

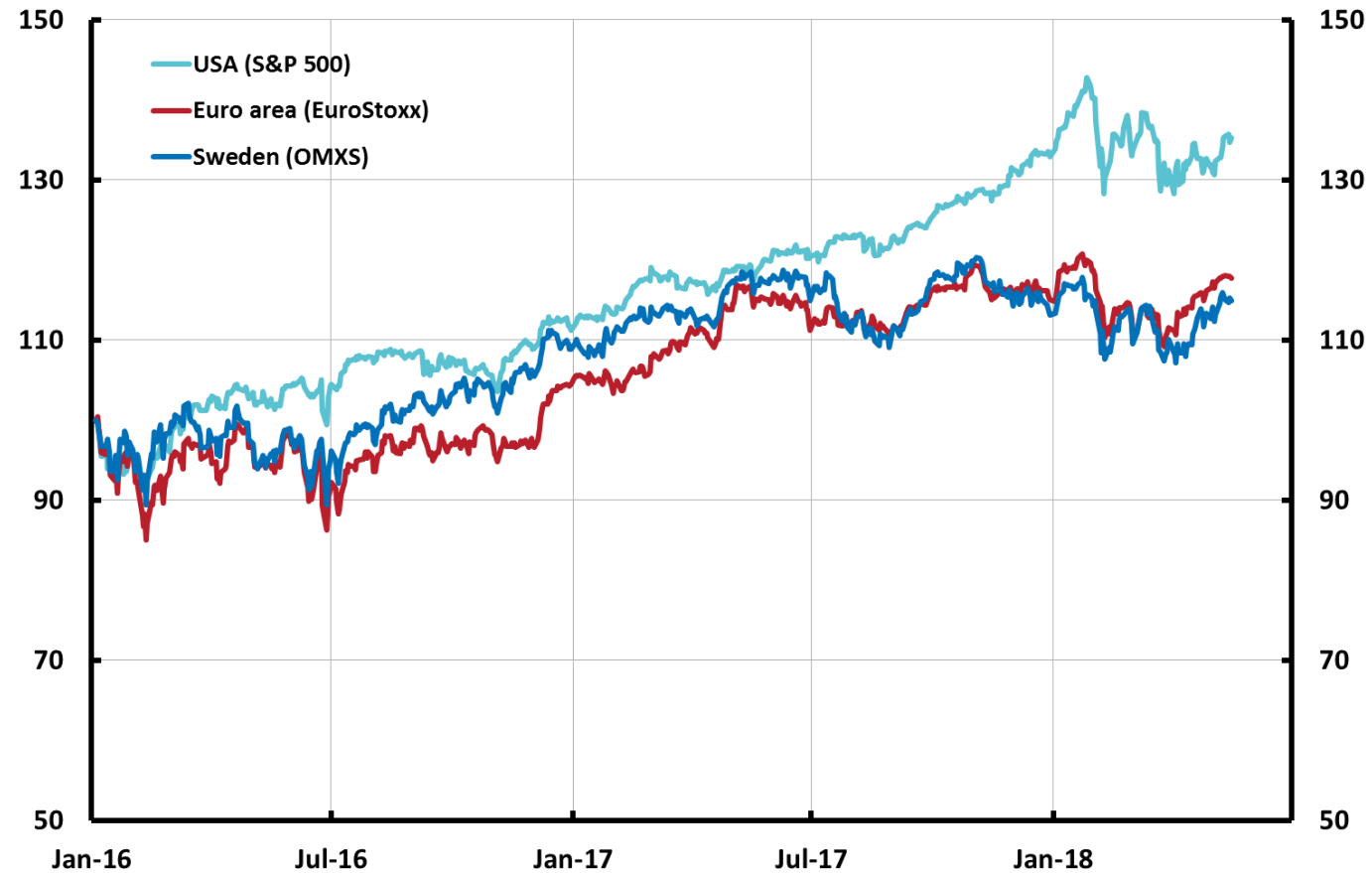
Financial Stability 2018:1

Chapter 1 Assessment of the current situation

S V E R I G E S R I K S B A N K

1:1 Stock market movements

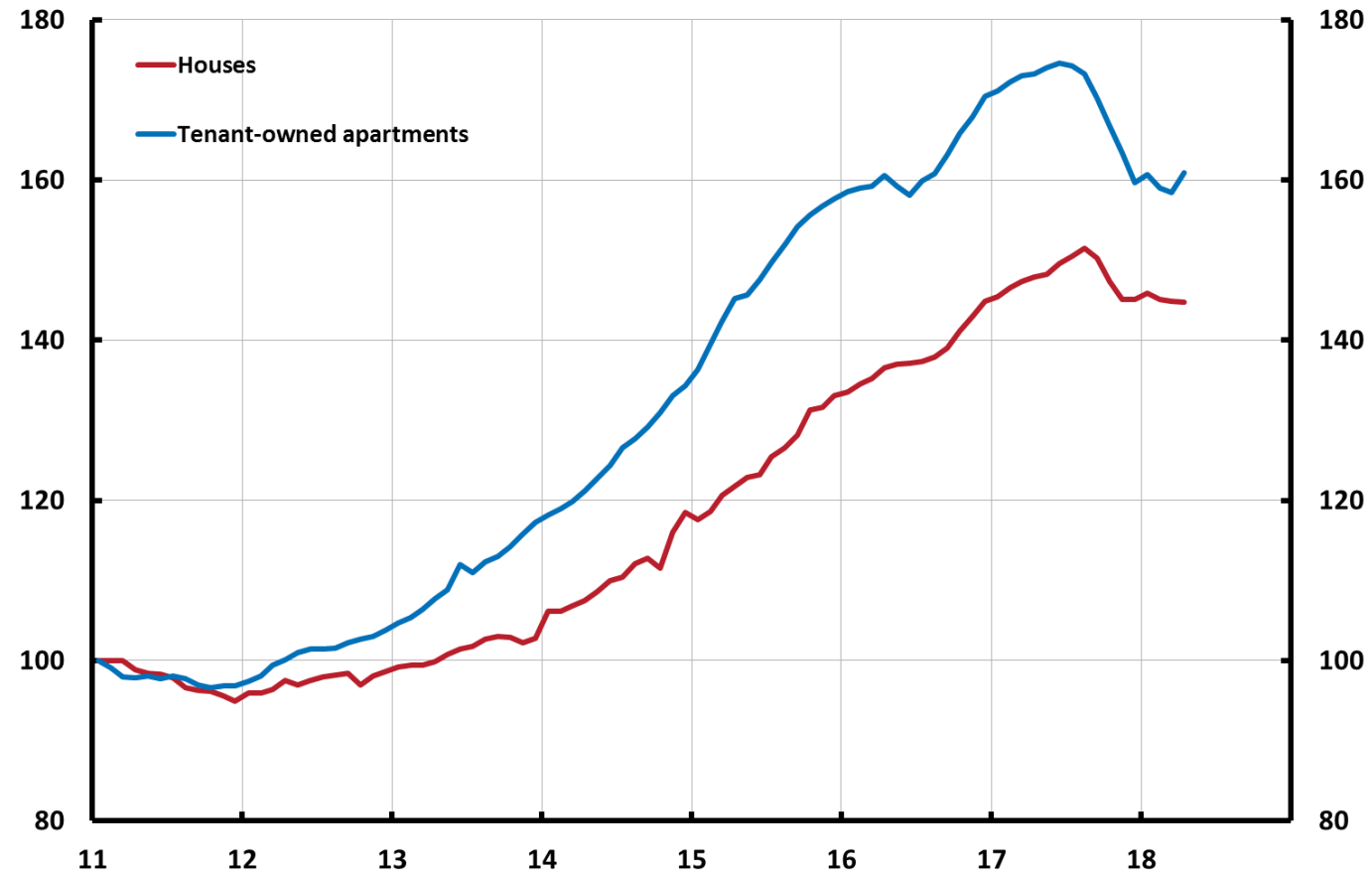
Index, 4 January 2016 = 100



Sources: Macrobond and Thomson Reuters

1:2 Housing prices in Sweden

Index, January 2011 = 100

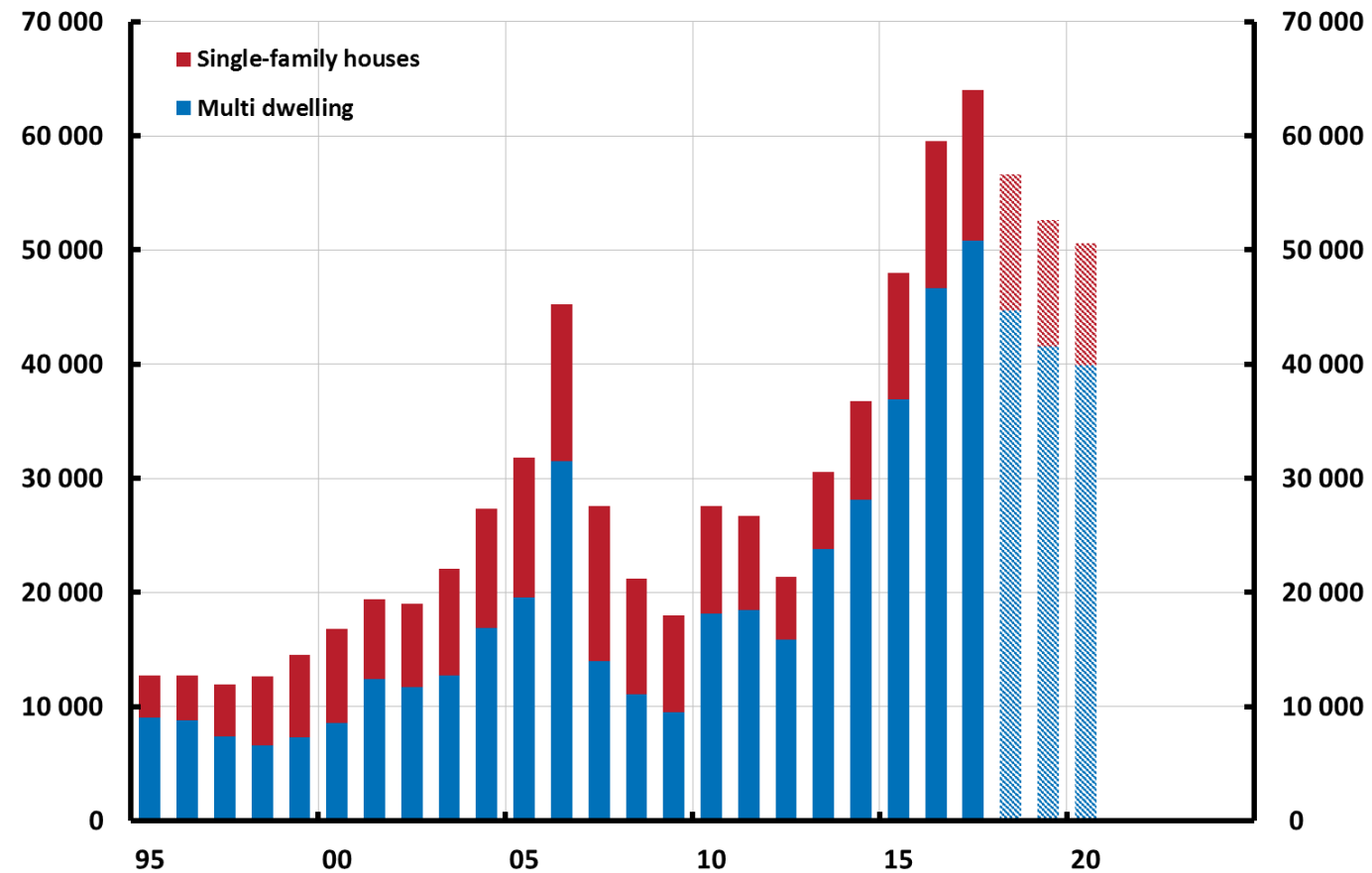


Note. Housing prices are seasonally-adjusted.

Sources: Valueguard and the Riksbank

1:3 Housing starts

Units

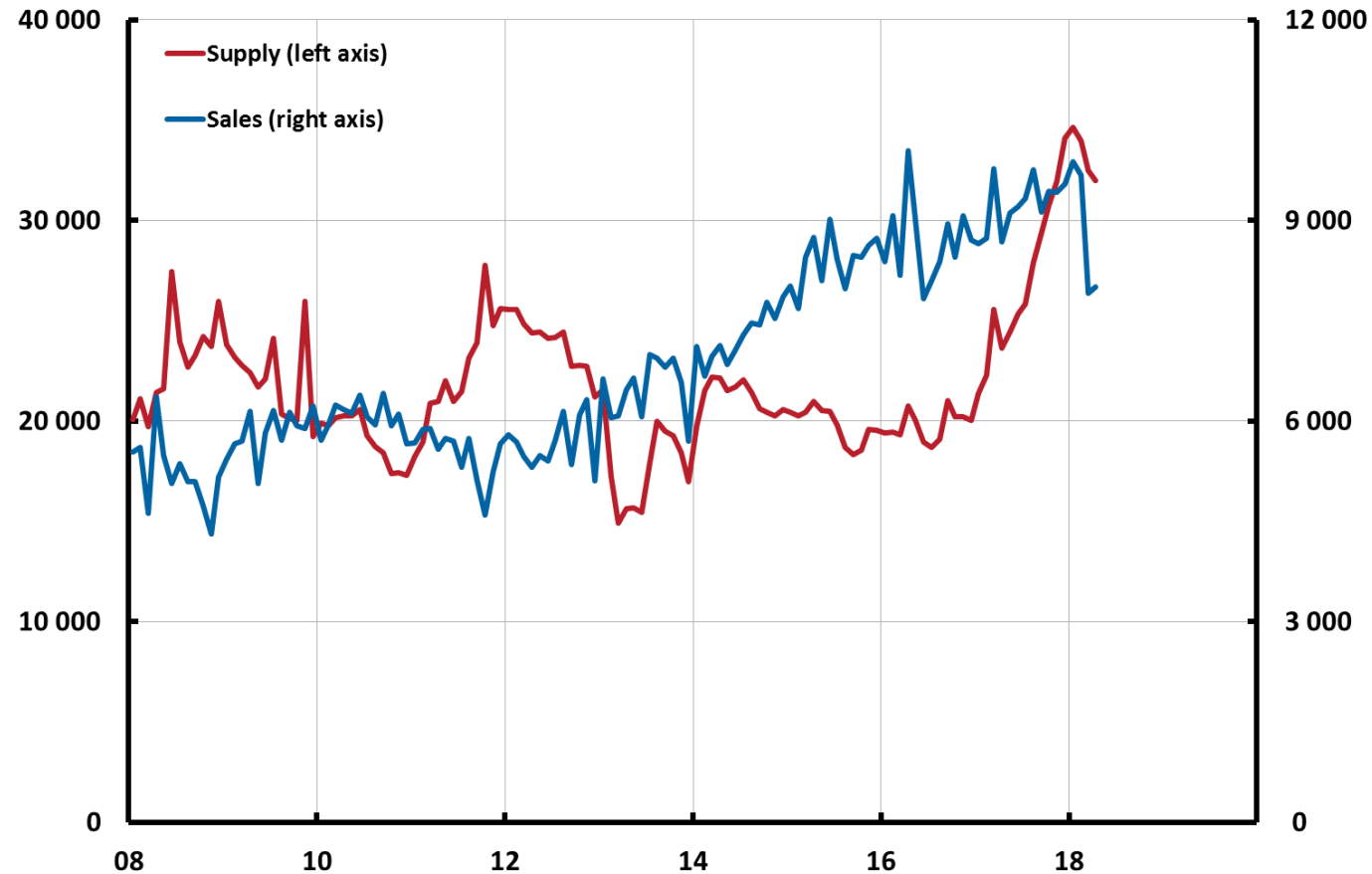


Note. The figures represent new builds excluding conversions and have been adjusted for the time delay in reporting for 2016. Striped bars represent the Riksbank's forecast.

Sources: Statistics Sweden and the Riksbank

1:4 Supply and sales of tenant-owned apartments

Units

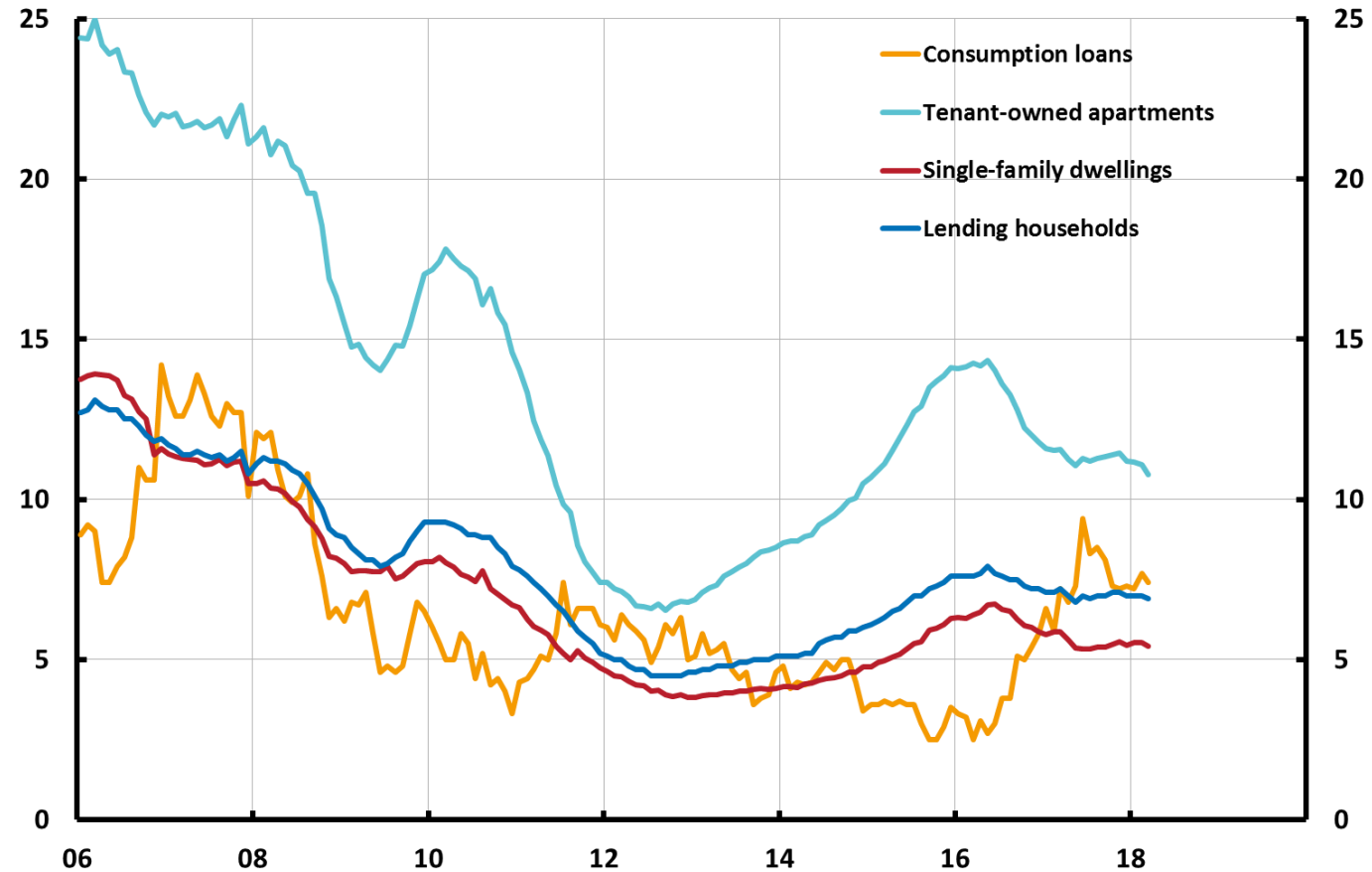


Note. Refers to seasonally-adjusted series. Supply of tenant-owned housing comprises the number of advertisements during the month on the residential property trading website, Hemnet. Sales comprise the number of reported sales according to the independent housing price statistics supplier, Mäklarstatistik.

Sources: Hemnet, Mäklarstatistik and the Riksbank

1:5 Household loans, broken down by collateral

Annual percentage change

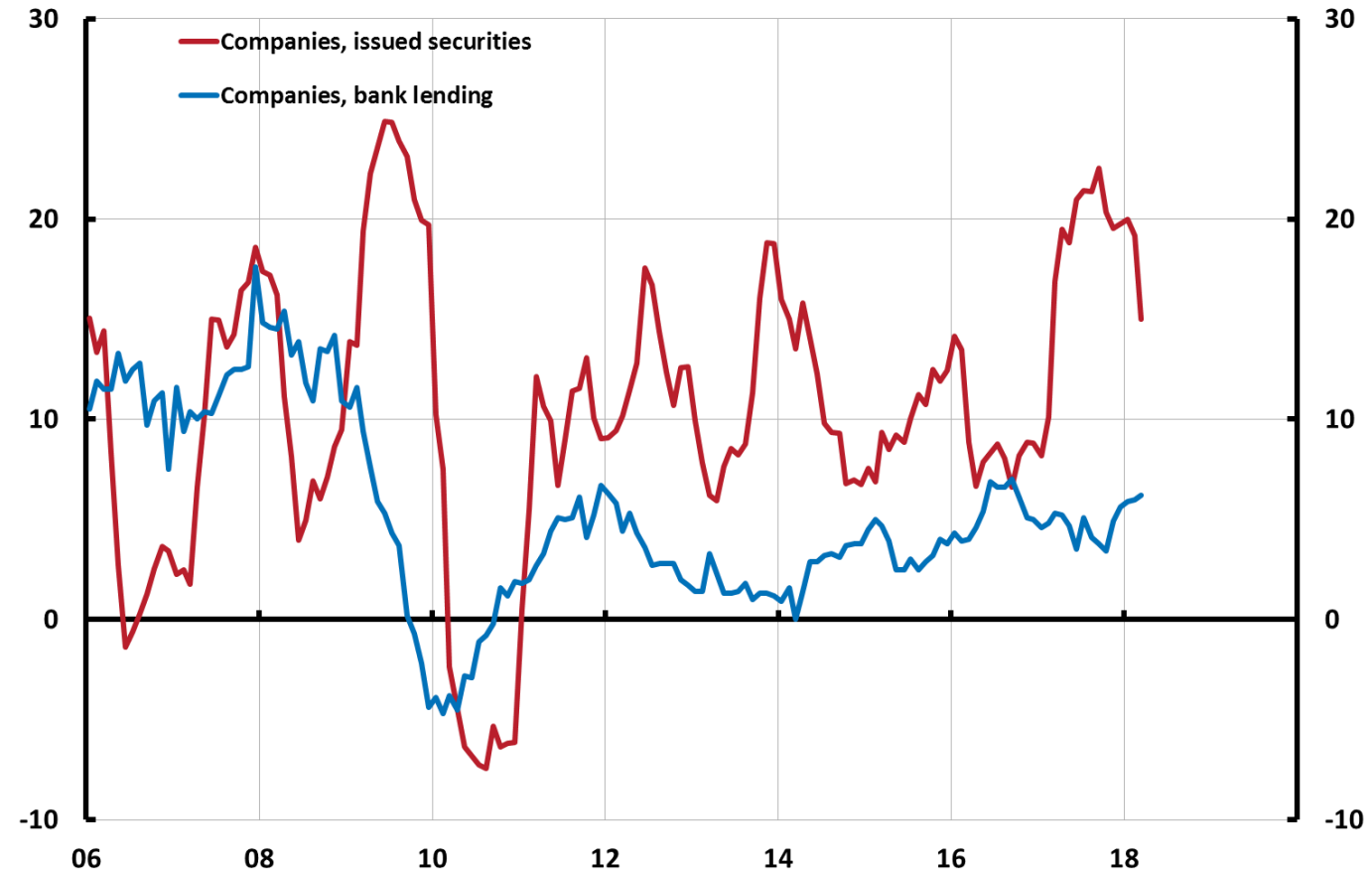


Note. MFIs' lending to households and consumption loans have been adjusted for reclassifications and traded loans.

Source: Statistics Sweden

1:6 Corporate borrowing

Annual percentage change

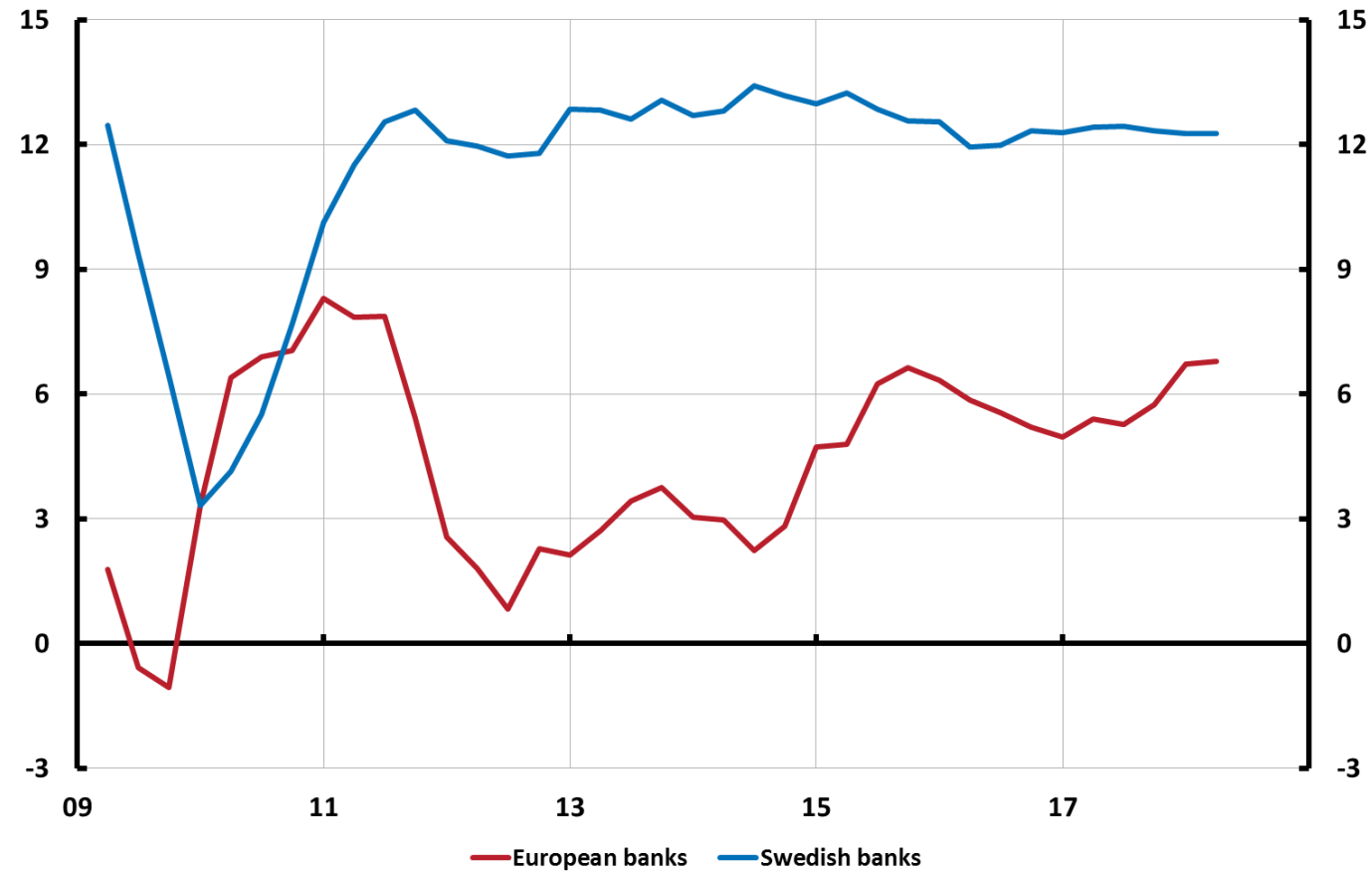


Note. The growth rate for issued securities has been adjusted for currency impact.

Sources: Statistics Sweden and the Riksbank

1:7 Return on equity

Rolling four quarters, per cent

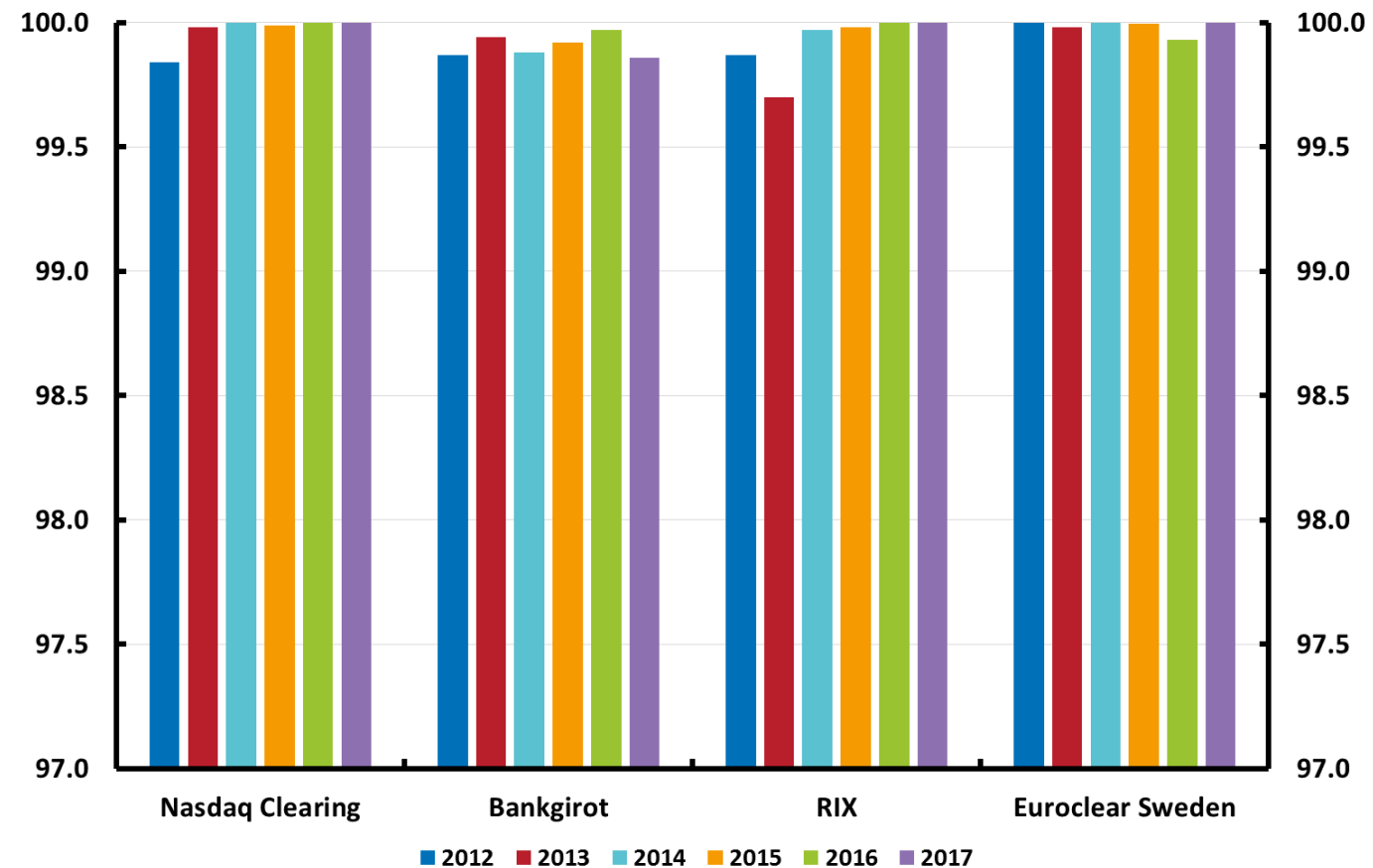


Note. Unweighted average. The red line represents a sample of European banks.

Sources: SNL Financial and the Riksbank

1:8 Availability of the Swedish infrastructure systems

Per cent



Note. 100 per cent means that the system has been available 100 per cent of the time. The chart covers developments until 2017 and therefore the interruption in Nasdaq Clearing in April 2018 is not included.

Sources: Bankgirot, Euroclear Sweden, Nasdaq Clearing and the Riksbank

Financial Stability 2018:1

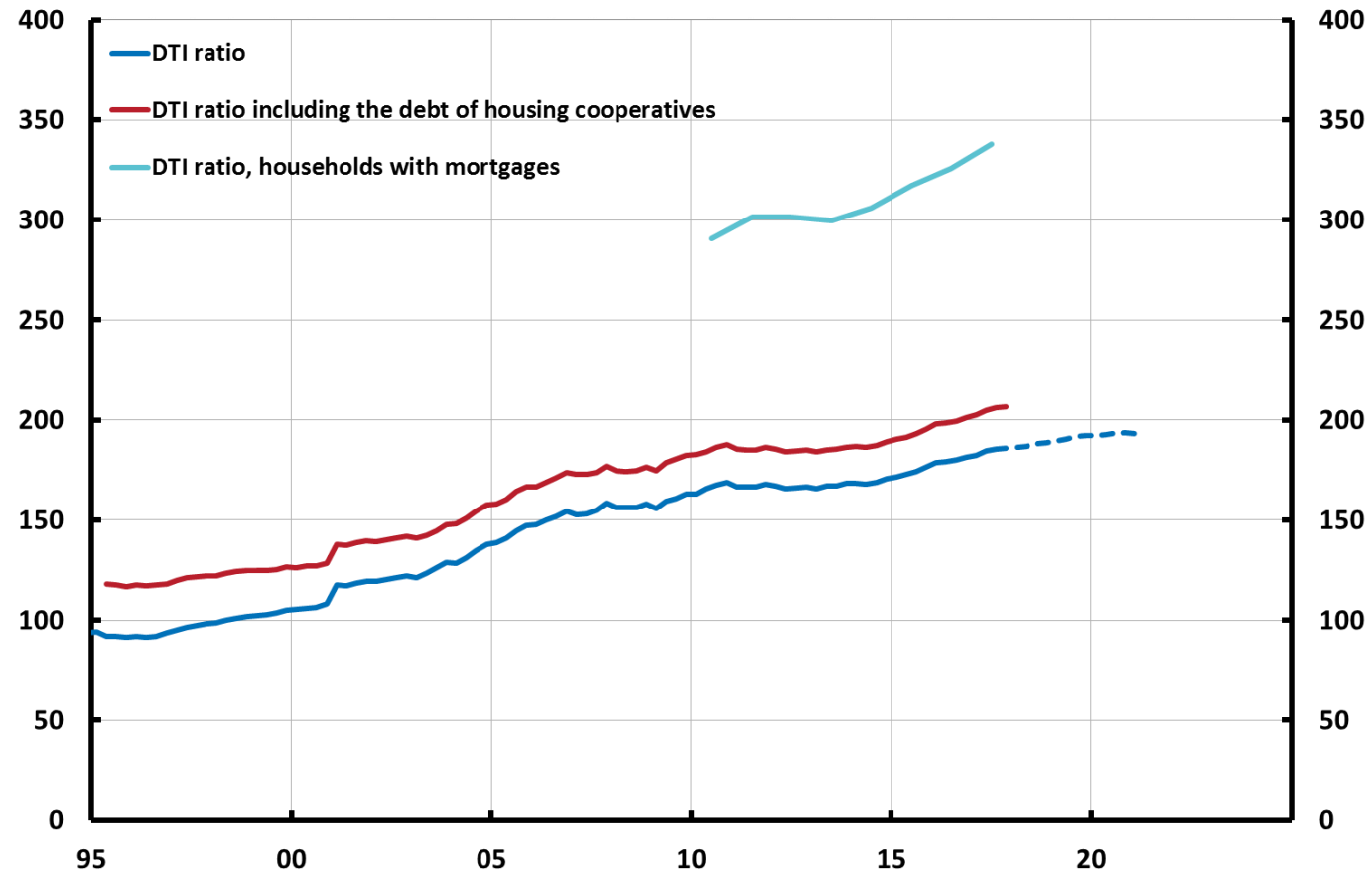
Chapter 2

Vulnerabilities and risks in the financial
system

S V E R I G E S R I K S B A N K

2:1 Household debt-to-income ratio in Sweden

Percentage of disposable or net income

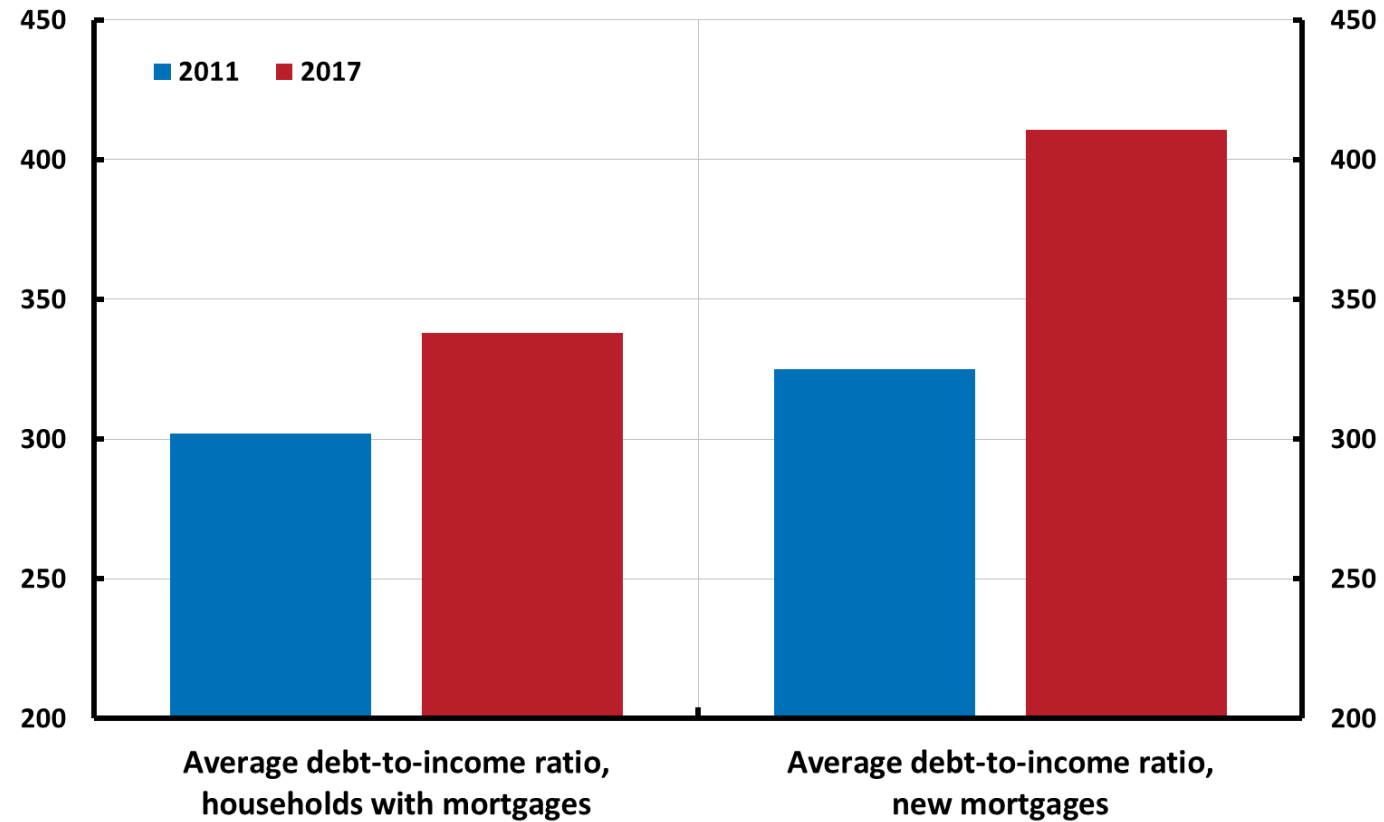


Note. Debt-to-income (DTI) ratio refers to total debt as percentage of disposable income. The broken line represents the Riksbank's forecast. Prior to September 2010, housing cooperative debt has been calculated based on loans to mortgage institutions. The debt-to-income ratio for only households with mortgages is an average and based on total household debt (excluding student loans) divided by their net income.

Sources: Statistics Sweden and the Riksbank

2:2 Households' debt-to-income ratio

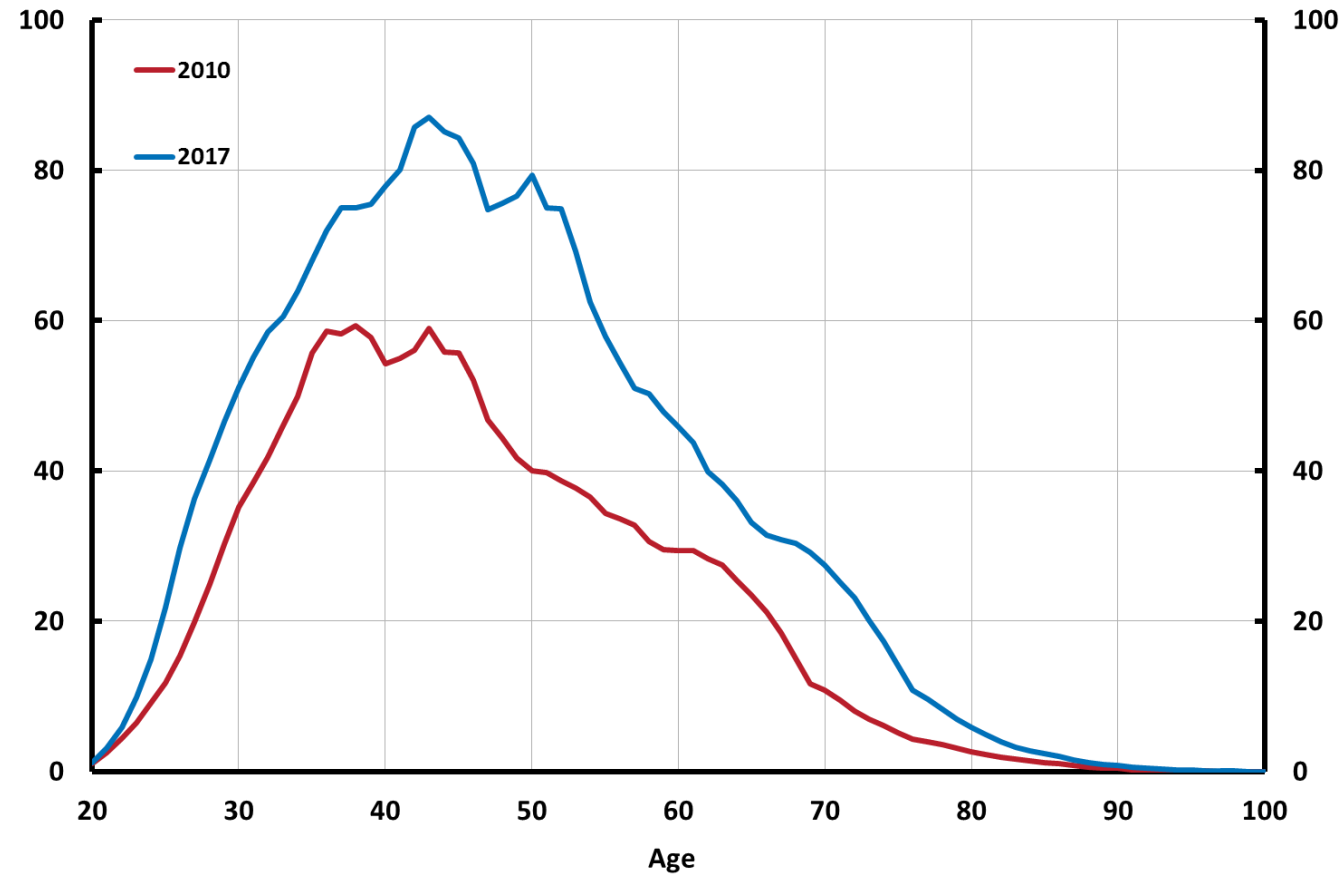
Percentage of net income



Sources: Finansinspektionen and the Riksbank

2:3 Household debt by age

SEK billions

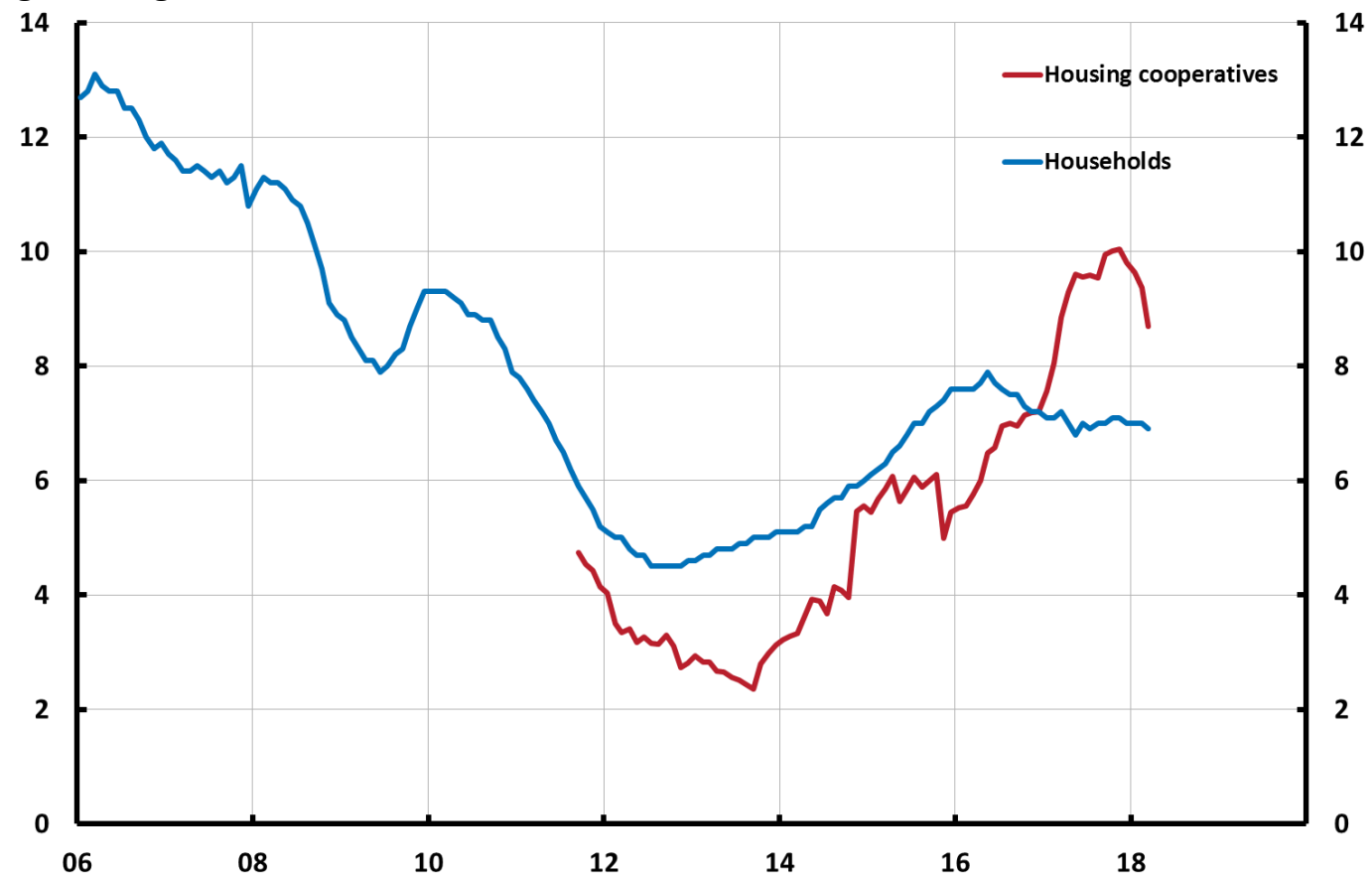


Note. Data refer to mortgage borrowers total debt.

Source: The Riksbank

2:4 Loans to households and housing cooperatives

Annual percentage change

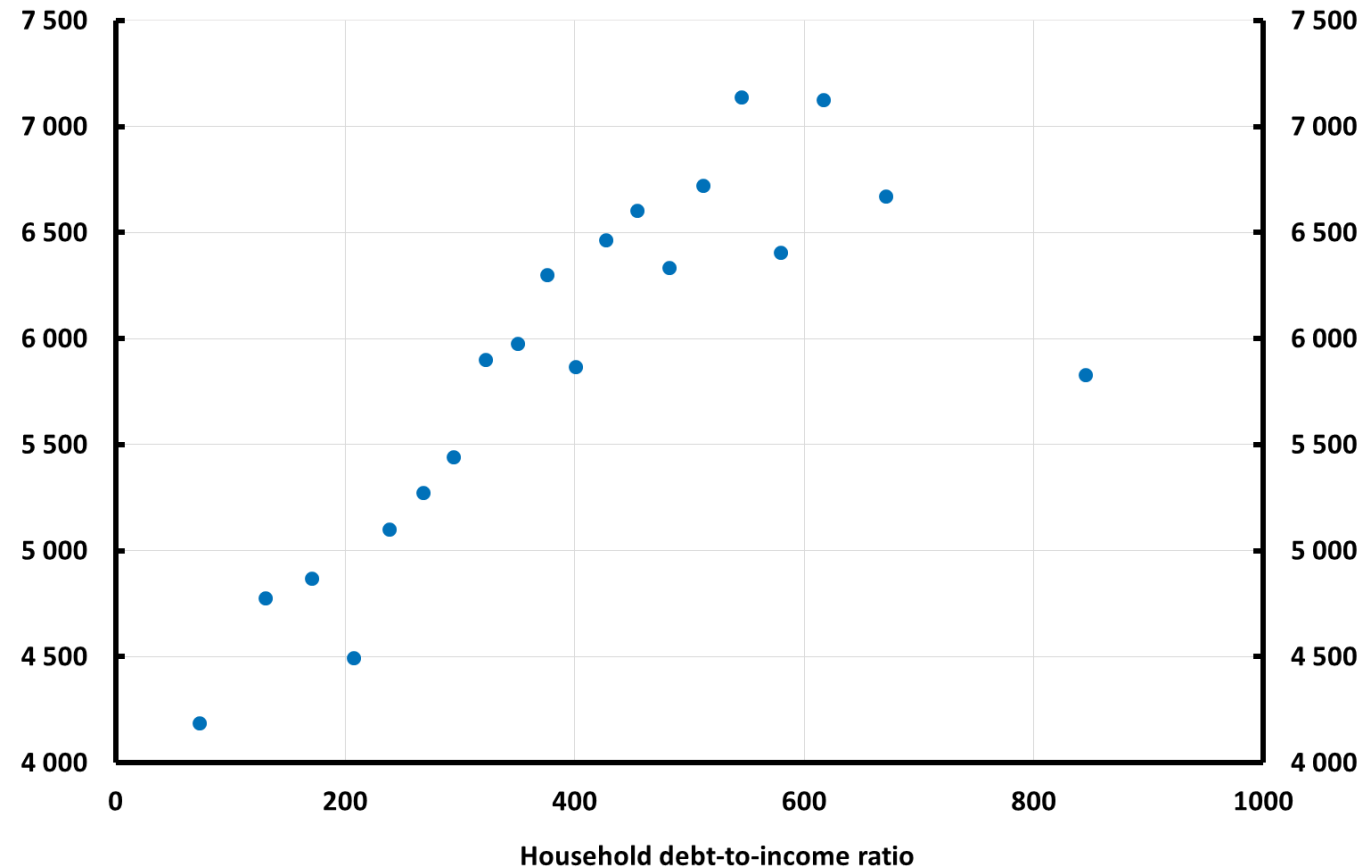


Note. Loans from monetary financial institutions (MFI).

Sources: Statistics Sweden and the Riksbank

2:5 Highly indebted households live in highly indebted housing cooperatives

Housing cooperatives' debt per square metre in SEK

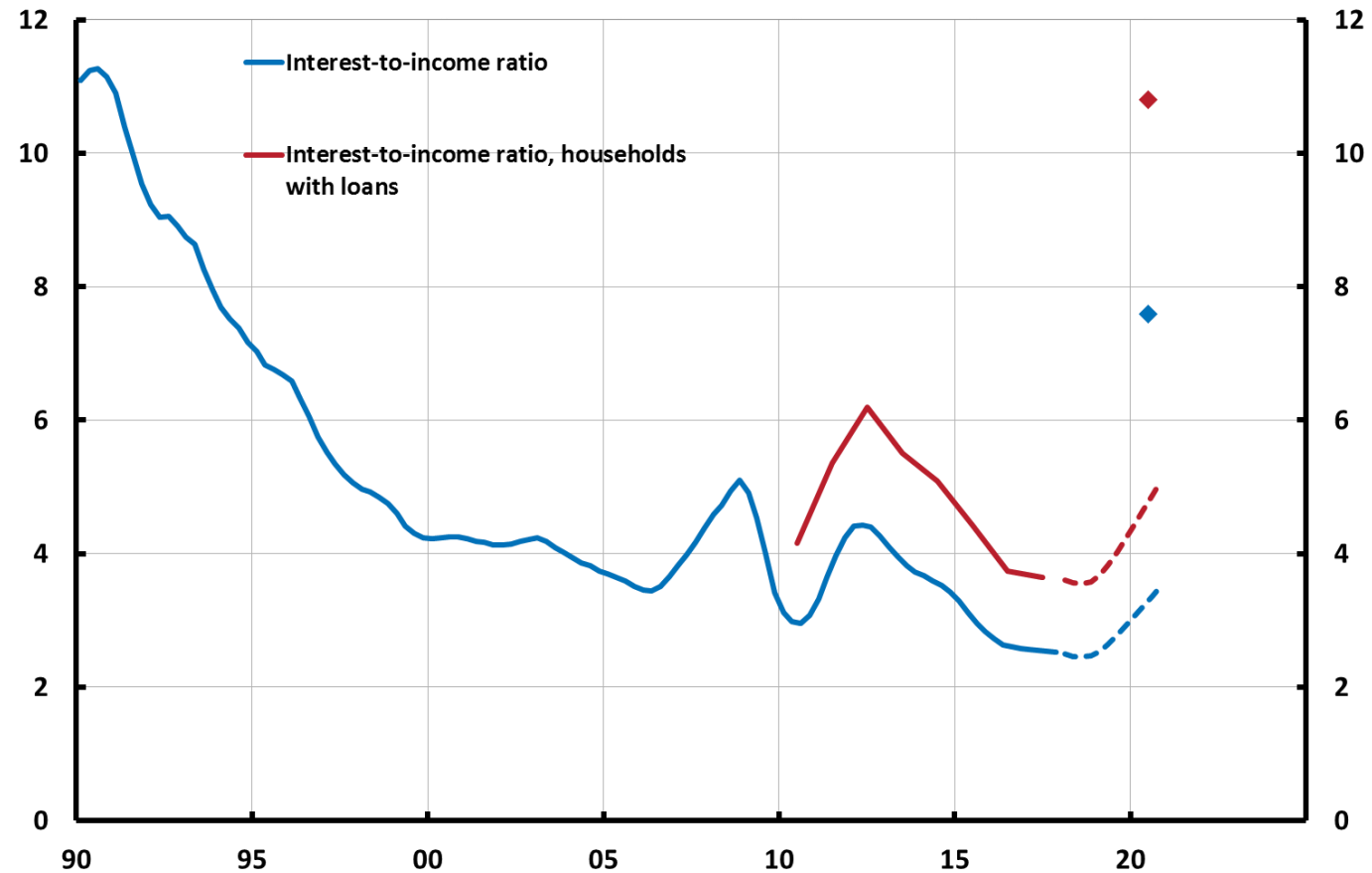


Note. Data refers to autumn 2017. The observations are grouped on the basis of the households' debt-to-income ratios, so that each point in the chart consists of up to 360 households. After this, the average debt per square metre of the housing cooperative is calculated, as is the average debt-to-income ratio for each group.

Sources: Finansinspektionen and the Riksbank

2:6 Households' interest-to-income ratio

Percentage of disposable or net income

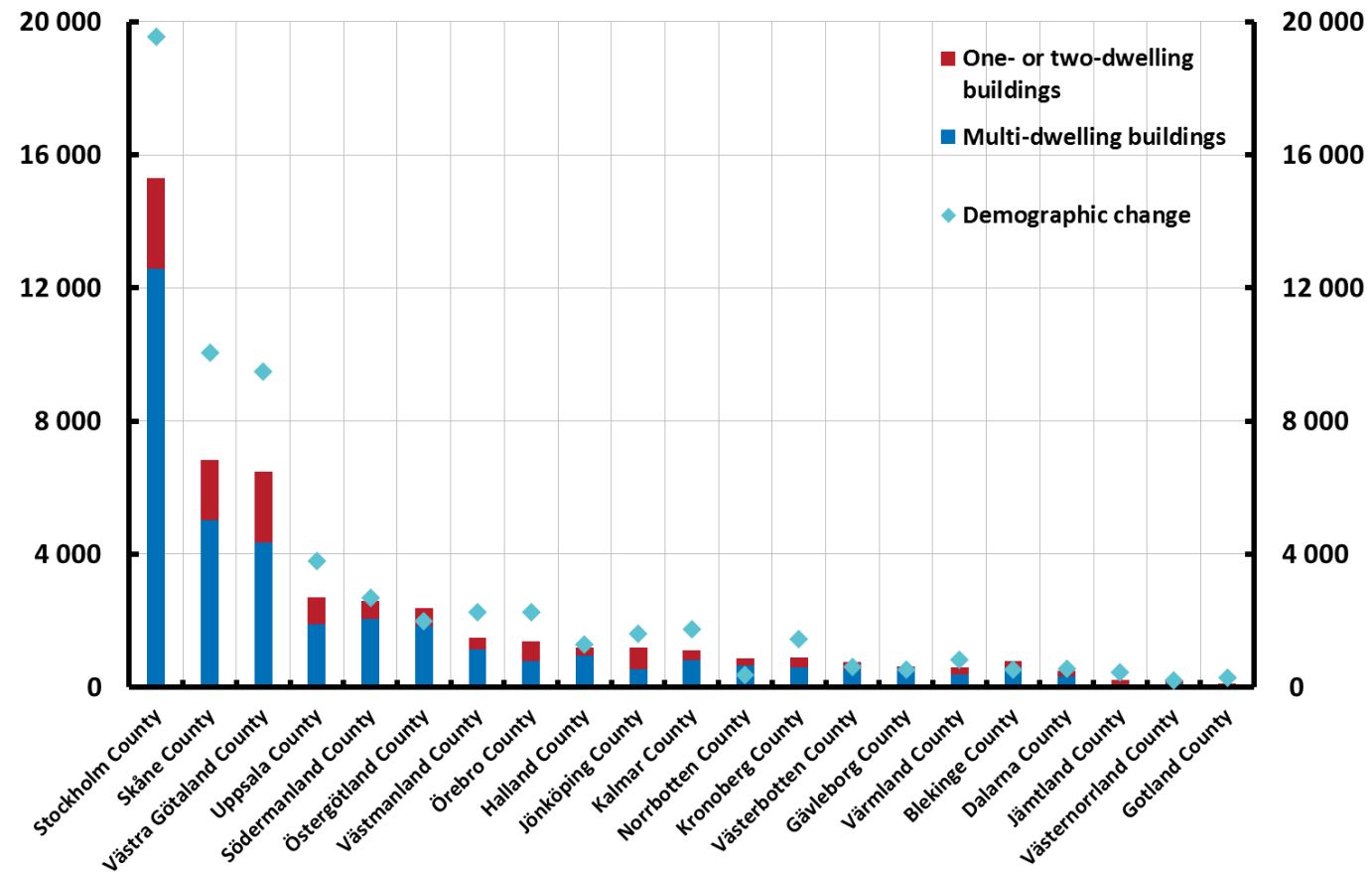


Note. The blue line shows interest expenses as a share of disposable income and the broken blue line represents the Riksbank's forecast. The interest-to-income ratio for households with loans is calculated based on individually specific data on net household income and total debt. The broken red line shows how the interest-to-income ratio for households with loans would develop under the assumption that it follows the same trend as the broken blue line. The rhombuses illustrate a stressed scenario in which interest rates at the end of the Riksbank's forecast rise by three percentage points more than predicted in the forecast. Interest expenses are adjusted for tax relief.

Source: Statistics Sweden and The Riksbank

2:7 Completed homes per county and demographic change

Units

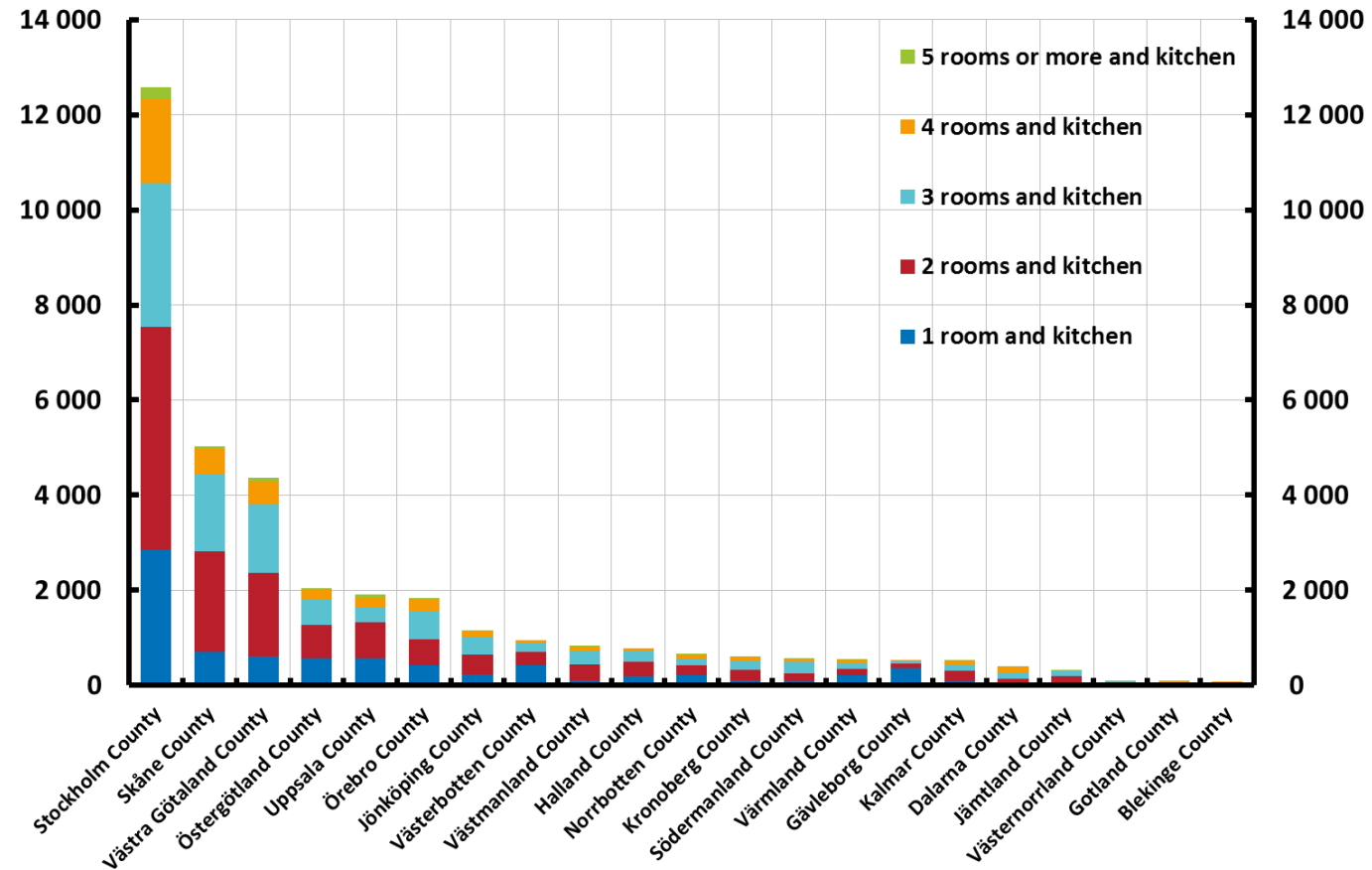


Note. Demographic change is defined as population growth multiplied with 0,5. Data refers to 2017.

Sources: Statistics Sweden and the Riksbank

2:8 Completed apartments in multi-dwelling blocks per county

Units

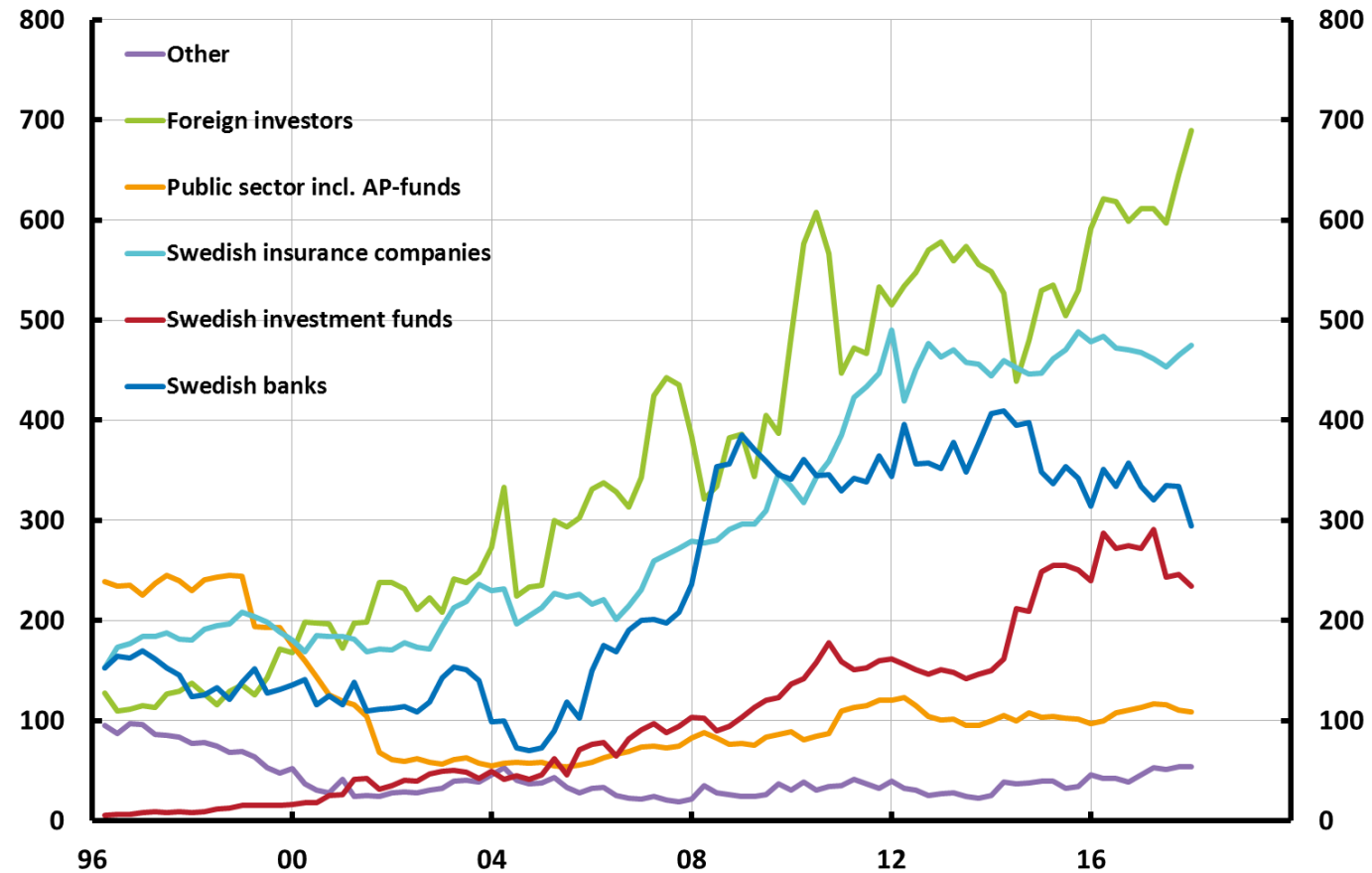


Note. Data refers to 2017.

Sources: Statistics Sweden and the Riksbank

2:9 Owners of Swedish covered bonds

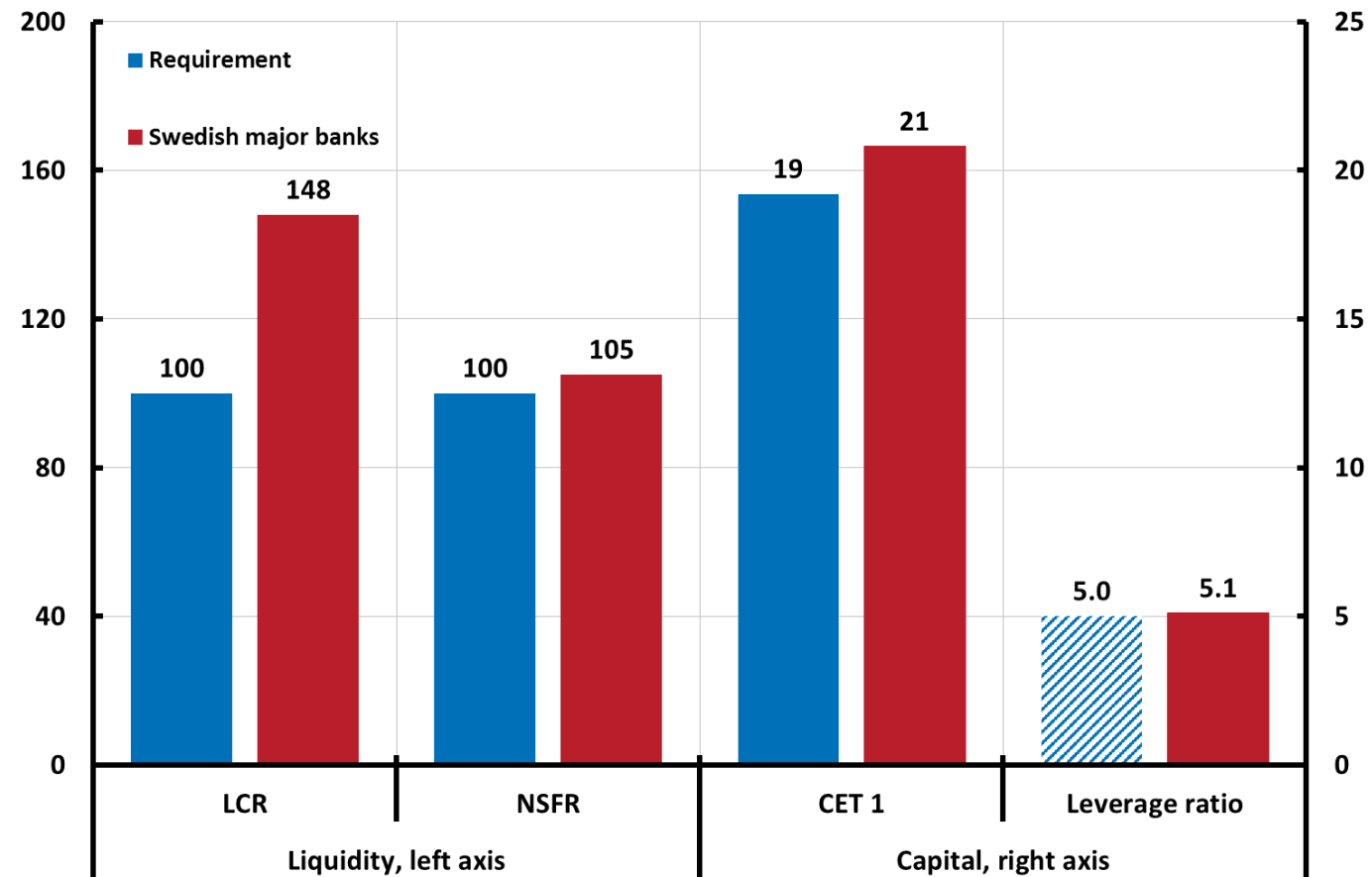
SEK billions



Sources: Statistics Sweden and the Riksbank

2:10 The four Basel measurements

Per cent, December 2017

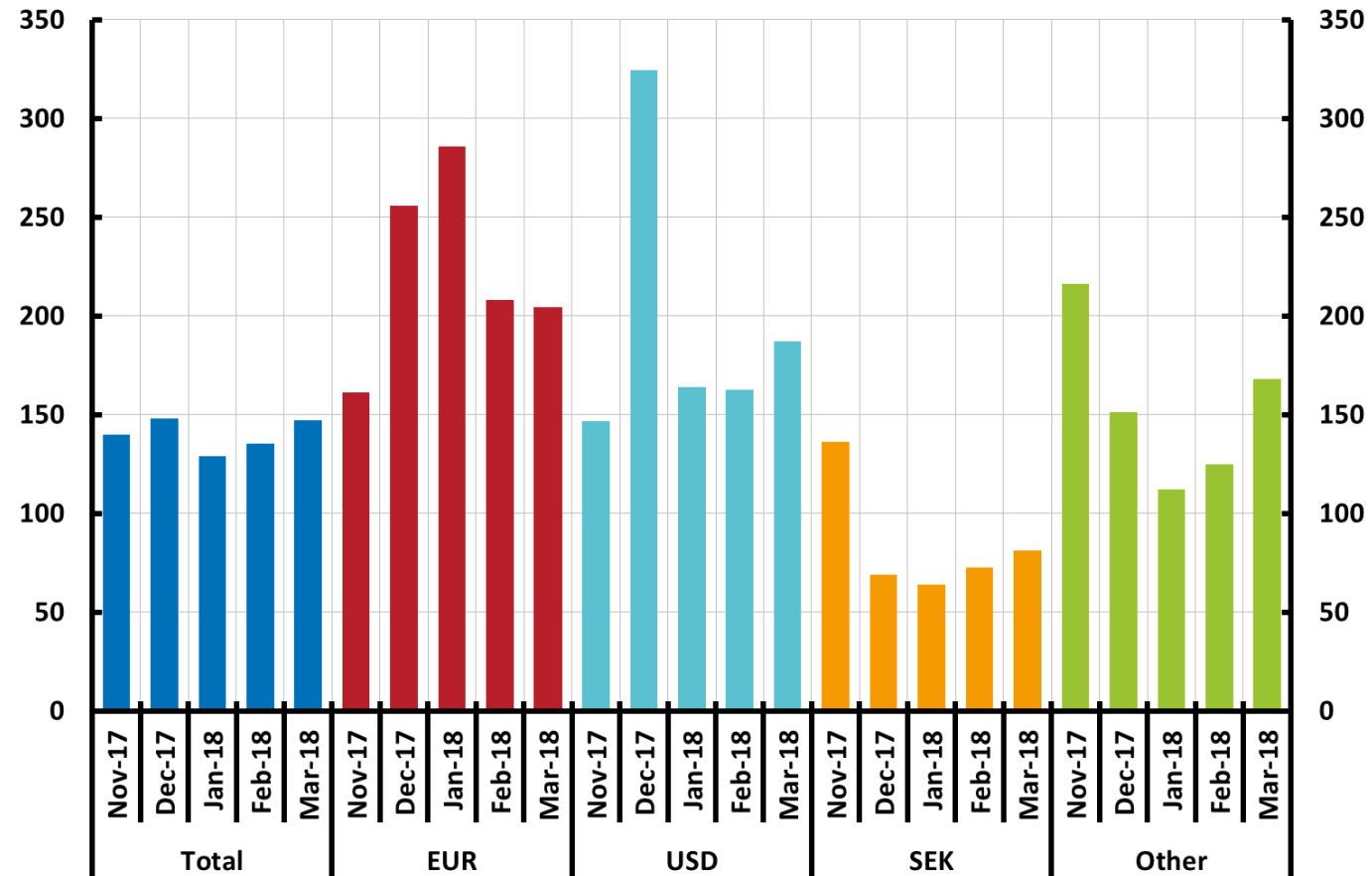


Note. The minimum level of the leverage ratio has not yet been determined, so the chart shows the level recommended by the Riksbank. Since the beginning of 2018, the banks' leverage ratios have decreased slightly and averaged between 4-5 per cent at the end of March. CET1 is an abbreviation for Common Equity Tier 1 ratio. Minimum level for CET1 and actual CET1 are calculated as weighted averages.

Sources: Bank reports, BIS and the Riksbank

2:11 The major banks' LCR in different currencies

Per cent

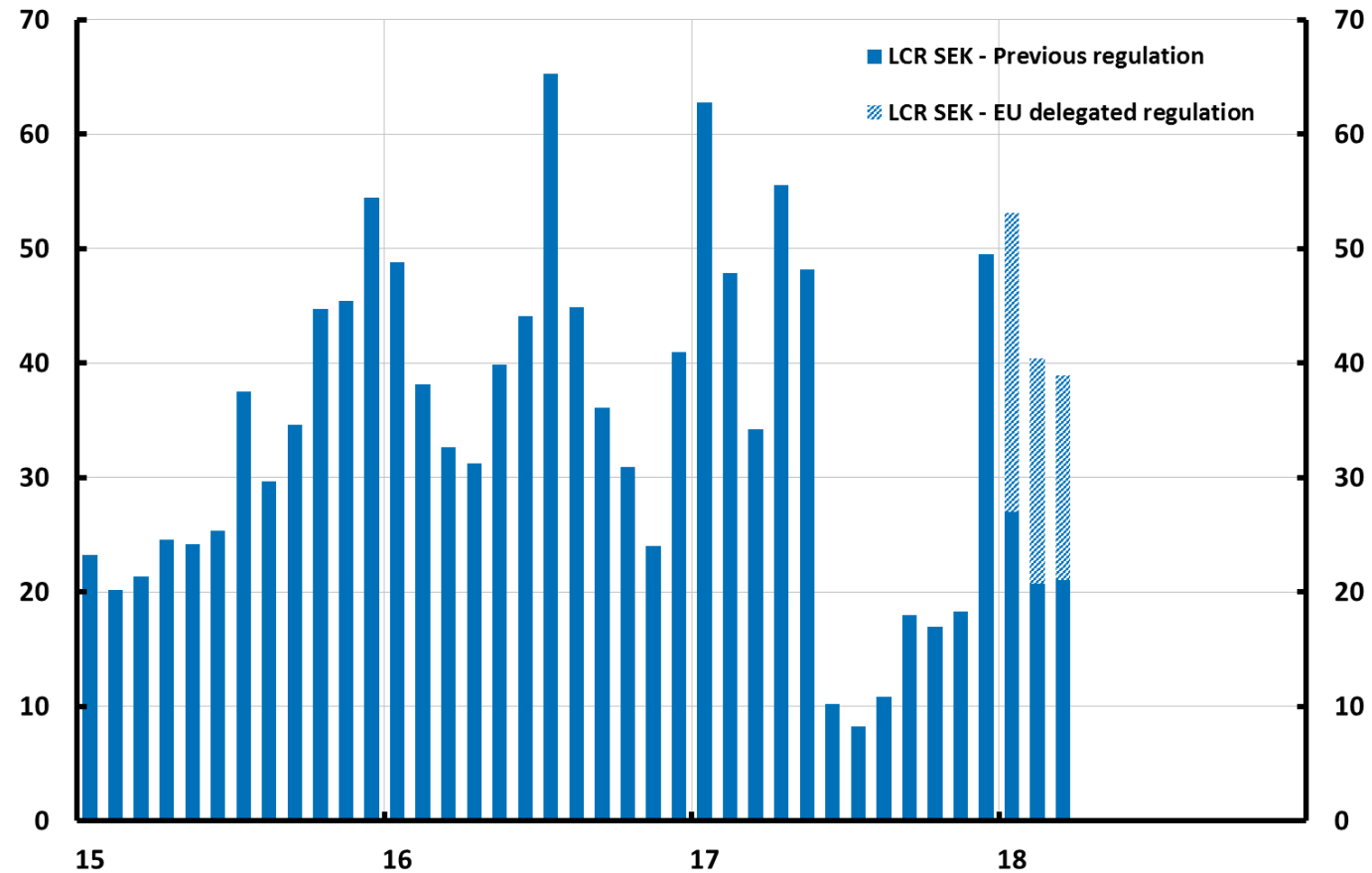


Note. Refers to a weighted average. The calculations for 2018 follow the new EU regulatory framework.

Source: Finansinspektionen

2:12 Lowest monthly LCR observations in SEK

Per cent

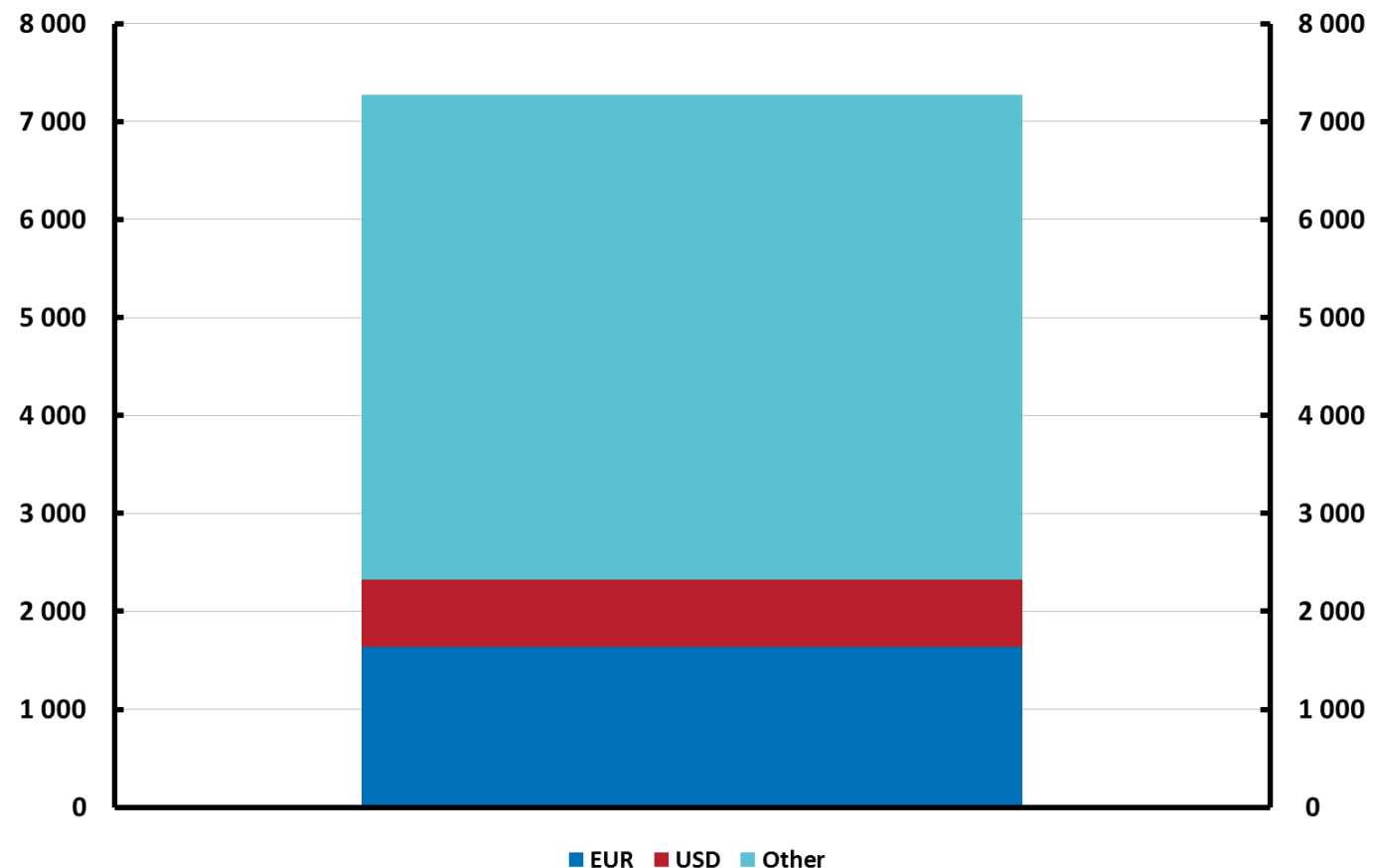


Note. Lowest LCR level in Swedish kronor for any of the four major banks on a monthly basis according to Finansinspektionen's previously applicable regulations on LCR requirements and reporting of liquid assets and cashflows (FFFS 2012:6), and the European Commission's delegated regulation EU 2015/61 supplementing Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions. The patterned area shows the lowest level based on the EU delegated regulation.

Sources: Finansinspektionen and the Riksbank

2:13 The banks' short-term liabilities and demand deposits

SEK billion, December 2017

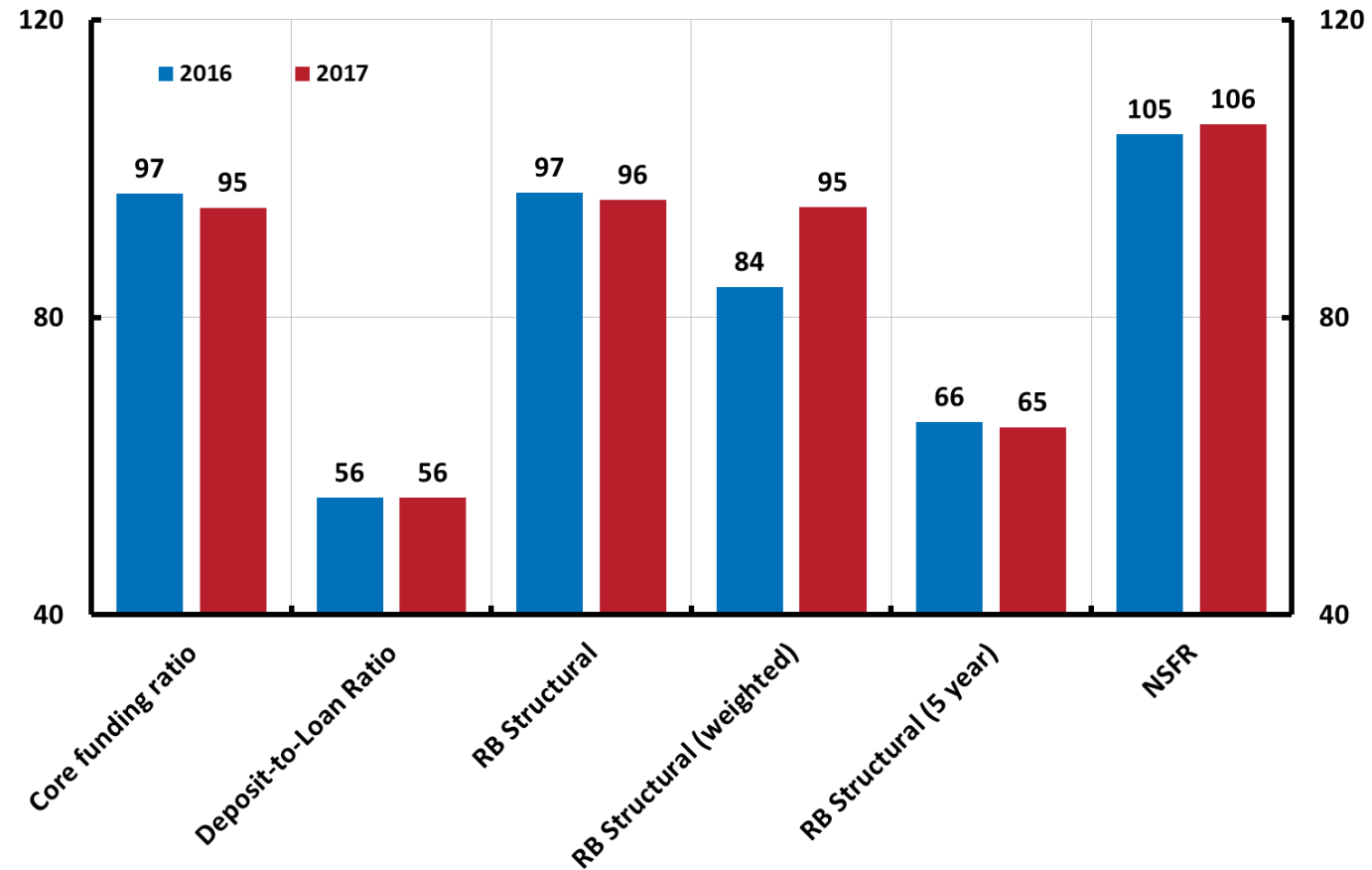


Note. Banks' short-term liabilities with maturities of less than one month per currency.

Sources: Banks' annual reports and the Riksbank

2:14 Different measures of liquidity

Ratio

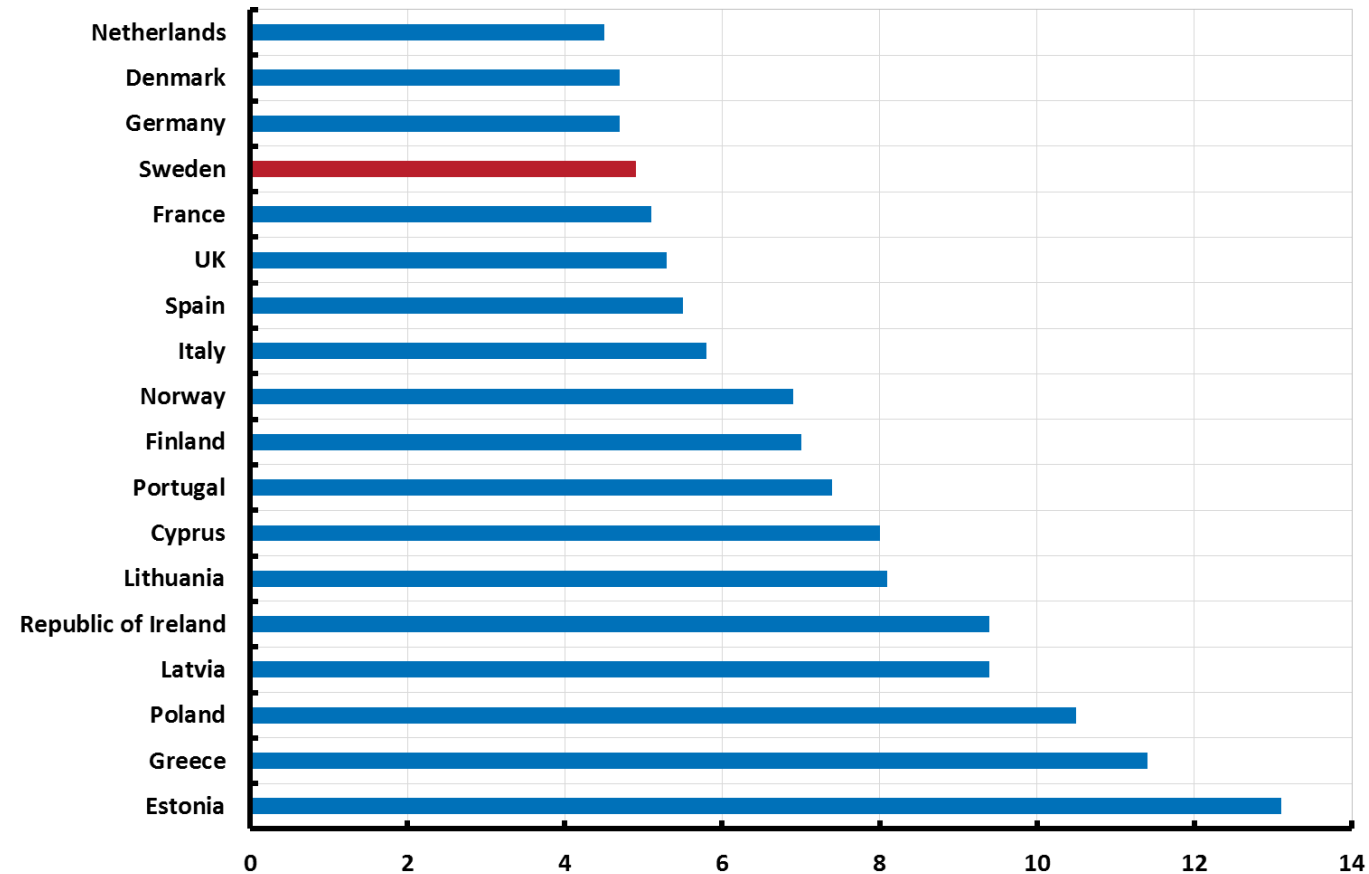


Note. A higher level of the measure shown in the chart indicates lower structural liquidity risks. For more information on the measure, see Swedish banks' structural liquidity risks, Riksbank Studies, November 2016. Sveriges Riksbank.

Sources: Banks' interim reports, Liquidatum and the Riksbank

2:15 The leverage ratio in various countries

Per cent, December 2017

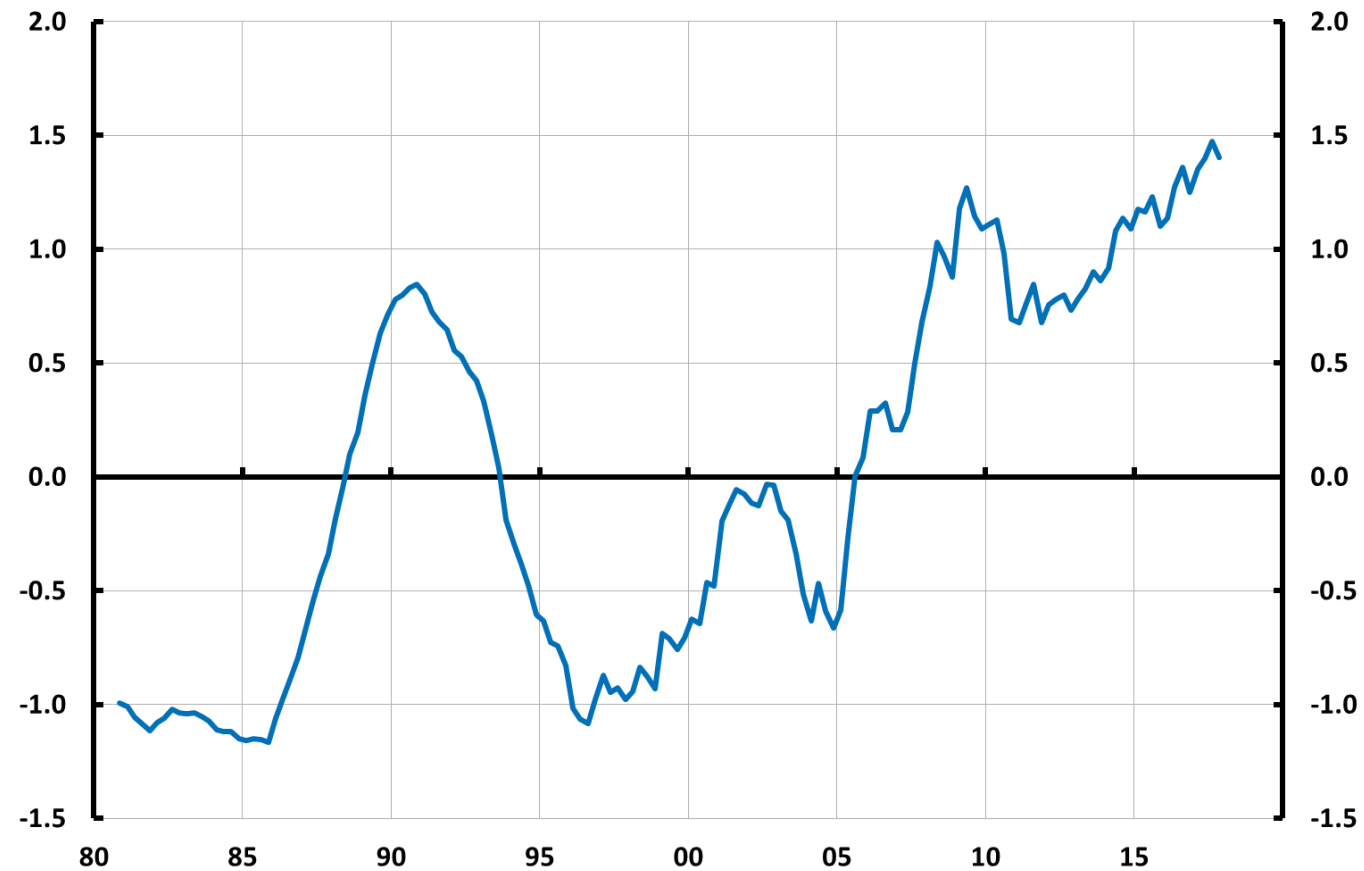


Note. Refers to weighted average per country.

Source: European Banking Authority (EBA)

2:16 Indicator of financial vulnerability

Index

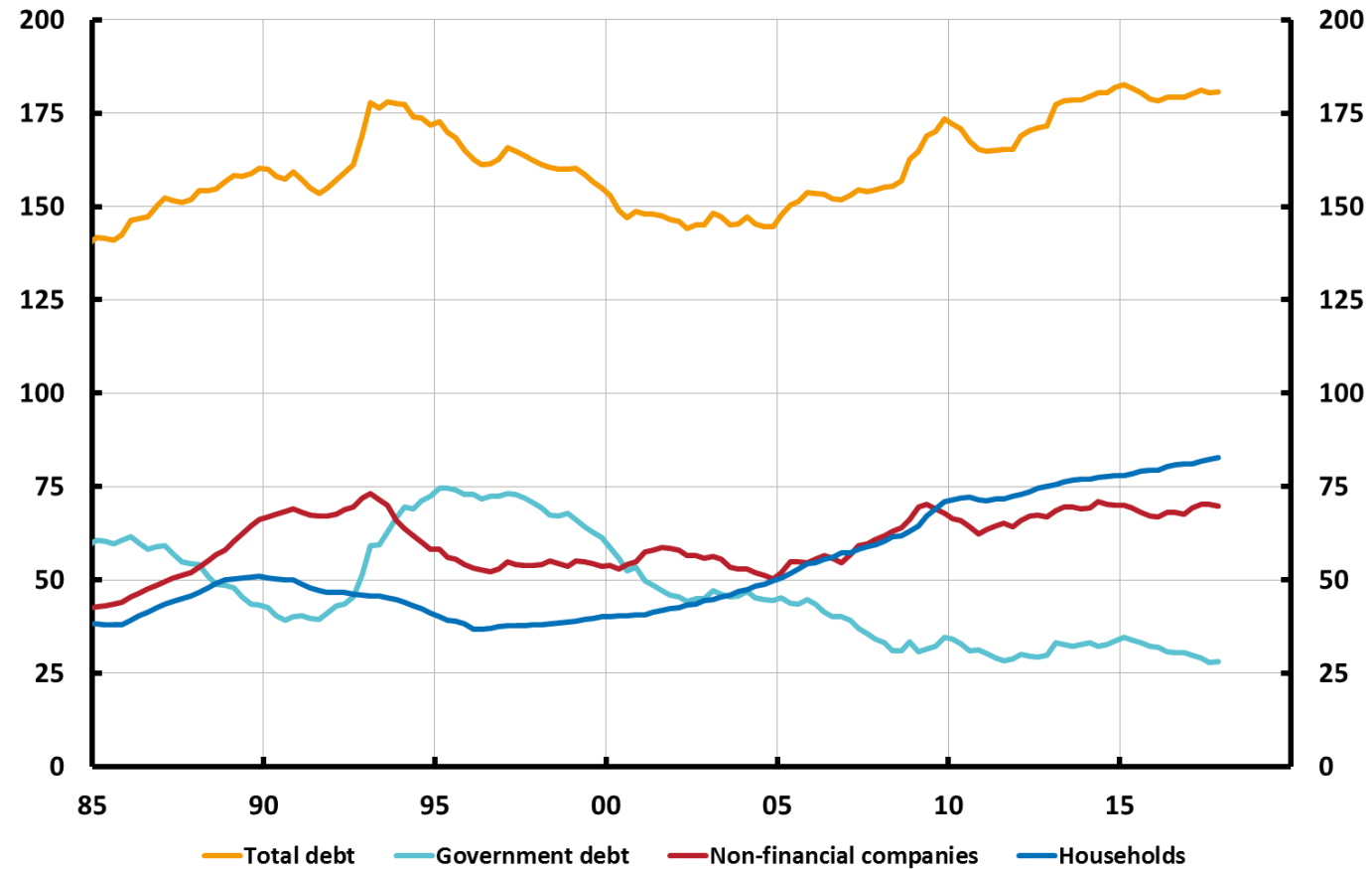


Note. The indicator is based on underlying indicators such as the deviation from trend in the banks' lending to households and companies in relation to GDP, real housing prices and non-stable in relation to stable funding of bank lending. Higher index figures indicate greater vulnerability.

Sources: Statistics Sweden and the Riksbank

2:17 Indebtedness in Sweden

Per cent of GDP

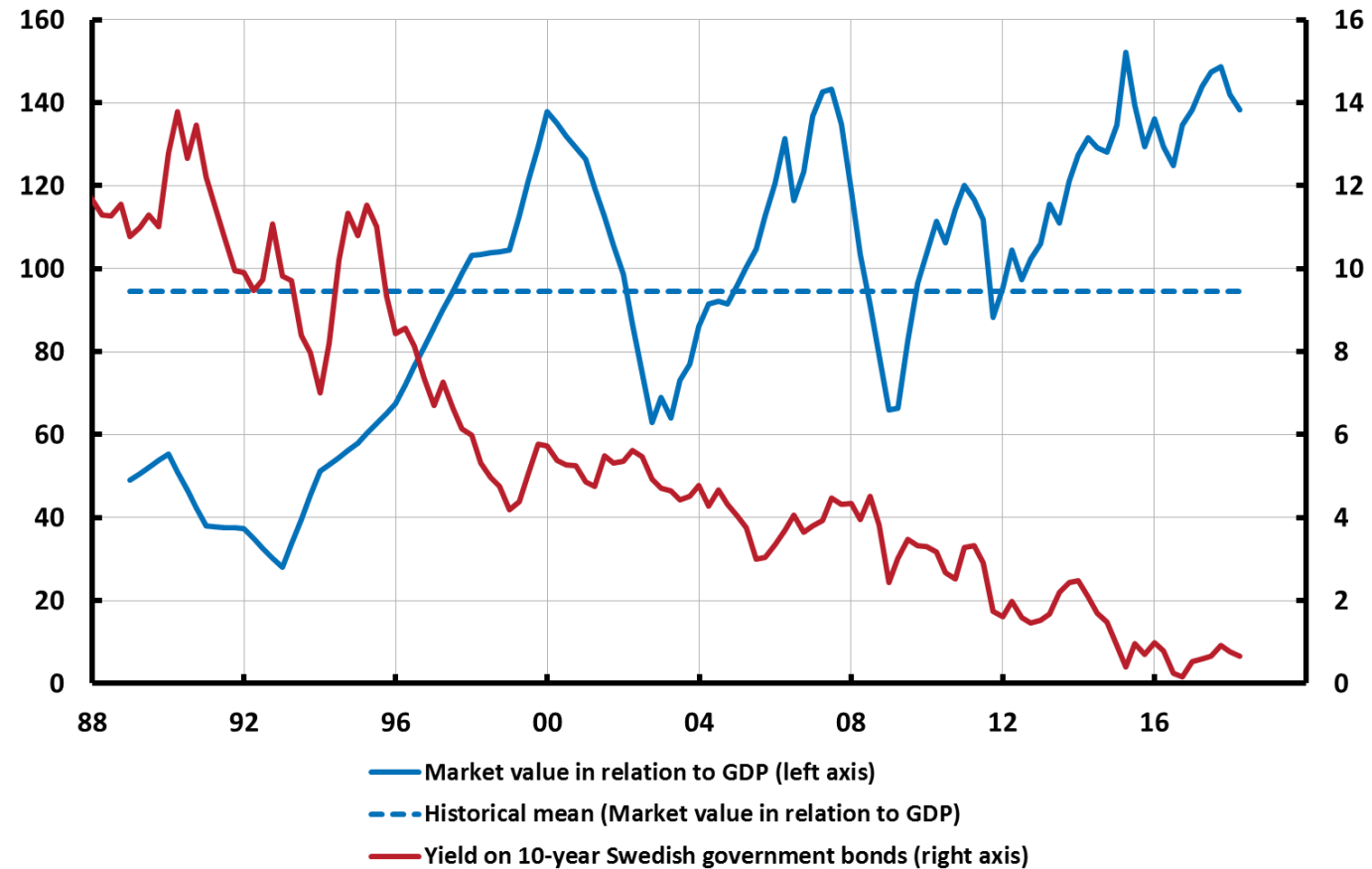


Note. Total debt is the sum of the other debt categories. Corporate debt include market borrowing and borrowing from monetary financial institutions (MFI) .

Sources: Statistics Sweden and the Swedish National Debt office

2:18 Equity market value in relation to GDP, Sweden

Per cent

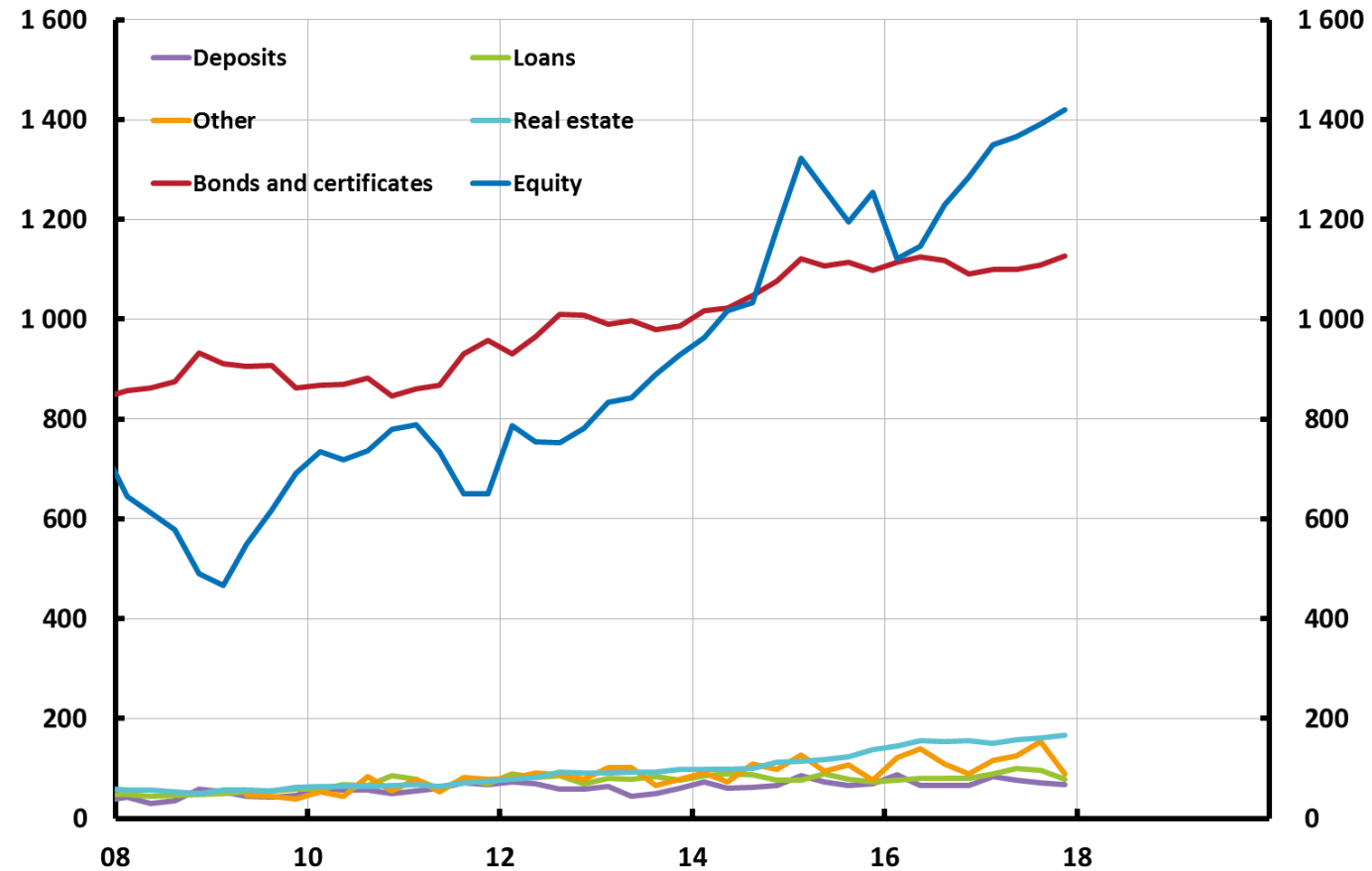


Note. Market capitalisation refers to the total stock market value for the assets included the index for all quoted shares on the Stockholm Stock Exchange (OMX Index). Annual data for market capitalisation up until 2002 and quarterly date thereafter. The data refers to the end of each period.

Sources: Bloomberg, Statistics Sweden,
The World Bank and the Riksbank

2:19 Life insurance companies' assets

SEK billions

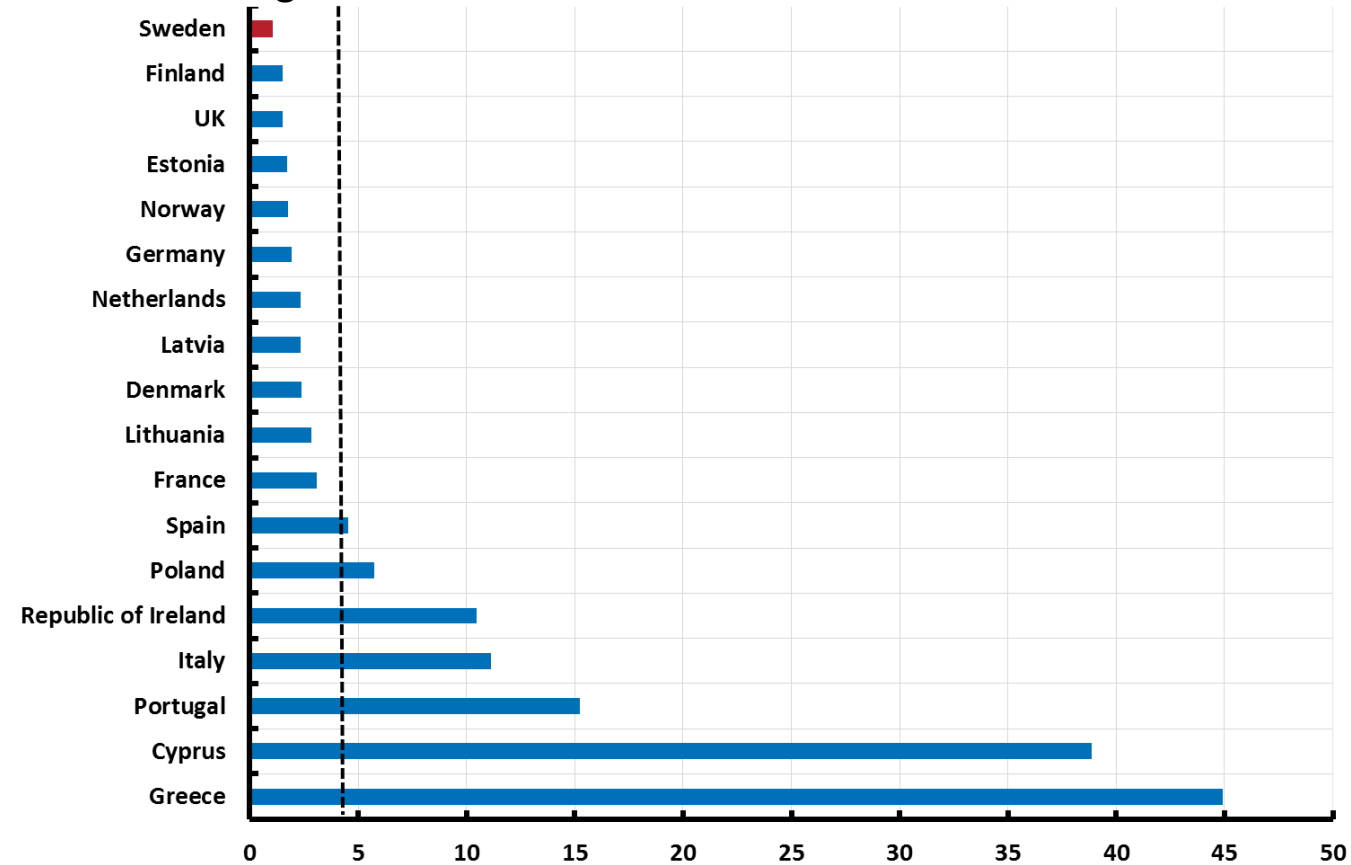


Note. Equity exclude wholly-owned property companies and unit-linked insurance assets.

Source: Statistics Sweden

2:20 Non-performing loans at European banks

Per cent, share of total lending

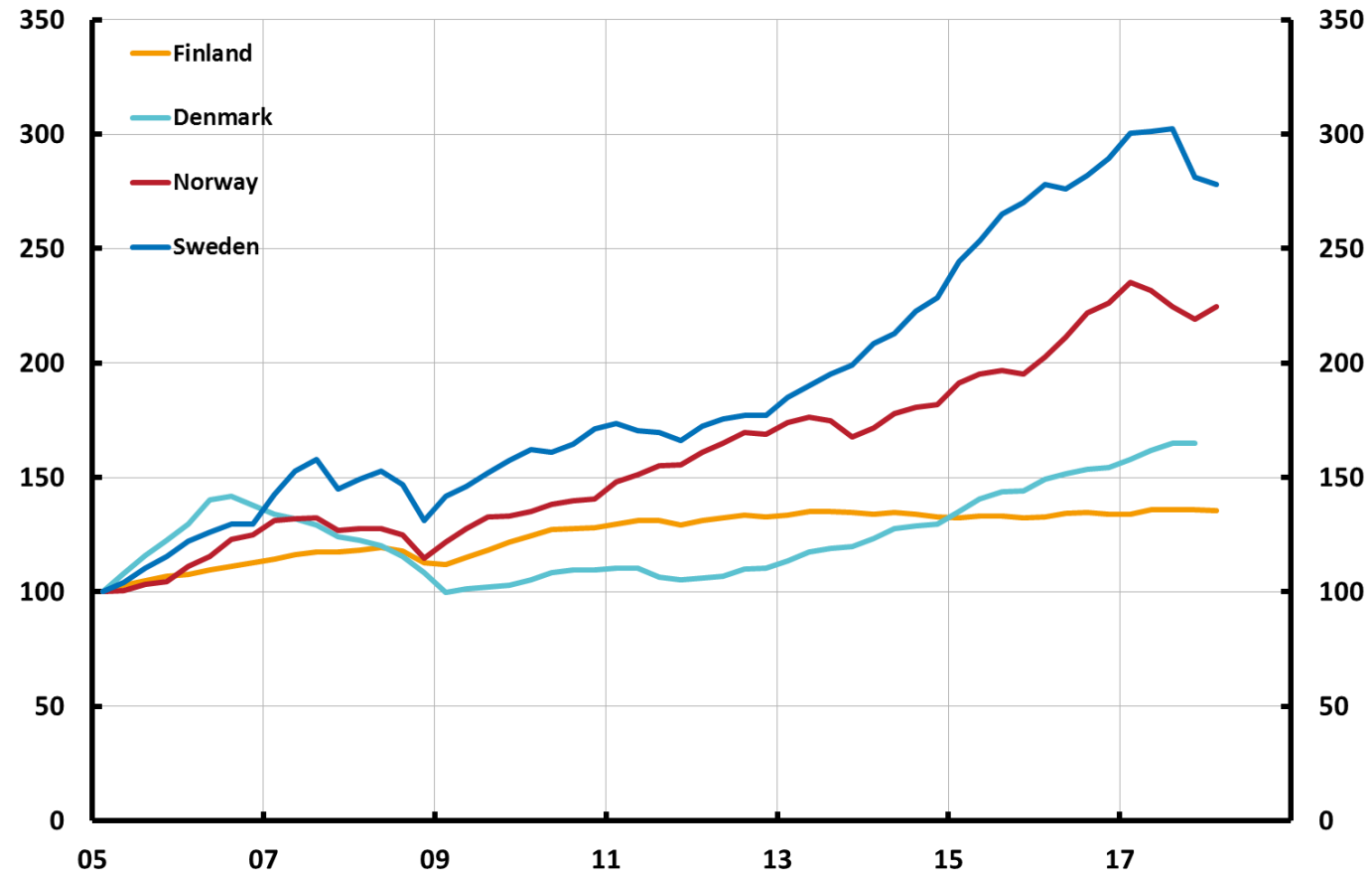


Note. Non-performing loans are defined by the European Banking Authority (EBA) as loans in which the borrower has paid neither interest nor amortisations in the last 90 days. The broken line represents the EU average. Data refers to the fourth quarter of 2017.

Source: European Banking Authority (EBA)

2:21 Apartment prices in Sweden, Norway, Denmark and Finland

Index, 2005 = 100



Sources: Statistics Denmark, Statistics Norway,
Statistics Finland and Valueguard

Financial Stability

2018:1

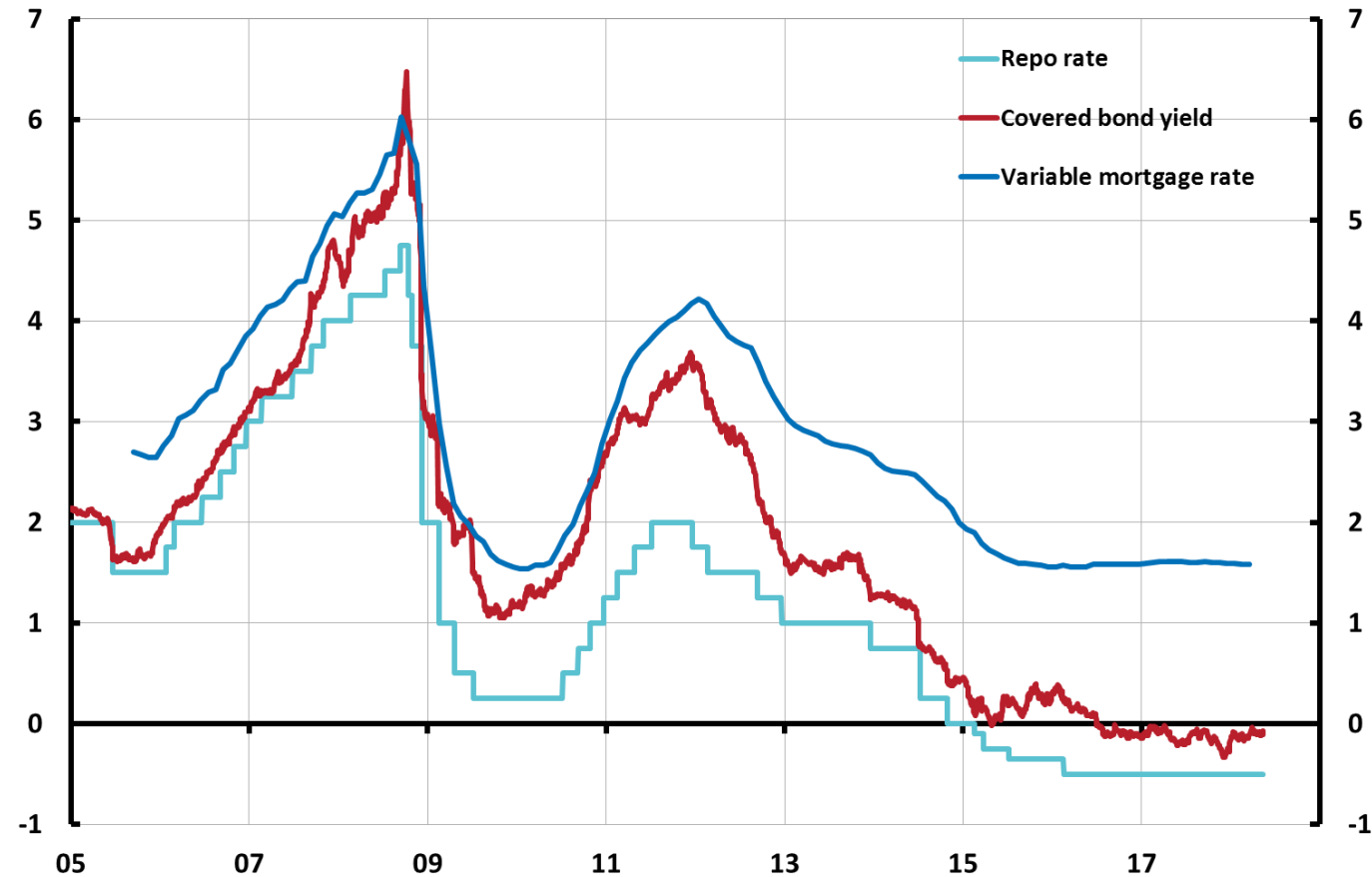
Article

New agents on the mortgage market

S V E R I G E S R I K S B A N K

A:1 Variable mortgage rates and covered bond yields

Per cent



Note. Mortgage rate is based on outstanding mortgages. Yields refers to covered bonds with five-year maturities and variable coupons.

Sources: Statistics Sweden and the Riksbank