



Financial Stability Report

CHART SUPPLEMENT

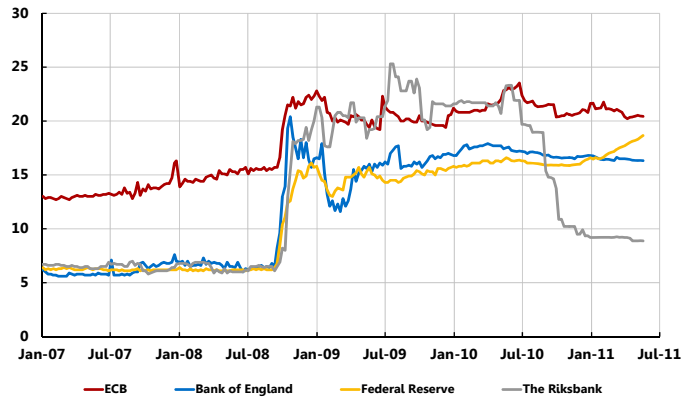
Chart 1:1. Central banks balance sheets.....	5
Chart 1:2. Federal Reserve balance sheet.....	5
Chart 1:3. Government support from the Riksbank and Swedish National Debt Office to financial institutions on the Swedish market.....	5
Chart 1.4. ECB outstanding loans.....	5
Chart 1:5. Swedish stress index.....	6
Chart 1:6. International stress index.....	6
Chart 1:7. Ten-year government bond yields in various countries.....	6
Chart 1:8. The difference between interest rates on ten year government bonds and the German government bond with the same maturity.....	6
Chart 1:9. Stock market developments.....	7
Chart 1:10. Implied stock market volatility.....	7
Chart 1.11. P/E ratios.....	7
Chart 1:12. Risk premiums on the interbank market, 3 months.....	7
Chart 1:13. Premia in the CDS indices.....	8
Chart 1:14. Actual global default rate.....	8
Chart 1:15 Difference between yields on covered bonds and government bonds or interest rate swaps yields with five year maturity.....	8
Chart 1:16. Issuance of Swedish covered bonds.....	8
Chart 1:17. Indicative breakdown of the Swedish riskpremium, 3 months.....	9
Chart 1:18. EUR/SEK cross currency basis spread, five years.....	9
Chart 1:19 Extra cost for borrowing of SEK abroad compared to domestic loan costs.....	9
Chart 1:20. Difference between the short-term interbank rate and the Riksbank's repo rate.....	9
Chart 1:21. Credit spreads for US corporate bonds.....	10
Chart 1.22. Credit spreads for European corporate bonds.....	10
Chart 1:23. Outstanding volume of commercial paper issued in the United States.....	10
Chart 1.24. Outstanding volumes of Euro Commercial Paper.....	10
Chart 1:25. Issuance of corporate bonds in the American market.....	11
Chart 1.26. Issue volumes on the US market for securitised assets.....	11
Chart 2:1. Lending of the Swedish banking groups by borrower category, March 2011.....	13
Chart 2:2. Lending of the Swedish banking groups by geographical area, March 2011.....	13
Chart 2:3. Prices for single-family dwellings and tenant-owned apartments.....	13

Chart 2:4. Household borrowing.....	13
Chart 2:5. Households' new loans broken down by fixed interest period.....	14
Chart 2:6. Lending to households and three-month mortgage rates	14
Chart 2:7. Household debt and post-tax interest expenditure.....	14
Chart 2:8. Households' gross debts, assets and saving	14
Chart 2:9. Corporate borrowing from credit institutions and fixed gross investment.....	15
Chart 2:10. Corporate credit gap.....	15
Chart 2:11. Interest coverage ratio in Nordic listed companies	15
Chart 2:12. The number of bankruptcies broken down by industry.....	15
Chart 2:13. Transaction volumes on the Swedish commercial property market	16
Chart 2:14. Average yield levels for modern office premises in city centres	16
Chart 2:15. Real house prices	16
Chart 2:16. Expected default frequency (EDF)	16
Chart 2:17. GDP	17
Chart:2:18. Real exchange rates	17
Chart 2:19. Households' and companies' debts in relation to GDP	17
Chart 2:20. Late payments.....	17
Chart 3:1. Bank assets in relation to GDP 2009	19
Chart 3:2. The total assets of the major Swedish banks, December 2010.....	19
Chart 3:3. Breakdown of the major Swedish banks' profits before loan losses, 2010	19
Chart 3:4. Profits before loan losses and loan losses in the major Swedish banks	19
Chart 3:5. The major Swedish banks' revenues.....	20
Chart 3:6. The major Swedish banks' margins on new mortgages in Sweden	20
Chart 3:7. The major Swedish banks' profitability	20
Chart 3:8. Swedish major banks' lending to the public in the Baltic countries	20
Chart 3:9. Market shares of lending in the Baltic countries.....	21
Chart 3:10. The Swedish banks' loan losses	21
Chart 3:11. The major Swedish banks' loan losses.....	21
Chart 3:12. Core Tier 1 capital ratios of Swedish and foreign banks, according to Basel II.....	21
Chart 3:13. Core Tier 1 capital ratios according to Basel II.....	22

Chart 3:14. Risk weighting on mortgages according to Basel II.....	22
Chart 3:15. The major Swedish banks' funding, March 2011.....	22
Chart 3:16. Government-guaranteed borrowing and the Riksbank's lending to the major Swedish banks.....	22
Chart 3:17. The market funding of the major Swedish banks via Swedish parent and subsidiary companies.....	23
Chart 3:18. The major Swedish banks' lending funded by foreign currency securities issued in Sweden.....	23
Chart 3:19. Holders of Swedish covered bonds	23
Chart 3:20. Funding in US dollars for banks in the euro area and the Fed's lending to other central banks.....	23
Chart 3:21. Percentage of funding through securities with original time to maturity of less than one year in the Swedish banking system, by currency.....	24
Chart 3:22 The major banks' funding from deposits from the public and securities issued, by currency, per December 2010.....	24
Chart 3:23. The major Swedish banks' assets in USD per December 2010.....	24
Chart 3:24 Countercyclical capital buffers in the Nordic countries	24
Chart 3:25 Countercyclical capital buffers in the Baltic countries	25
Chart 3:26 Countercyclical capital buffers for Swedish banks.....	25
Chart 3:27 Countercyclical capital buffers without ceiling in the Nordic countries	25
Chart 3:28 Countercyclical capital buffers without ceiling in the Baltic countries	25
Chart 4:1. Earnings before loan losses and loan losses in the major Swedish banks, March 2011.....	27
Chart 4:2. Loan loss levels per bank and year in the main scenario.....	27
Chart 4:3. Distribution of loan losses per region in the period 2010–2013 in the main scenario	27
Chart 4:4. Tier 1 capital ratio of the major Swedish bank with the lowest ratio after another Swedish major bank has defaulted on payments	27
Chart 4:5. GDP for Sweden in the stress test and in the main scenario	28
Chart 4:6. Expected default frequency (EDF) for the Swedish non-financial companies in the stress test and in the main scenario.....	28
Chart 4:7. The major Swedish banks' core Tier 1 capital ratios according to Basel II and Basel III, initially and in the stress test	28
Chart 4:8. Factors that contribute to changes in the banks' core Tier 1 capital ratios according to Basel III in the stress test.....	28
Chart 4:9. The Riksbank's structural liquidity measurement for the major Swedish banks compared with the average for a selection of European banks.....	29
Chart 4:10. Survival period for the major Swedish banks in the stressed scenario, compared with the average for a selection of European banks	29

Chart 1:1. Central banks balance sheets

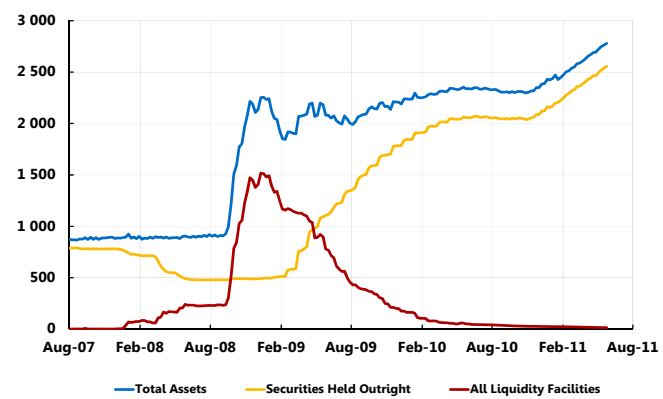
Per cent of GDP



Sources: Respective central bank

Chart 1:2. Federal Reserve balance sheet

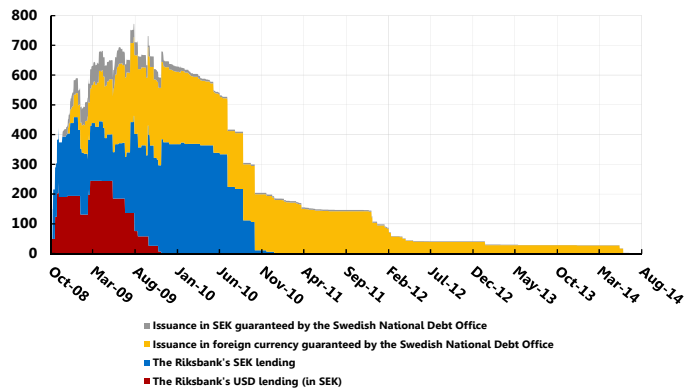
USD, billions



Source: Federal Reserve

Chart 1:3. Government support from the Riksbank and Swedish National Debt Office to financial institutions on the Swedish market

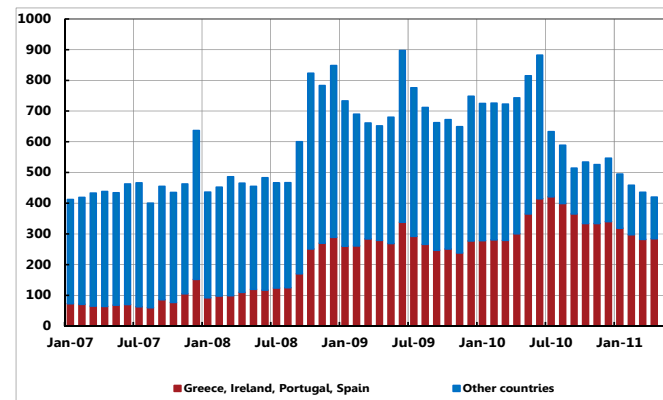
SEK, billion



Sources: The Riksbank and Swedish National Debt Office

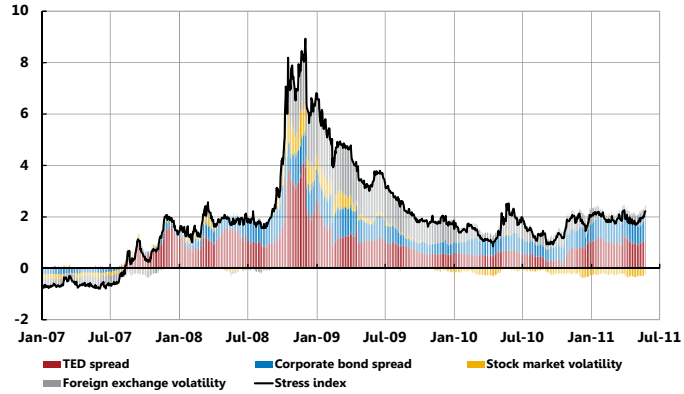
Chart 1.4. ECB outstanding loans

EUR billions



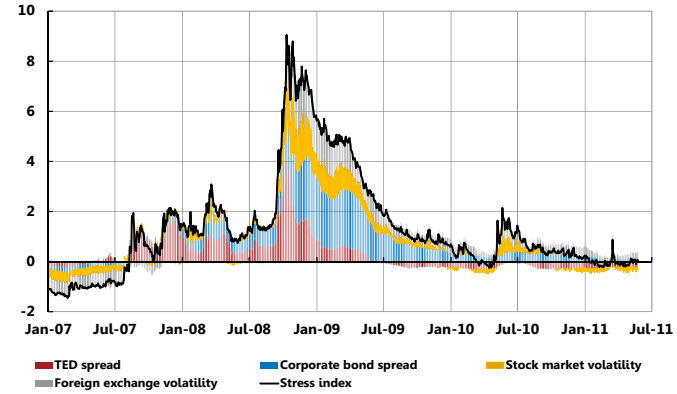
Sources: ECB and the respective central banks

Chart 1.5. Swedish stress index



Sources: Reuters Ecowin, Bloomberg and the Riksbank

Chart 1.6. International stress index



Sources: Reuters Ecowin, Bloomberg and the Riksbank

Chart 1.7. Ten-year government bond yields in various countries

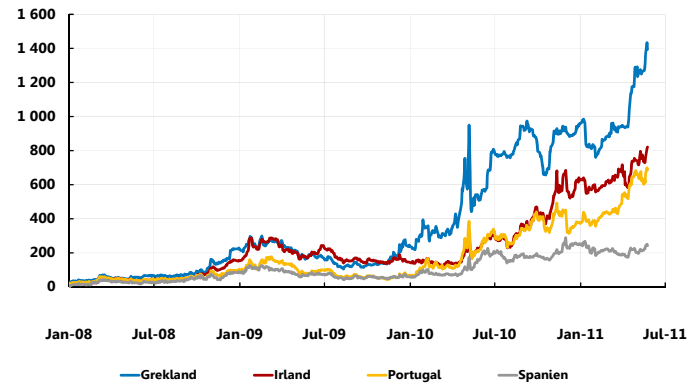
Per cent



Source: Reuters EcoWin

Chart 1.8. The difference between interest rates on ten year government bonds and the German government bond with the same maturity

Basis points



Source: Reuters EcoWin

Chart 1:9. Stock market developments

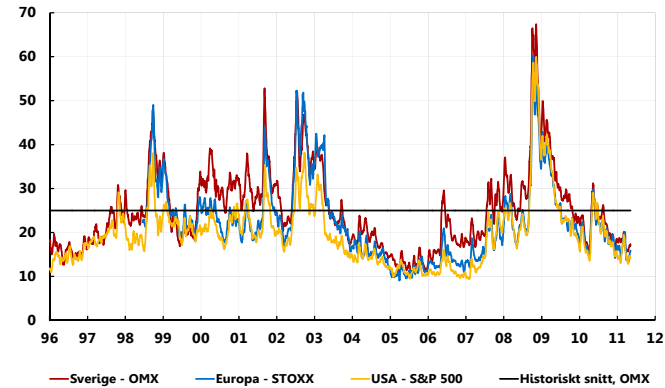
Index, 28 December 2007 =100



Sources: Reuters EcoWin

Chart 1:10. Implied stock market volatility

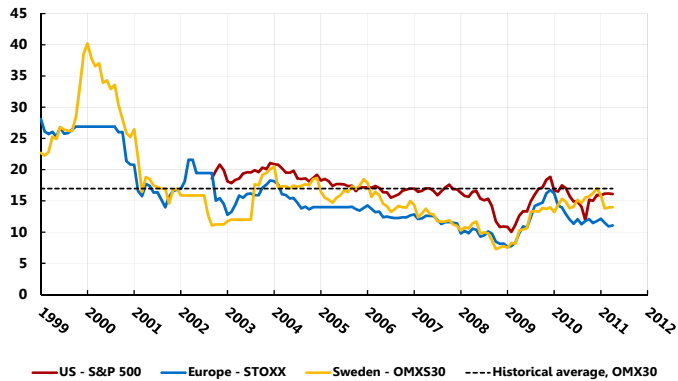
Per cent, 10 day moving average



Note. Historical average refers to the period November 1999 to November 2011.

Source: Bloomberg

Chart 1.11. P/E ratios

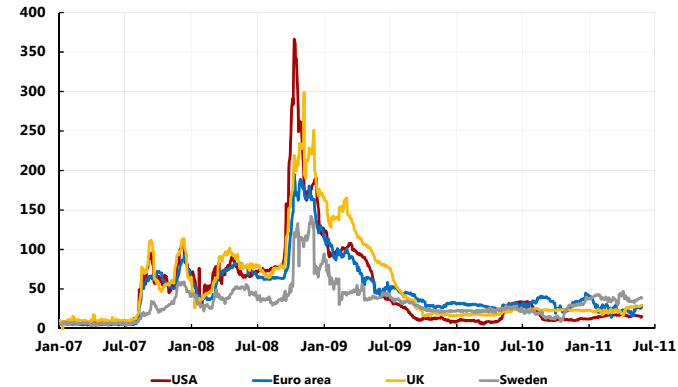


Note. Historical average refers to the period November 1999 to November 2011.

Source: Reuters EcoWin

Chart 1:12. Risk premiums on the interbank market, 3 months

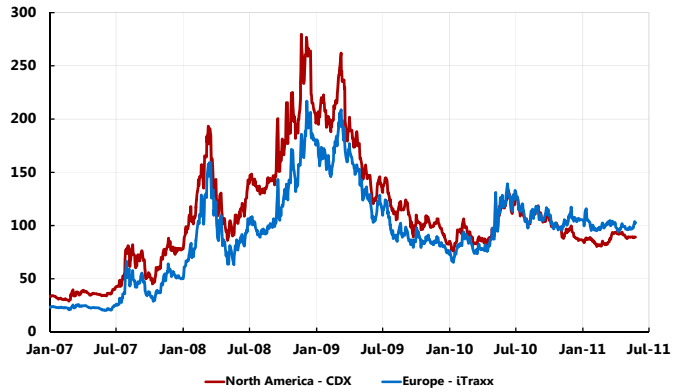
Basis points



Source: Reuters EcoWin

Chart 1:13. Premia in the CDS indices

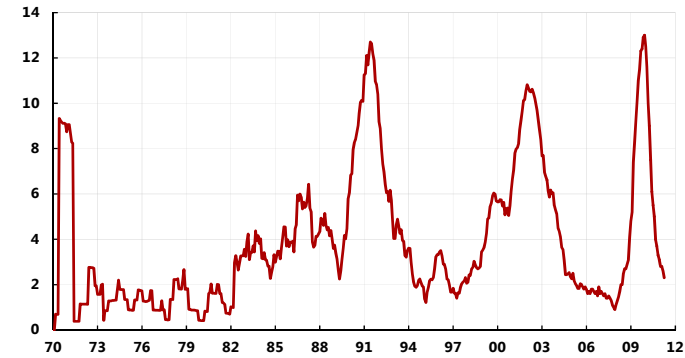
Basis points



Sources: Reuters EcoWin and Bloomberg

Chart 1:14. Actual global default rate

Per cent

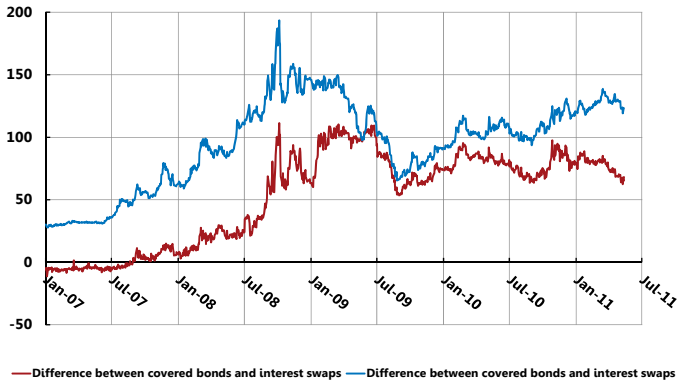


Note. The ' shows the proportion of companies classified as Ba/BB or lower by Moody's/Standard & Poor's to default, as the majority of total defaults take place among companies with this classification. The dot refers to the forecast made by Moody's in May 2009.

Source: Reuters EcoWin and Moody's

Chart 1:15 Difference between yields on covered bonds and government bonds or interest rate swaps yields with five year maturity

Basis points

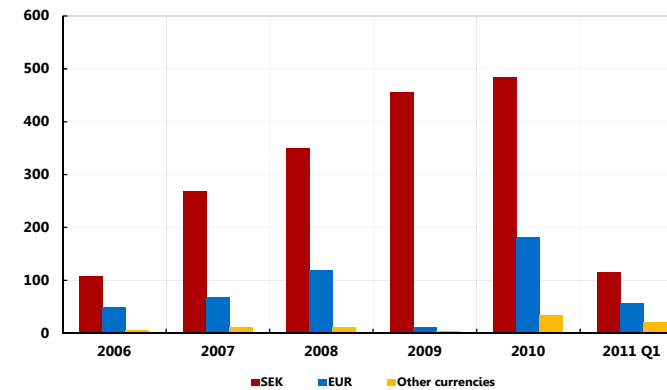


Note: The covered bond is a mortgage bond issued by Stadshypotek. The covered bond, the government bond and the interest rate swap have a constant maturity of five years.

Sources: Reuters EcoWin and the Riksbank

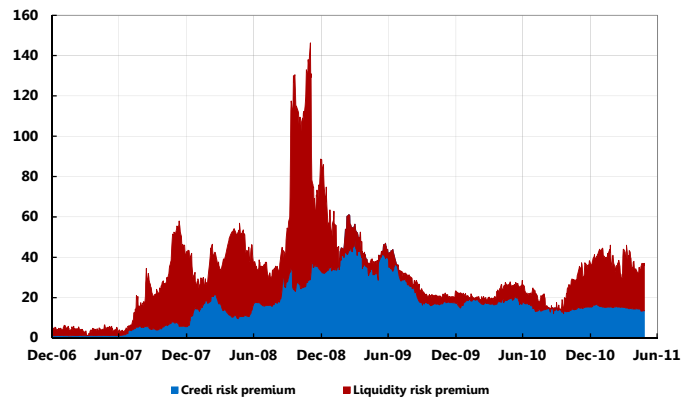
Chart 1:16. Issuance of Swedish covered bonds

Billion SEK



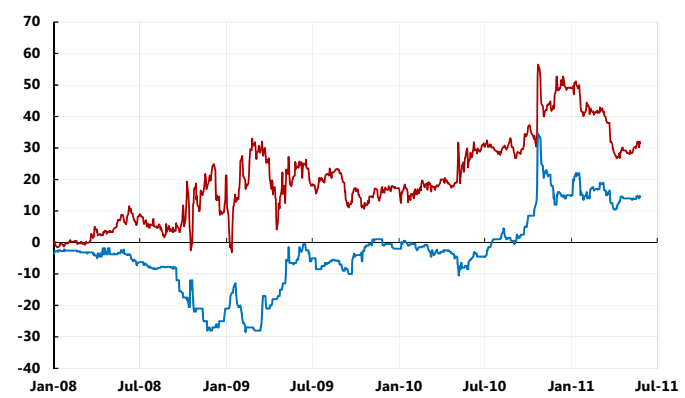
Source: ASCB

Chart 1:17. Indicative breakdown of the Swedish riskpremium, 3 months
Basis points



Source: The Riksbank

Chart 1:18. EUR/SEK cross currency basis spread, five years
Basis points

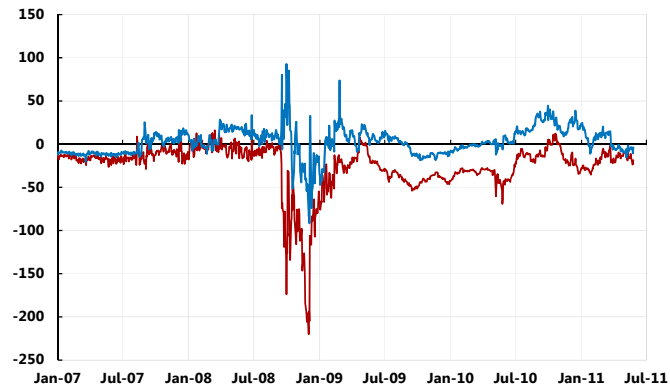


Note: The cross currency basis spread gives an indication of the cost of swapping a loan in euros into Swedish kronor

Source: Bloomberg

Chart 1:19 Extra cost for borrowing of SEK abroad compared to domestic loan costs

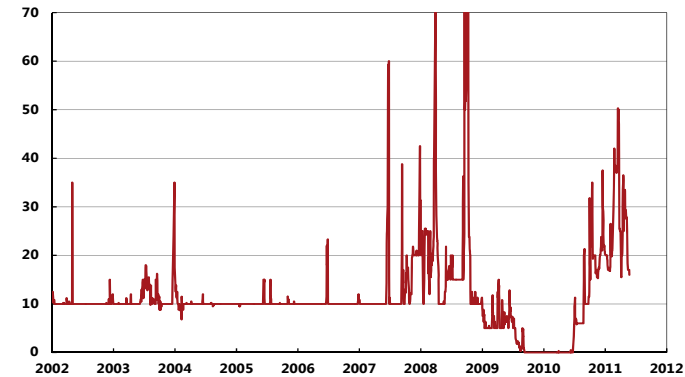
Basis points



Source: Bloomberg

Chart 1:20. Difference between the short-term interbank rate and the Riksbank's repo rate

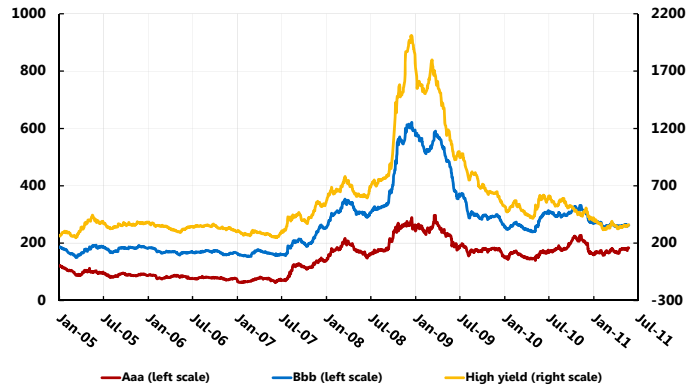
Basis points



Source: Reuters Ecowin

Chart 1.21. Credit spreads for US corporate bonds

Basis points

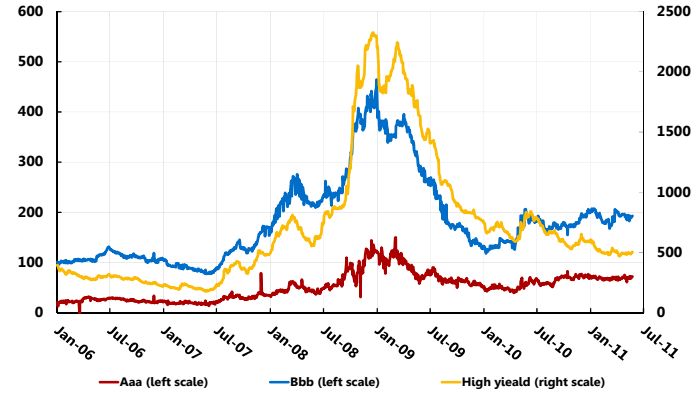


Note. Merrill Lynch has defined the high yield bonds to be included in the index. High-yield is classified by Moody's/Standard & Poor's as Ba/BB or lower.

Source: Reuters EcoWin

Chart 1.22. Credit spreads for European corporate bonds

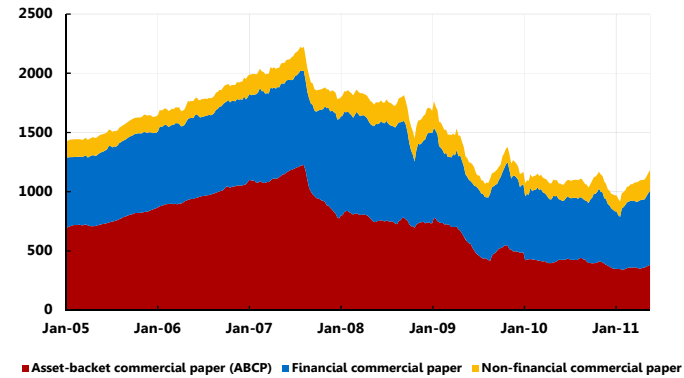
Basis points



Source: Reuters EcoWin

Chart 1.23. Outstanding volume of commercial paper issued in the United States

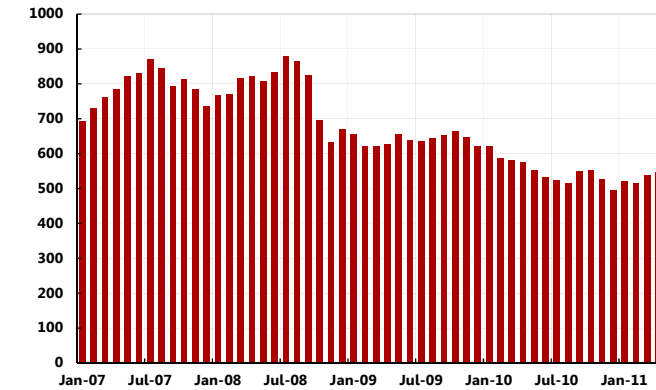
Billion USD



Source: Reuters EcoWin

Chart 1.24. Outstanding volumes of Euro Commercial Paper

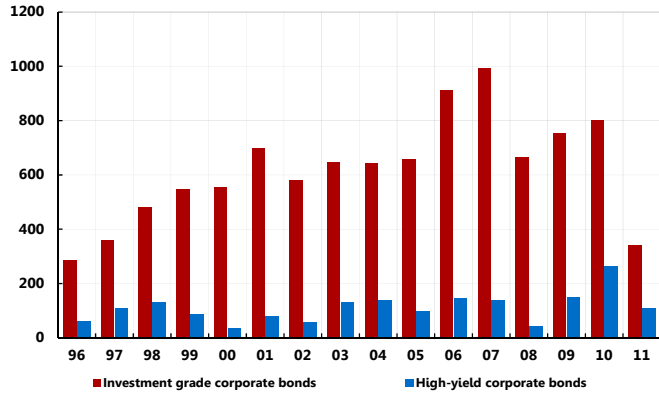
Billion USD



Source: Euroclear

Chart 1.25. Issuance of corporate bonds in the American market

Billion USD

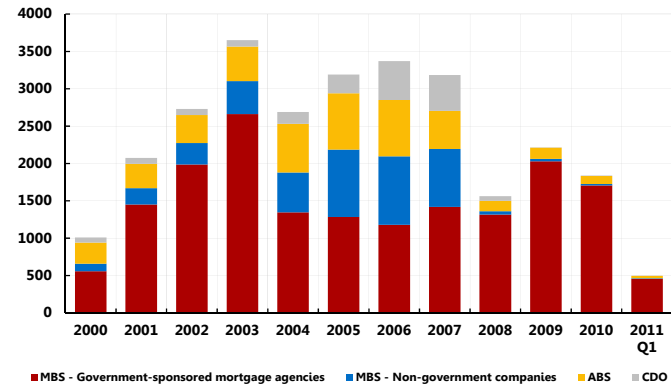


Note: The issue volume for 2011 is only calculated until May 2011.

Source: SIFMA

Chart 1.26. Issue volumes on the US market for securitised assets

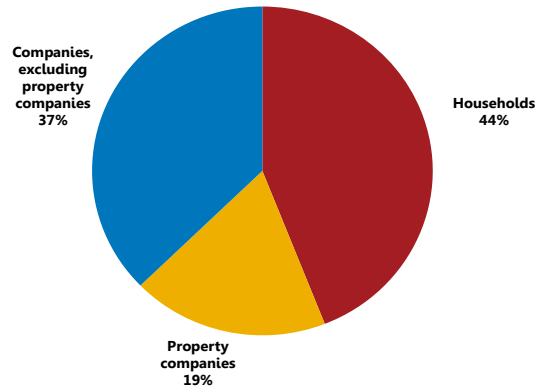
Billion USD



Note: Issuance for CDO is global.

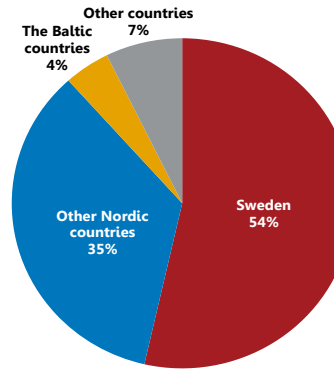
Source: SIFMA

Chart 2:1. Lending of the Swedish banking groups by borrower category, March 2011
Per cent of total lending



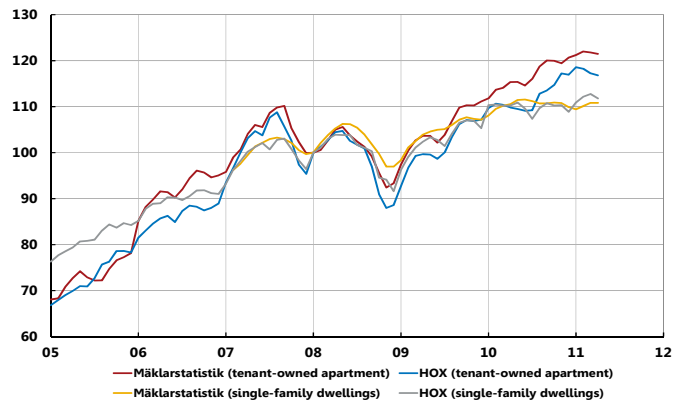
Sources: Bank reports and the Riksbank

Chart 2:2. Lending of the Swedish banking groups by geographical area, March 2011
Per cent of total lending



Sources: Bank reports and the Riksbank

Chart 2:3. Prices for single-family dwellings and tenant-owned apartments
Index, January 2008 = 100

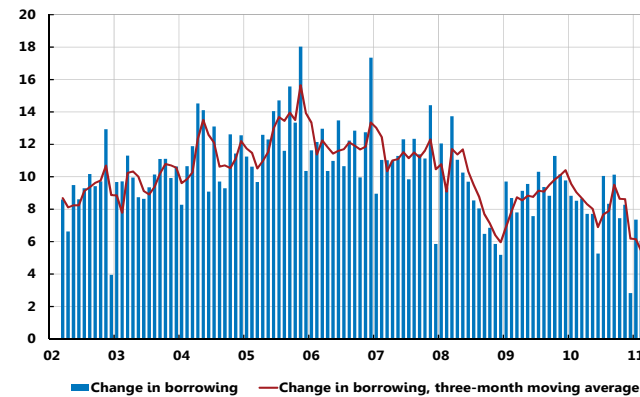


Note. All indices are for Sweden. HOX is the hedonic price index from Valueguard. Mäklarstatistik (tenant-owned apartment) is an index of prices per square metre, while Mäklarstatistik (detached house) is an index of the C/I ratio.

Sources: Statistics Sweden, Mäklarstatistik and Valueguard AB

Chart 2:4. Household borrowing

Monthly change on an annual rate and three-month moving average, percentage

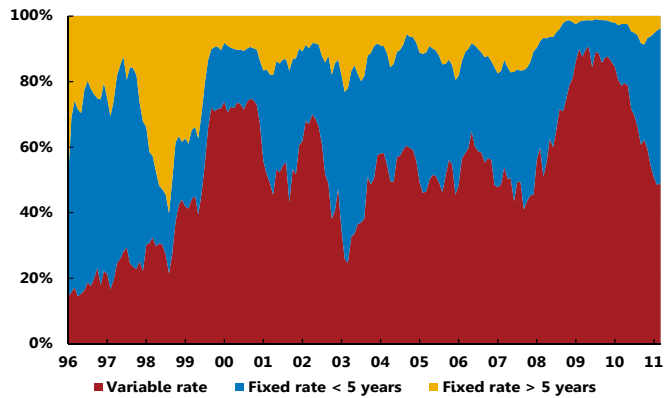


Note. Seasonally-adjusted data.

Source: The Riksbank

Chart 2:5. Households' new loans broken down by fixed interest period

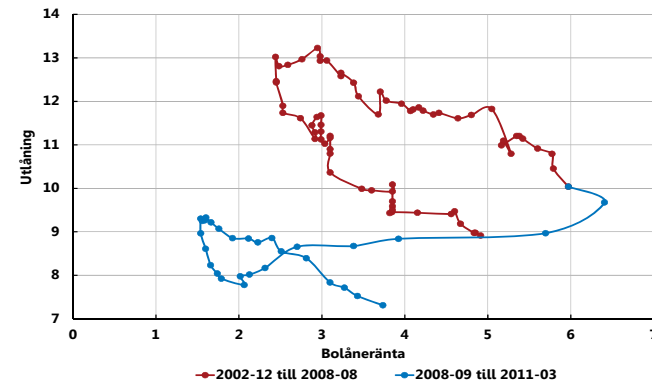
Per cent



Source: The Riksbank

Chart 2:6. Lending to households and three-month mortgage rates

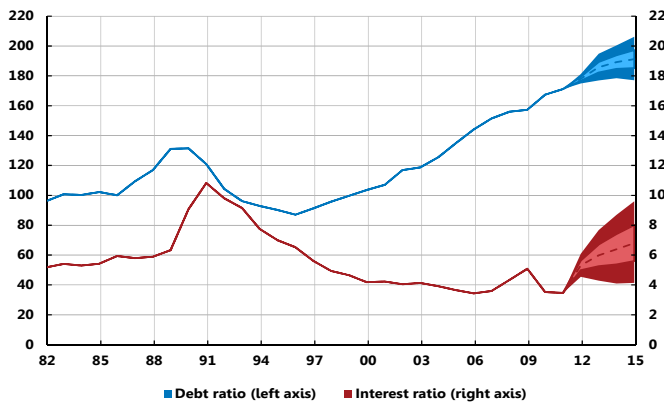
Annual percentage change and per cent



Source: The Riksbank

Chart 2:7. Household debt and post-tax interest expenditure

Per cent of disposable income

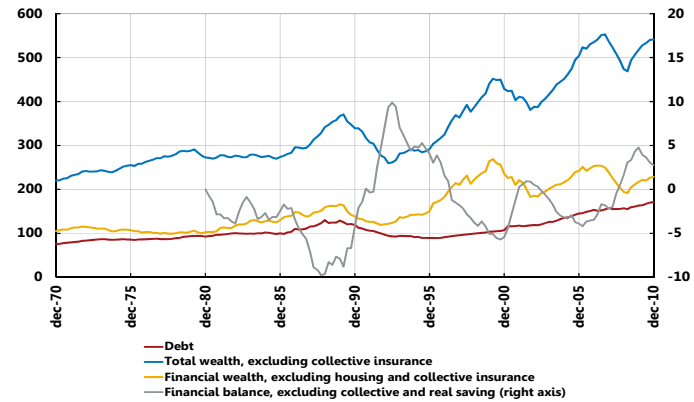


Note. The forecast for household debts and household interest expenditure is produced using a stationary VAR model in which the change in the disposable income and the three-month interest rate for a treasury bill are used as exogenous variables. The forecast was produced under the assumption that the long-term rate of growth of household debt is five per cent per year.

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

Chart 2:8. Households' gross debts, assets and saving

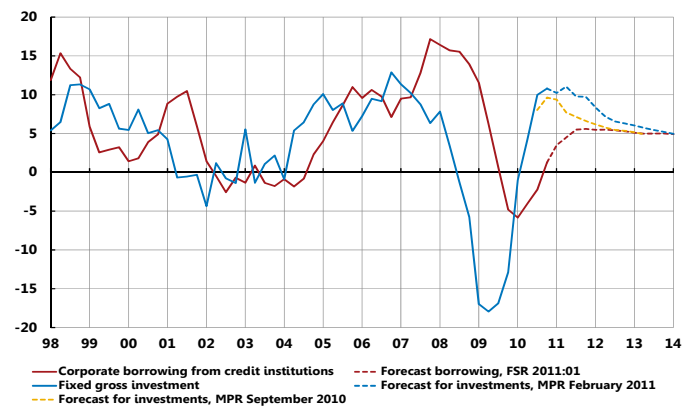
Per cent



Sources: Statistics Sweden and the Riksbank

Chart 2:9. Corporate borrowing from credit institutions and fixed gross investment

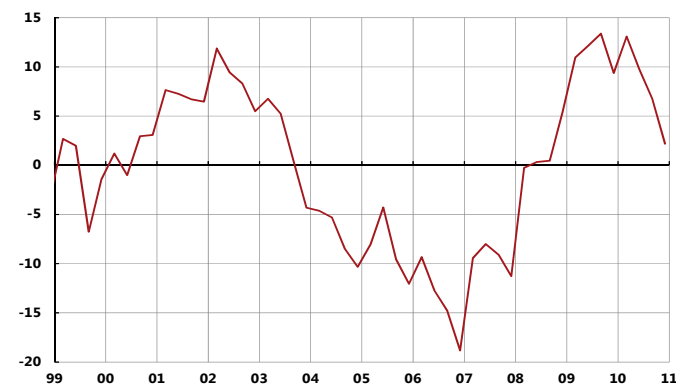
Annual percentage change



Sources: Statistics Sweden and the Riksbank

Chart 2:10. Corporate credit gap

Per cent

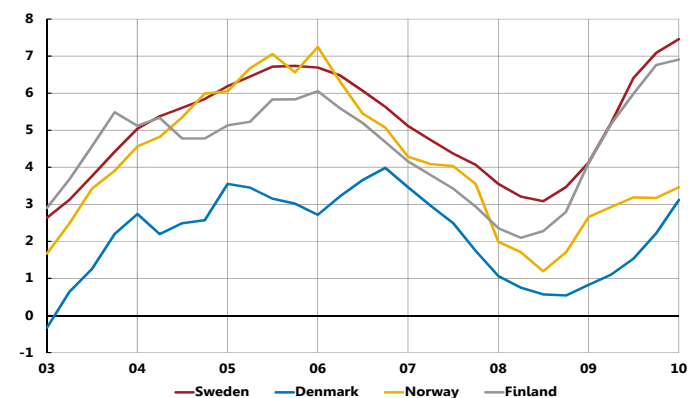


Note. The credit gap is defined as the distance from the underlying trend in corporate debt in relation to GDP. Under debts are included short-term and long-term loans (excluding inter-company loans), certificates and bonds.

Sources: Statistics Sweden and the Riksbank

Chart 2:11. Interest coverage ratio in Nordic listed companies

Ratio

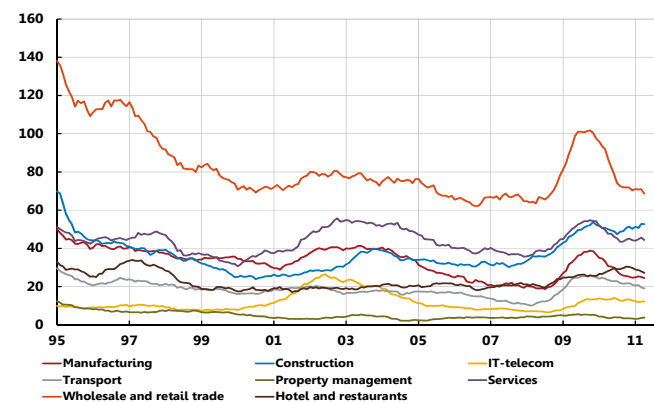


Note. The interest coverage ratio is defined as operating profit/loss plus financial income in relation to financial costs.

Sources: Bloomberg and the Riksbank

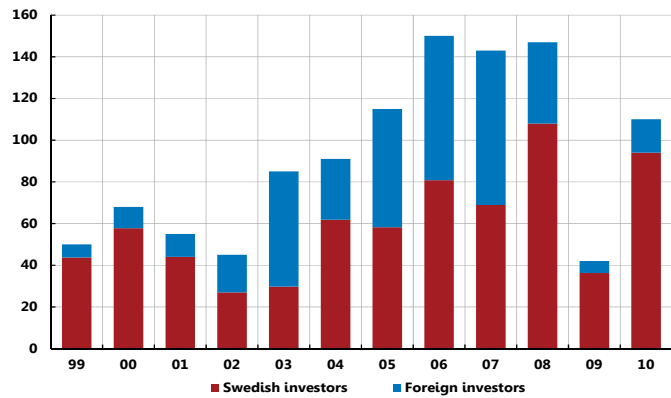
Chart 2:12. The number of bankruptcies broken down by industry

Twelve-month moving average



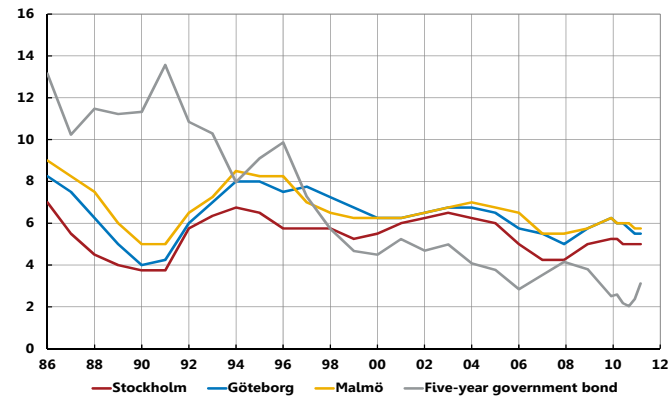
Source: Statistics Sweden

Chart 2:13. Transaction volumes on the Swedish commercial property market
SEK billion



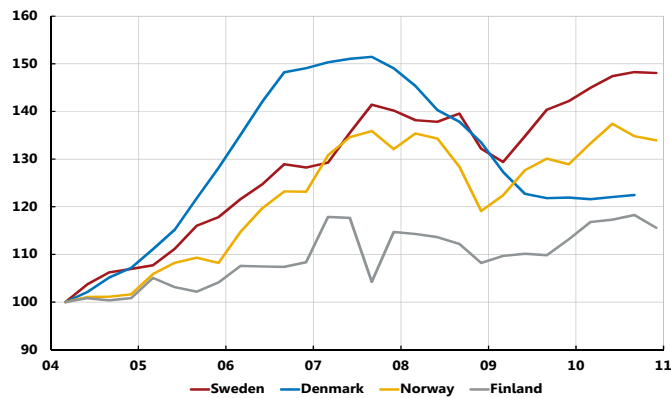
Source: Savills

Chart 2:14. Average yield levels for modern office premises in city centres
Per cent



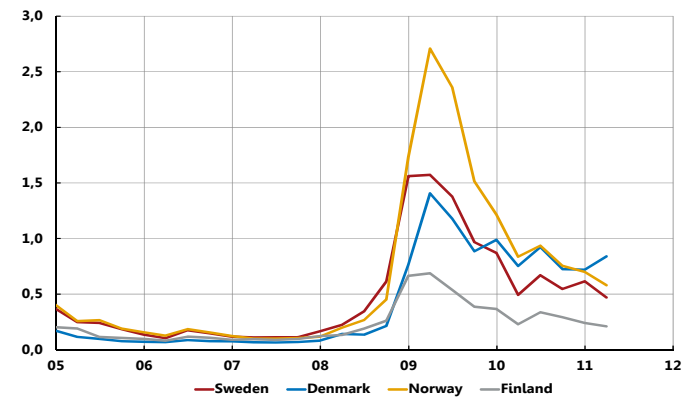
Sources: Newsec and the Riksbank

Chart 2:15. Real house prices
Index, March 2004 = 100



Note. Real house prices are defined as nominal prices deflated by the CPI.
Sources: Bank for International Settlement, Bank of Finland, Reuters EcoWin, Statistics Sweden and the Riksbank

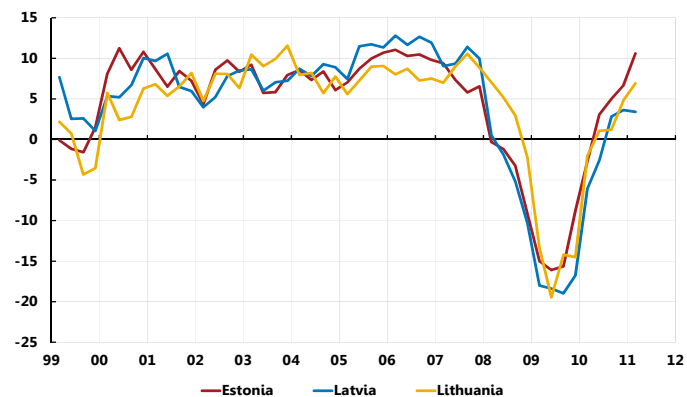
Chart 2:16. Expected default frequency (EDF)
Per cent



Source: Moody's KMV

Chart 2:17. GDP

Annual percentage change

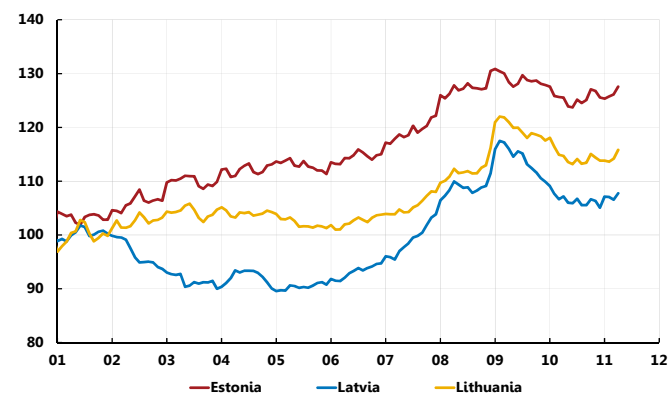


Note. The GDP figures for the first quarter of 2011 are preliminary.

Source: Reuters EcoWin

Chart:2:18. Real exchange rates

Index, 2000 = 100

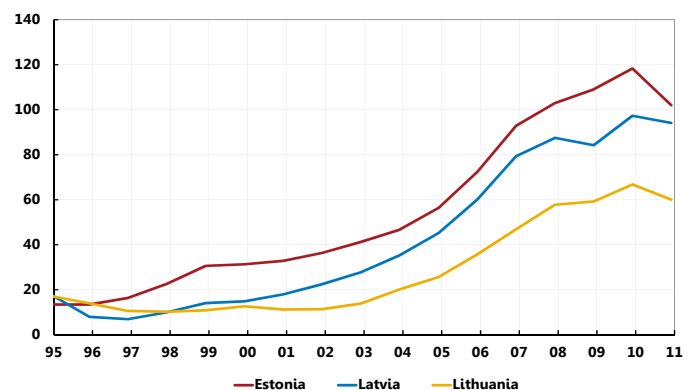


Note. The exchange rates are corrected for the price level (CPI). The scale is inverted so that lower values indicate weaker real exchange rates.

Source: Bank for International Settlements

Chart 2:19. Households' and companies' debts in relation to GDP

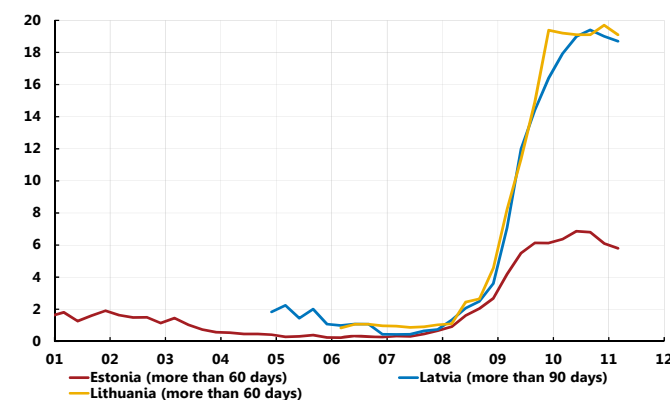
Per cent



Sources: The national central banks and Reuters EcoWin

Chart 2:20. Late payments

Per cent of lending

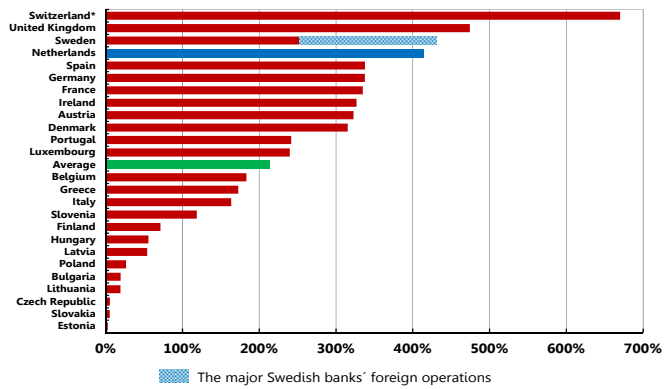


Note. The definition of late payments may differ from country to country and comparisons between countries should therefore only be made with caution. In Lithuania, this refers to impaired loans, which implies that no payment default has occurred as yet. The number of late payments is thus lower than appears in the chart.

Sources: Eesti Pank, Financial and Capital Market Commission och Lietuvos Bankas

Chart 3:1. Bank assets in relation to GDP 2009

Per cent

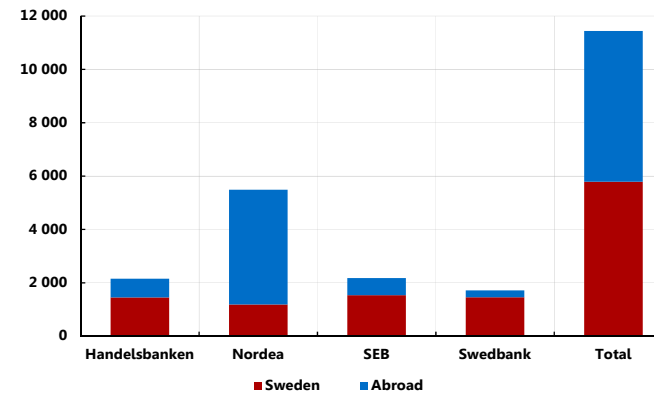


Note. In banking assets are included all of the assets of the national banking groups, that is both foreign and domestic assets. This means, for example, that Nordea's assets abroad form a large part of Sweden's banking assets. UBS and Crédit Suisse contribute to Switzerland's relatively large banking sector in the same way.

Sources: ECB, The Swiss National Bank and the Riksbank

Chart 3:2. The total assets of the major Swedish banks, December 2010

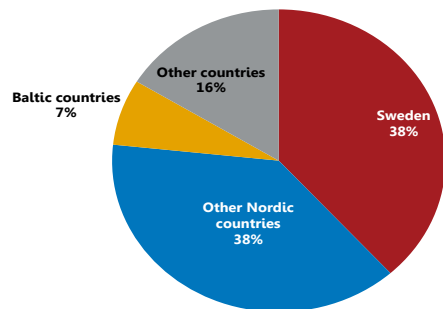
SEK billion



Sources: Bank reports and the Riksbank

Chart 3:3. Breakdown of the major Swedish banks' profits before loan losses, 2010

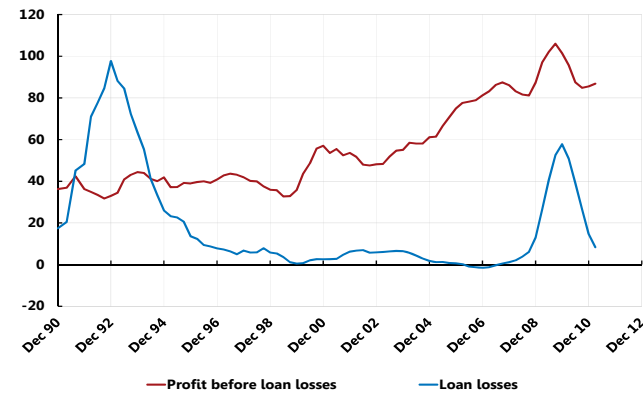
Per cent



Sources: Bank reports and the Riksbank

Chart 3:4. Profits before loan losses and loan losses in the major Swedish banks

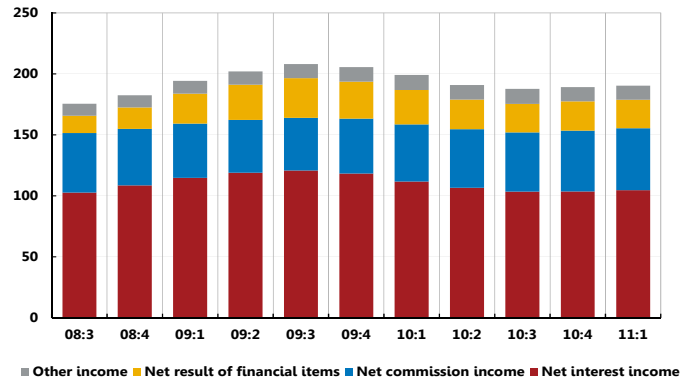
Totalled over four quarters, SEK billion, fixed prices, March 2011



Sources: Bank reports and the Riksbank

Chart 3.5. The major Swedish banks' revenues

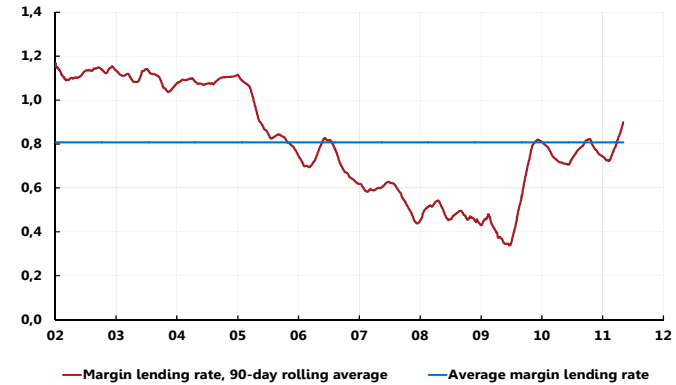
Rolling four quarters, SEK billion



Sources: Bank reports and the Riksbank

Chart 3.6. The major Swedish banks' margins on new mortgages in Sweden

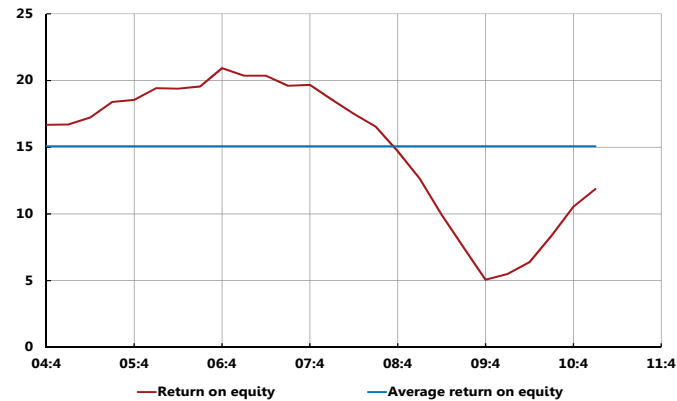
Per cent



Anm. Med marginal avses skillnaden mellan utlåningsränta och bankens finansieringskostnad.
Sources: Bank reports and the Riksbank

Chart 3.7. The major Swedish banks' profitability

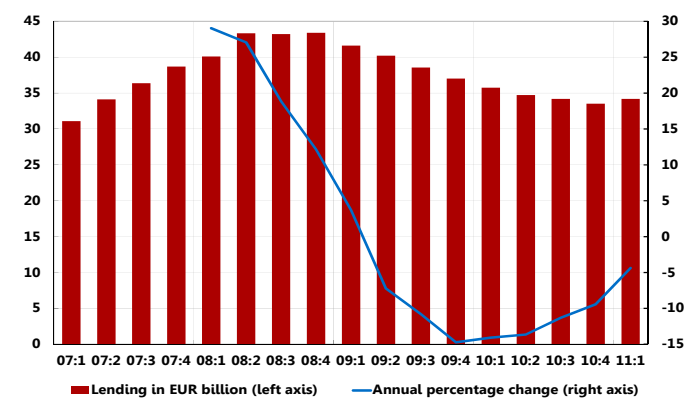
Four-quarter moving average, per cent



Sources: Bank reports and the Riksbank

Chart 3.8. Swedish major banks' lending to the public in the Baltic countries

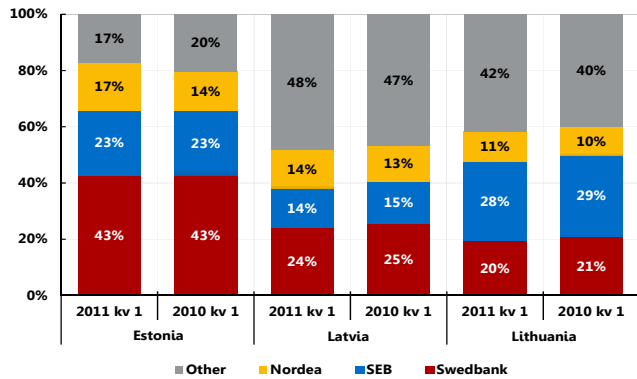
EUR billion and per cent



Sources: Bank reports and the Riksbank

Chart 3:9. Market shares of lending in the Baltic countries

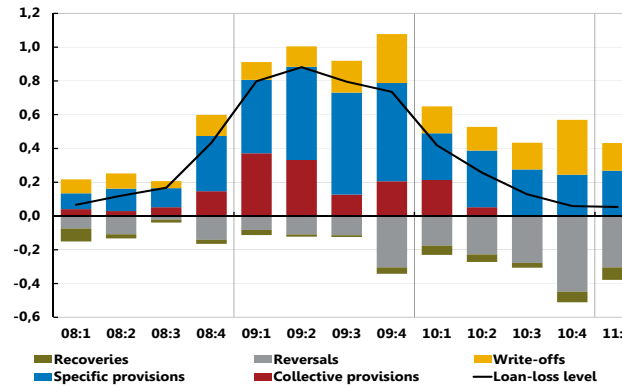
Per cent



Sources: Bank reports and the Riksbank

Chart 3:10. The Swedish banks' loan losses

Percentage of lending at the start of the respective quarters

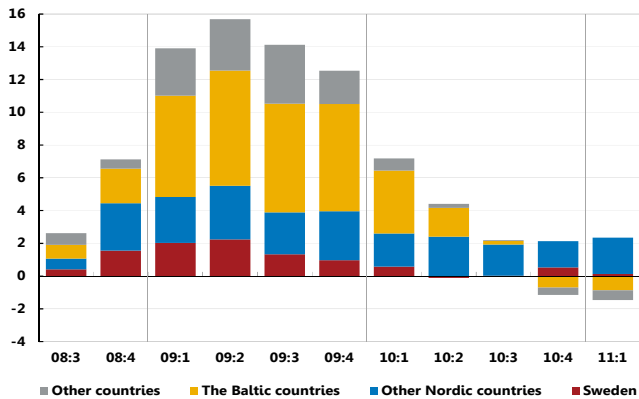


Note. Annualised data.

Sources: Bank reports and the Riksbank

Chart 3:11. The major Swedish banks' loan losses

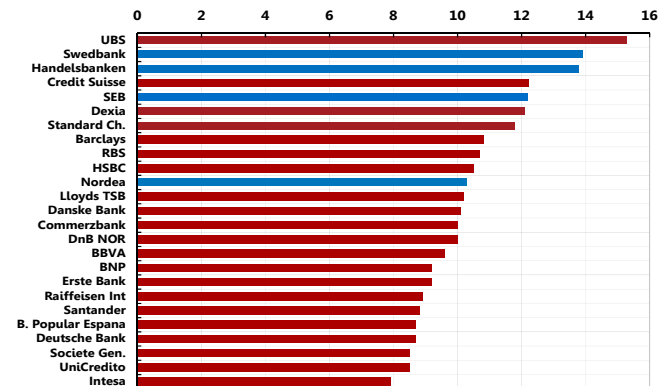
SEK billion



Sources: Bank reports and the Riksbank

Chart 3:12. Core Tier 1 capital ratios of Swedish and foreign banks, according to Basel II

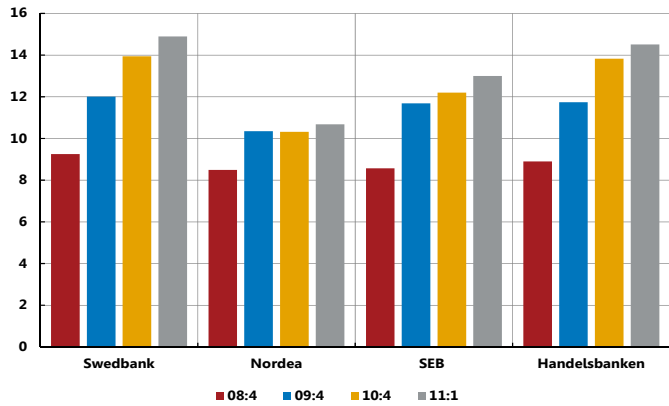
December 2010, per cent



Sources: Bank reports and the Riksbank

Chart 3:13. Core Tier 1 capital ratios according to Basel II

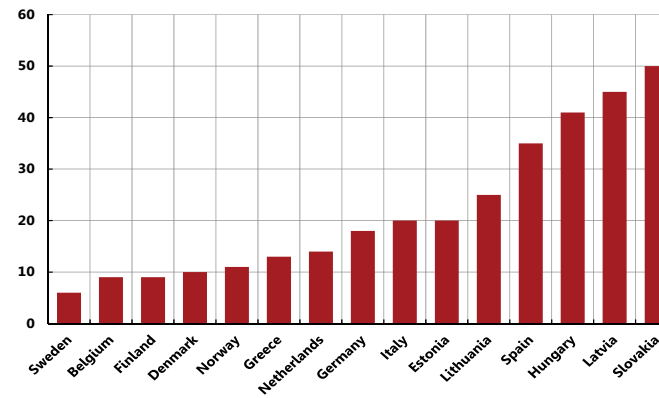
Per cent



Source: Bank reports and the Riksbank

Chart 3:14. Risk weighting on mortgages according to Basel II

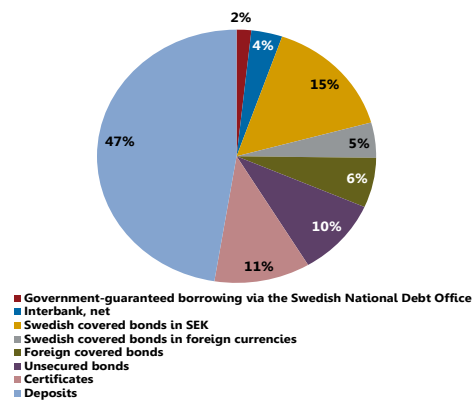
Per cent



Sources: National central banks and the Riksbank

Chart 3:15. The major Swedish banks' funding, March 2011

Per cent

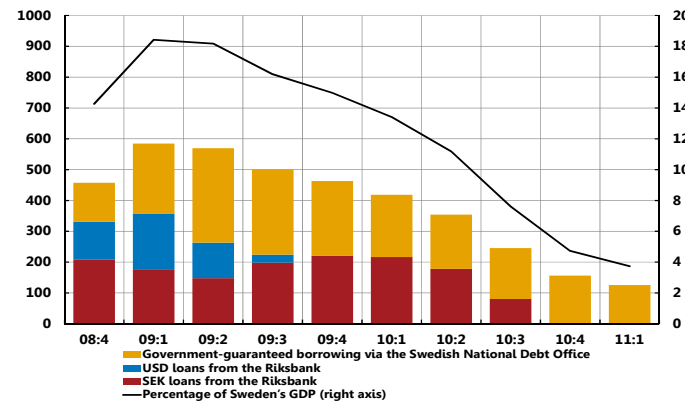


Note. The funding of the major banks amounts to approximately SEK 7 400 billion.

Sources: Bank reports and the Riksbank

Chart 3:16. Government-guaranteed borrowing and the Riksbank's lending to the major Swedish banks

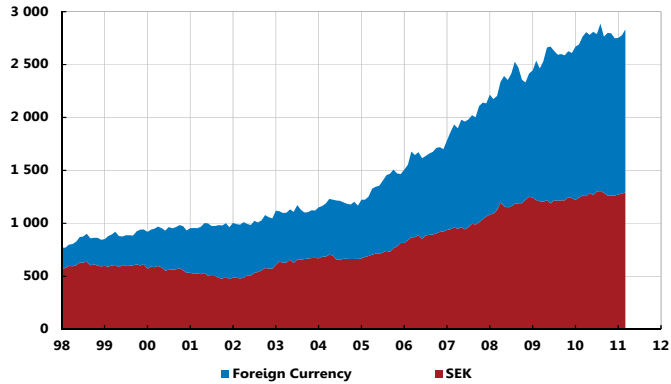
Left axis: SEK billion, Right axis: Percentage of Sweden's GDP



Sources: Bank reports, Statistics Sweden and the Riksbank

Chart 3:17. The market funding of the major Swedish banks via Swedish parent and subsidiary companies

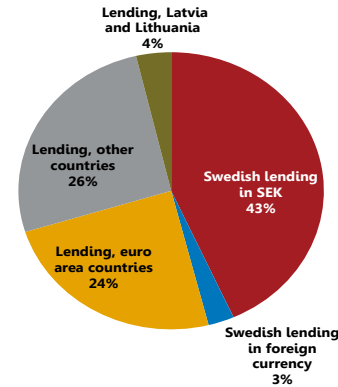
SEK billion



Sources: Statistics Sweden and the Riksbank

Chart 3:18. The major Swedish banks' lending funded by foreign currency securities issued in Sweden

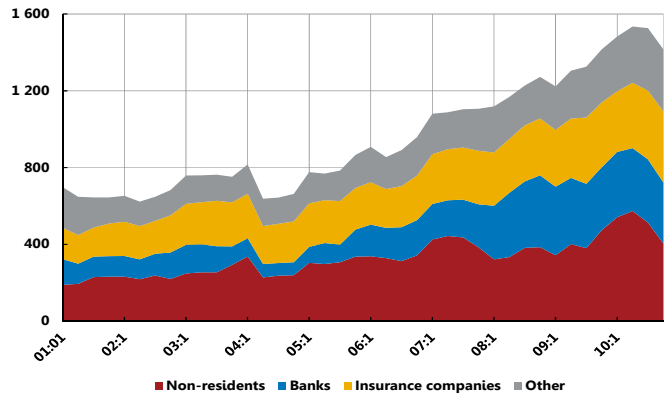
Percentage of the major Swedish banks' market funding in foreign currency via Swedish parent and subsidiary companies



Sources: Banks reports, Statistics Sweden and the Riksbank

Chart 3:19. Holders of Swedish covered bonds

SEK billion

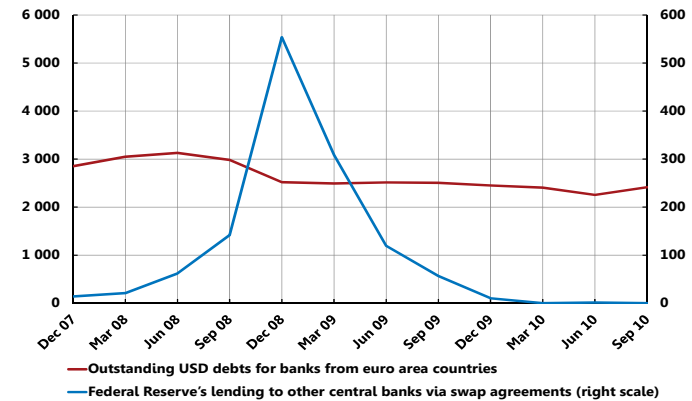


Note. Up to the end of 2006, this relates to mortgage bonds, thereafter the outstanding mortgage bonds were gradually converted into covered bonds. SEB's covered bonds are not included in the chart after October 2007.

Sources: Statistics Sweden and the Riksbank

Chart 3:20. Funding in US dollars for banks in the euro area and the Fed's lending to other central banks

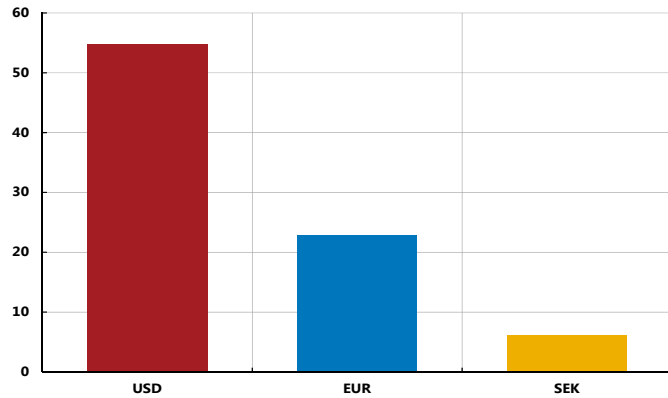
USD, billions



Sources: Bank for international settlements, Federal Reserve and the Riksbank

Chart 3:21. Percentage of funding through securities with original time to maturity of less than one year in the Swedish banking system, by currency

Per cent

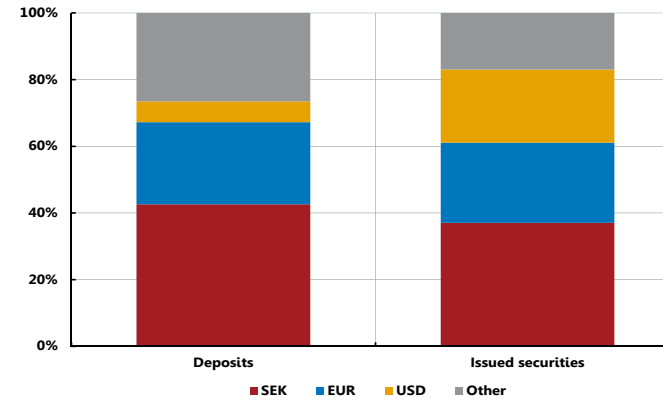


Note. The banks' foreign subsidiaries are not included in the statistics

Source: The Riksbank

Chart 3:22 The major banks' funding from deposits from the public and securities issued, by currency, per December 2010

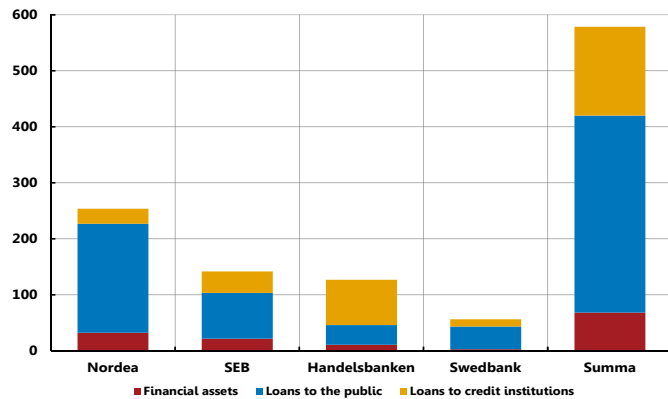
Per cent



Sources: Bank reports and the Riksbank

Chart 3:23. The major Swedish banks' assets in USD per December 2010

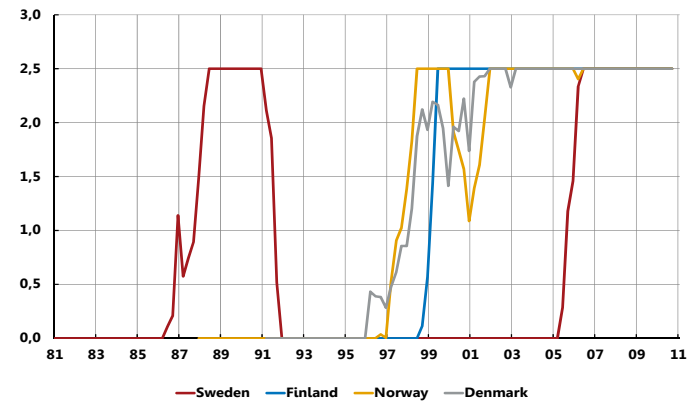
Billion SEK



Sources: Bank reports and the Riksbank

Chart 3:24 Countercyclical capital buffers in the Nordic countries

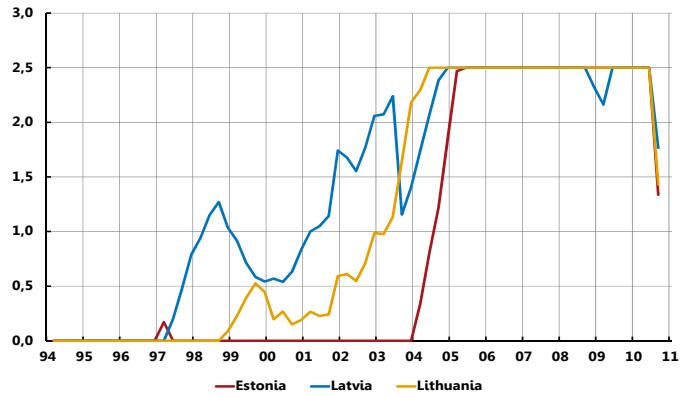
Per cent



Sources: Reuters EcoWin and the Riksbank

Chart 3:25 Countercyclical capital buffers in the Baltic countries

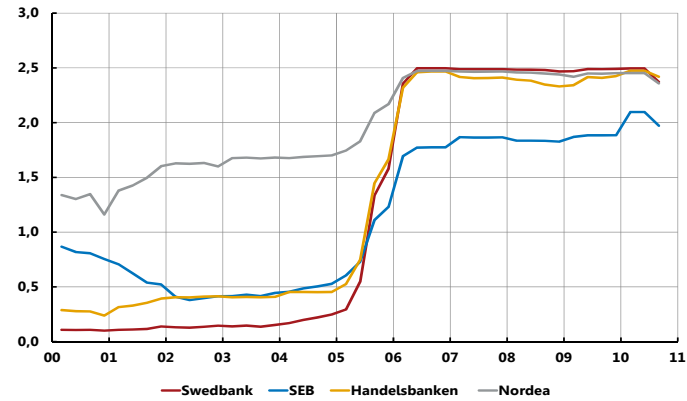
Per cent



Sources: Reuters EcoWin and the Riksbank

Chart 3:26 Countercyclical capital buffers for Swedish banks

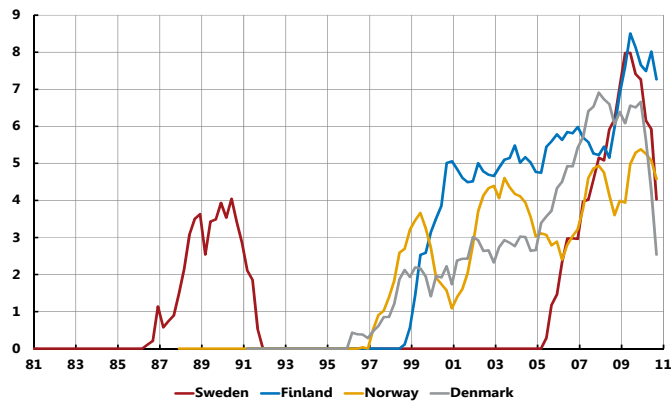
Per cent



Sources: The Riksbank and banks' annual reports

Chart 3:27 Countercyclical capital buffers without ceiling in the Nordic countries

Percent

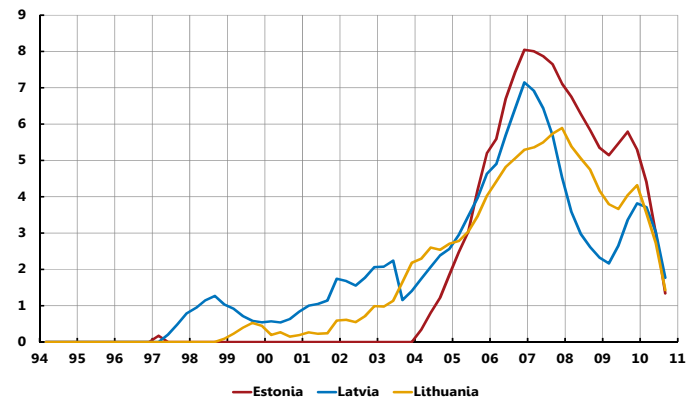


Note. "without ceiling" means that the countercyclical buffer is given the possibility of exceeding 2.5 per cent.

Sources: Reuters EcoWin and the Riksbank

Chart 3:28 Countercyclical capital buffers without ceiling in the Baltic countries

Per cent

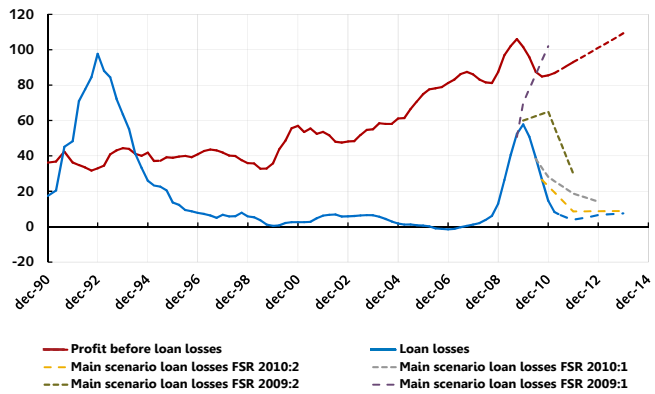


Note. "without ceiling" means that the countercyclical buffer is given the possibility of exceeding 2.5 per cent.

Sources: Reuters EcoWin and the Riksbank

Chart 4:1. Earnings before loan losses and loan losses in the major Swedish banks, March 2011

Totalled over four quarters, SEK billion, fixed prices March 2011

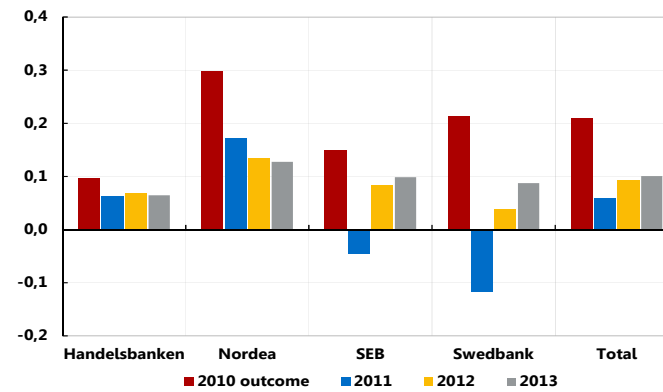


Note. The broken lines represent the Riksbank's main scenario according to the current and previous Financial Stability Reports. Estimates for earnings before loan losses according to the consensus estimate presented in SME Direkt, February/March 2011

Sources: Bank reports, SME Direkt and the Riksbank

Chart 4:2. Loan loss levels per bank and year in the main scenario

Per cent

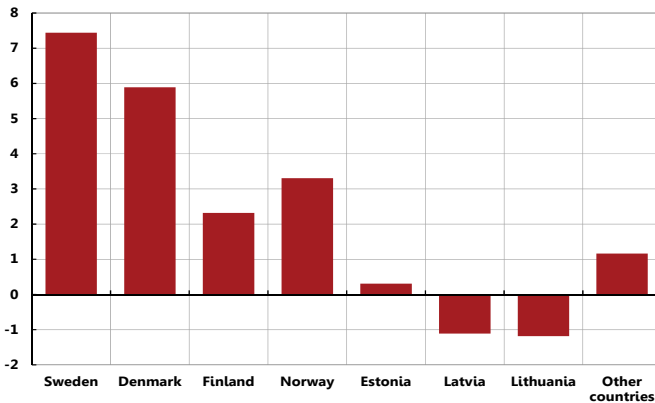


Note. A negative figure means that recoveries and reversals of earlier provisions are greater than new provisions for loan losses and realised loan losses.

Source: The Riksbank

Chart 4:3. Distribution of loan losses per region in the period 2010–2013 in the main scenario

SEK billion

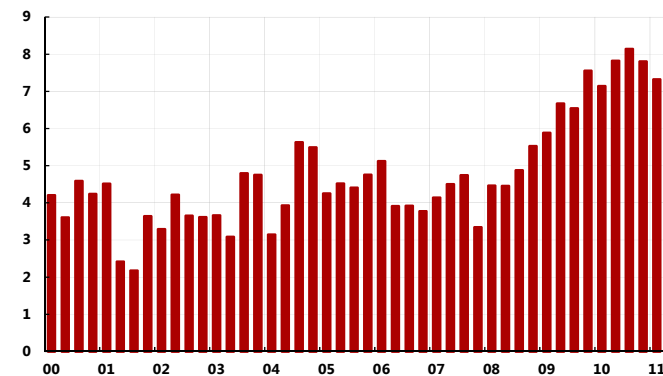


Note. A negative figure means that recoveries and reversals of earlier provisions are greater than new provisions for loan losses and realised loan losses.

Source: The Riksbank

Chart 4:4. Tier 1 capital ratio of the major Swedish bank with the lowest ratio after another Swedish major bank has defaulted on payments

Per cent

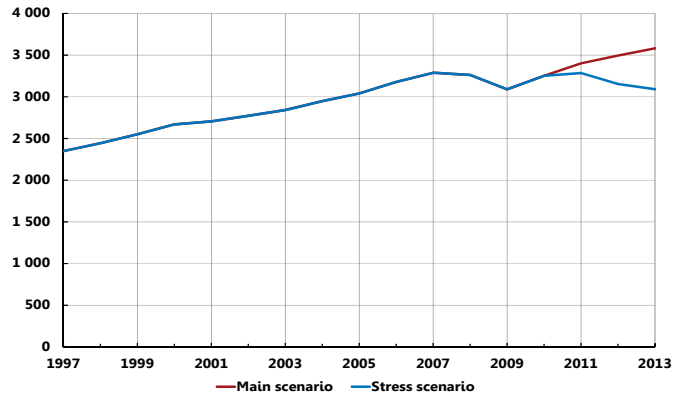


Note. The major bank with the lowest Tier 1 capital ratio is not necessarily the same bank on every occasion. The Tier 1 capital ratios are calculated in accordance with Basel II and transition rules.

Source: The Riksbank

Chart 4:5. GDP for Sweden in the stress test and in the main scenario

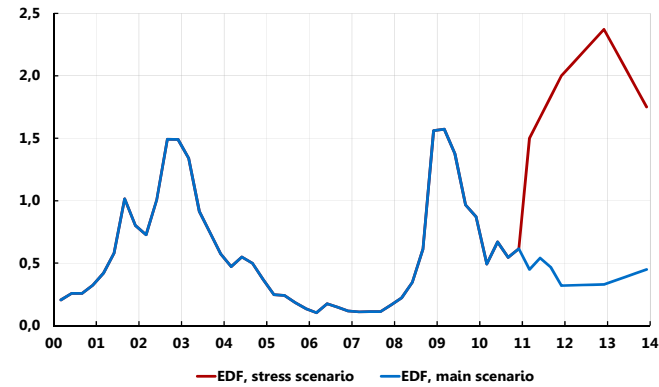
SEK billions, fixed prices



Sources: Statistics Sweden and the Riksbank

Chart 4:6. Expected default frequency (EDF) for the Swedish non-financial companies in the stress test and in the main scenario

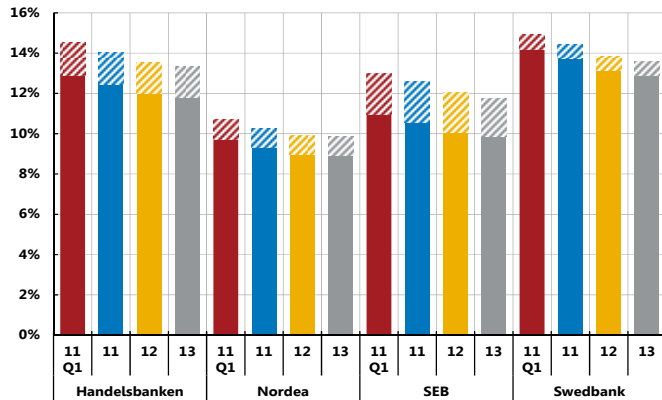
Per cent



Sources: Moody's KMV and the Riksbank

Chart 4:7. The major Swedish banks' core Tier 1 capital ratios according to Basel II and Basel III, initially and in the stress test

Per cent

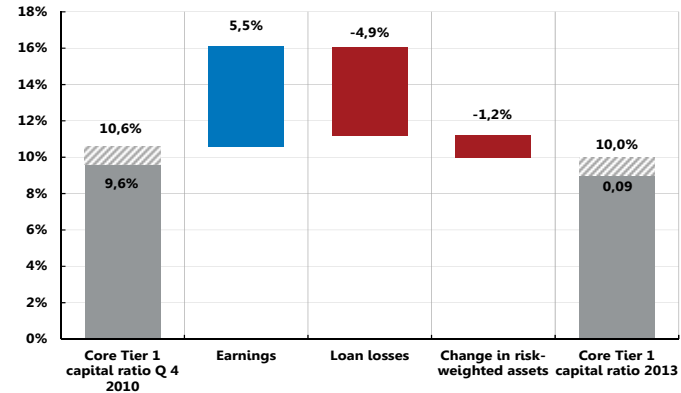


Note. Solid bars represent core Tier 1 capital ratios according to Basel III, striped bars represent core Tier 1 capital ratios according to Basel II. The core Tier 1 capital ratios according to Basel II have been calculated according to the fully-implemented regulations. The core Tier 1 capital ratios according to Basel III are based on the Riksbank's own estimates. * indicates the observed capital relation in Q1 2011.

Source: The Riksbank

Chart 4:8. Factors that contribute to changes in the banks' core Tier 1 capital ratios according to Basel III in the stress test

Per cent

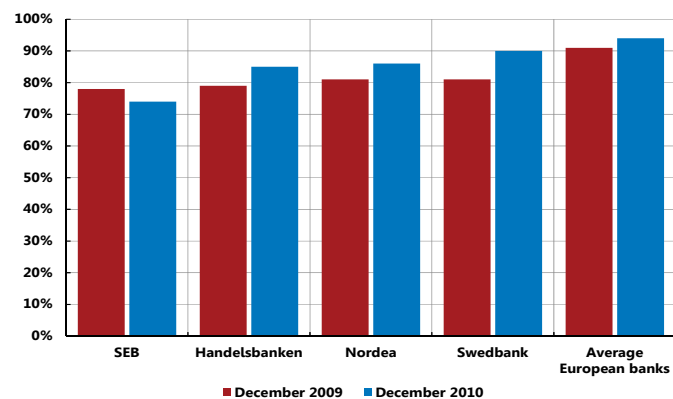


Note. Average for the four major banks. The ratios are based on the Riksbank's estimates. The striped areas of the grey bars show how much lower the banks' core Tier 1 capital ratios would have been if the banks were fully utilising their repurchase programmes at present.

Source: The Riksbank

Chart 4:9. The Riksbank's structural liquidity measurement for the major Swedish banks compared with the average for a selection of European banks

Stable funding in relation to illiquid assets, per cent



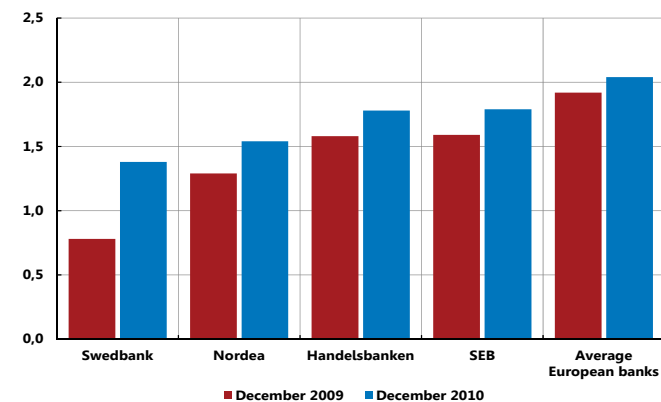
Note 1. The selection consists of 41 European banks with varying business models. Total assets per bank amount on average to SEK 4 500 billion.

Note 2. If the measure amounts to at least 100 per cent, this means that the bank's funding is stable enough to be able to manage its assets, according to the assumptions made in the test.

Source: Liquidatum and the Riksbank

Chart 4:10. Survival period for the major Swedish banks in the stressed scenario, compared with the average for a selection of European banks

Number of months



Note. See Notes 1 and 2 to Chart 4:9.

Sources: Liquidatum and the Riksbank