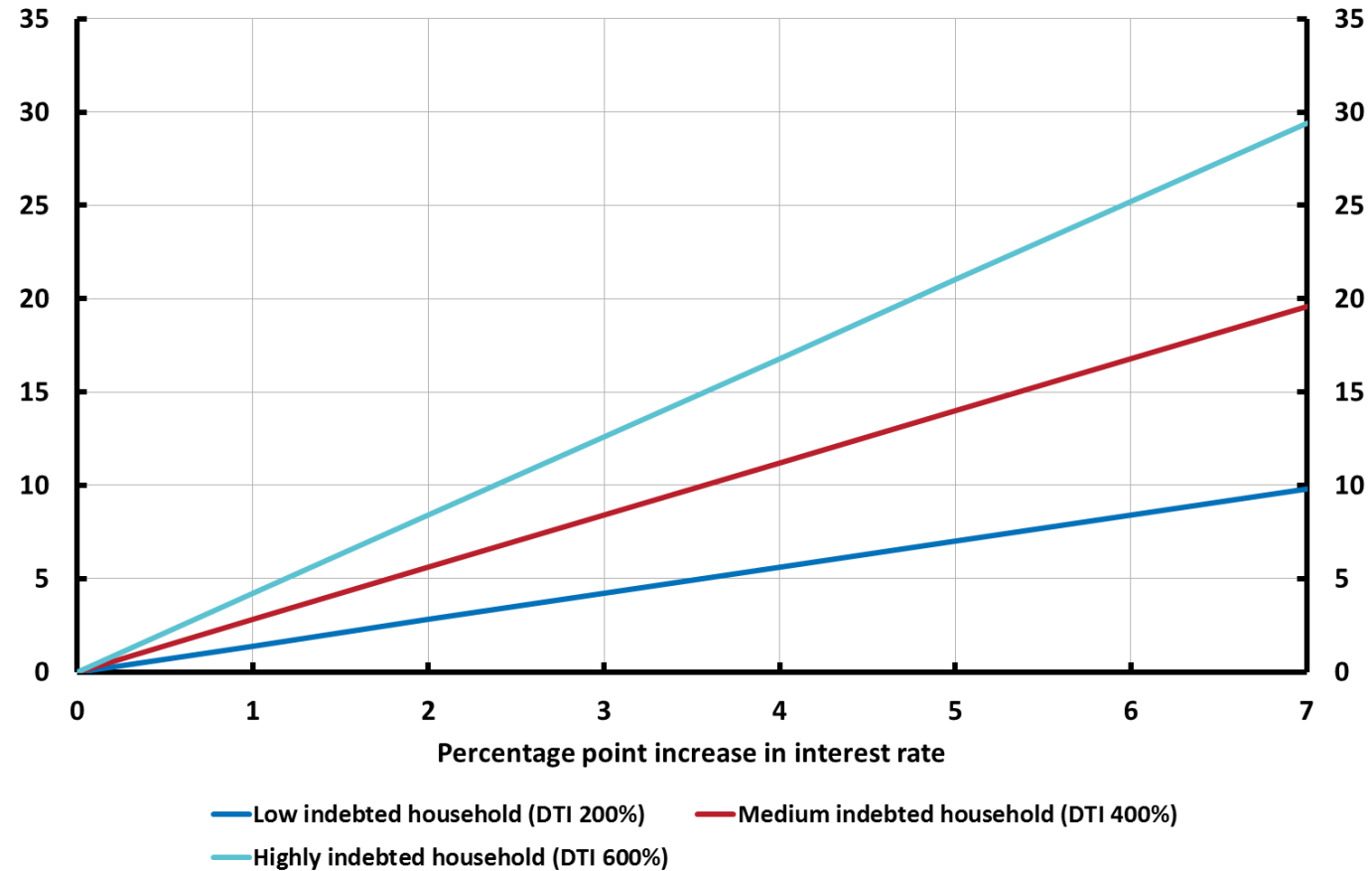


Note. Interest expenditures are adjusted for tax relief. The dashed line represents the Riksbank's forecast.

Sources: Statistics Sweden and the Riksbank

# 2:11 Households' extra interest expenditure if interest rates increase

Per cent of disposable income

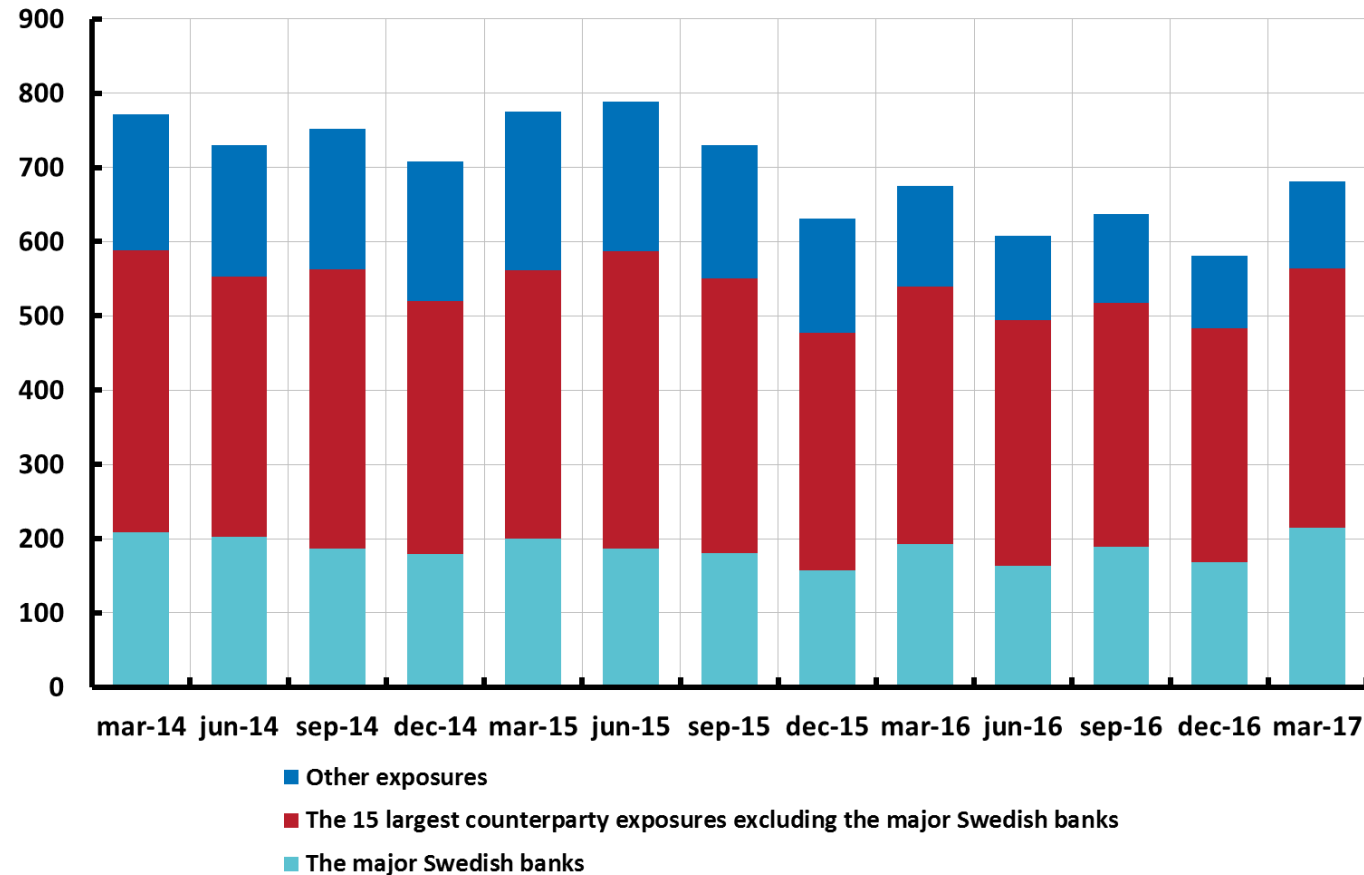


Note. The change in interest expenditure as a proportion of disposable income if the interest rate increases for low, medium and highly-indebted households. Interest expenditures are adjusted for tax relief.

Source: The Riksbank

# 2:12 The major Swedish banks' counterparty exposures through securities holdings

Billion SEK

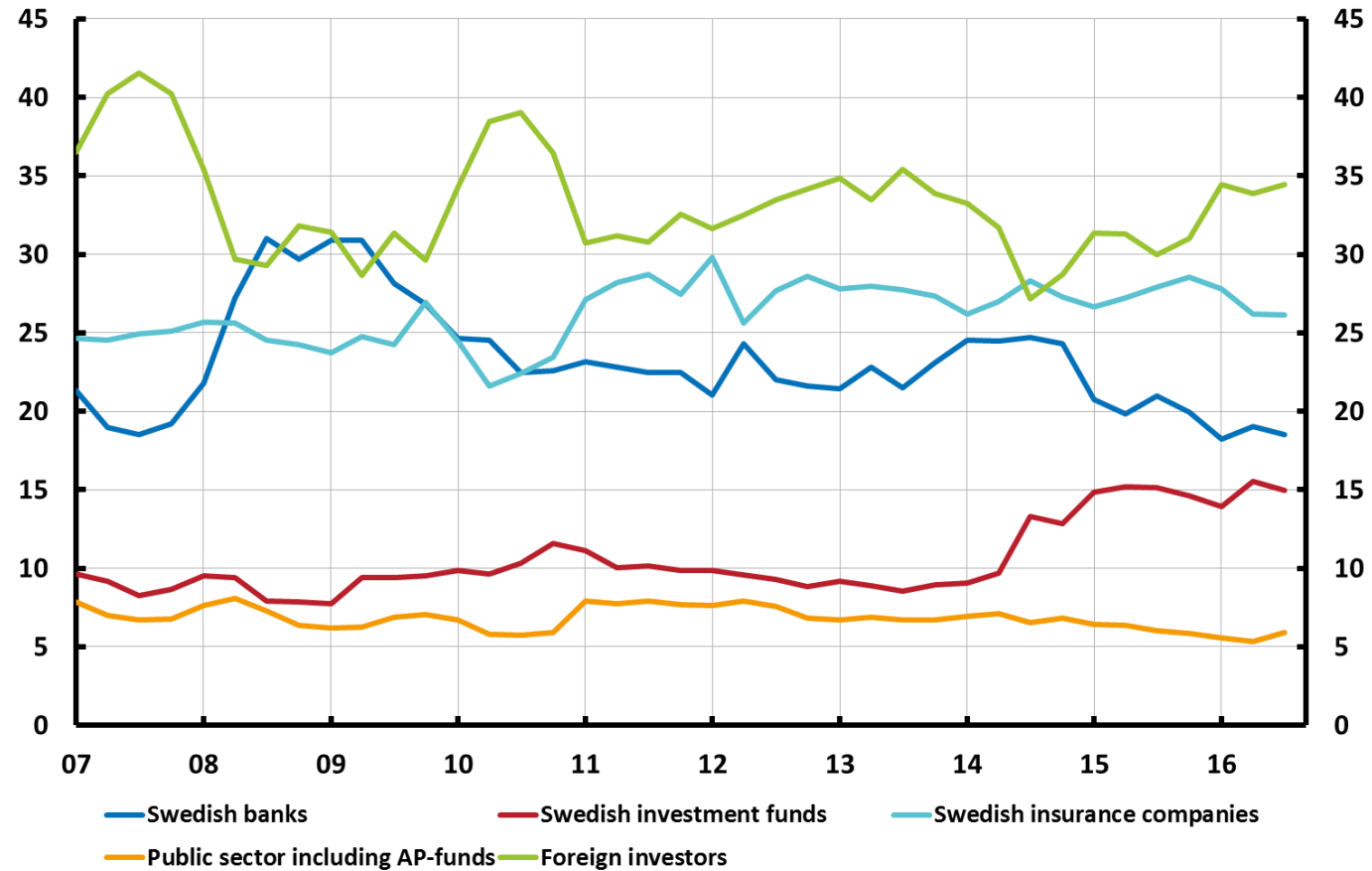


Note. The chart shows the breakdown of the major banks' total securities holdings on the basis of who issued the securities.

Source: The Riksbank

# 2:13 Owners of Swedish covered bonds

Per cent of outstanding volume

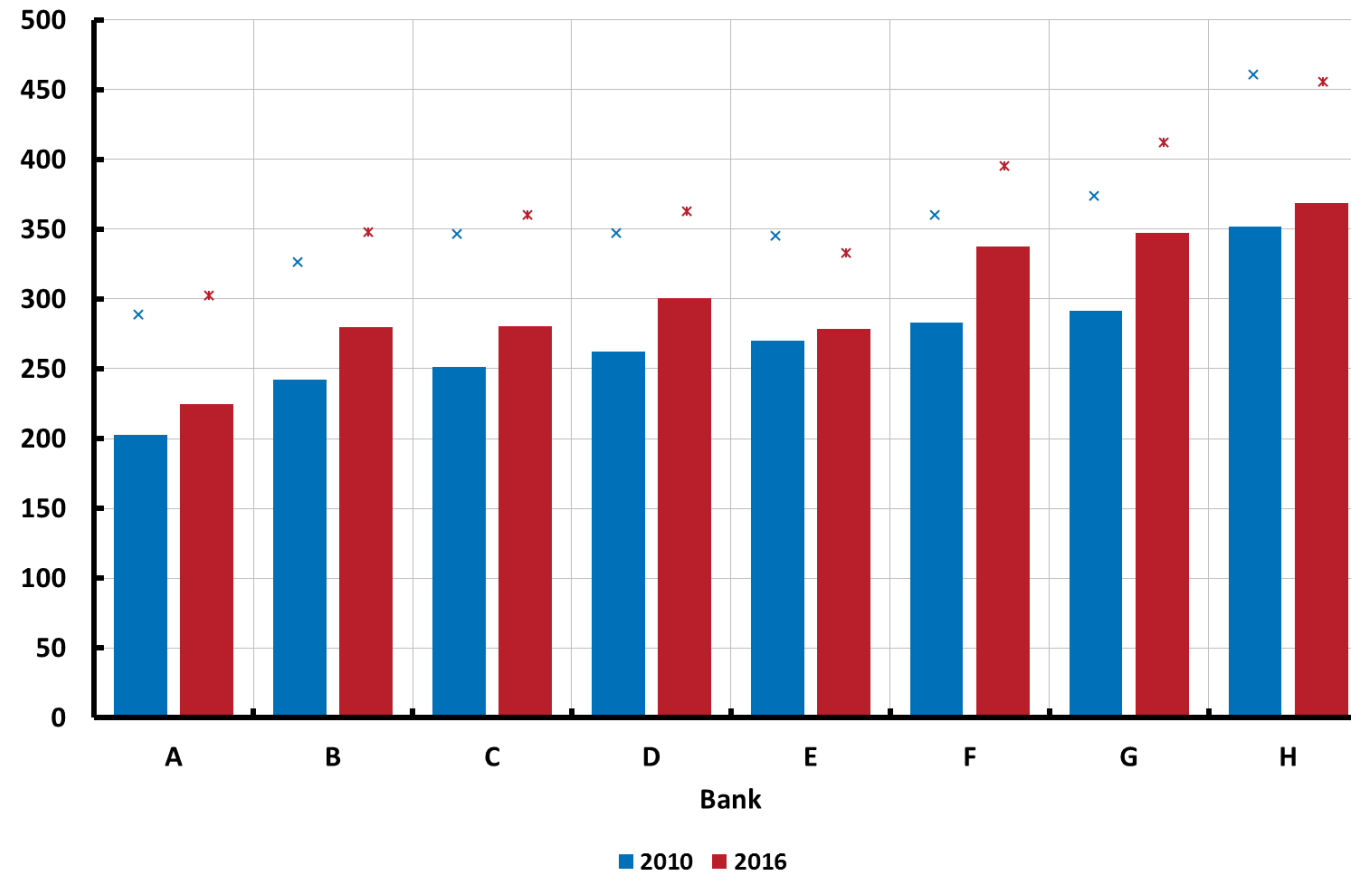


Source: The Riksbank



# 2:14 Debt-to-income ratio by bank

Per cent

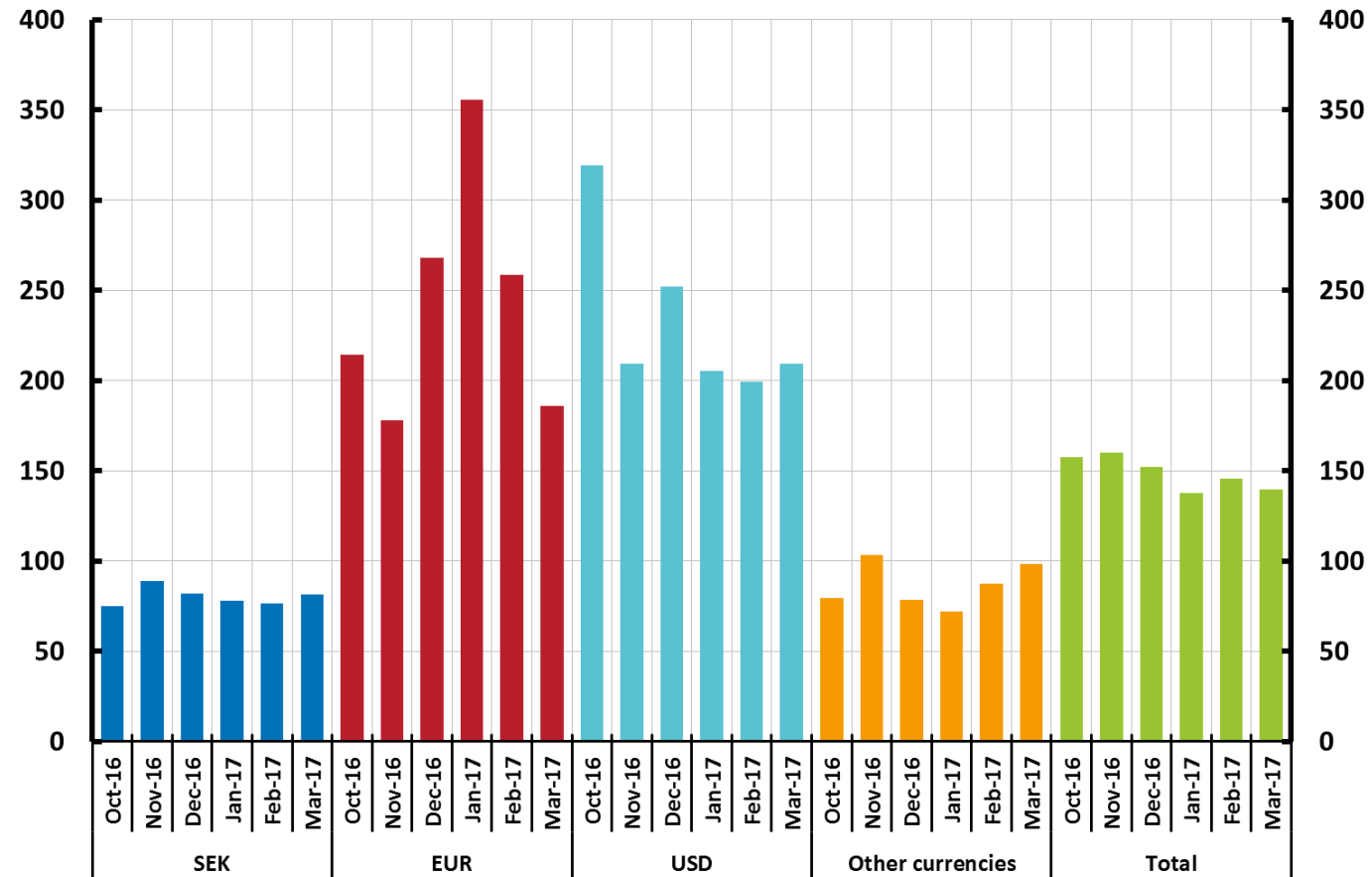


Note. Columns A-H represent the banks. The columns represent the median DTI level, while the crosses denote the average DTI level for each bank. Data is from July of 2010 and 2016.

Source: The Riksbank

# 2:15 The major banks' LCRs in different currencies

Per cent

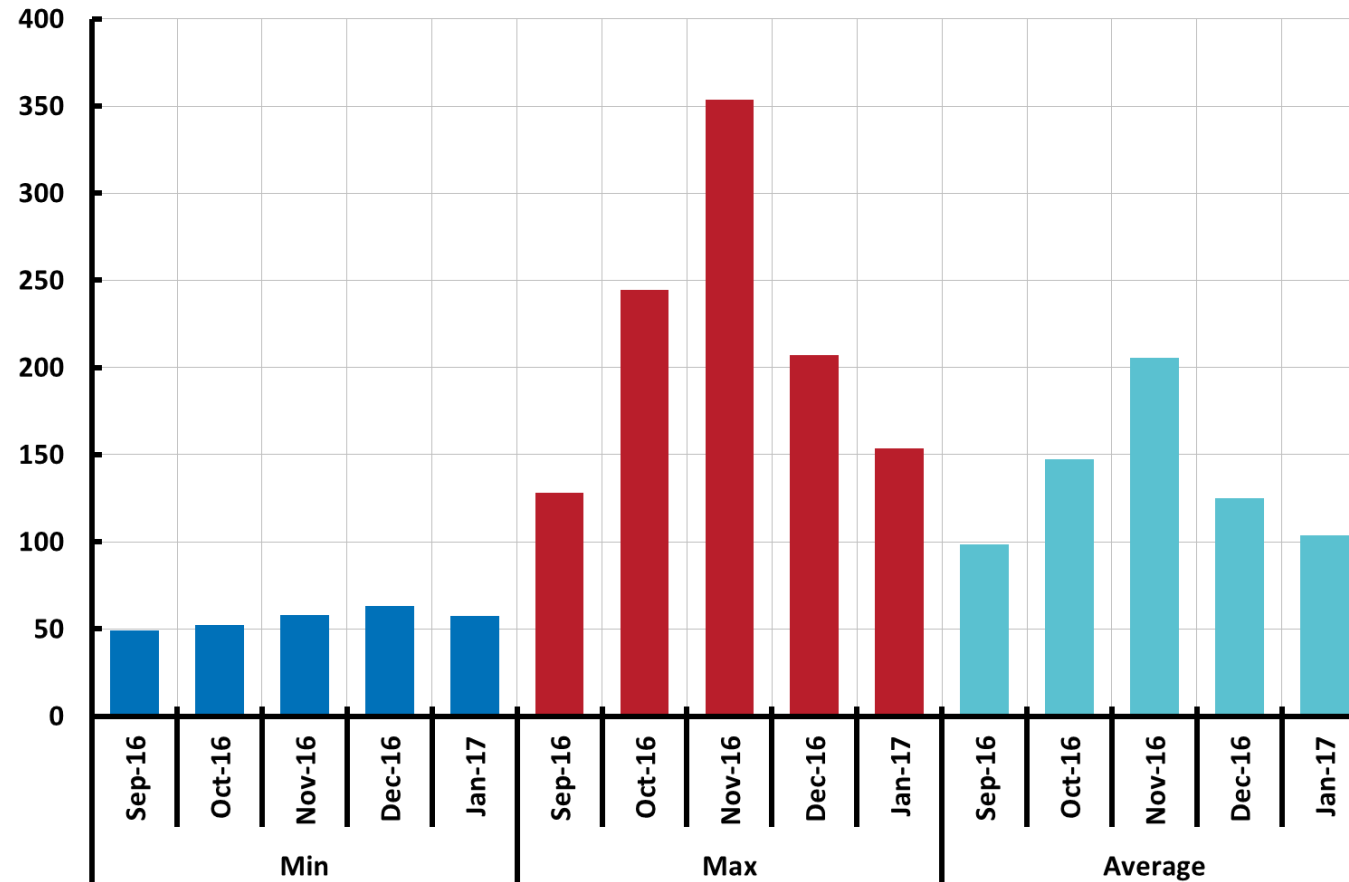


Note. Refers to a weighted average

Source: FI

# 2:16 The banks' LCRs in significant currencies excl. EUR, USD and SEK vary

Per cent

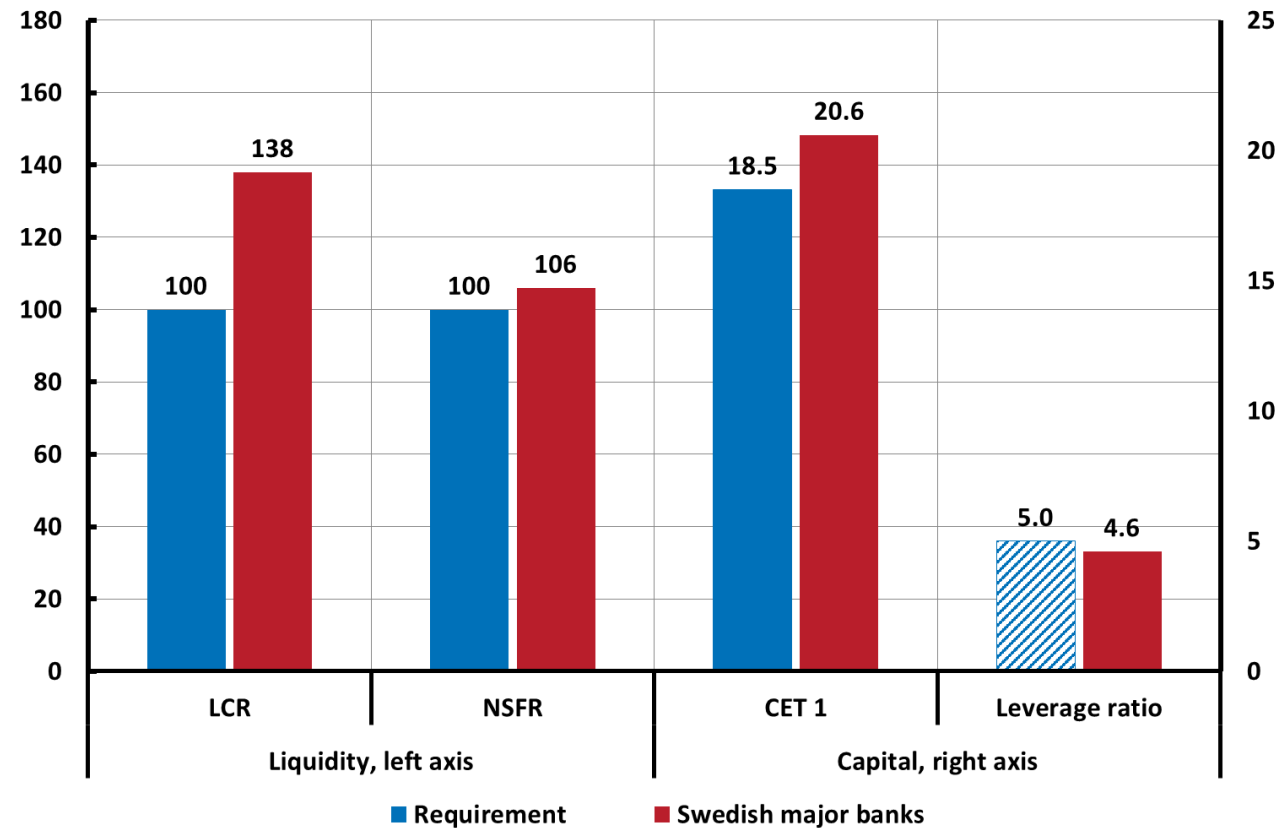


Note. Refers to individual banks' minimum, maximum and average LCR levels in specific currencies excluding EUR, USD and SEK during the period September 2016 to January 2017.

Sources: FI and the Riksbank

# 2:17 The four Basel ratios

Per cent, March 2017

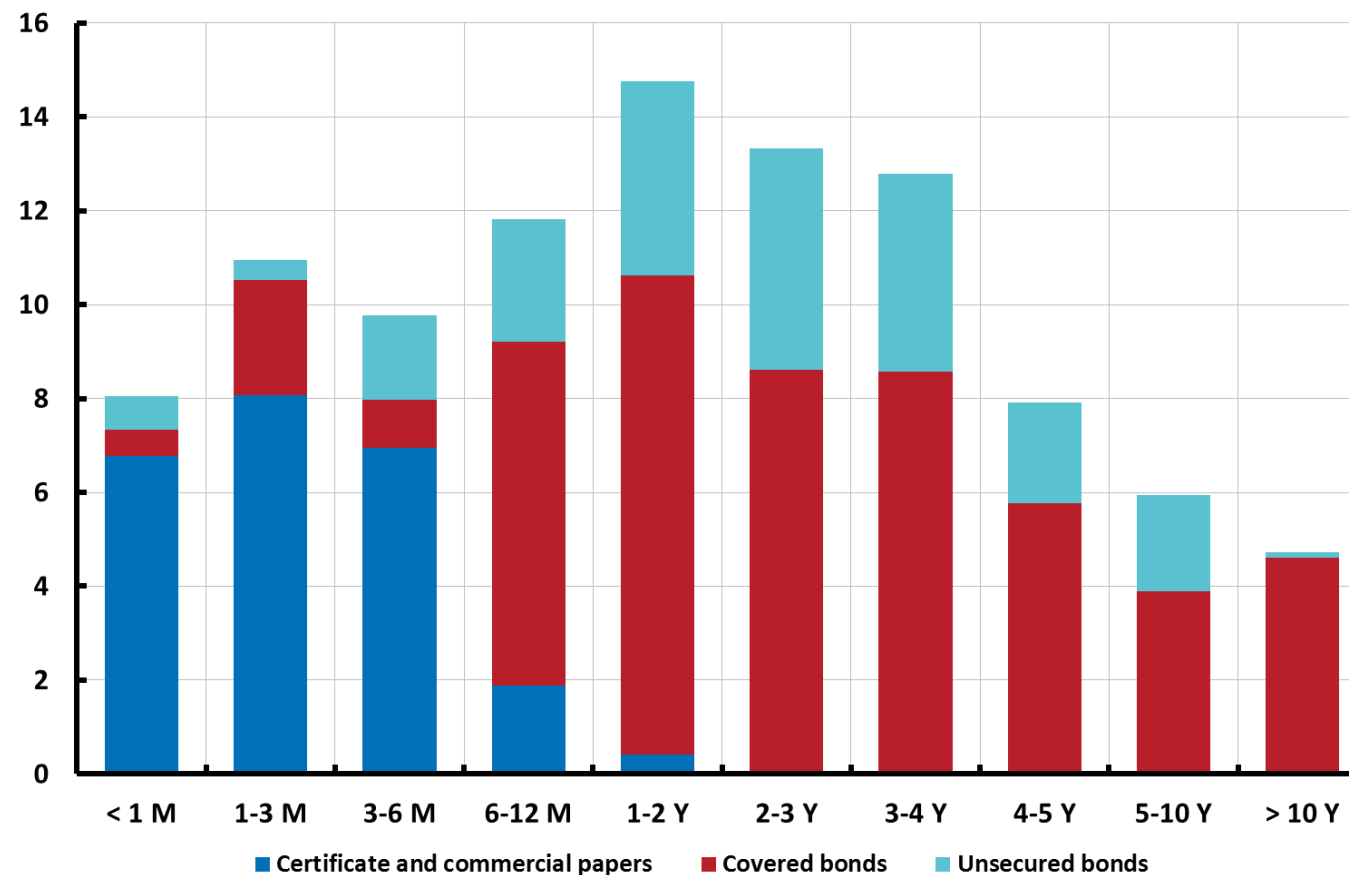


Note. The minimum level of the leverage ratio has not yet been determined, so the chart shows the level that the Riksbank recommends should apply from 2018. CET 1 is an abbreviation of Common Equity Tier 1, the minimum level and actual capital ratios are calculated as weighted averages. CET 1 and requirement refer to the fourth quarter of 2016.

Sources: Bank reports, BIS and the Riksbank

# 2:18 The major banks' outstanding securities distributed by remaining maturity and type

Per cent of the outstanding volume, March 2017



Source: The Riksbank

# Financial Stability

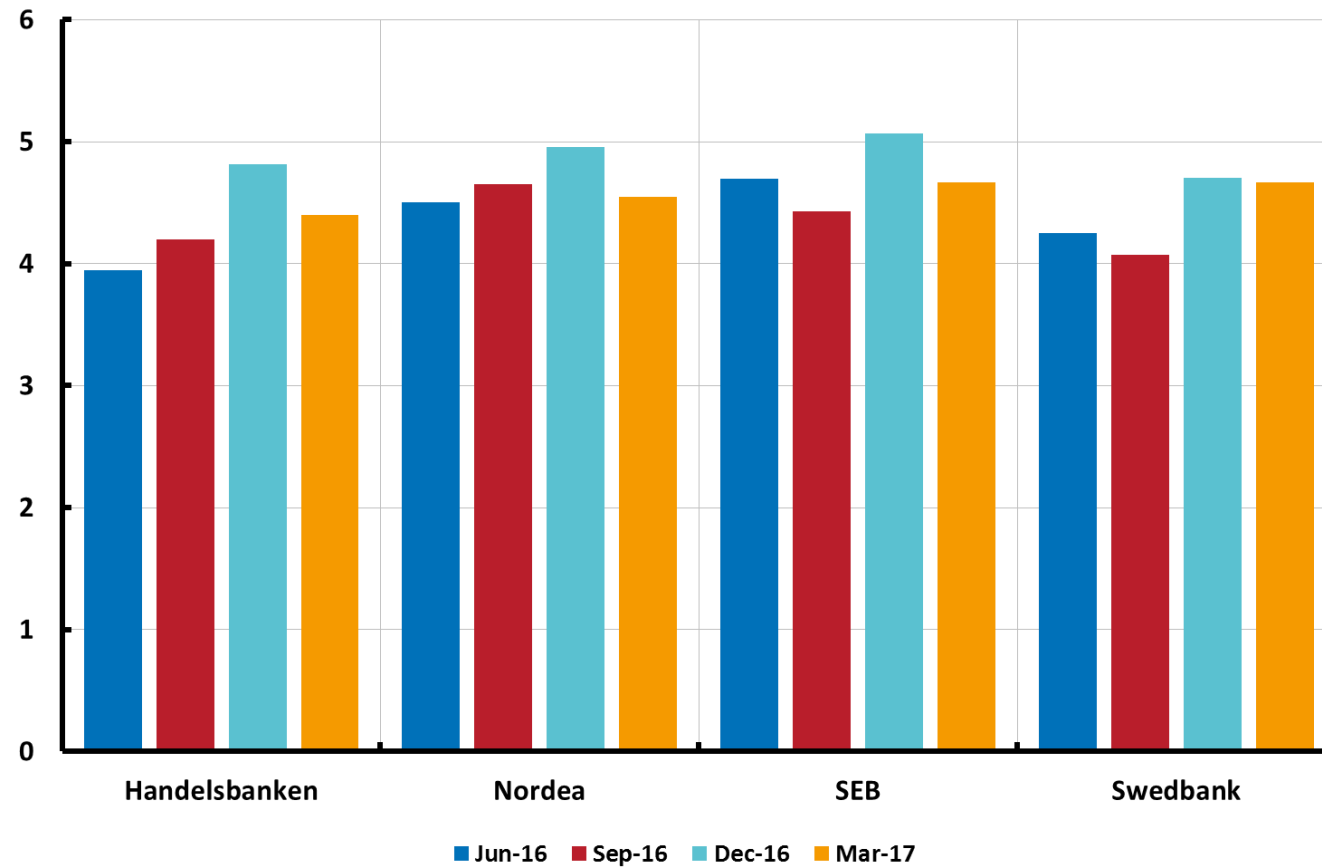
2017:1

## Chapter 3

Recommendations

# 3:1 Reported leverage ratios

Per cent



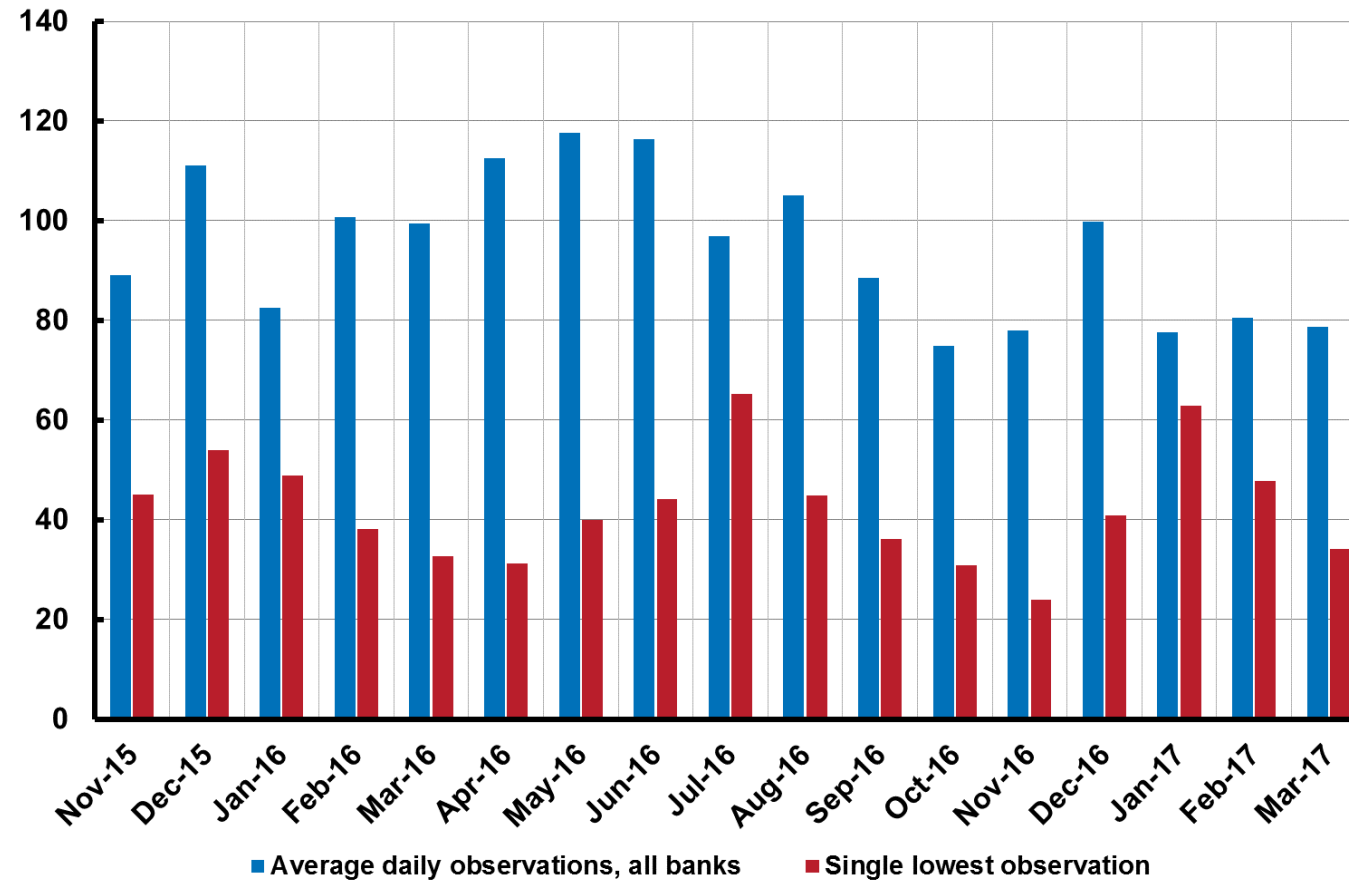
Note. According to the EU's capital requirements regulation (CRR).

Source: Bank reports



# 3:2 The major Swedish banks' daily LCR in Swedish kronor

Per cent

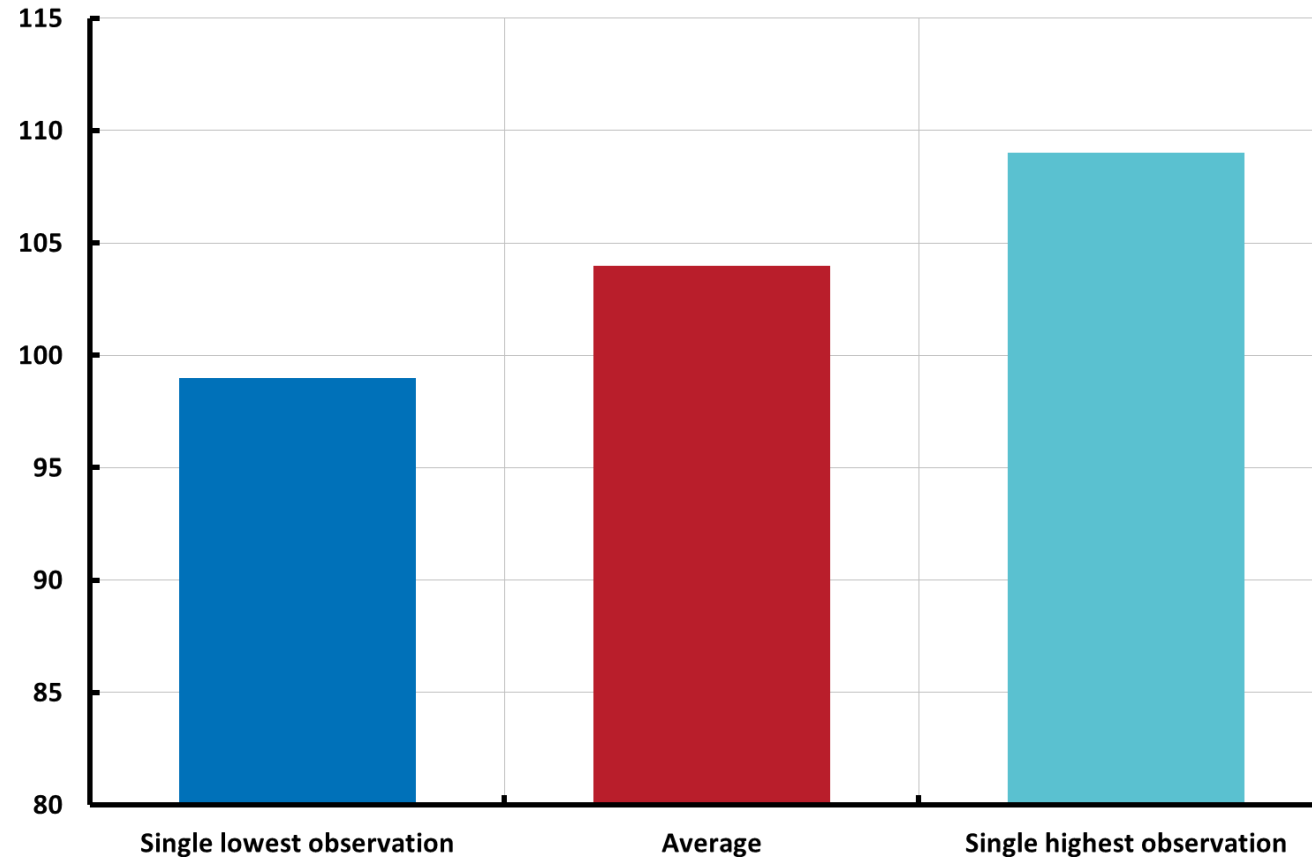


Note. Average daily LCR in Swedish kronor per month, and the single highest and lowest observations each month.

Source: The Riksbank

# 3:3 The major Swedish banks' lowest, average and highest monthly NSFR

March 2016 to March 2017, per cent



Note. Every month the Riksbank collects the major banks' NSFRs in accordance with the Basel Committee's final definition. The chart shows the average and the single highest and lowest observations for the four major banks during the period.

Source: The Riksbank

# Financial Stability

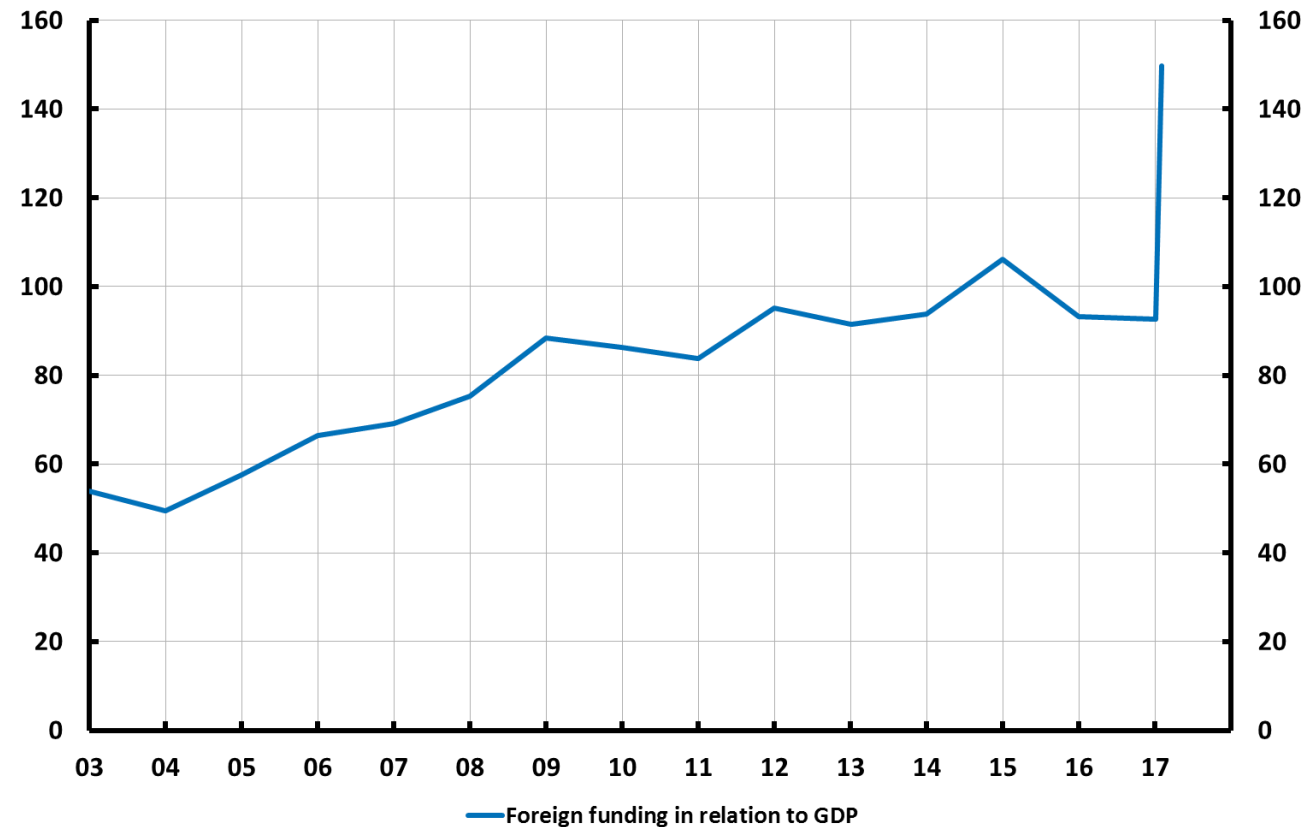
## 2017:1

### Article

A cross-border banking sector with major assets and liabilities in foreign currency poses risks to financial stability

# A:1 Swedish banking system's foreign funding in relation to Sweden's GDP

Per cent

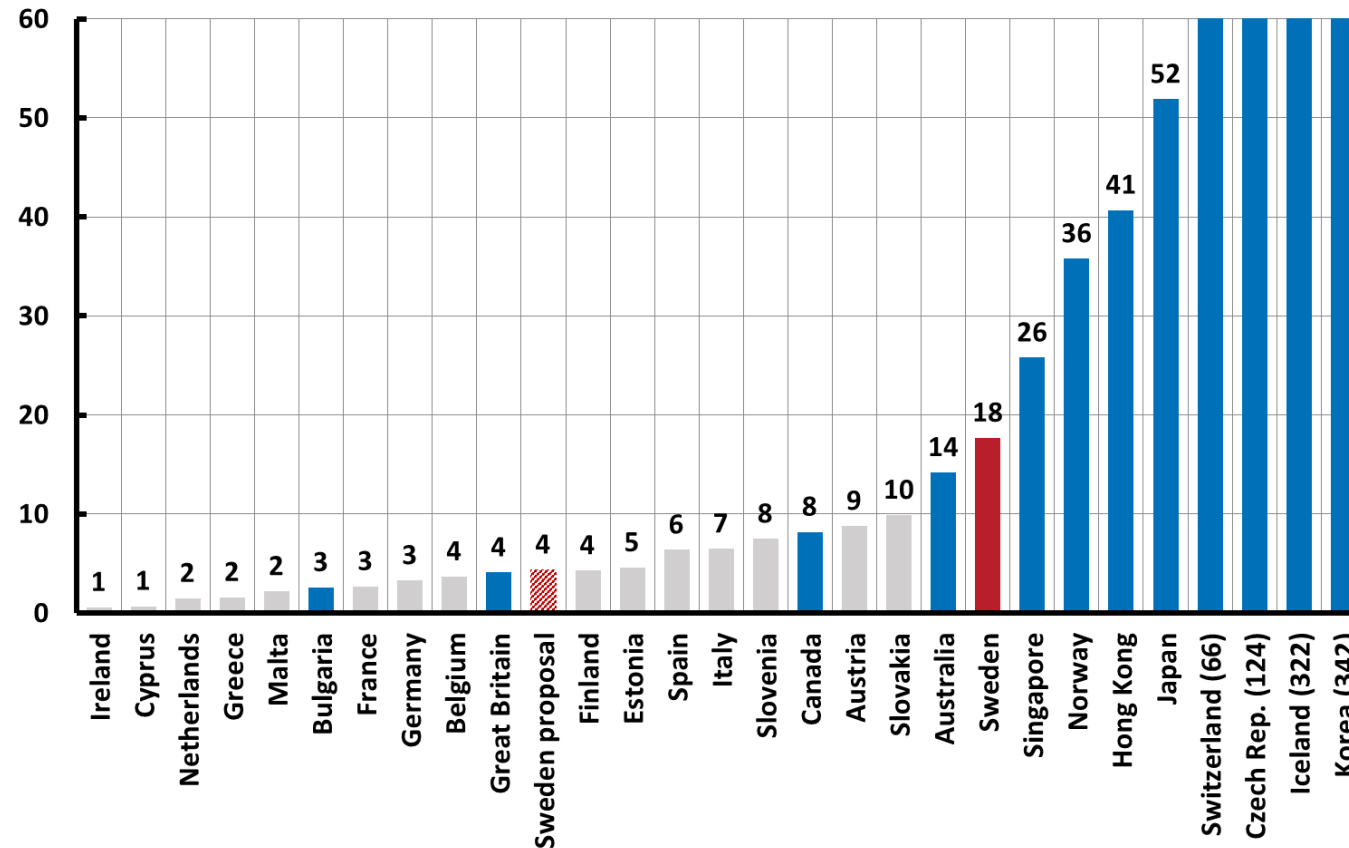


Note. Foreign funding refers to Swedish banks' (including Swedish subsidiaries but excluding foreign subsidiaries) market funding and deposits in foreign currency. Last data point refers to January 2017. The heavy increase at the start of 2017 is due to Nordea's previous foreign banking subsidiaries being incorporated into the Swedish parent company.

Source: Statistics Sweden

# A:2 Foreign currency reserve in relation to short-term liabilities in a selection of countries

Per cent



Note. Countries with grey columns are in the EMU. Sweden prior to and after Nordea's transformation into a branch structure and with Ministry of Finance proposals concerning to the foreign currency reserve.

Sources: Haver analytics, IMF and the Riksbank



# Financial Stability

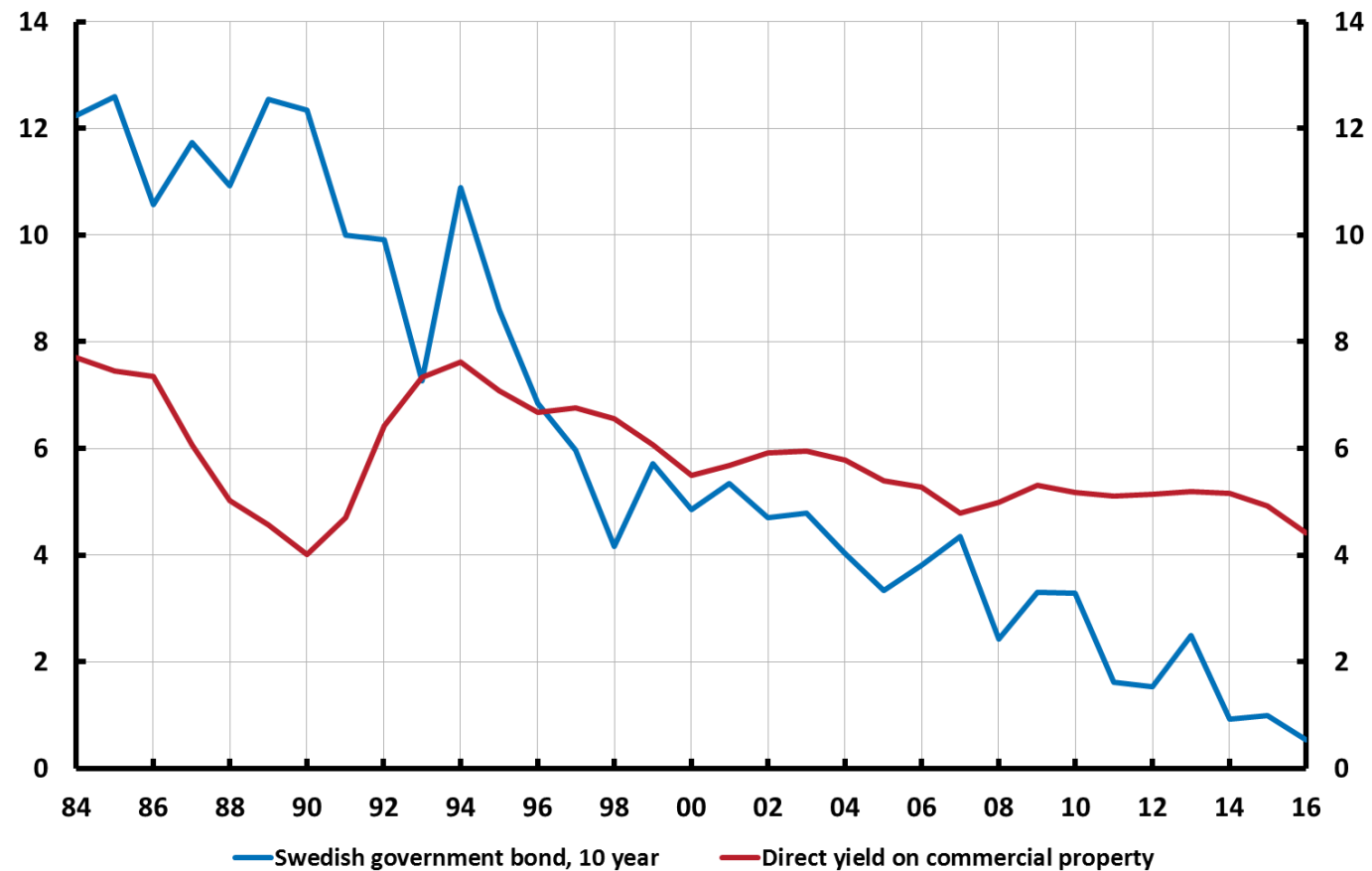
## 2017:1

### Article

Commercial properties and financial stability

# A:3 Risk-free interest rate and direct yield on commercial property

Per cent

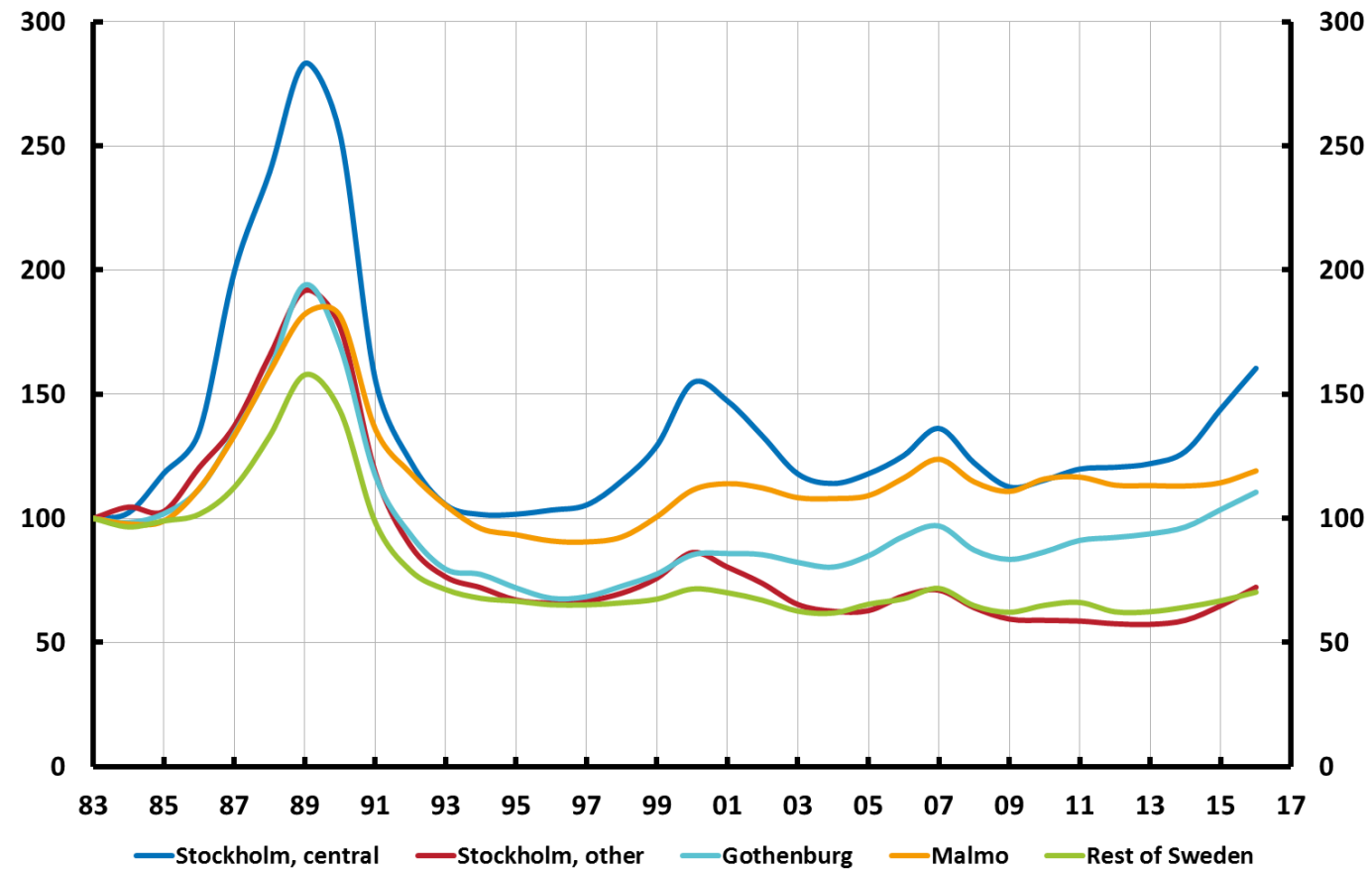


Source: MSCI



# A:4 Real prices of office premises

Index, base year 1983

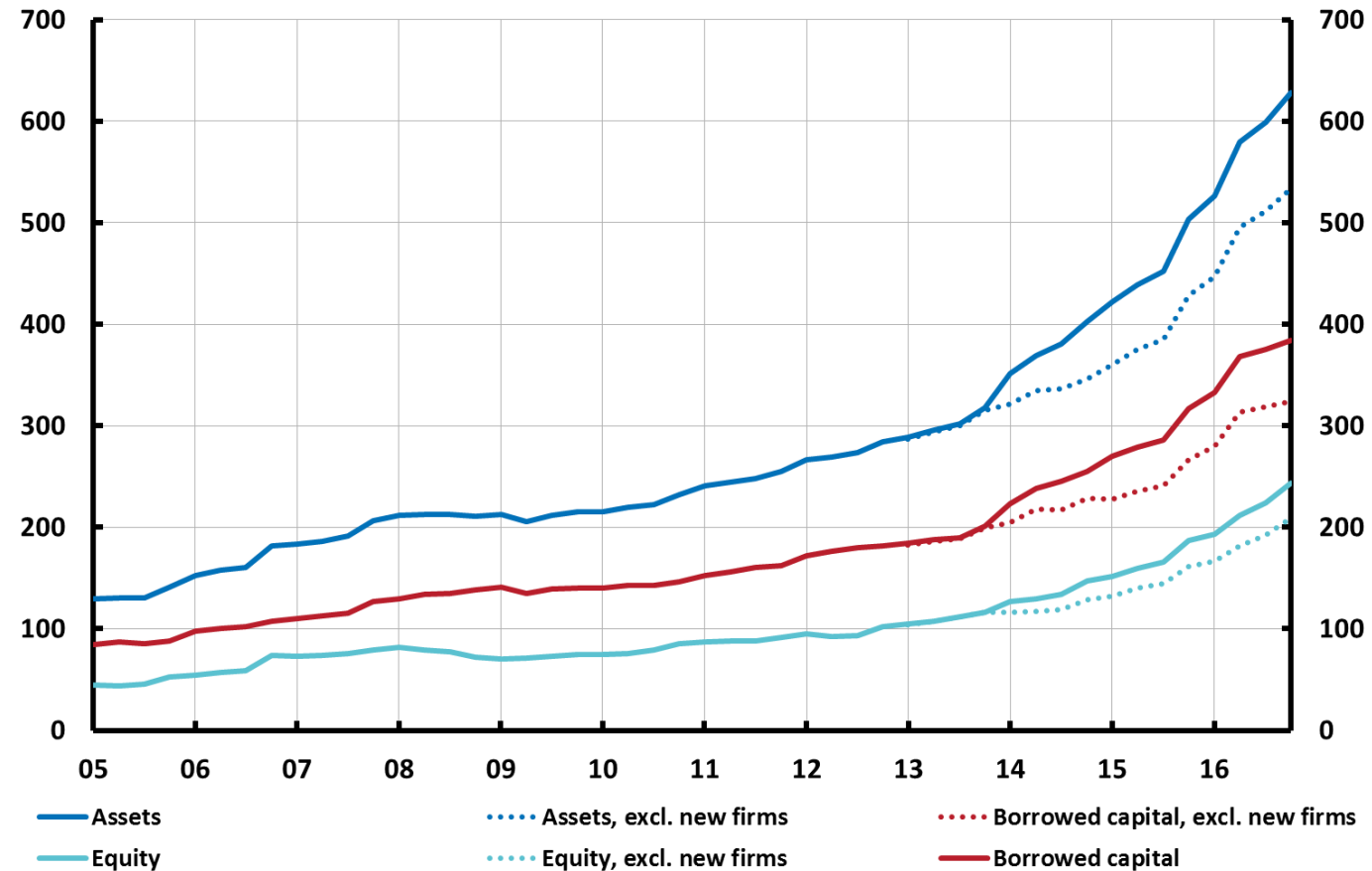


Note. The chart is based on a nominal price index which has been made real with the help of CPIF inflation.

Sources: Statistics Sweden and the Riksbank

# A:5 Real balance sheet items for listed property companies

SEK billion

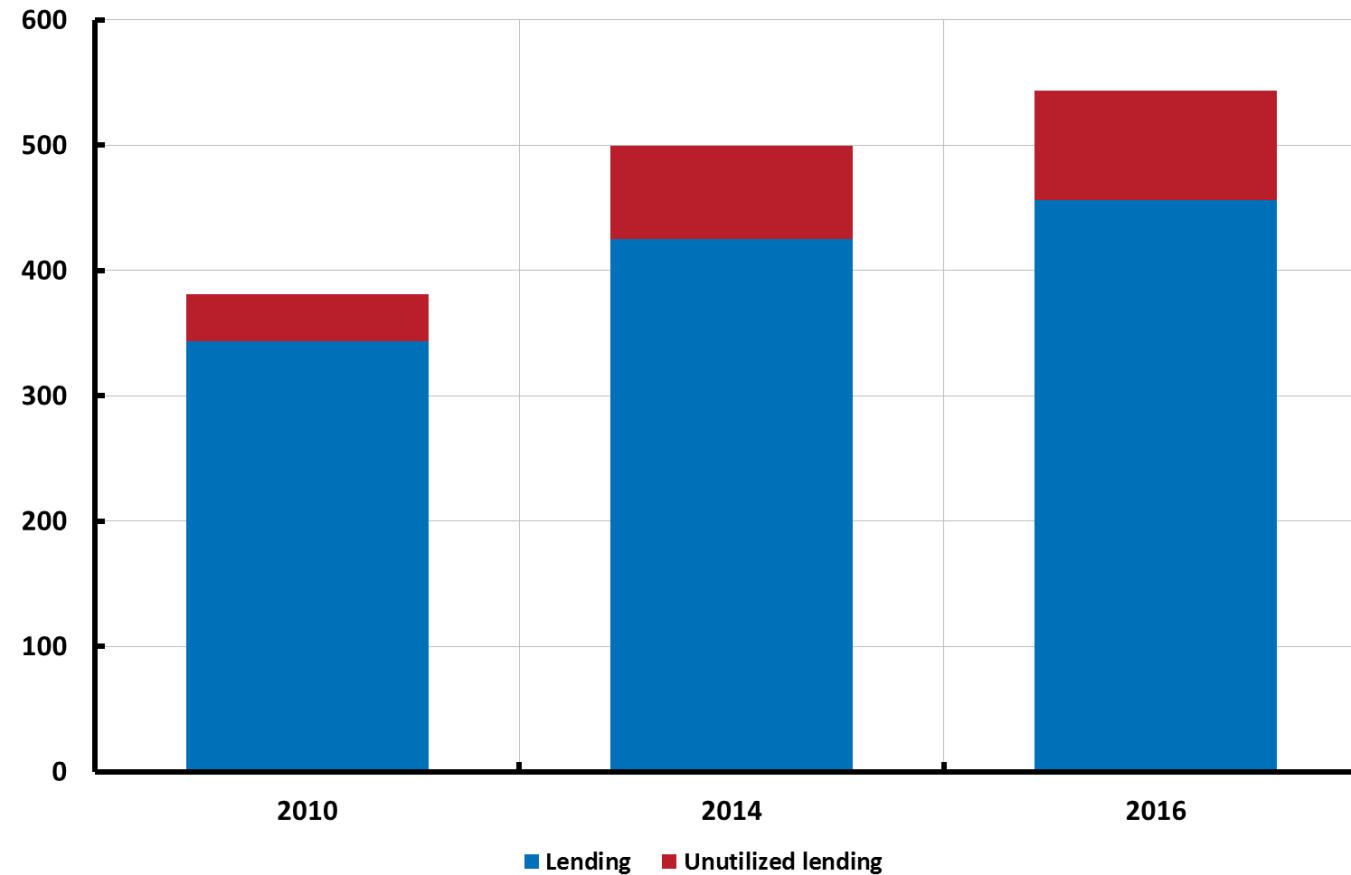


Note. The chart is based on a nominal data which has been made real with the help of CPIF inflation.

Sources: Bloomberg and the Riksbank

# Major Swedish banks' lending to commercial property companies in Sweden

SEK billion



Note. Refers to the banks' lending to commercial property companies excluding housing properties.

Source: The Riksbank's survey