



PRESS RELEASE

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■ Riksbank presents new Financial Stability Report

Although household debt is increasing at a rapid rate, it is not considered to entail any serious risks for Swedish banks. This is the assessment made by the Riksbank in its Financial Stability Report, which is presented today.

In addition to the usual analysis of the household sector as one of the groups comprising the banks' borrowers, the report also contains an article breaking down household debt and ability to pay into different income classes. In this article the Riksbank has examined how households would be affected by increased interest expenditure or rising unemployment. The results show that a large percentage of the debts belong to households with both substantial assets and fairly good-sized margins; not even a large increase in interest rates or unemployment would affect their ability to pay to an extent where the risks in the banking system would increase significantly.

The report also indicates that the major Swedish banks are continuing to improve their profitability and thereby their ability to manage unexpected losses. The Swedish economy is now in a cyclical phase where the risks of serious loan losses within the banks appear small.

A press conference with Deputy Governor Lars Nyberg, Martin Andersson, Head of the Financial Stability Department, and Mattias Persson, Head of the Credit Market Division, will be held at 1 p.m. today in the Riksbank, entrance from Brunkebergstorg 11. Press cards must be shown.

The Report can be downloaded from the Riksbank's website, www.riksbank.se, under the heading Published/Publications/Financial Stability Report, or ordered via e-mail forradet@riksbank.se, fax +46-8-787 0526 or tel. +46-8-787 0000. It may also be collected from the Riksbank's main entrance, Brunkebergstorg 11.