

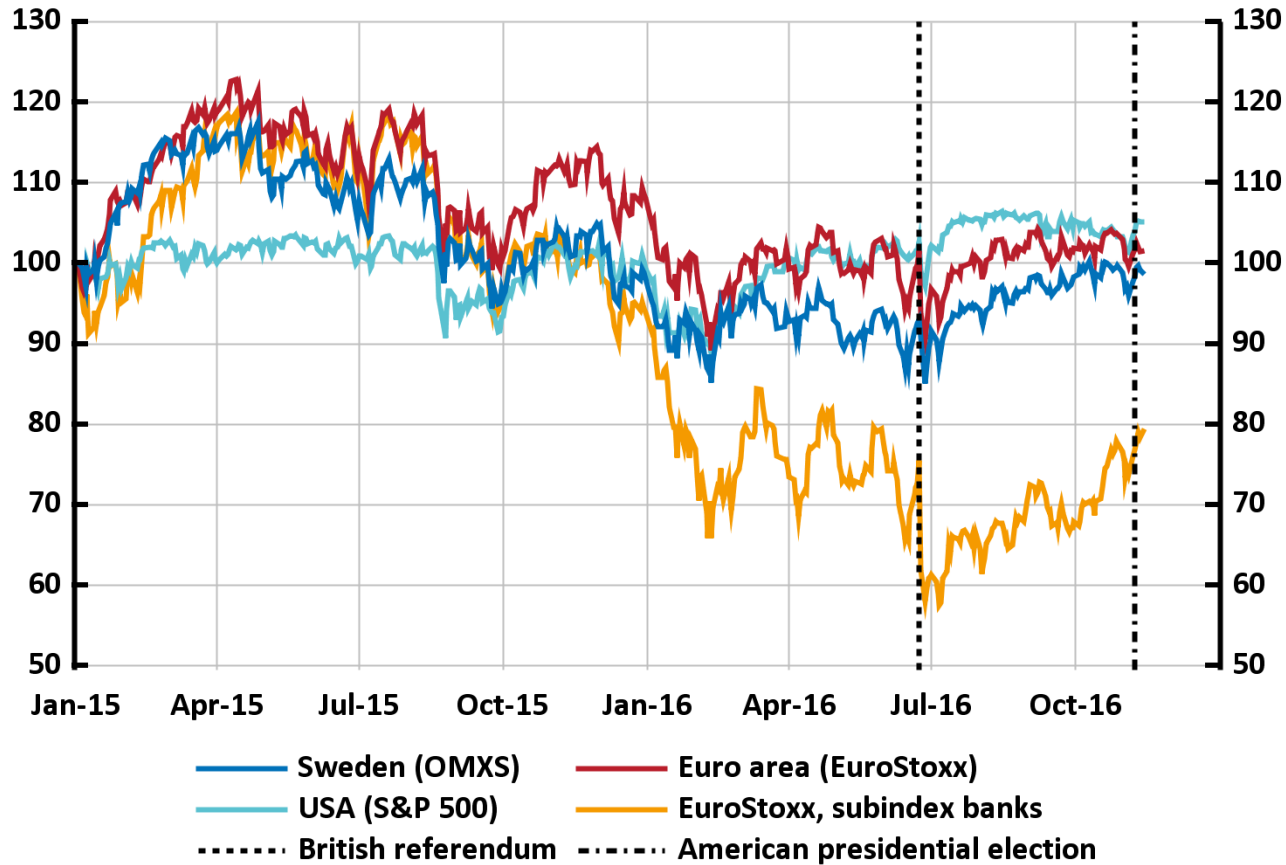
Financial Stability 2016:2

Chapter 1

Assessment of the current
situation

1:1 Stock market movements

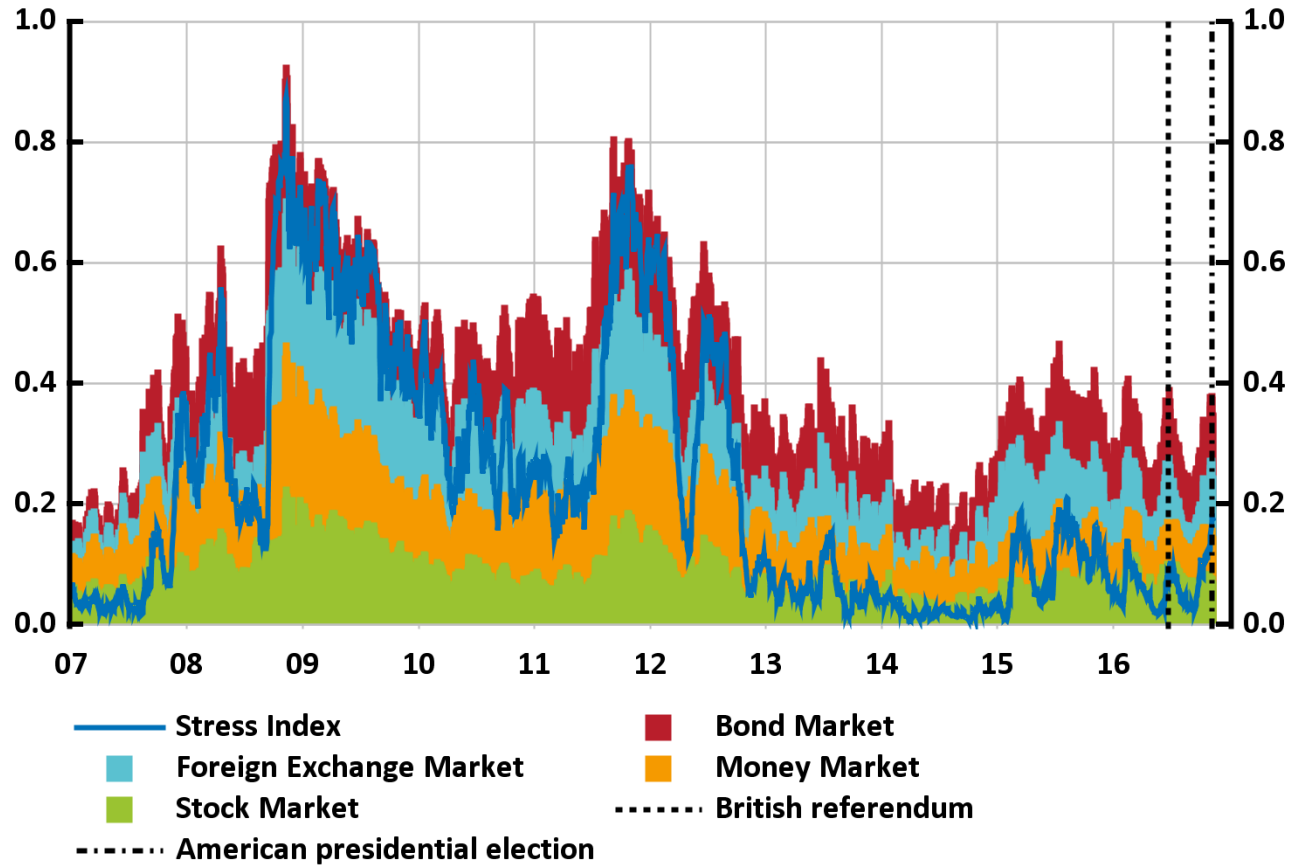
Index, 2 January 2015 = 100



Sources: Macrobond and Thomson Reuters

1:2 Swedish stress index

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

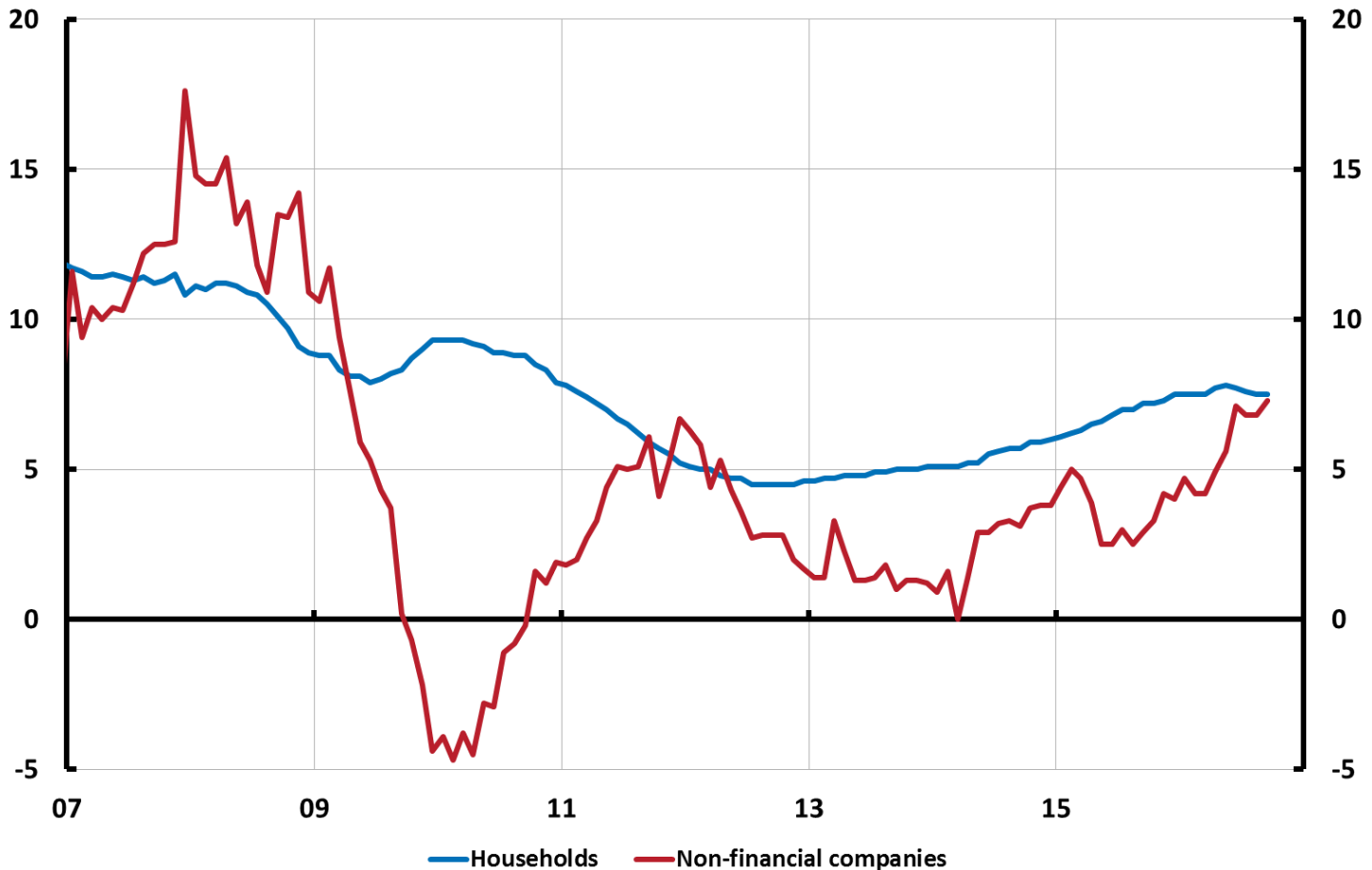


Note. The Swedish stress index has been produced by the Riksbank using a method similar to that used by the ECB for the European stress index. See Johansson, T and Bonthron, F (2013), Further development of the index for financial stress in Sweden, Sveriges Riksbank Economic Review 2013:1. Sveriges Riksbank.

Sources: Bloomberg and the Riksbank

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

Annual percentage change

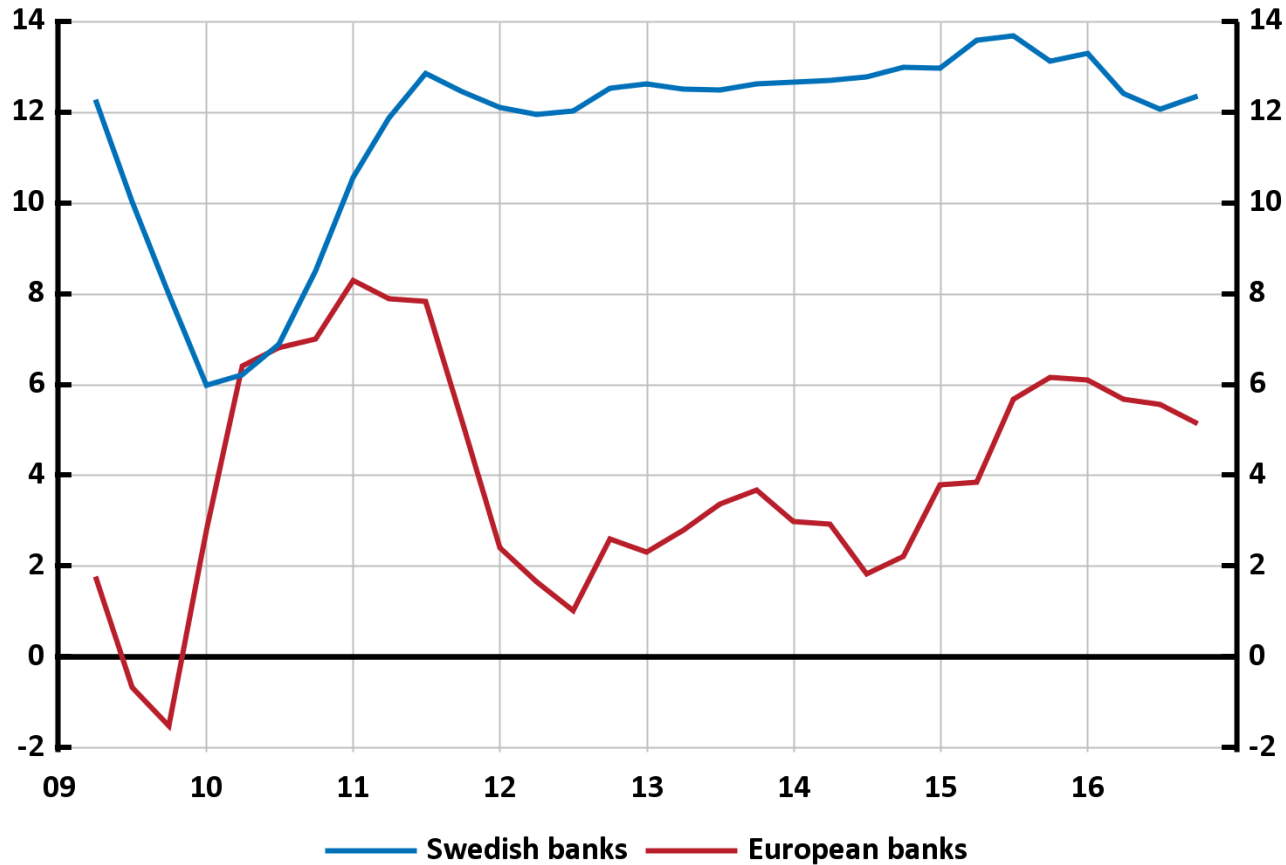


Note. Refers to loans from monetary financial institutions (MFIs).

Source: Statistics Sweden

1:4 Return on equity

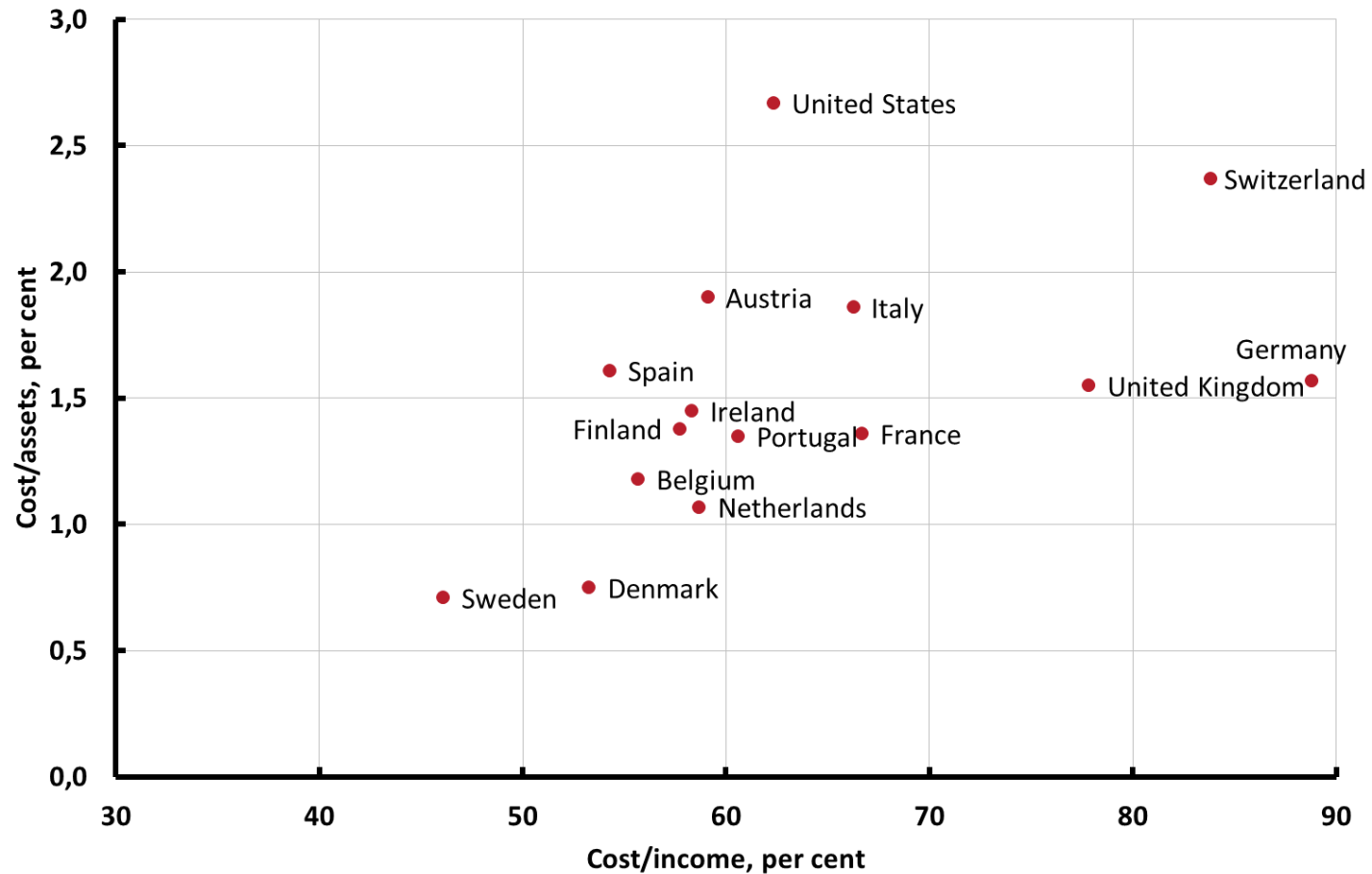
Rolling four quarters, per cent



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

Sources: SNL Financial and the Riksbank

1:5 Cost structure of banks in different countries

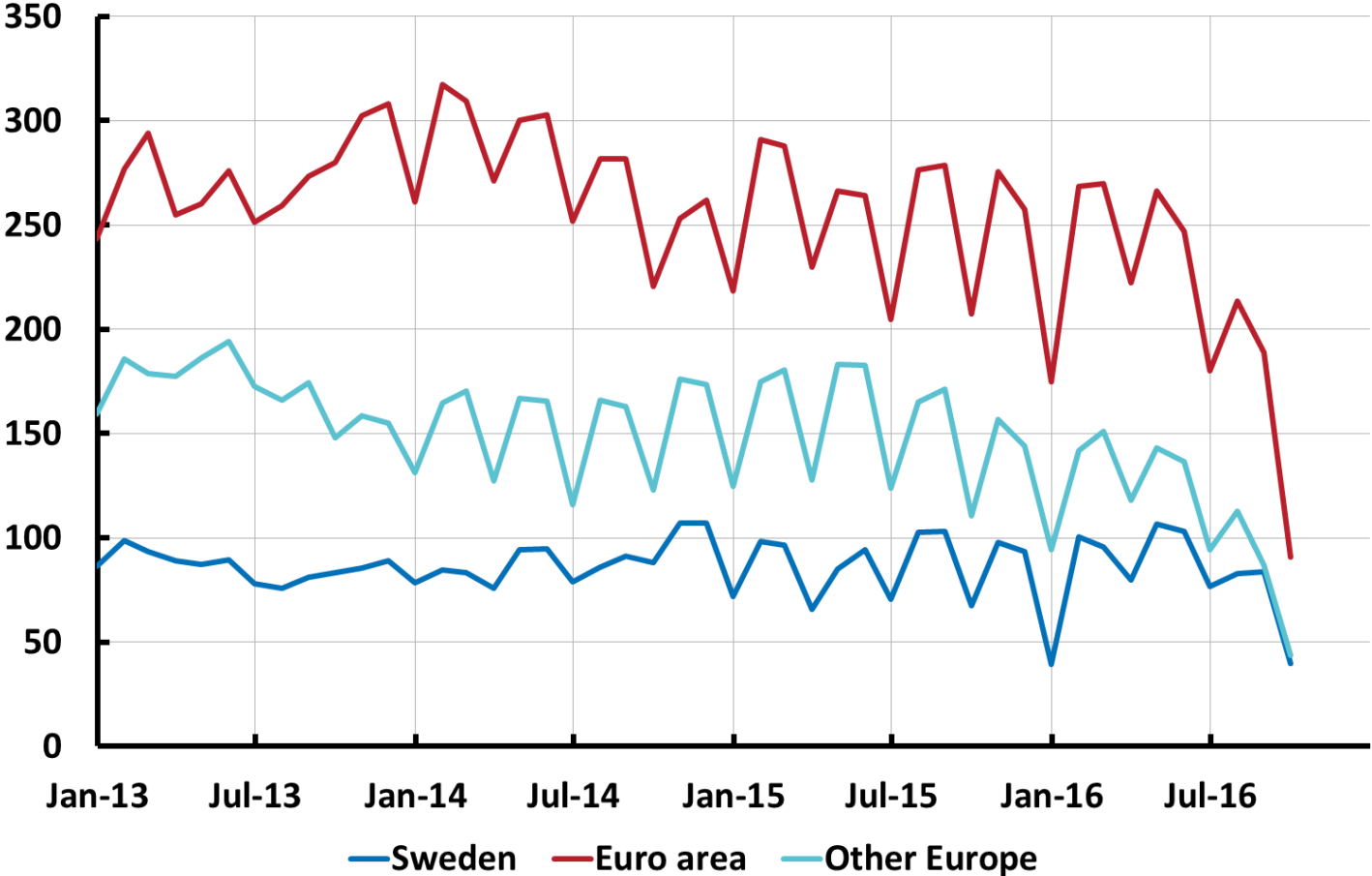


Source: *Global Financial Stability Report*, October 2016. International Monetary Fund (IMF).

1:6 The investments of US money market funds in the Swedish and other European countries' banks



USD billion

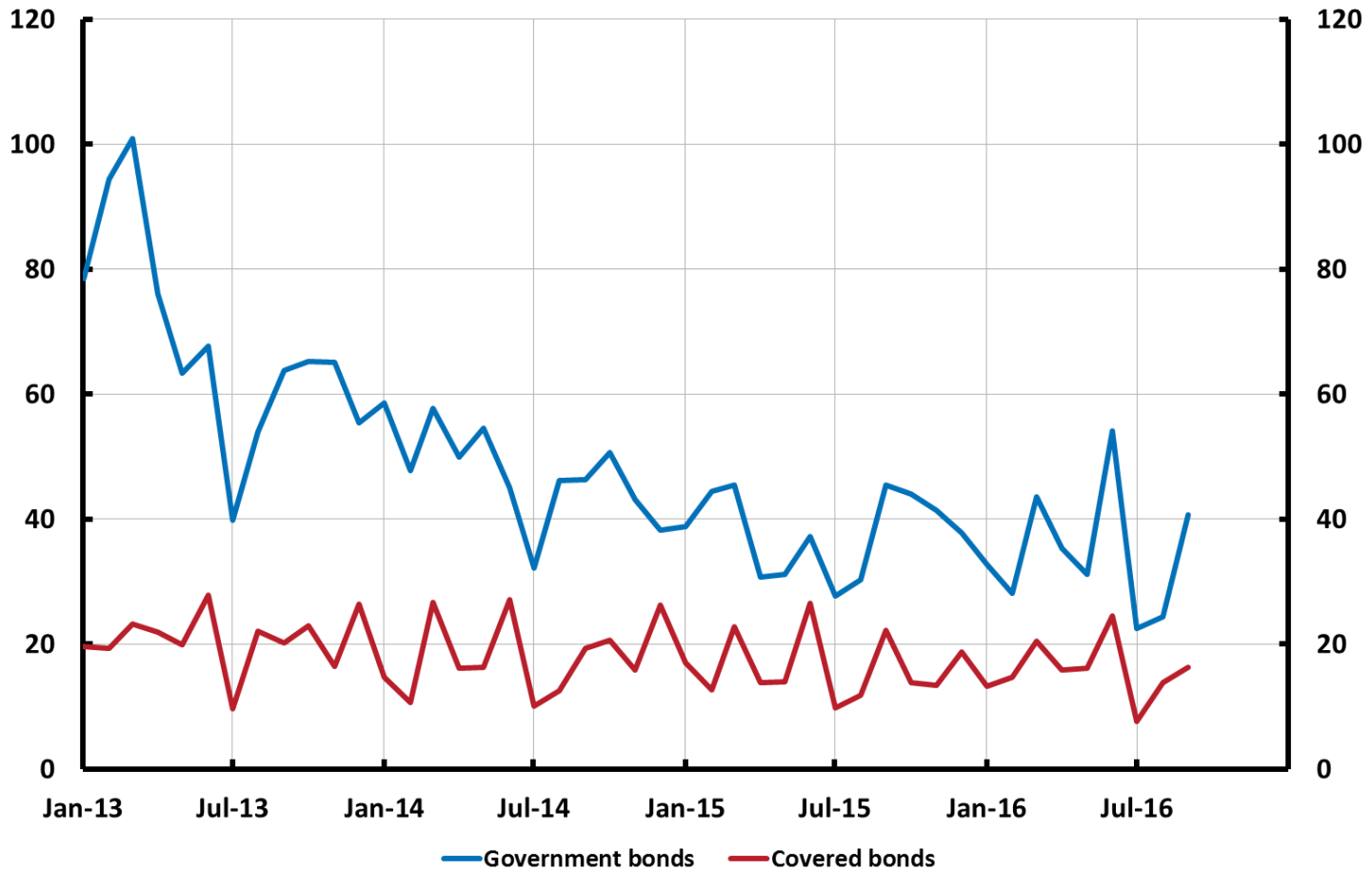


Note. The investments are in the form of holdings of bank certificates and deposits. The last data outcome in the chart is for September.

Sources: ICI and the Riksbank

1:7 Bond turnover relative to outstanding volume

Per cent



Note. Refers to turnover per month.

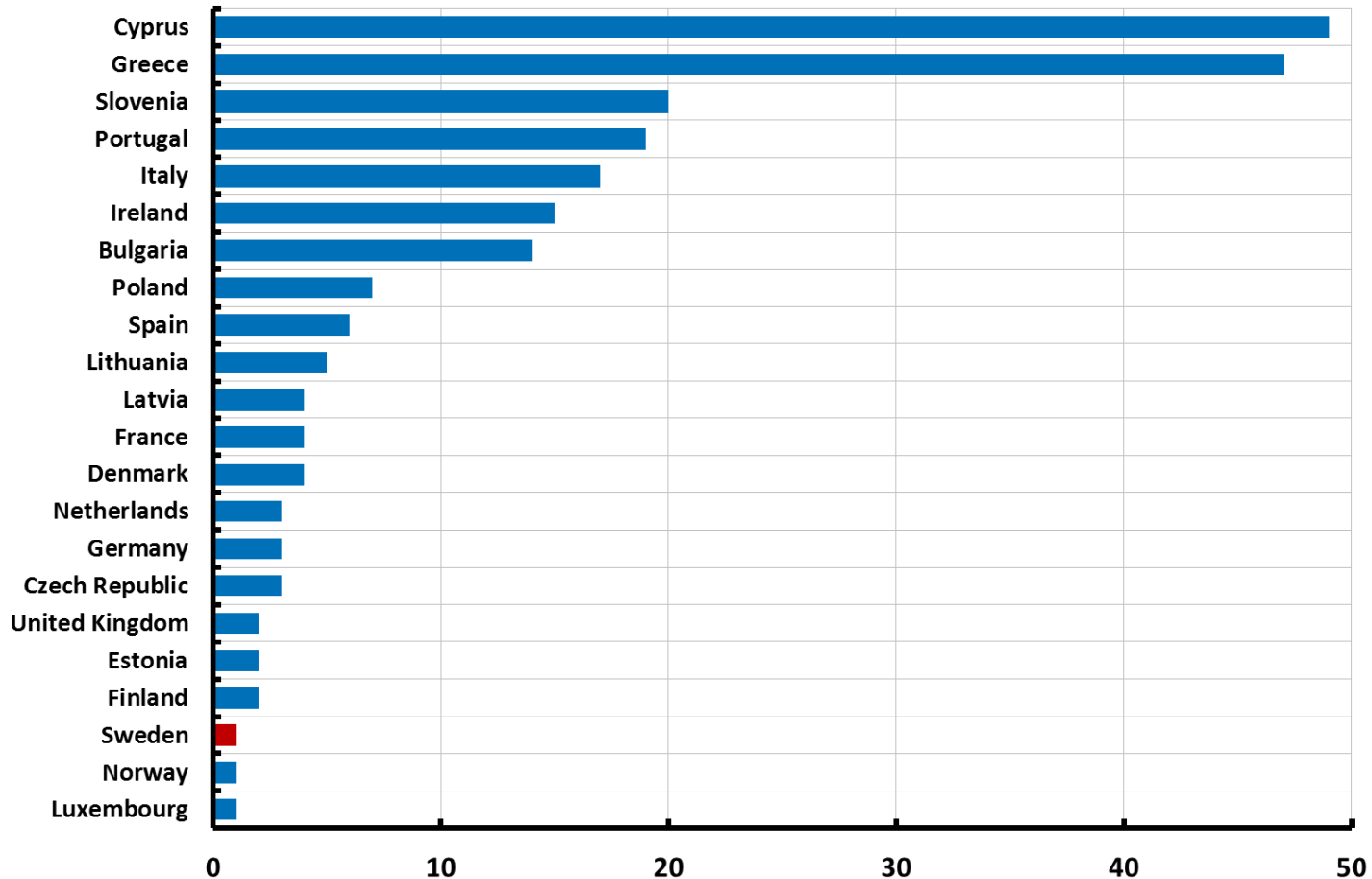
Sources: Macrobond, the Riksbank and the Swedish National Debt Office

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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

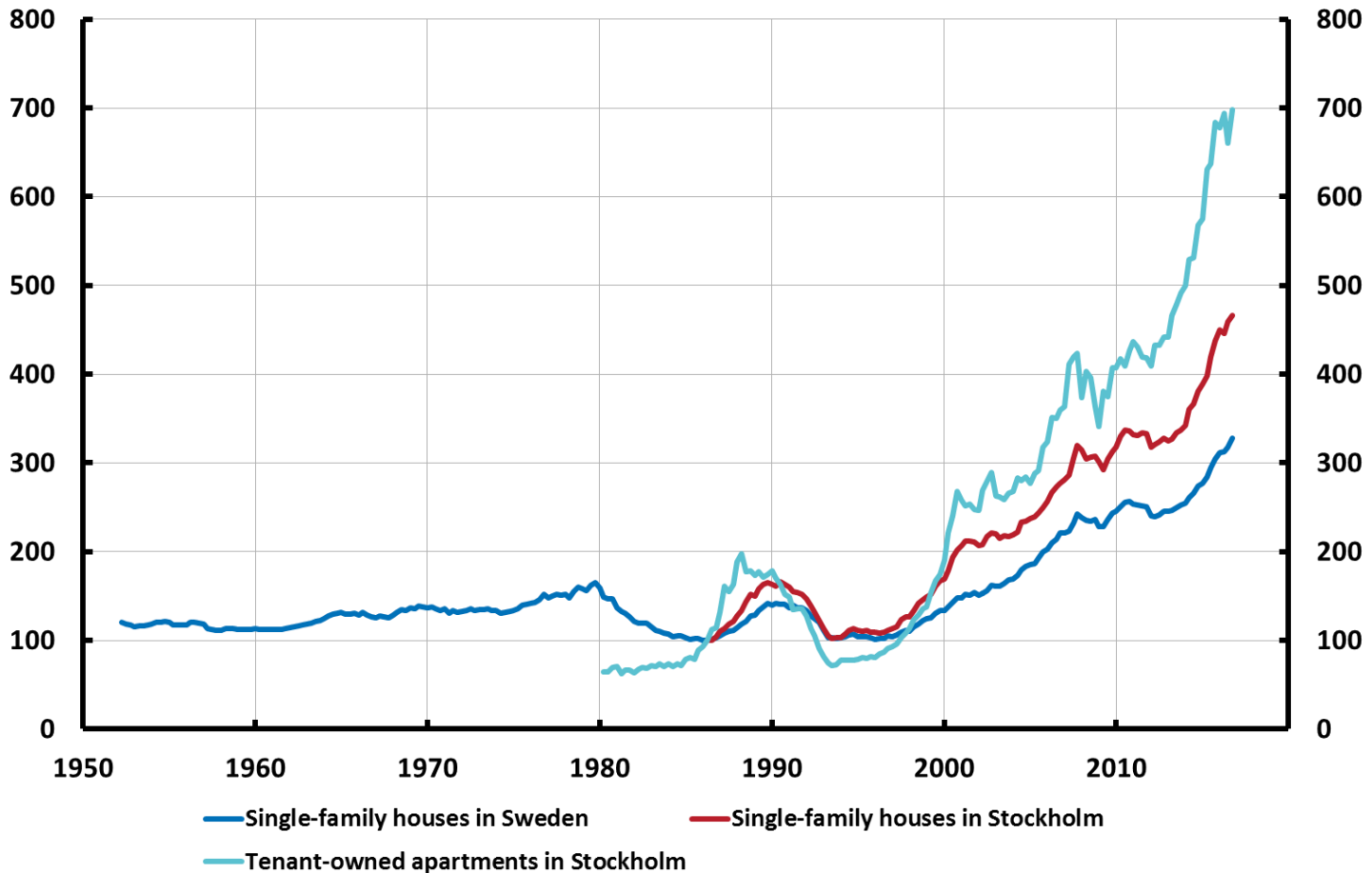


Note. Non-performing loans are defined by the European Banking Authority (EBA) as loans in which the borrower has paid neither interest nor amortisations in the last 90 days.

Source: EBA

2:2 Real housing prices in Sweden

Index, quarter 1 1986 = 100

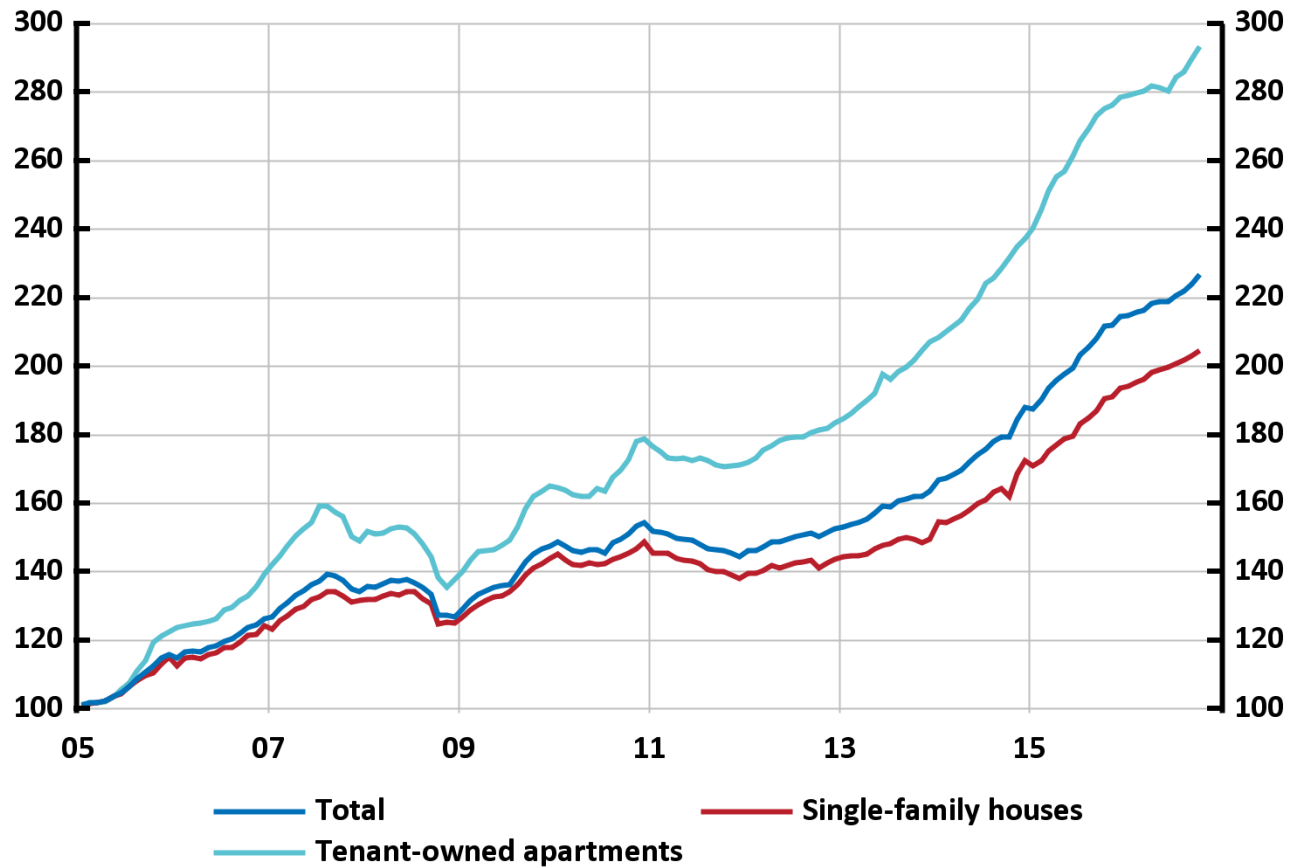


Note. Housing prices have been deflated by the CPI.

Sources: Statistics Sweden, Valueguard and the Riksbank

2:3 Housing prices in Sweden

Index, January 2005 = 100

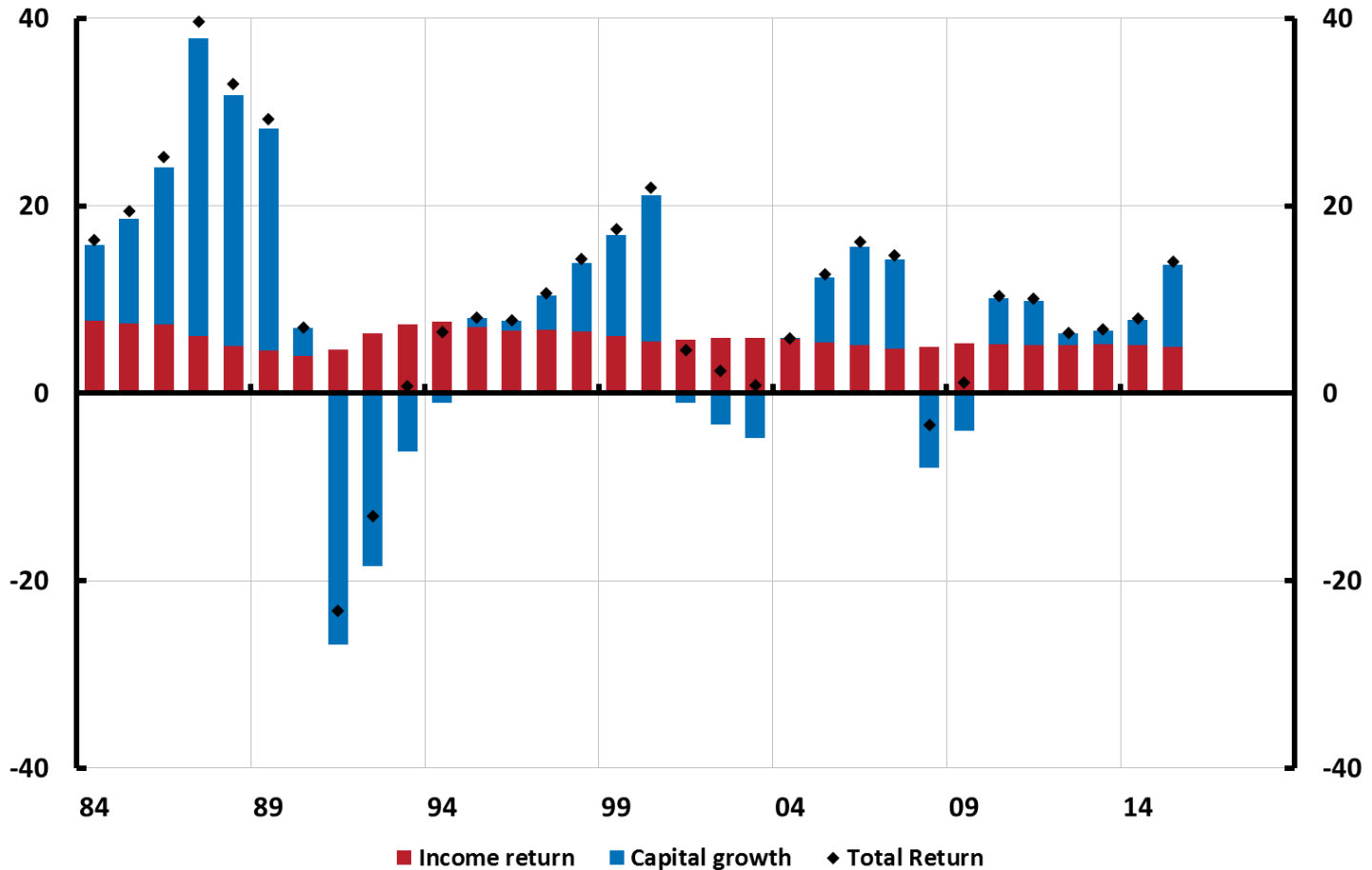


Note. Seasonally adjusted housing prices.

Sources: Valueguard and the Riksbank

2:4 Yield on commercial properties

Per cent

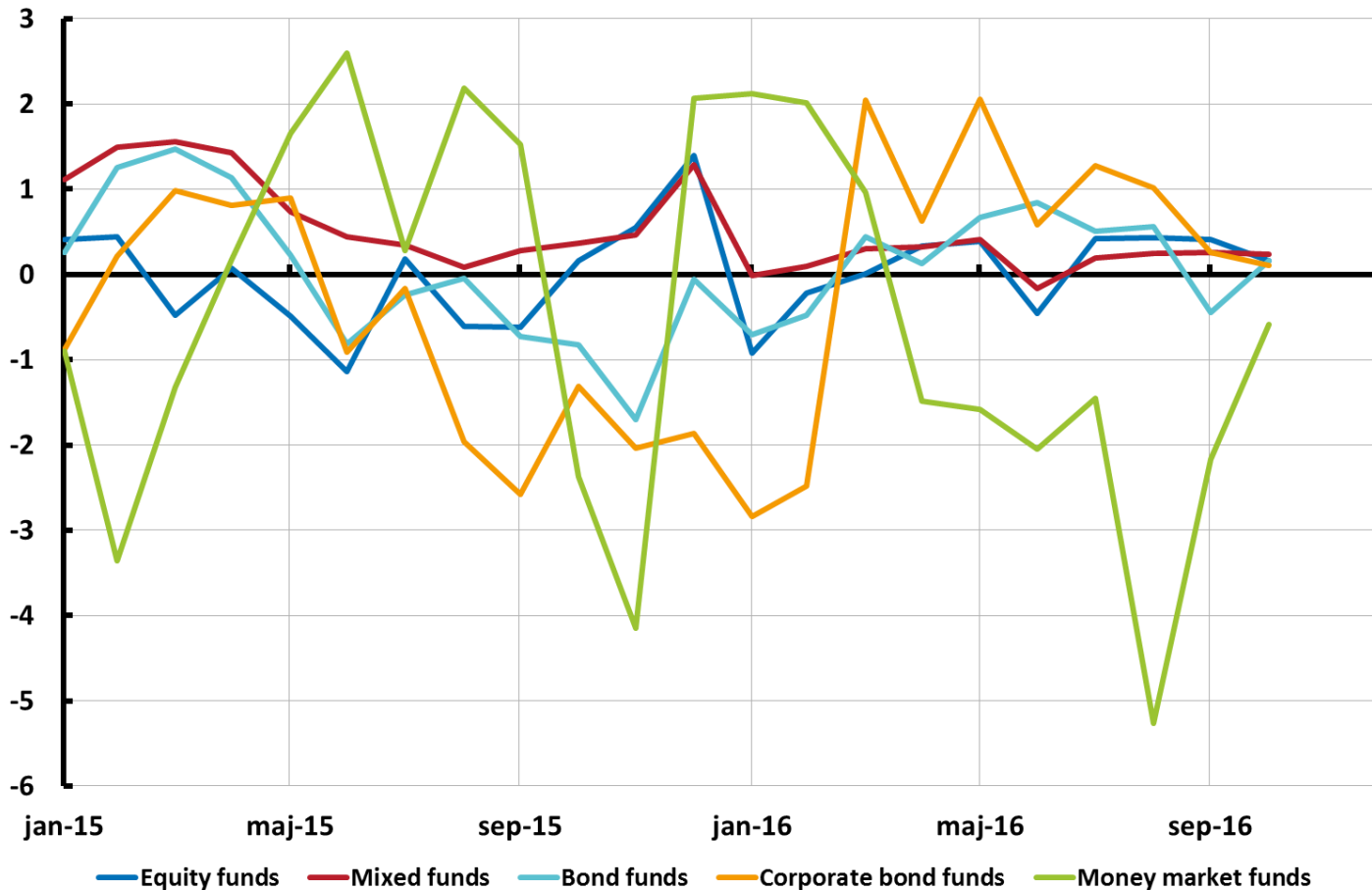


Note. Income return is defined as rental income minus operating and maintenance costs.

Source: MSCI

2:5 Monthly net flows in relation to fund wealth

Per cent

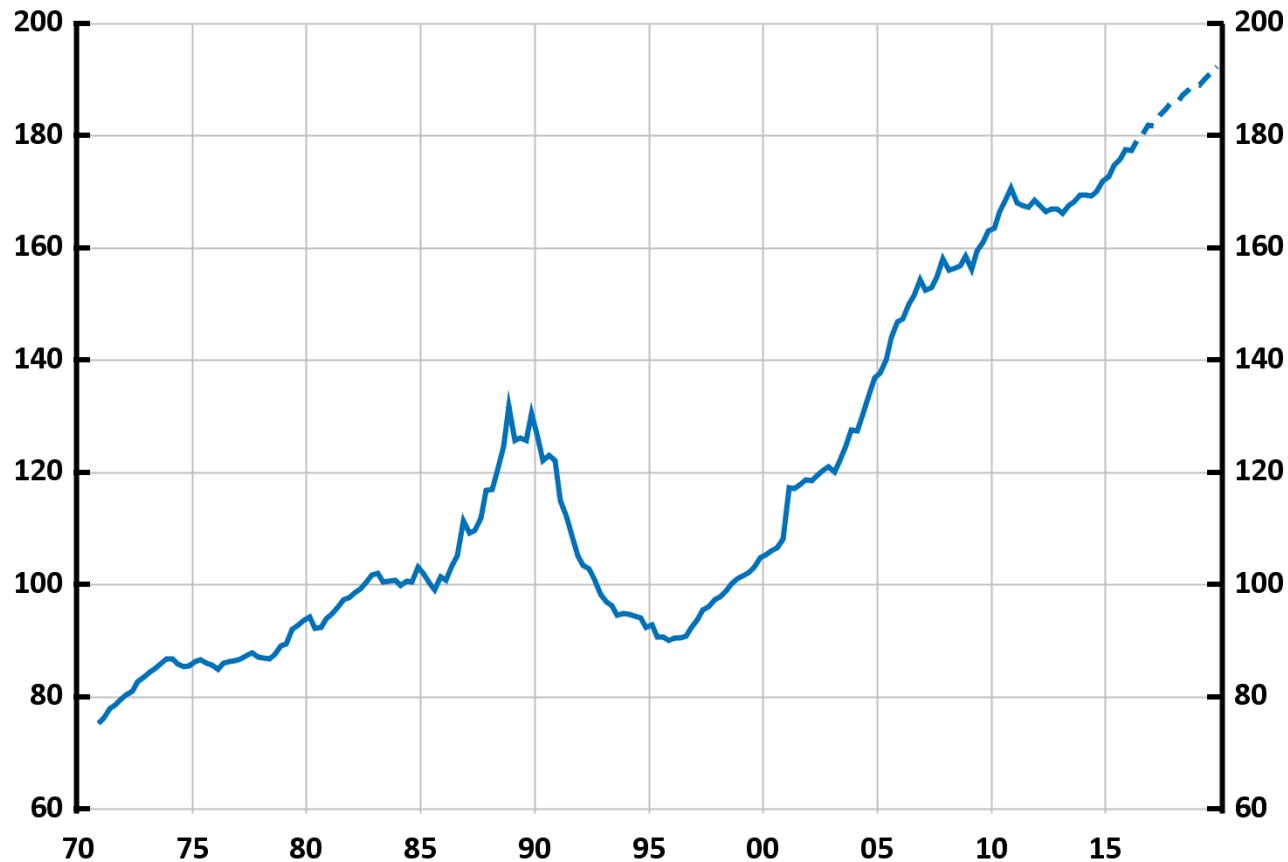


Note. The fund flows refer to Swedish investors. Households are responsible for around 80 per cent, either directly or via pension savings, of Swedish investors' fund holdings.

Source: The Swedish Investment Fund Association

2:6 Household debt-to-income ratio in Sweden

Percentage of disposable income



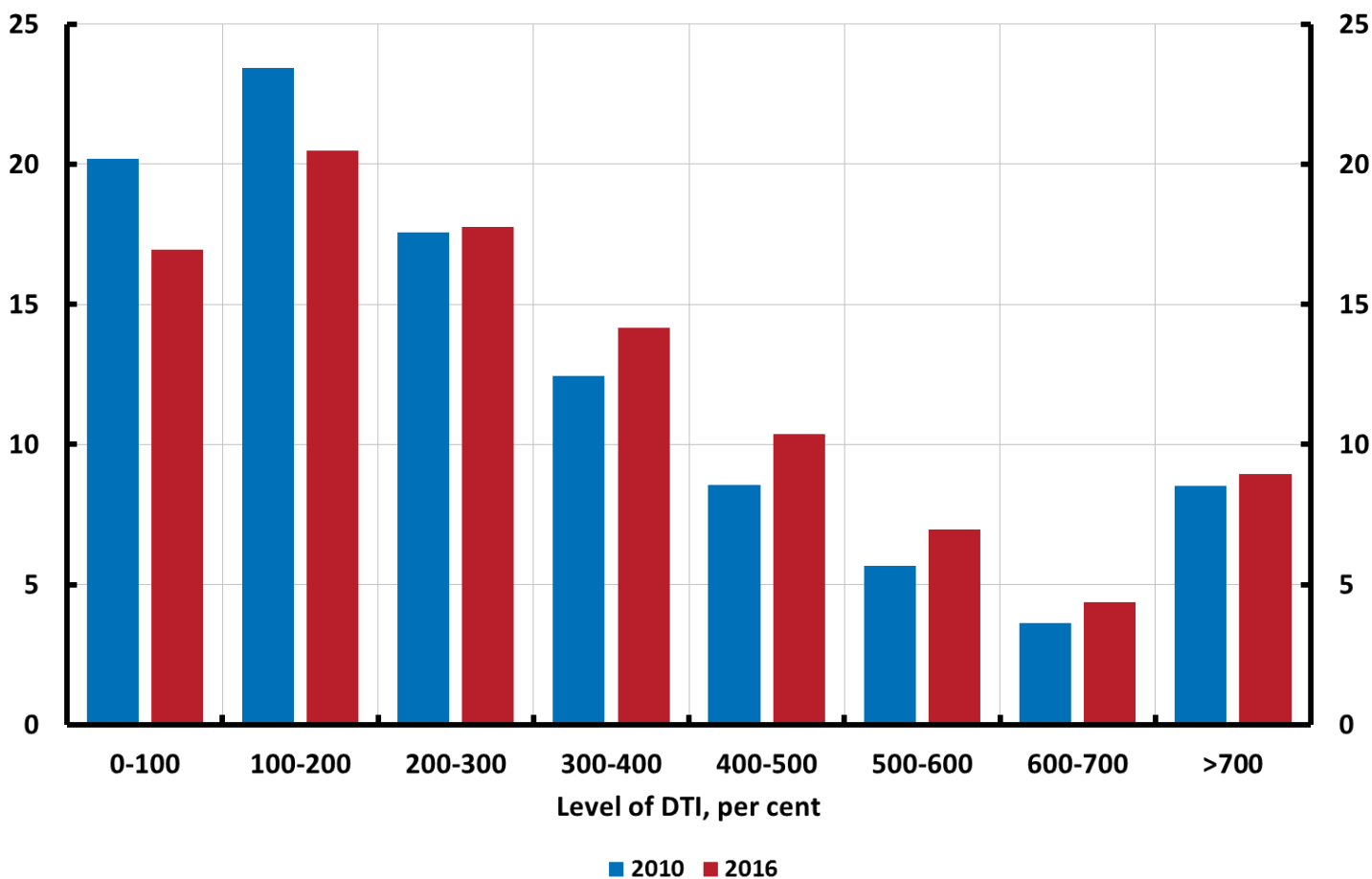
Note. The dashed line represents the Riksbank's forecast.

Sources: Statistics Sweden and the Riksbank

2:7 Distribution of debt-to-income ratios for Swedish households with mortgages, 2010 and 2016



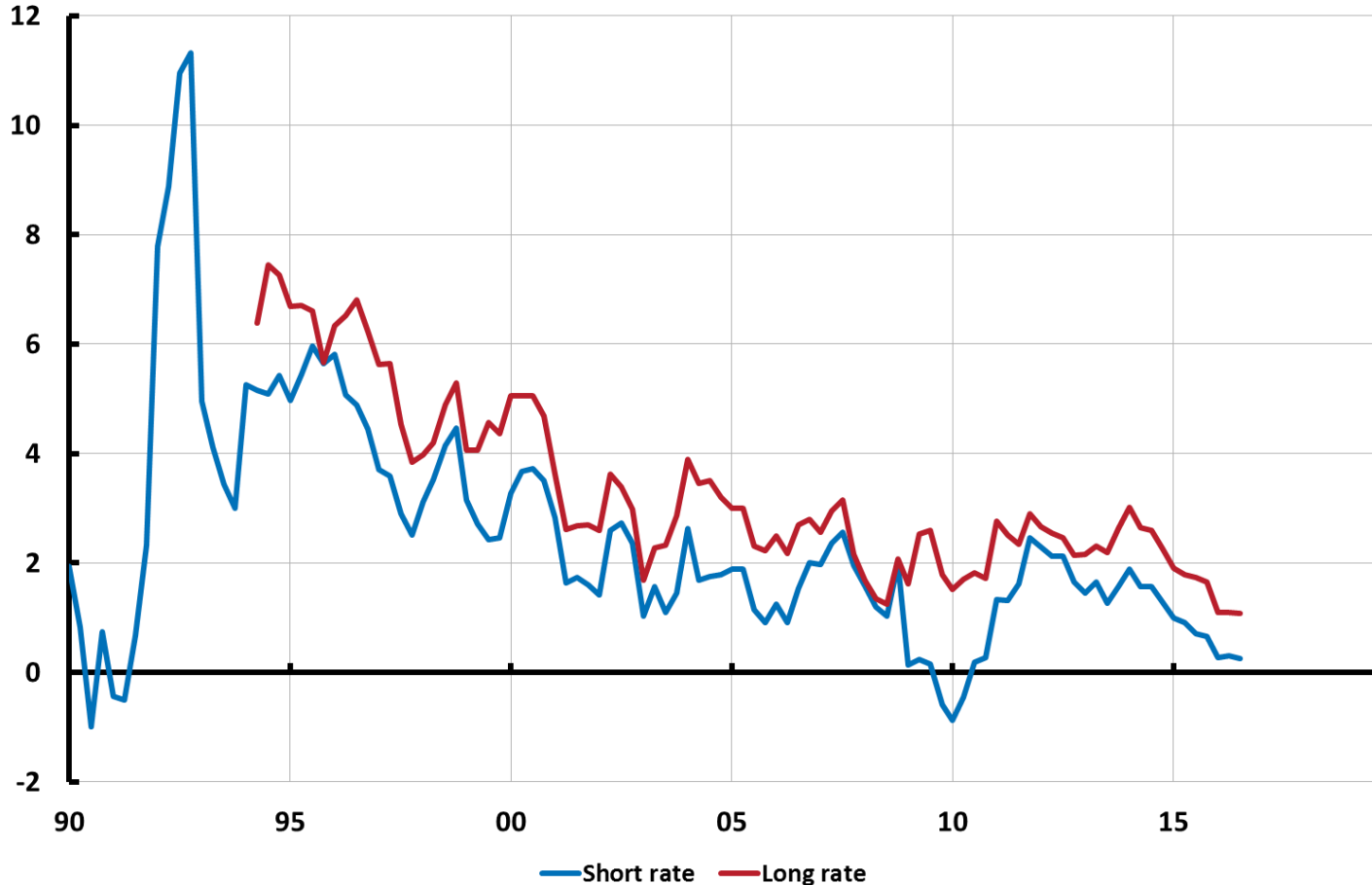
Percentage, mortgage borrowers



Source: The Riksbank

2:8 User cost for Swedish housing

Per cent

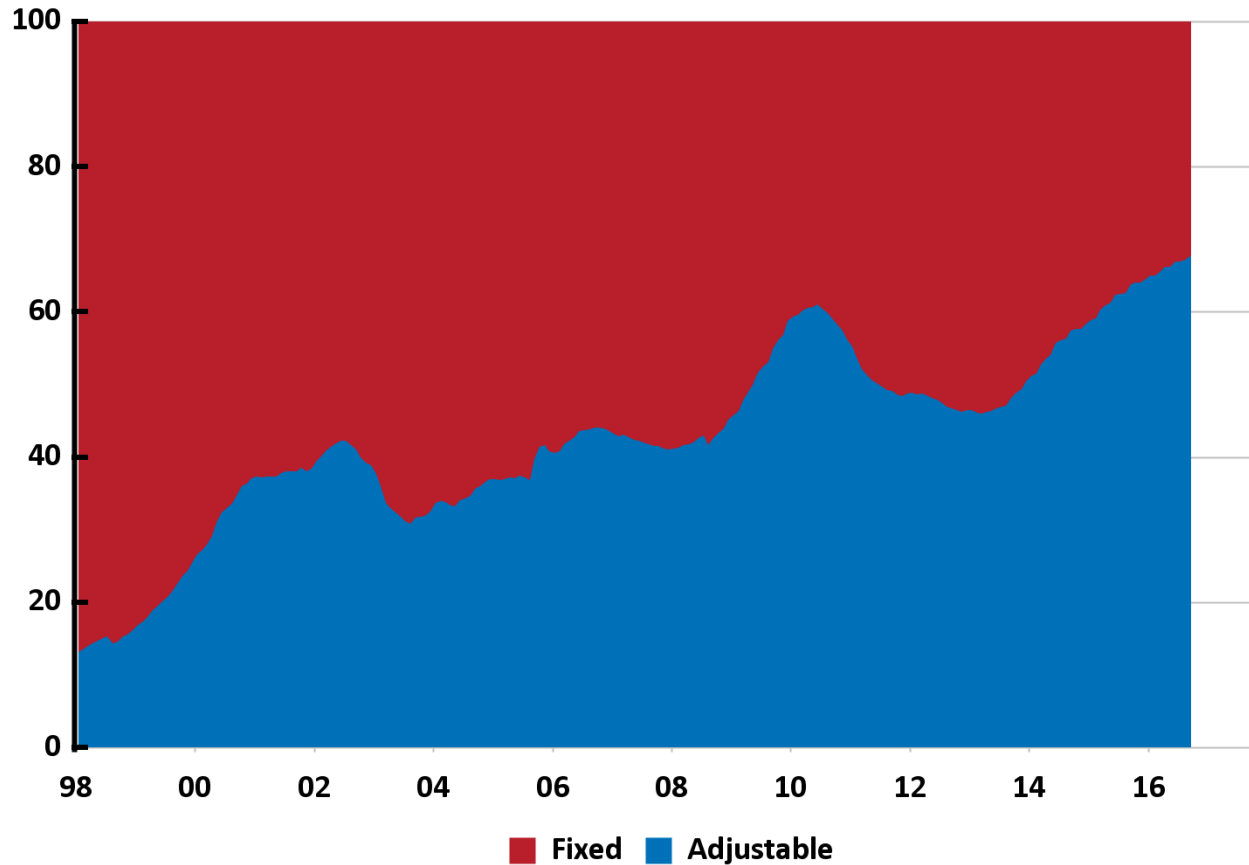


Note. The user cost is estimated as a nominal mortgage rate adjusted by actual inflation, tax relief on interest expenditure and property charges. Short rate refers to 3-months maturity and long rate refers to 8-years maturity.

Sources: Statistics Sweden and the Riksbank

2:9 Rate fixation periods for the mortgage stock in Sweden

Per cent, share of mortgages

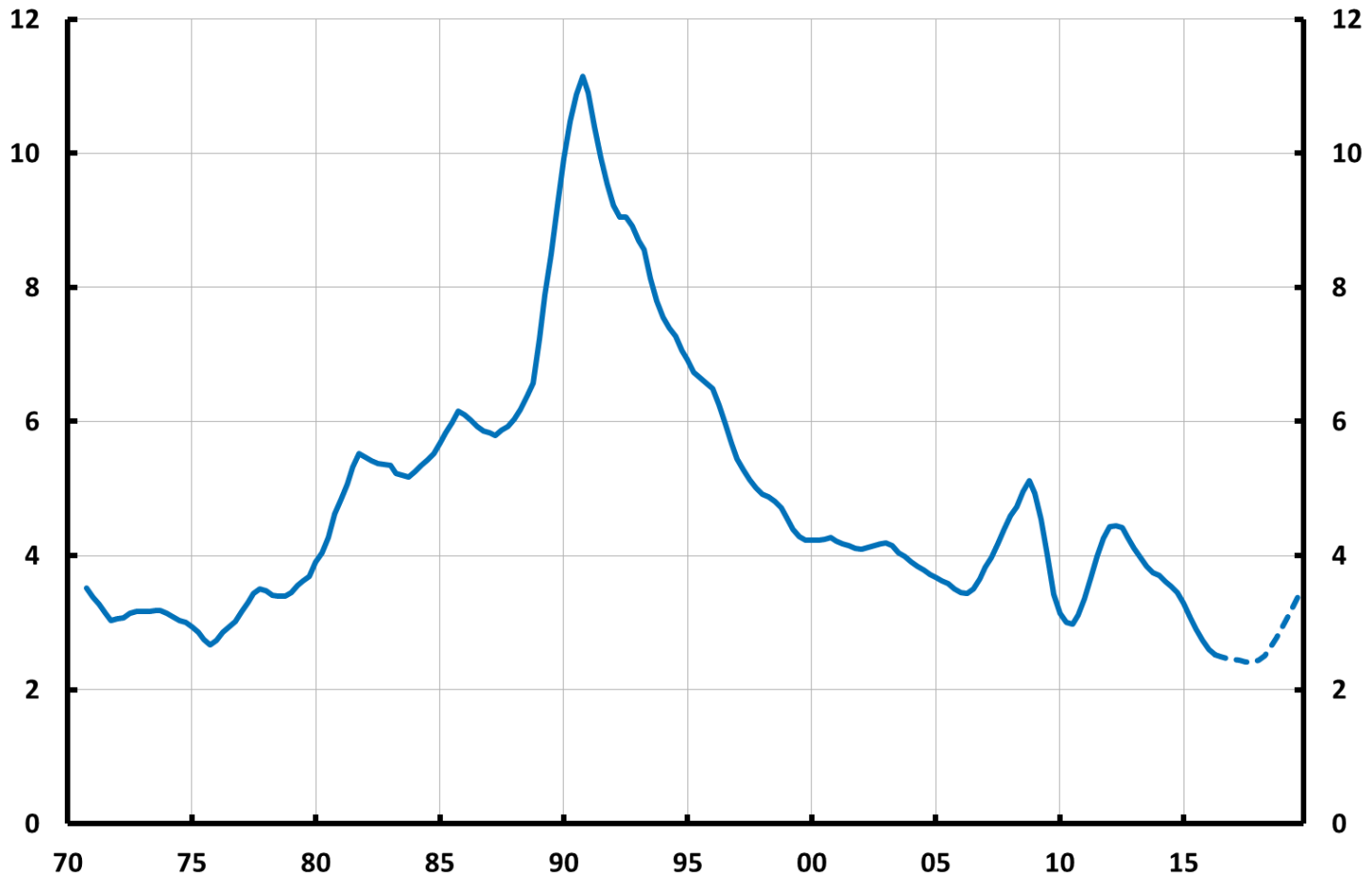


Note. Adjustable rate refers to rate fixation periods up to 3 months. Fixed rate refers to rate fixation periods above 3 months.

Source: Statistics Sweden

2:10 The Swedish households' interest ratio

Per cent, interest expenditure as a percentage of disposable income

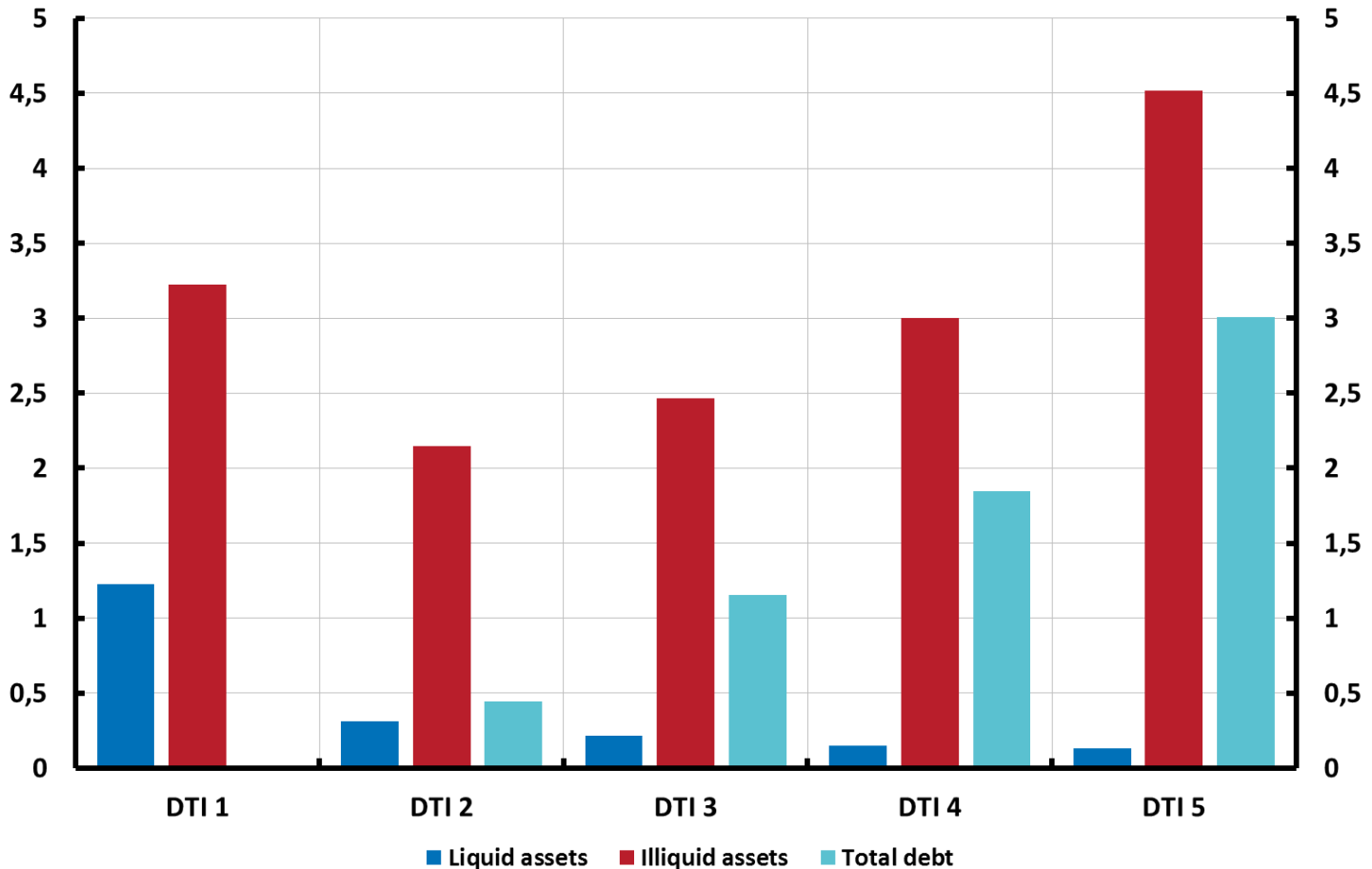


Note. The dashed line represents the Riksbank's forecast.

Sources: Statistics Sweden and the Riksbank

2:11 Household assets and debt, average 2002-2007

Household assets and debt in relation to disposable income

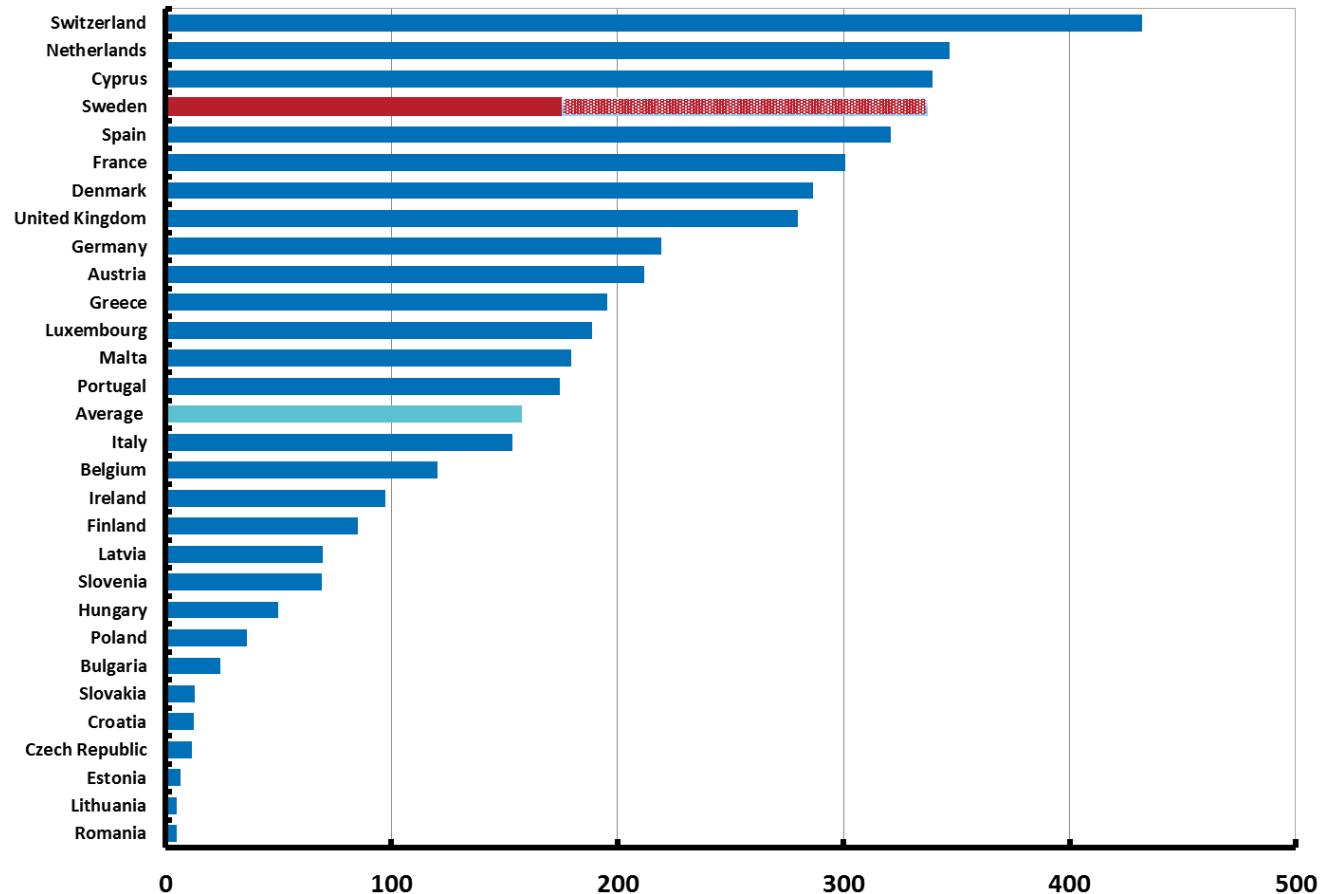


Note. DTI 1-DTI 5 refers to quintiles of total debt in relation to disposable income.

Source: Flodén, M. Kilström, M. Sigurdsson, J. and Vestman, R. (2016), Household debt and monetary policy: revealing the cash-flow channel.

2:12 The banks' assets

Percentage of GDP, December 2015

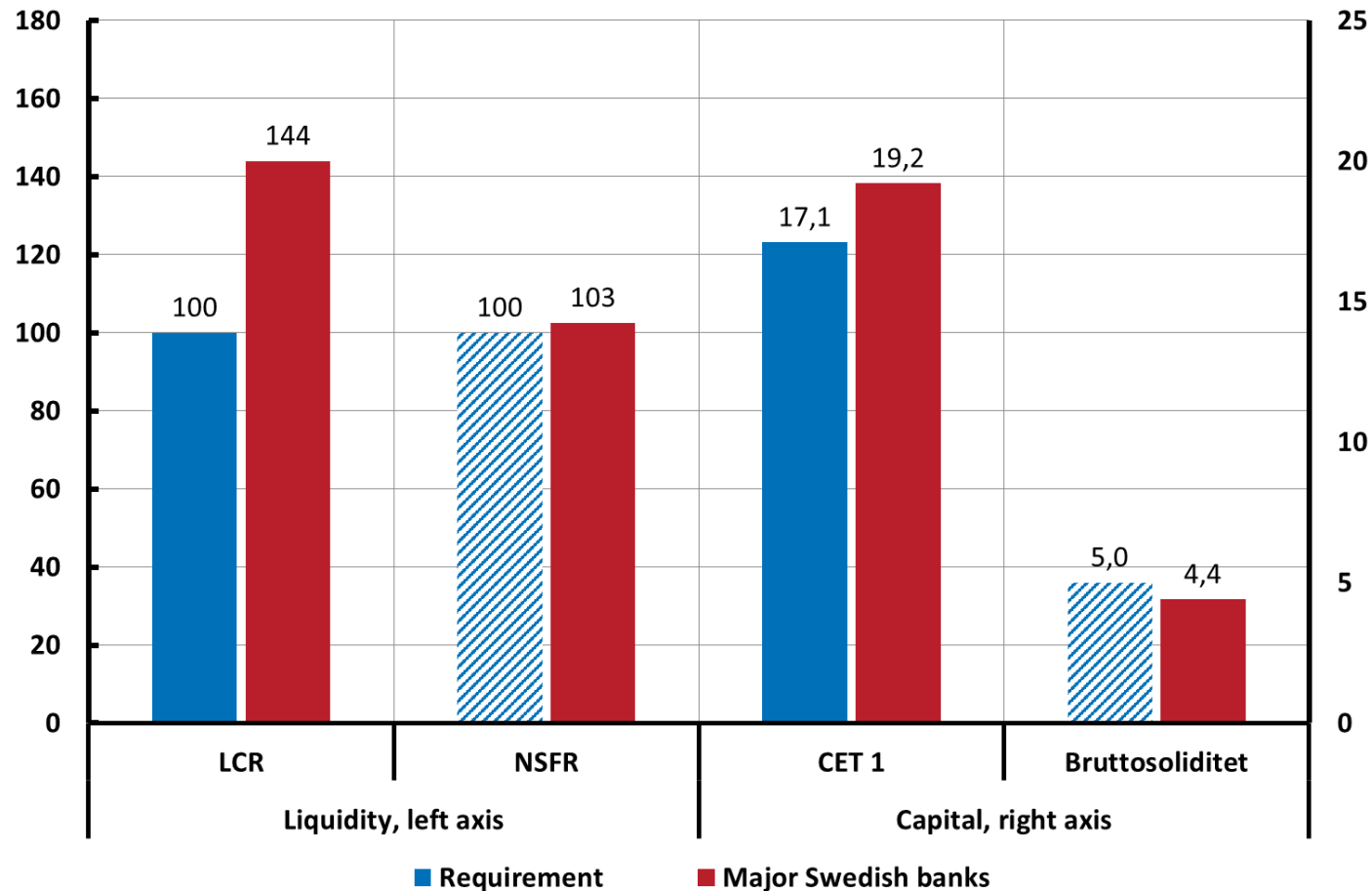


Note. Banking assets includes all of the assets of the national banking groups that is both foreign and domestic assets. The banks' insurance operations are, however, excluded. The shadowed part of the red bar shows the four major banks' assets in foreign subsidiaries and branches abroad in relation to Sweden's GDP.

Sources: ECB, Swiss Bankers' Association, Swiss Statistics, bank reports and the Riksbank

2:13 The four Basel ratios

Per cent, September 2016

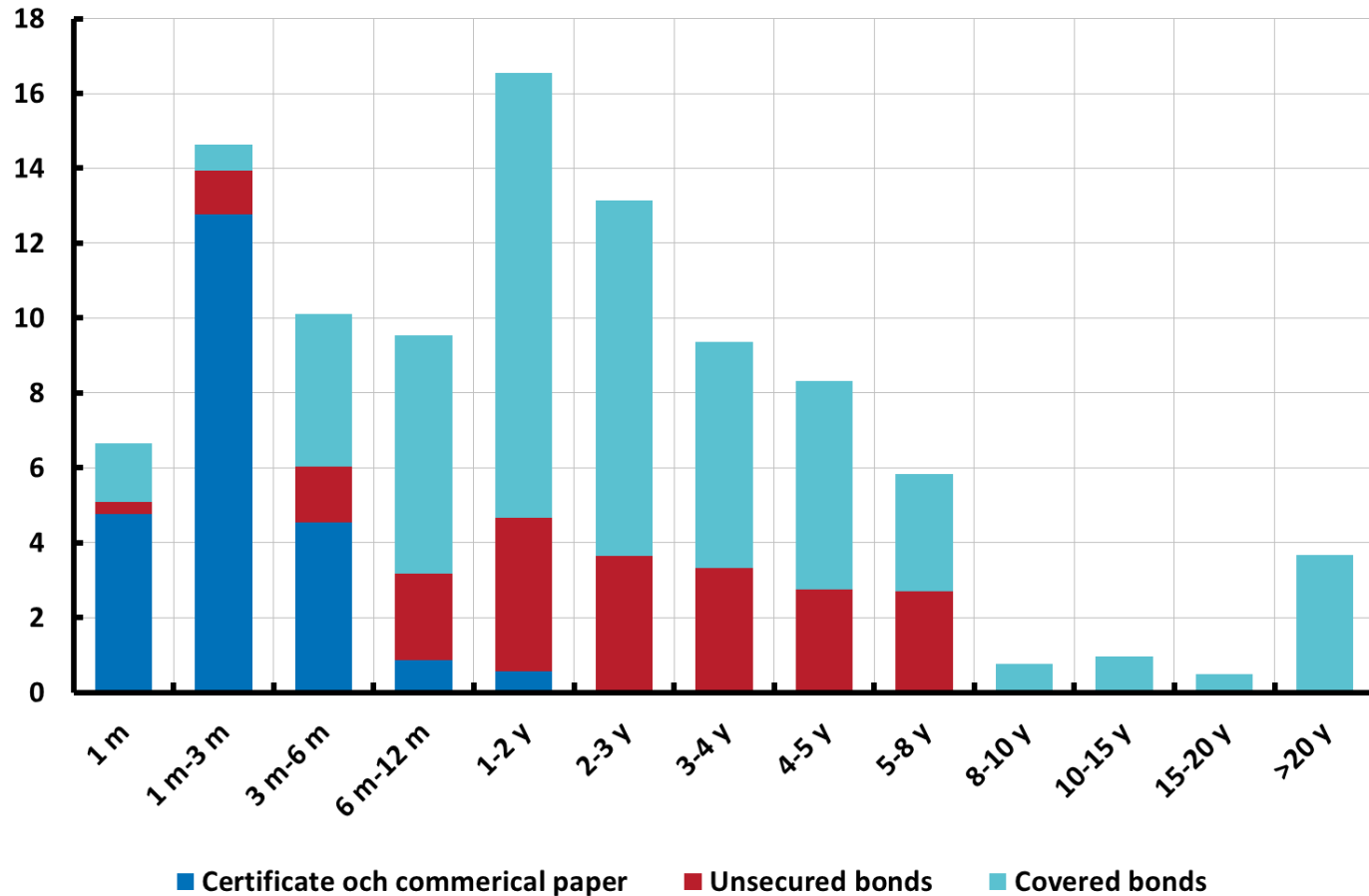


Note. The NSFR is still not statutory within the EU. The blue-striped column refers to the Riksbank's recommendation for Swedish banks. The minimum level for the leverage ratio has not been set as yet. The chart therefore shows the level (blue-striped column) that the Riksbank recommends should apply as of 2018. CET 1 is an abbreviation of common equity tier 1 capital ratio. The minimum level is calculated as the weighted average of the major banks' total capital requirement. The major banks' capital ratios are given as weighted averages.

Sources: Bank reports, BIS and the Riksbank

2:14 The major banks' outstanding securities distributed by remaining term and type of security

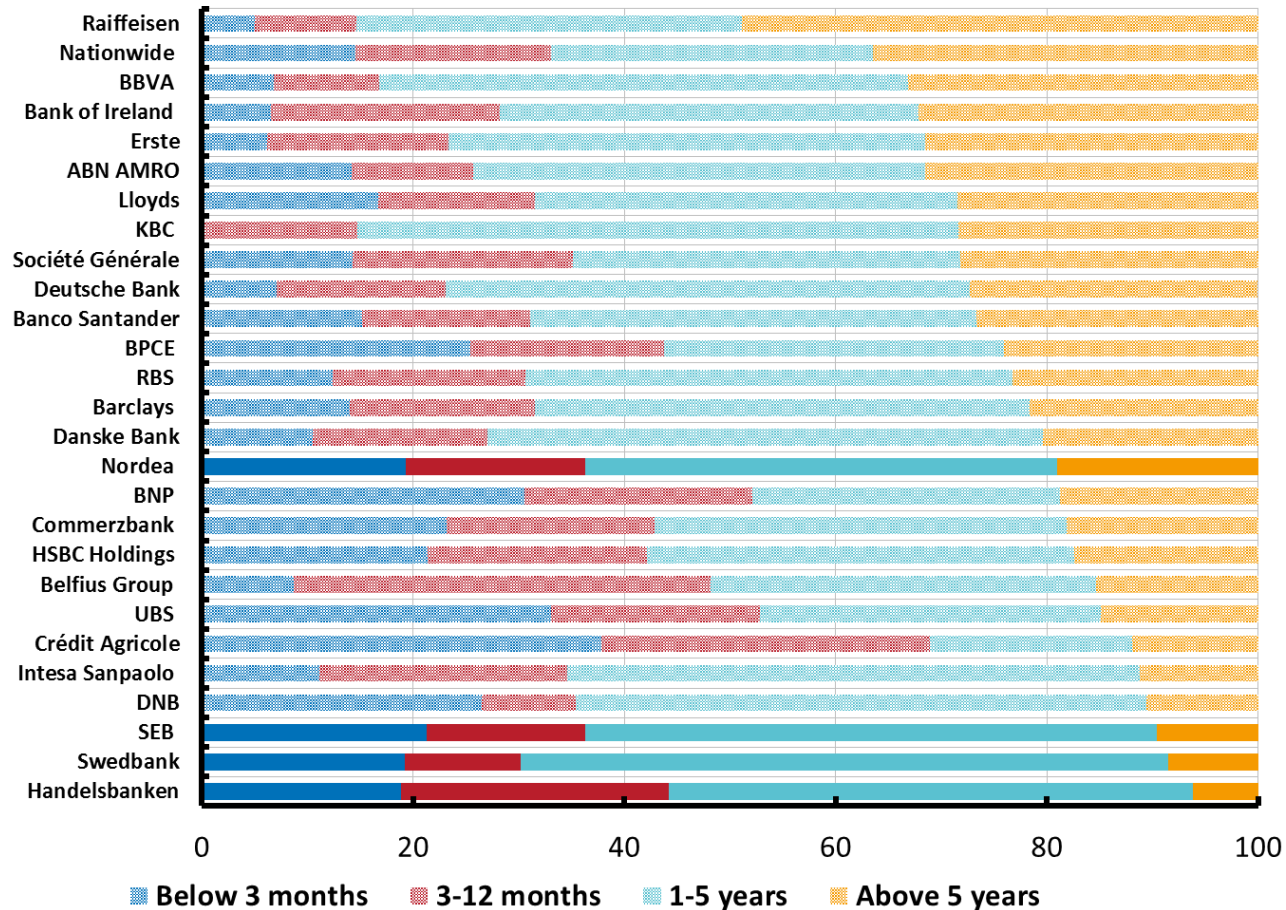
Percent of the outstanding volume, December 2015



Sources: Liquidatum and the Riksbank

2:15 Bank funding distributed in terms of maturity

Per cent, December 2015

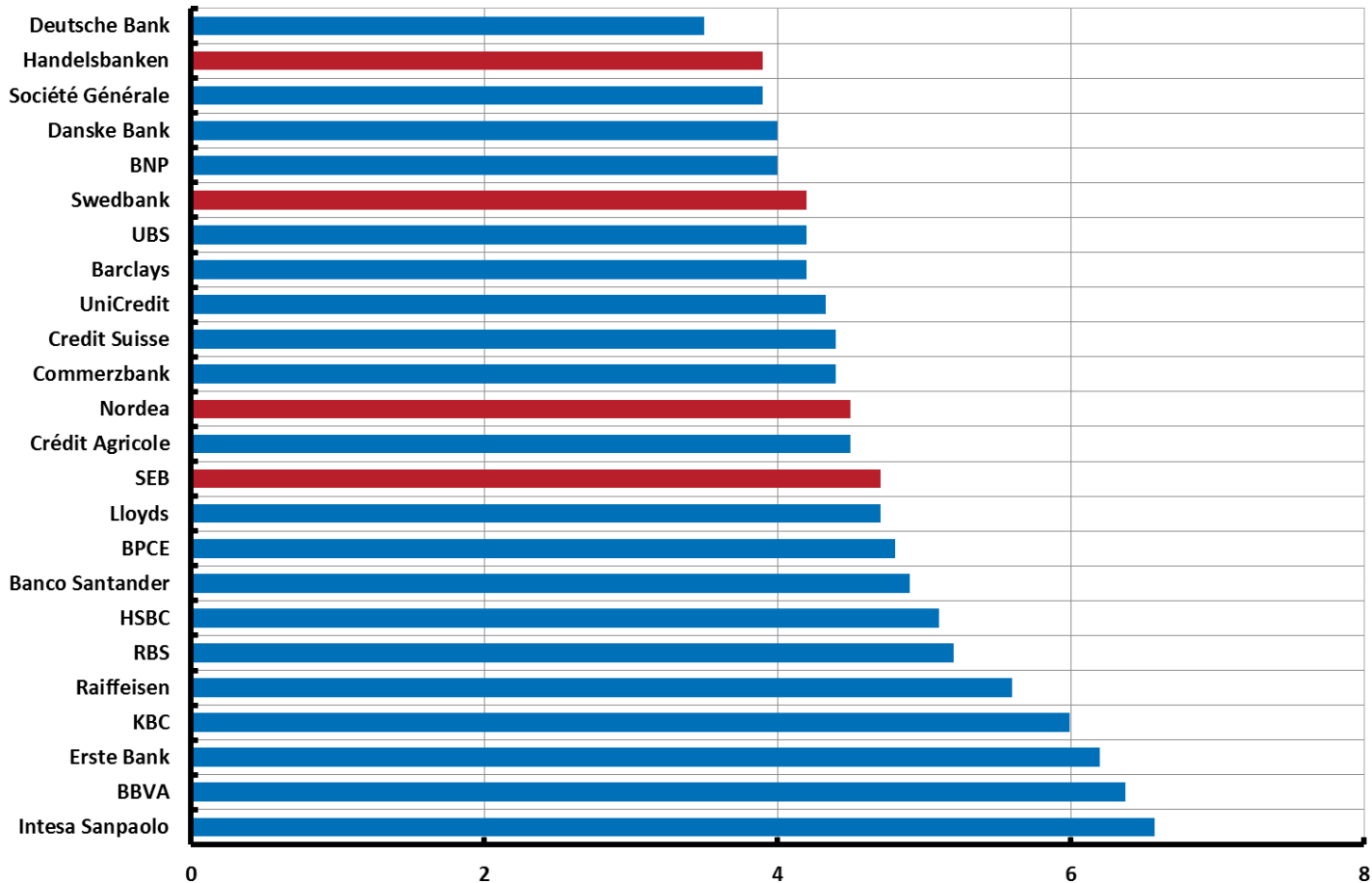


Note. Refers to outstanding securities excluding subordinated debt.

Sources: Liquidatum and the Riksbank

2:16 The leverage ratio in various banks

Per cent, June 2016



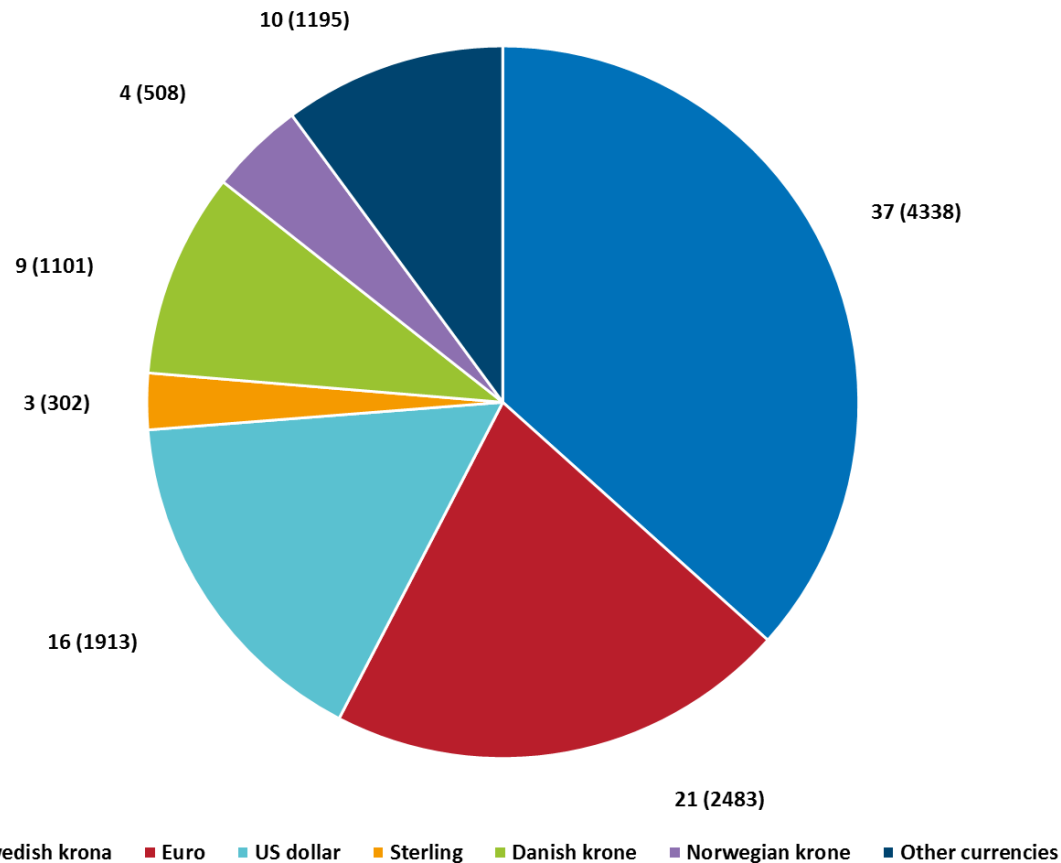
Note. Calculated according to the applicable definition in Basel III.

Sources: SNL Financial and the Riksbank

2:17 The major Swedish banks' aggregate liabilities per currency as a percentage of total liabilities



Per cent (SEK billion)

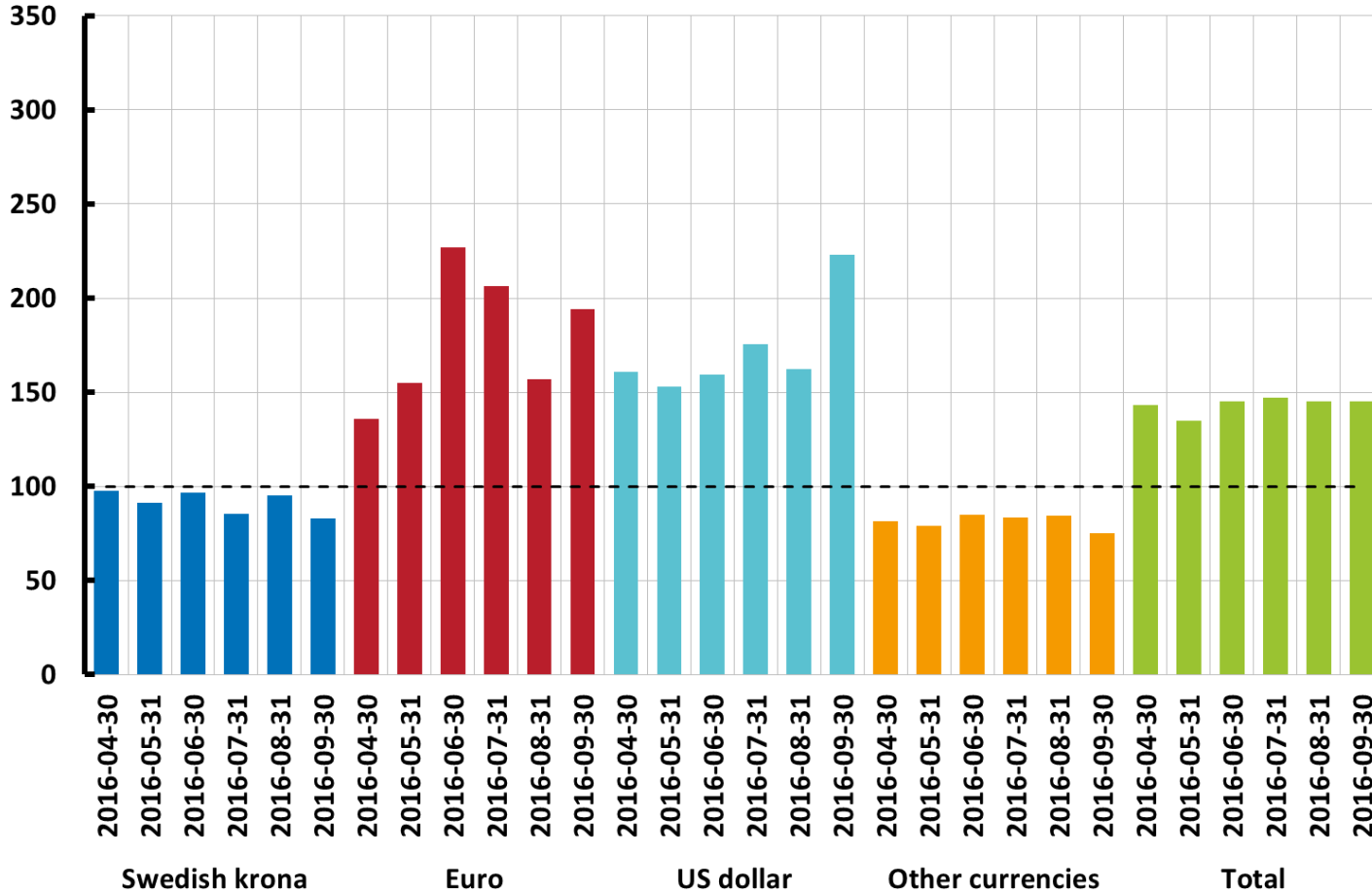


Note. The major banks' (Nordea, Handelsbanken, SEB and Swedbank) total liabilities amounted to almost SEK 12,000 billion in December 2015, 6,700 billion of which consisted of short-term liabilities including deposits.

Sources: Bank reports and the Riksbank

2:18 The major Swedish banks' LCR in different currencies

Per cent

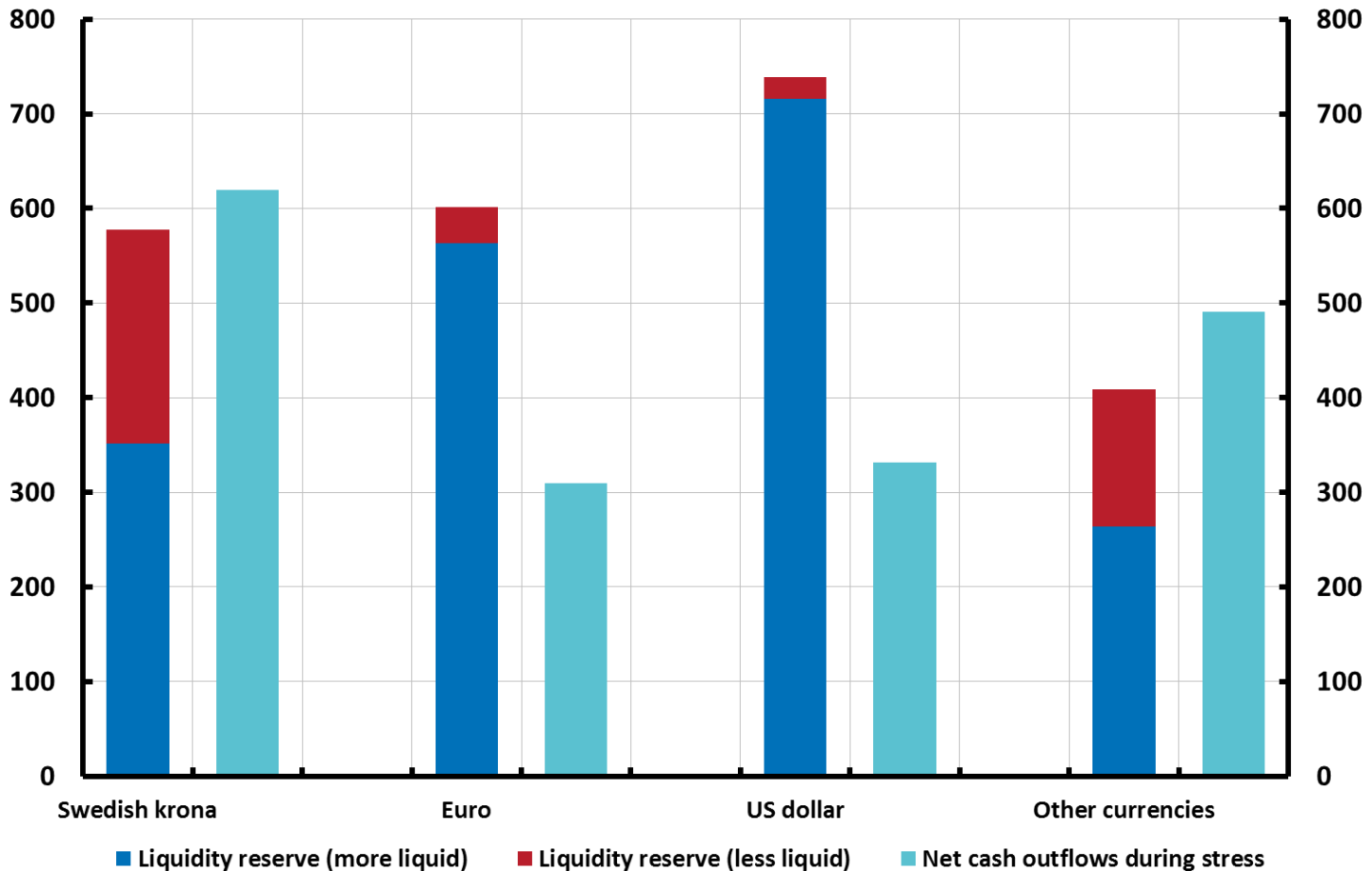


Note. Refers to a weighted average.

Source: Finansinspektionen

2:19 The major Swedish banks' net cash outflows during stress and their liquidity reserves in different currencies, according to LCR

SEK billion

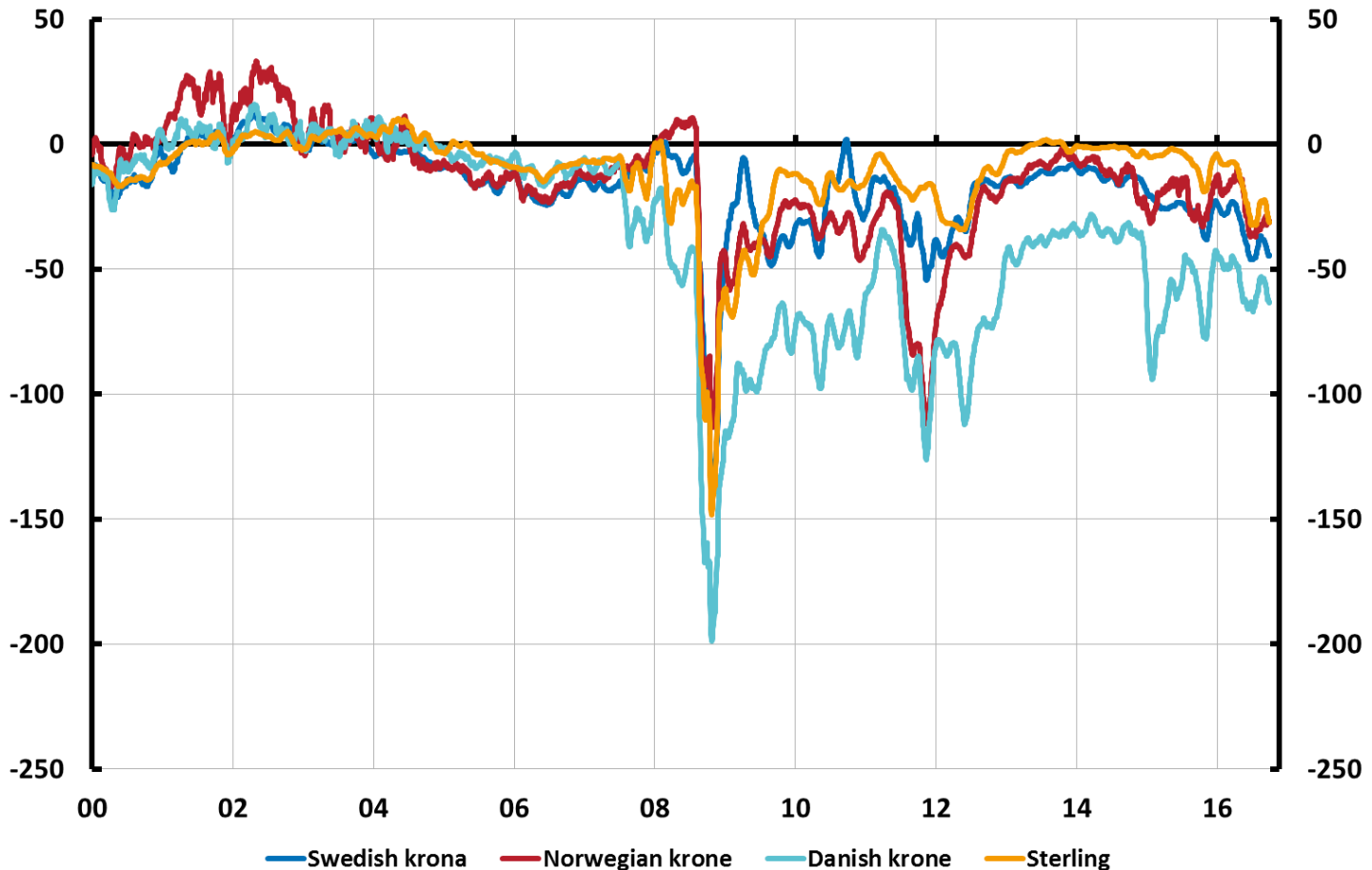


Note. Refers to September 2016. The red columns refer to so-called level-2 assets that are considered less liquid than central bank money and government securities in the LCR. In practice, for Swedish banks, they primarily consist of covered bonds

Sources: Finansinspektionen and the Riksbank

2:20 Additional cost of borrowing in USD and converting these to other currencies compared to borrowing in other currencies directly

3 months, basis points



Note. Additional cost of borrowing in USD and converting these to Norwegian, Danish and Swedish krona and sterling compared to borrowing in Norwegian, Danish and Swedish krona and sterling directly. A negative value means that it is cheaper to first borrow in dollars and convert to the other currency, compared with borrowing in the second currency directly. The series are based on 30-day averages.

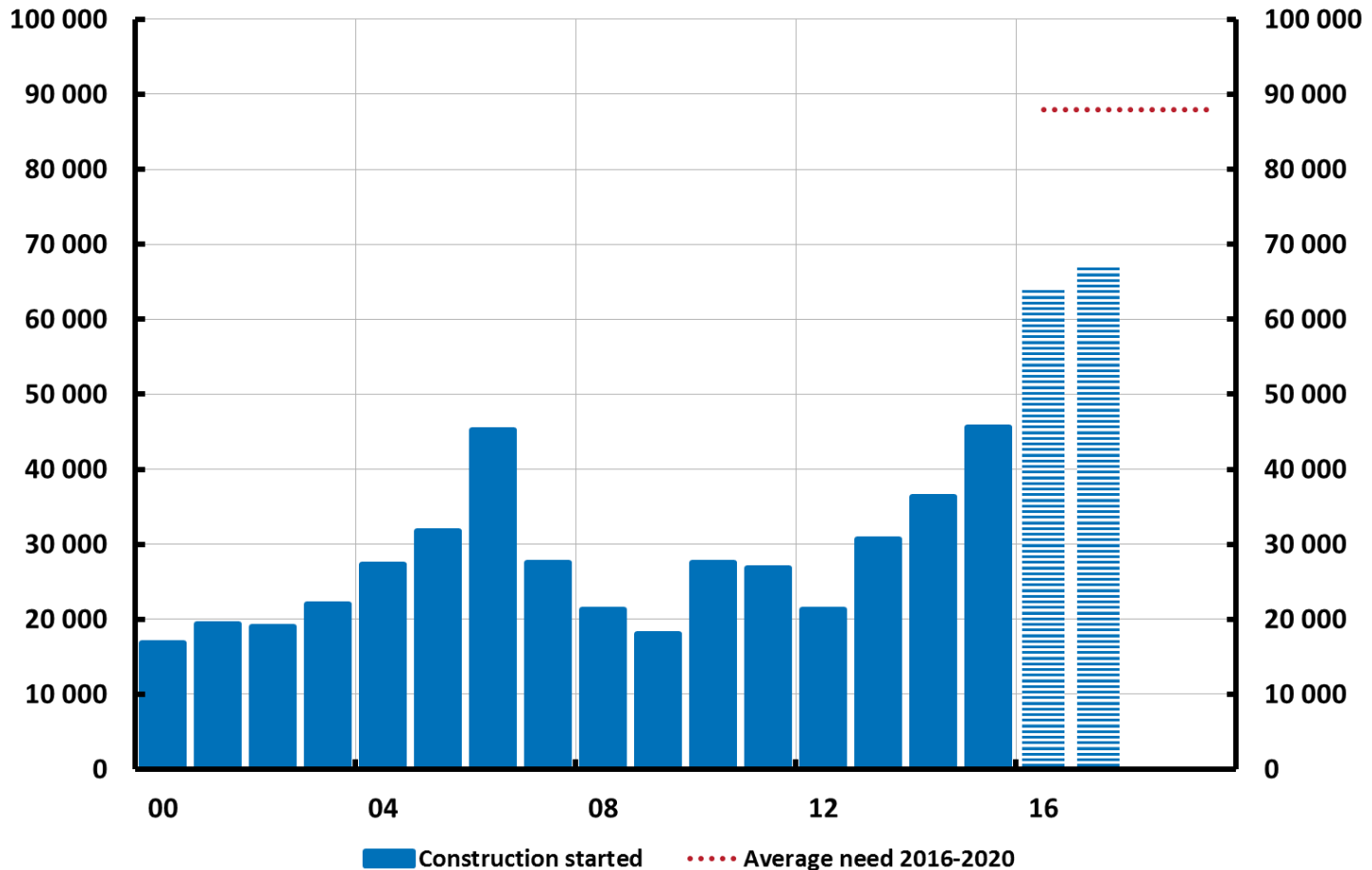
Sources: Bloomberg and the Riksbank

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Chapter 3 Recommendations

3:1 Housing construction in Sweden

Number of homes

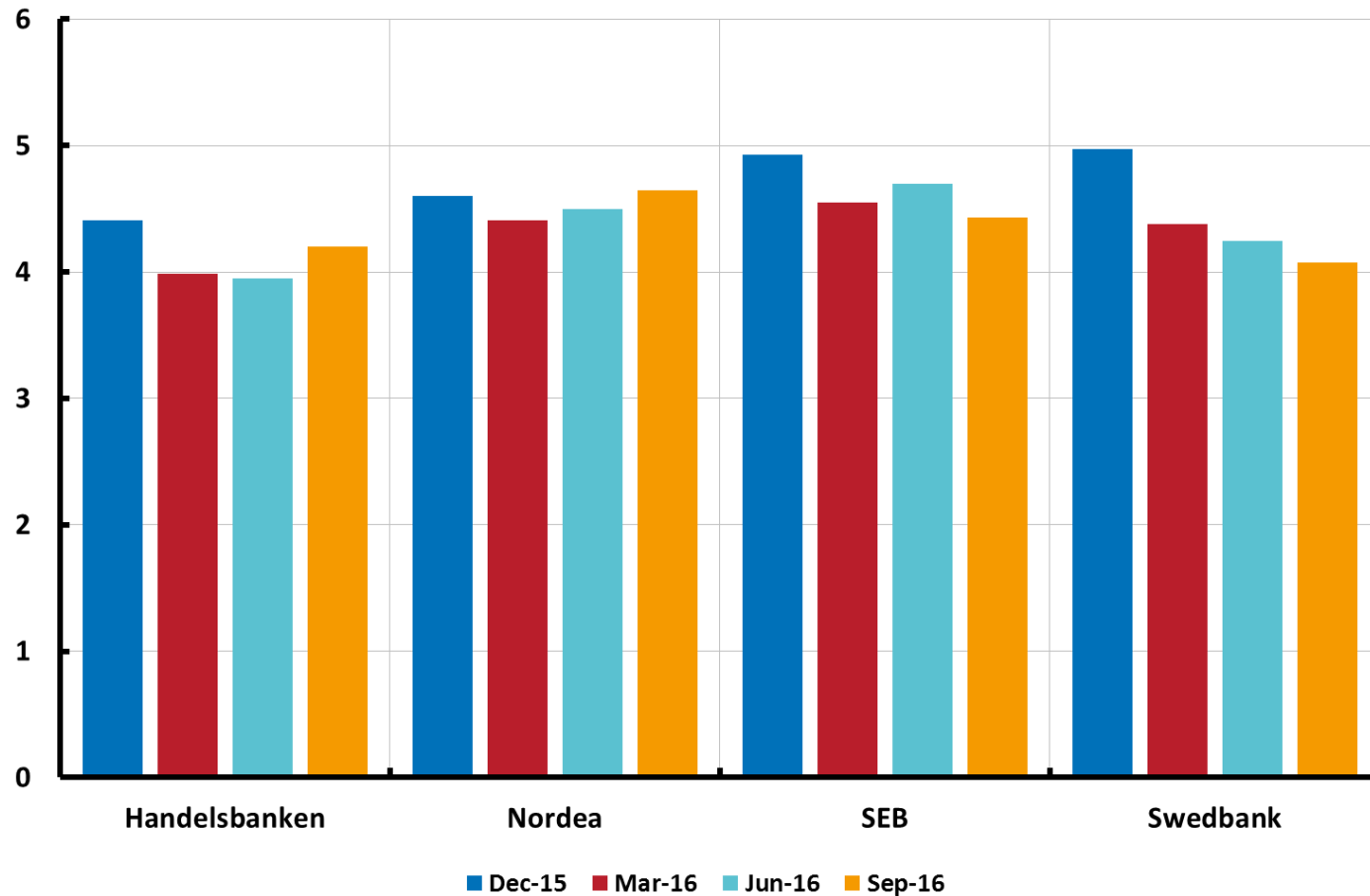


Note. Outcome from Statistics Sweden. Forecast (blue dashed bar) for 2016 and 2017 is from the publication "Boverkets indikatorer [National Board of Housing, Building and Planning's indicators], November 2016. The red line refers to the National Board of Housing, Building and Planning's forecast in July 2016 for the average construction need in 2016-2020.

Sources: National Board of Housing Building and Planning and Statistics Sweden

3:2 Reported leverage ratios

Per cent

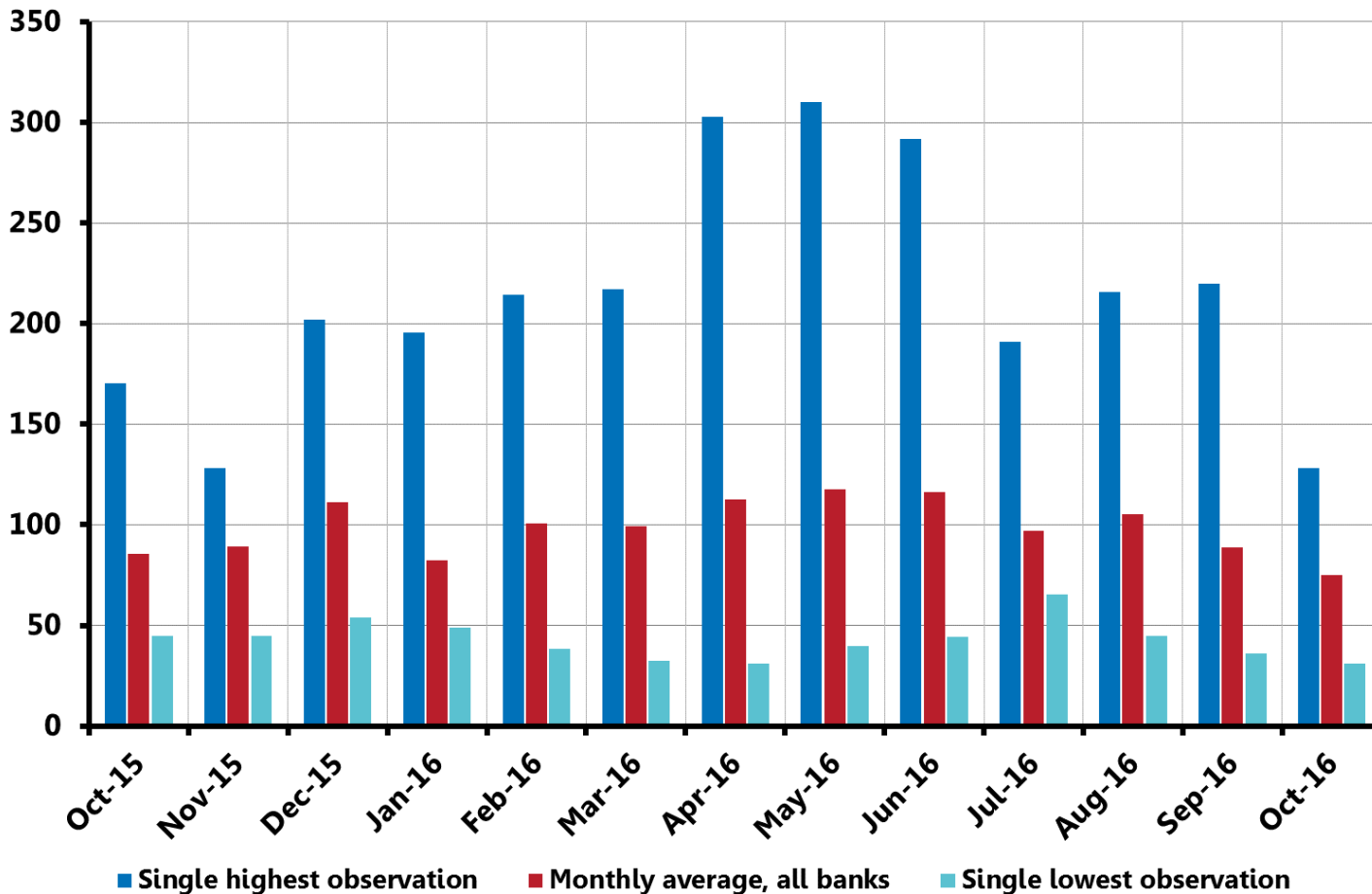


Note. According to the EU's capital requirements regulation (CRR).

Source: Bank reports

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

Per cent

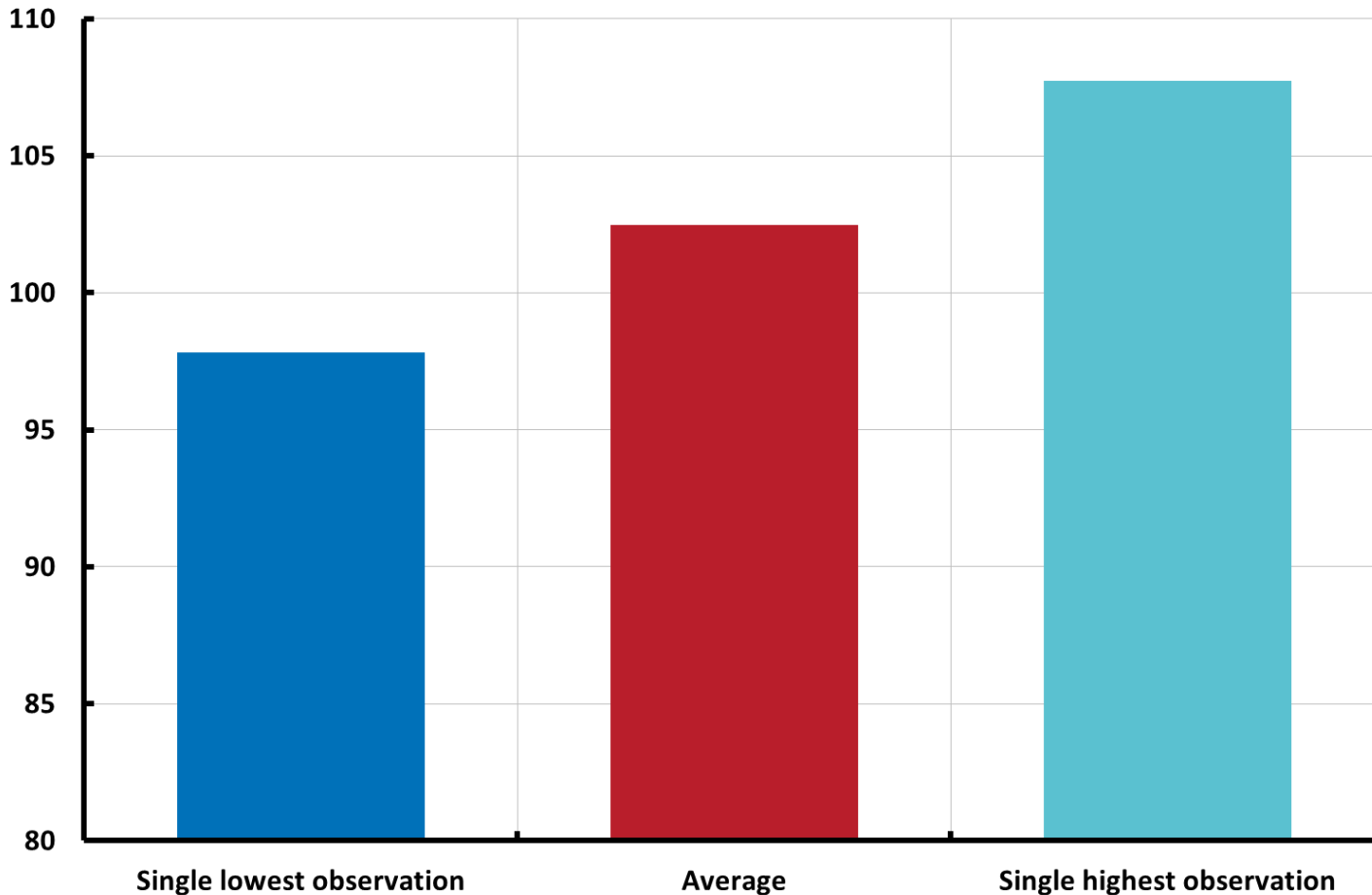


Note. Average daily LCR in Swedish kronor per month, and the single highest and lowest observations each month.

Source: The Riksbank

3:4 The major Swedish banks' lowest, average and highest monthly NSFRs

September 2015 to June 2016, 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