



PRESS RELEASE

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■ Riksbank presents new Financial Stability Report

At present the Riksbank sees no serious threats to financial stability, according to the Financial Stability Report published today. In addition, the banks' resilience has increased further over the past six months.

The fact that the banks' resilience has increased is due to continued improvements in profitability as a result of a strong stock market, continued high growth in lending and very low loan losses. At the same time, the Riksbank highlights a number of areas where risks are building up: The risk of rapid price adjustments in the financial markets, the increase in house prices and household indebtedness, increased borrowing and rising prices for leveraged buyouts, rapidly rising commercial property prices and the high credit growth in the Baltic States.

At present these risks do not offer any threat to financial stability, but if they were reinforced, and in a different economic situation, the risks could be more tangible. The report presents two stress tests that show that the banks have good resilience, even if the situation were to deteriorate significantly.

Experiences from the Custodia crisis show that the current regulations cannot cope with financial institutions that are undergoing a crisis. If a larger institution were to suffer similar problems, this would be serious. New legislation is therefore necessary.

A press conference with Deputy Governor Lars Nyberg, Martin Andersson, Head of the Financial Stability Department, and Mattias Persson, deputy head of the department, will be held today at 11 a.m. at the Riksbank, entrance from Brunkebergstorg 11. Press cards must be shown.

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