



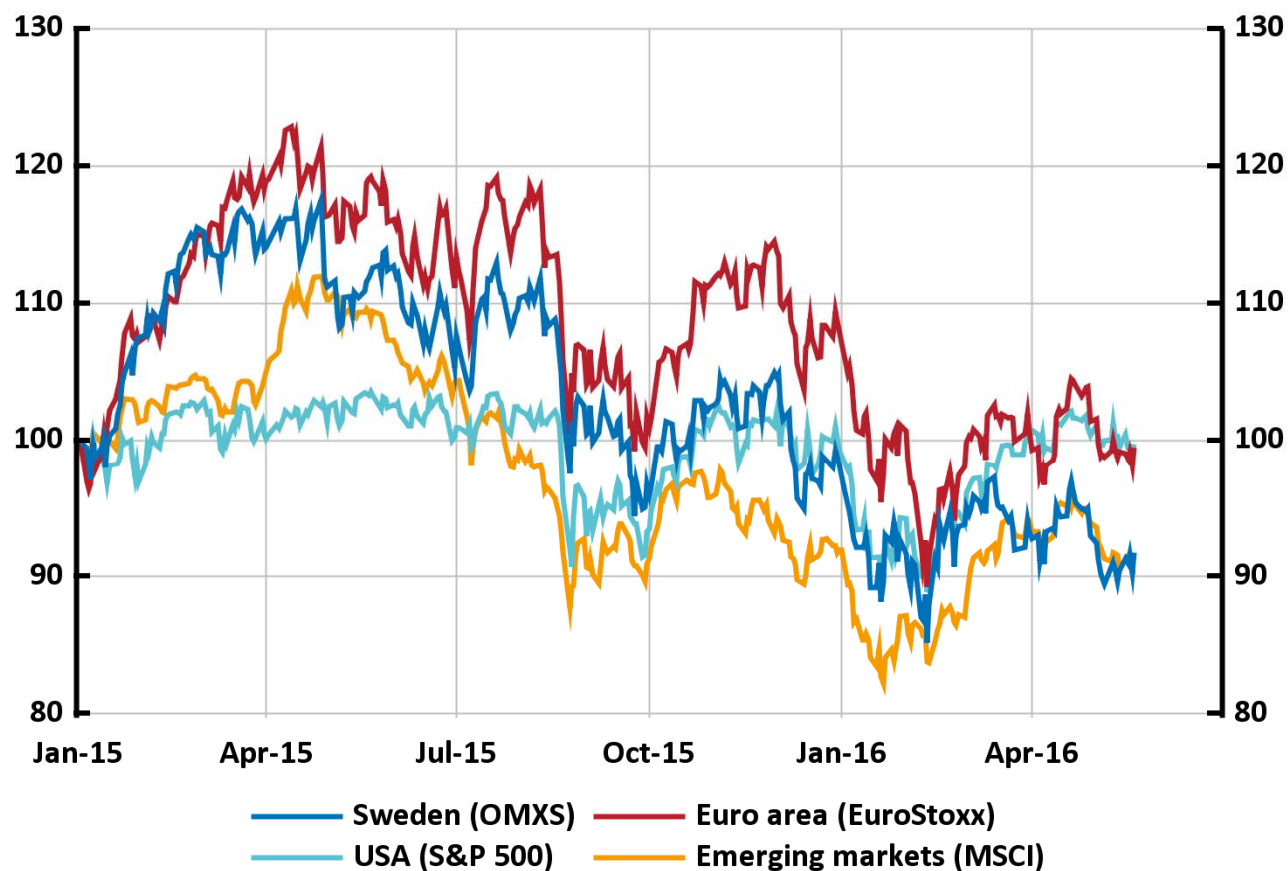
Financial stability report 2016:1

Chapter 1 Assessment of current situation

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

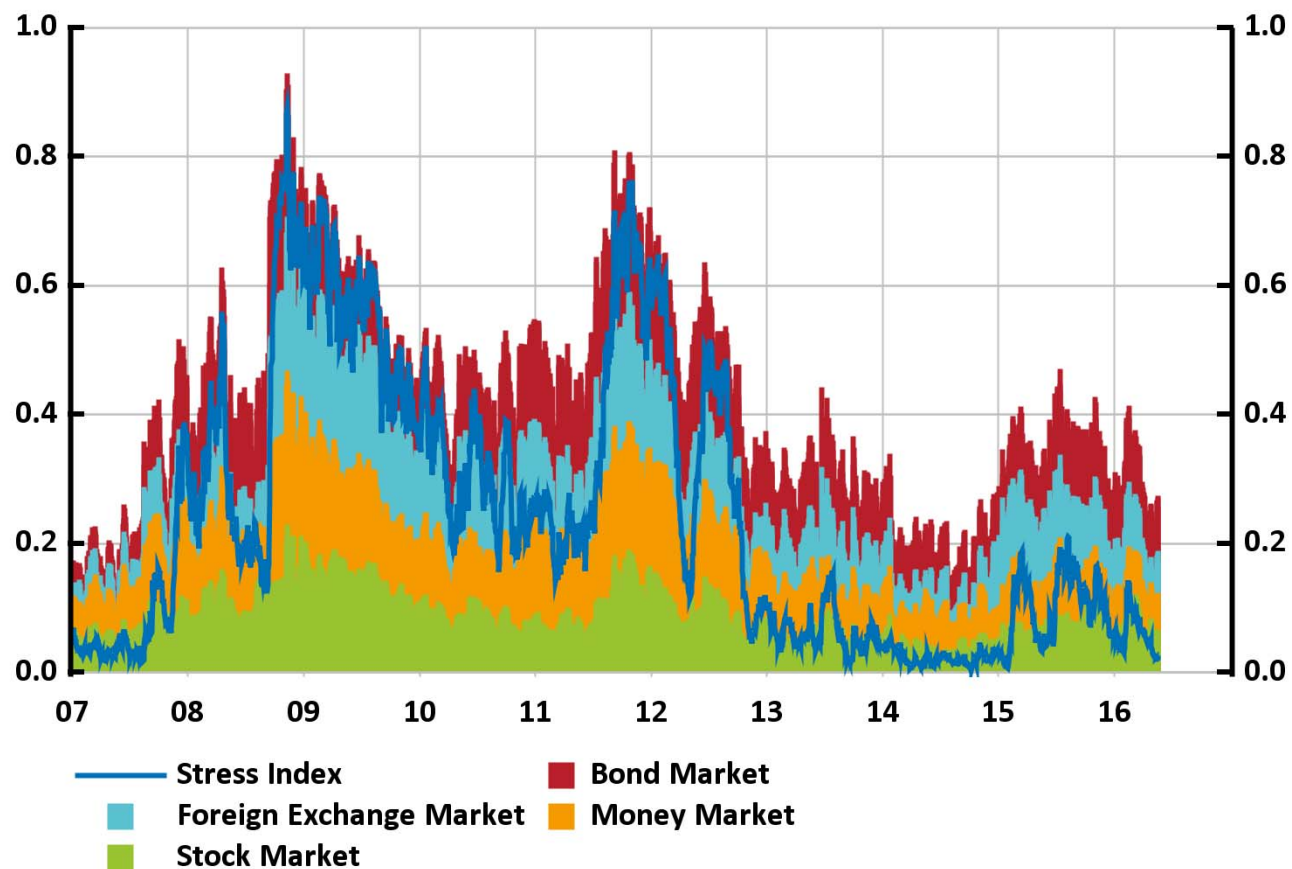
1:1 Stock market movements

Index, 2 January 2015 = 100



1:2 Swedish stress index

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

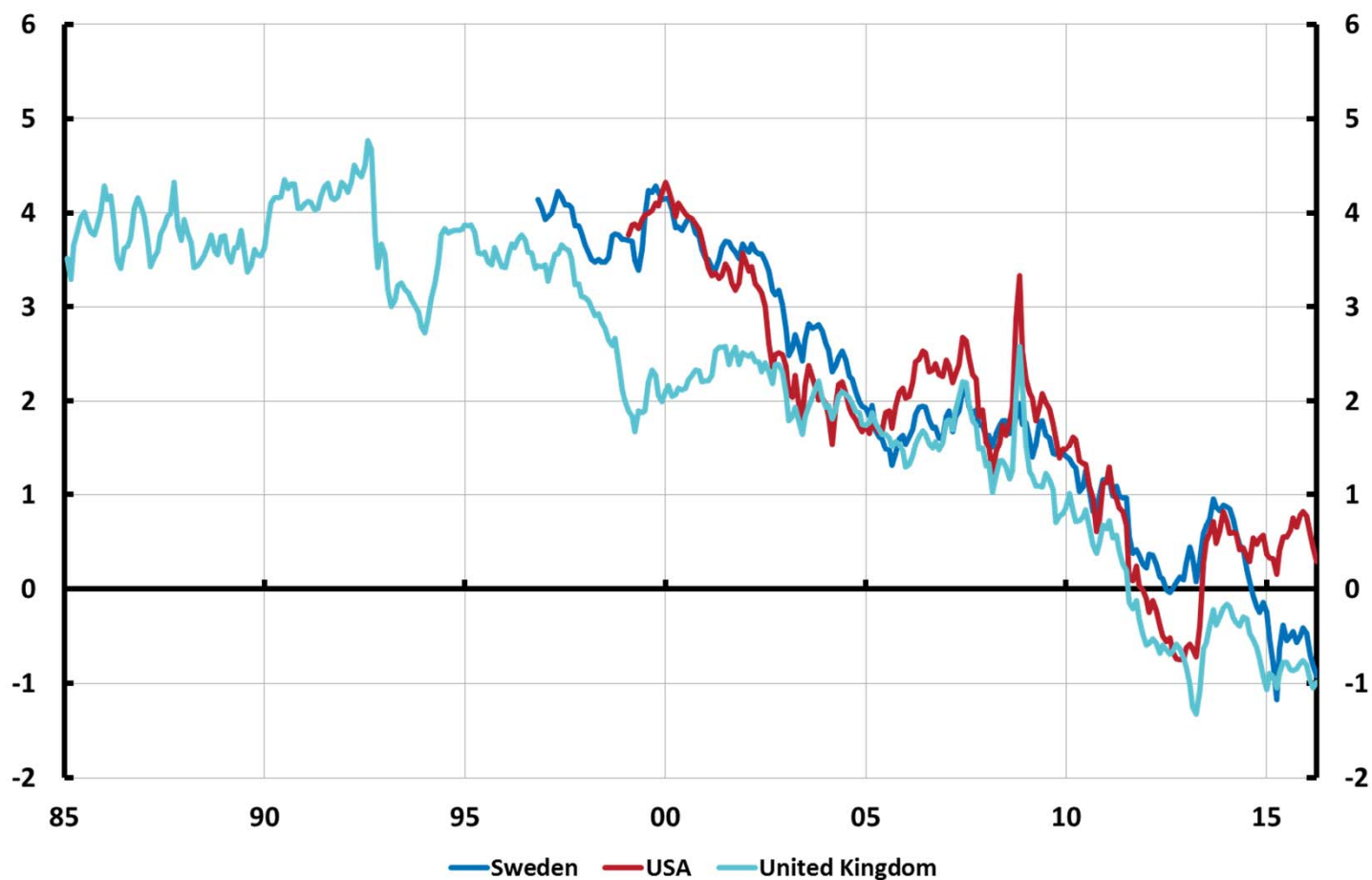


Note. The Swedish stress index has been produced by the Riksbank using a method similar to that used by the ECB for the European stress index. See Johansson, Tor and Bonthron, Fredrik (2013), Further development of the index for financial stress in Sweden, *Economic Review* 2013:1. Sveriges riksbank.

Sources: Bloomberg and the Riksbank

1:3 Real interest rates

Per cent

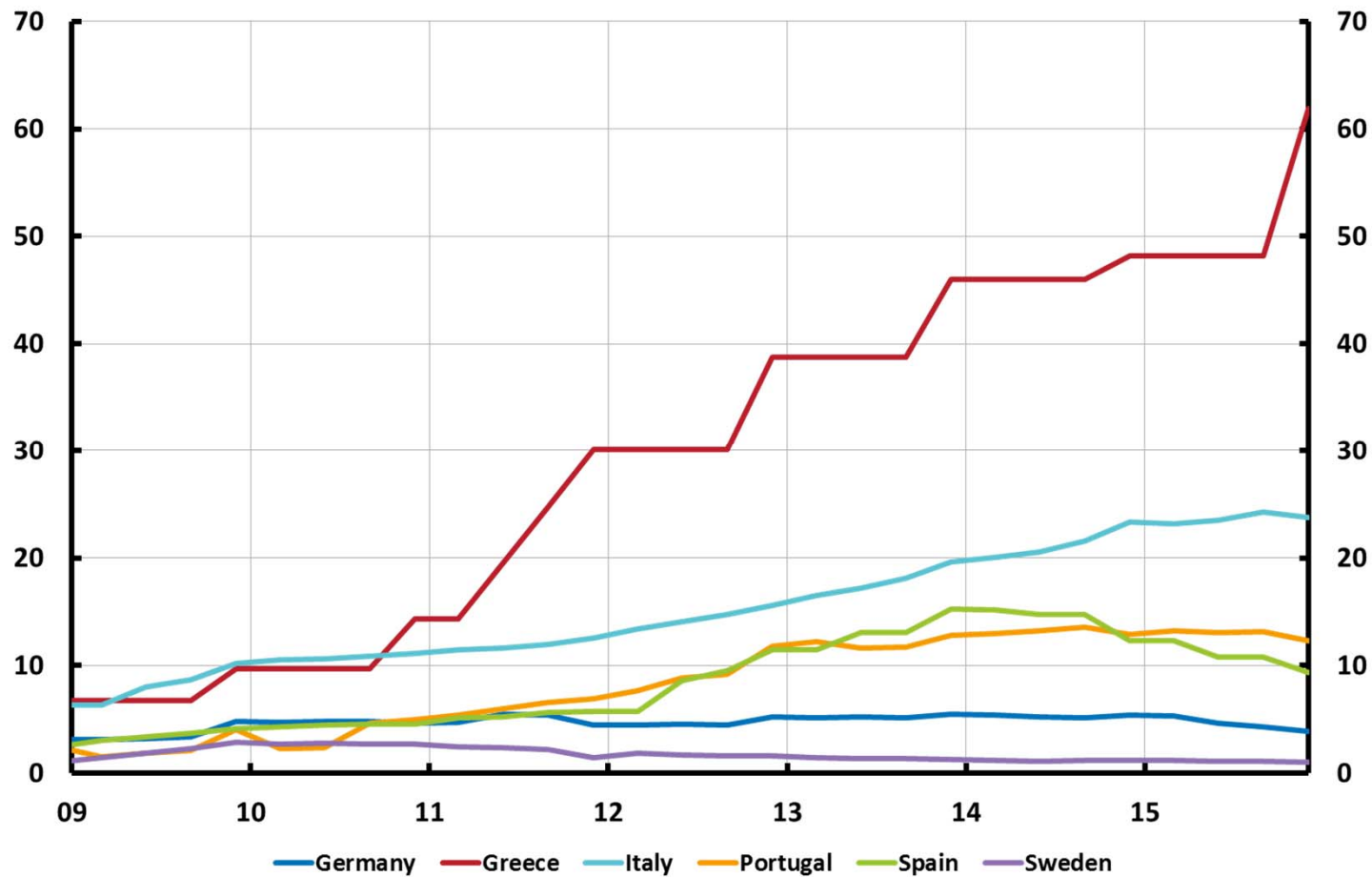


Note. 10-year yield on real government bonds in Sweden, the United Kingdom and the United States.

Sources: Bank of England, Federal Reserve, Thomson Reuters and the Riksbank

1:4 Non-performing loans in European banks

Non-performing loans as a percentage of total loans, per cent

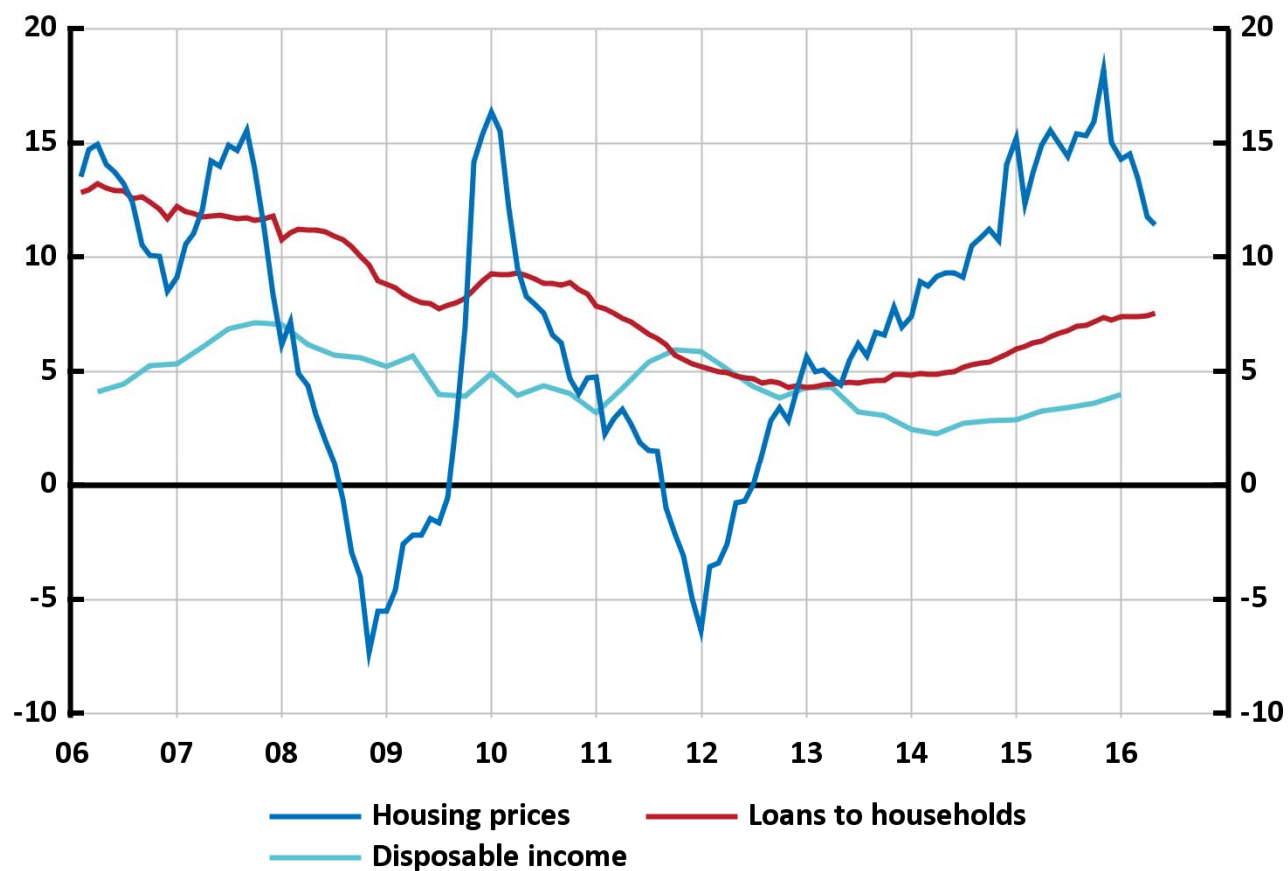


Note. Based on a sample of banks in each country.

Source: SNL Financial

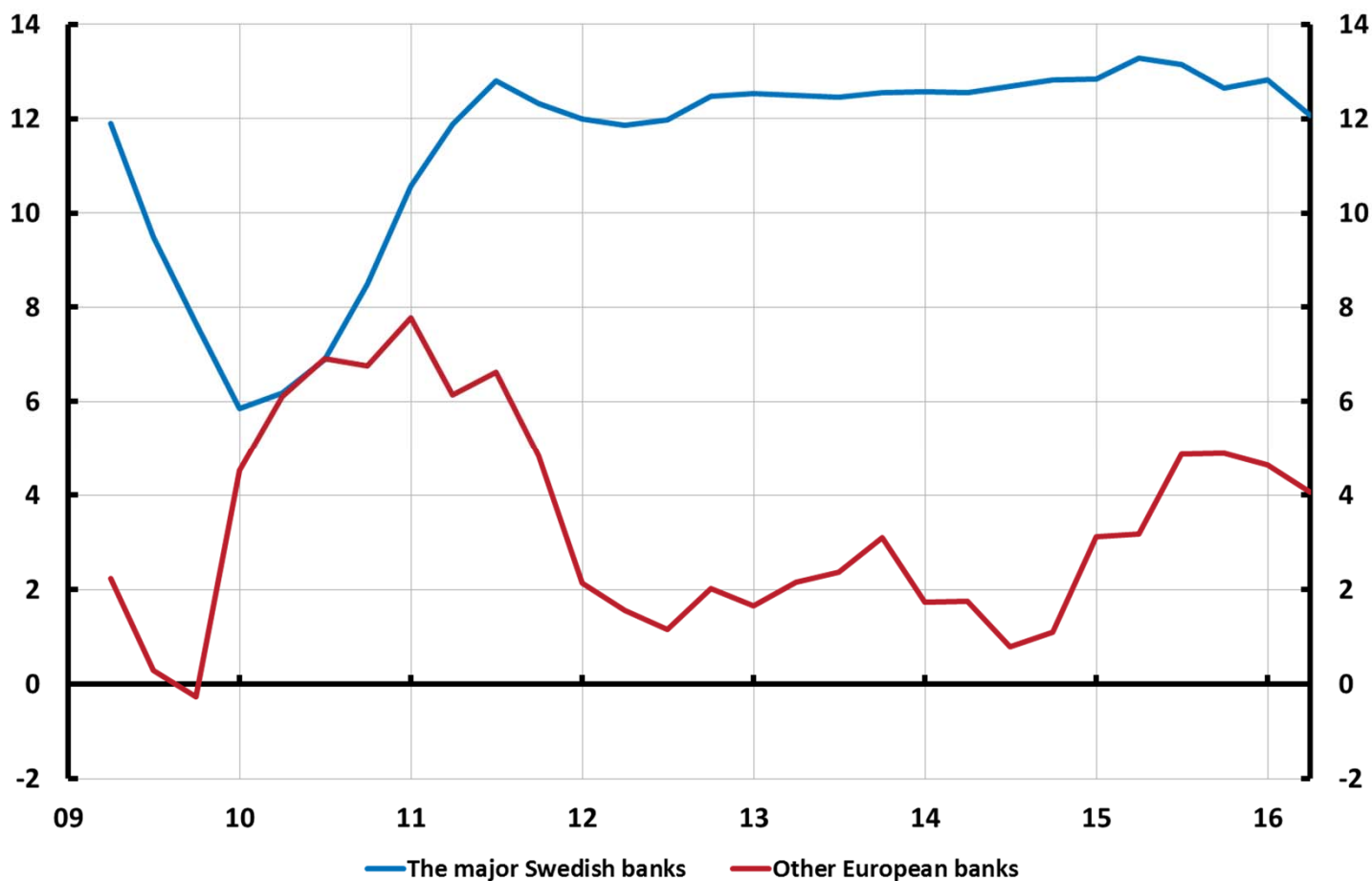
1:5 Housing prices, debt and income

Annual percentage change



1:6 Return on equity

Rolling four quarters, per cent



Note. Unweighted average. The red line represents a sample of European banks, see footnote 109 in *Financial Stability Report 2014:1*.

Sources: SNL Financial and the Riksbank



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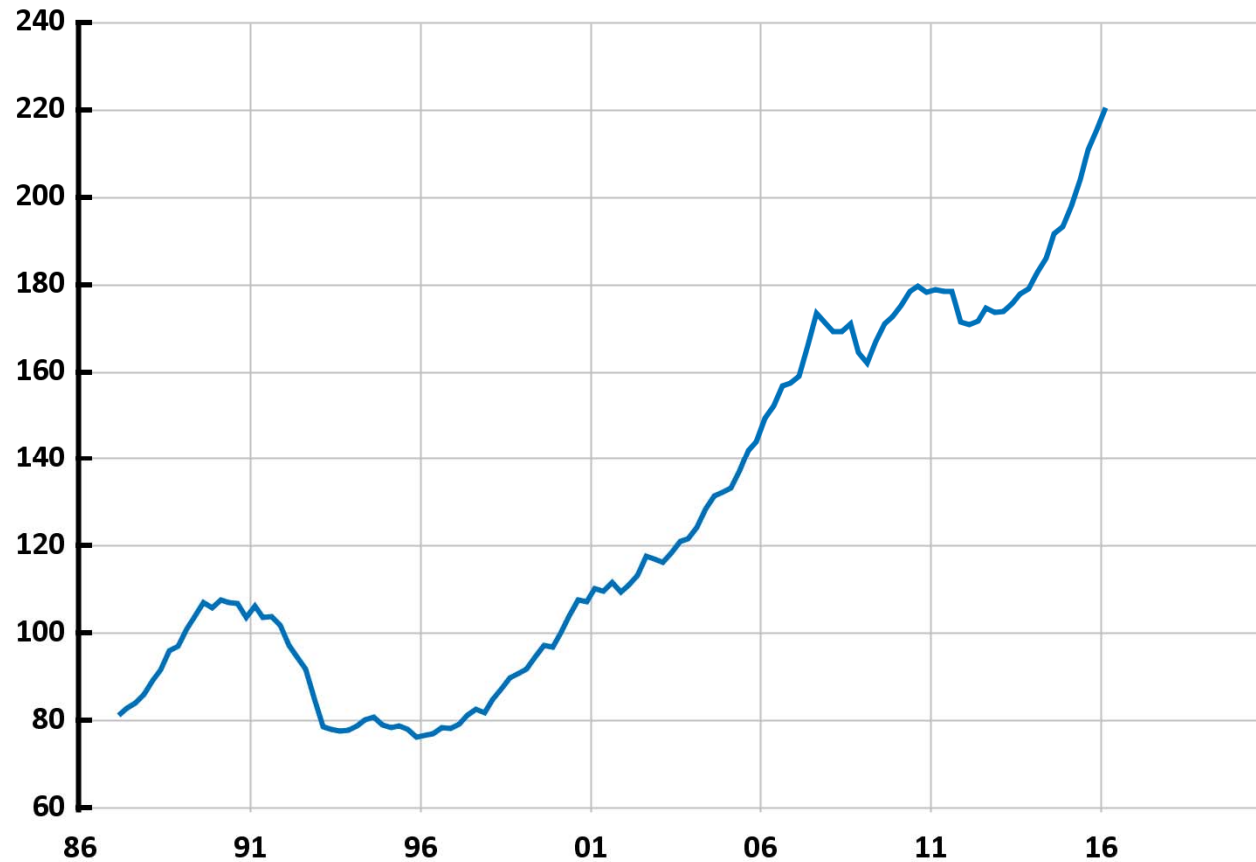
Chapter 2

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 Real property price index in Sweden

Index, quarter 1 2000 = 100

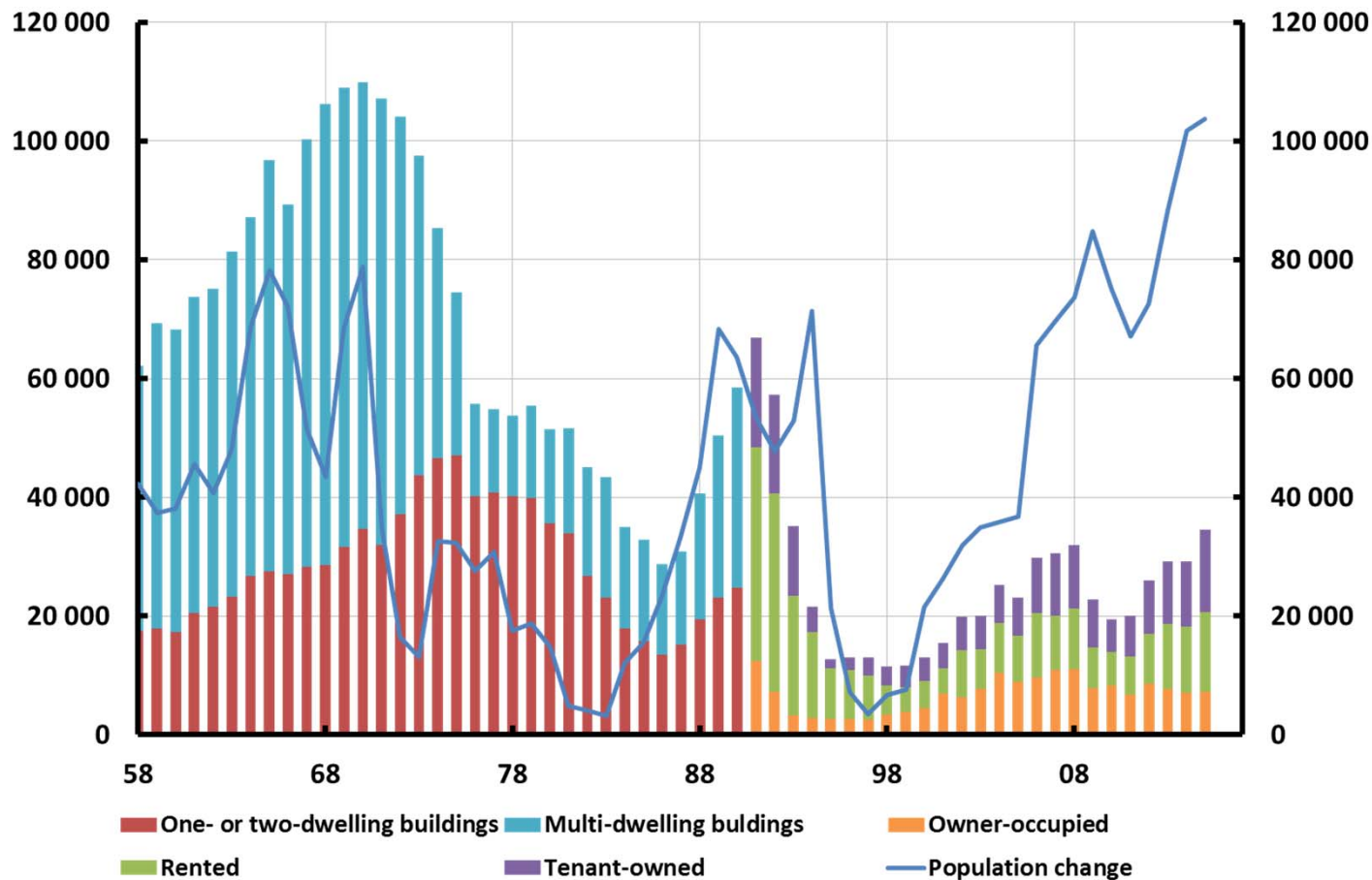


Note. Deflated with CPIF. Refers to the increase in single-family houses.

Sources: Statistics Sweden and the Riksbank

2:2 Housing construction and population changes in Sweden

Number of housing units completed and number of new inhabitants per year

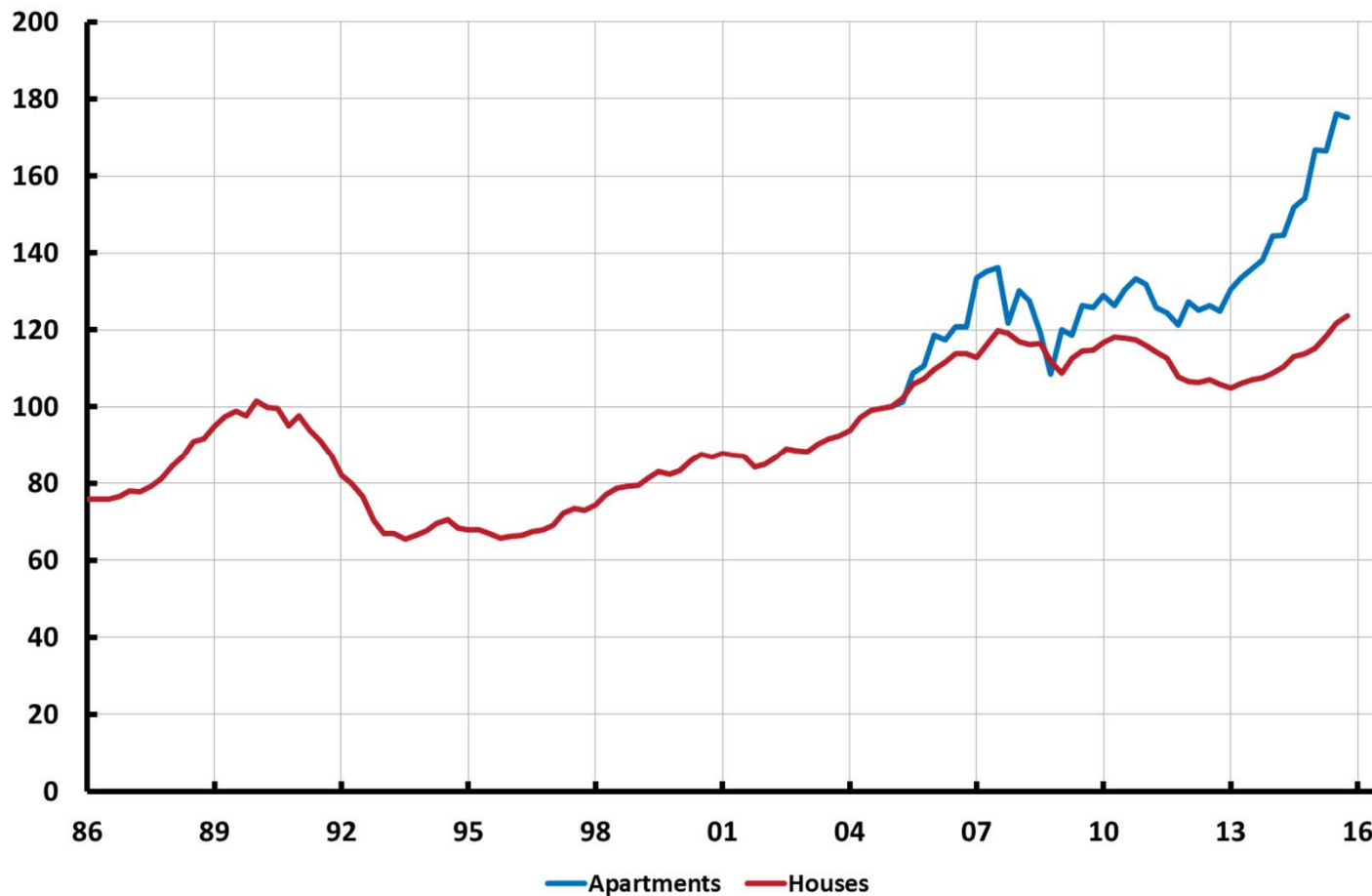


Note. Prior to 1991, it is not possible to distinguish between different forms of occupancy in one- or two- and multi-dwelling buildings.

Source: Statistics Sweden

2:3 Swedish housing prices in relation to disposable income per capita

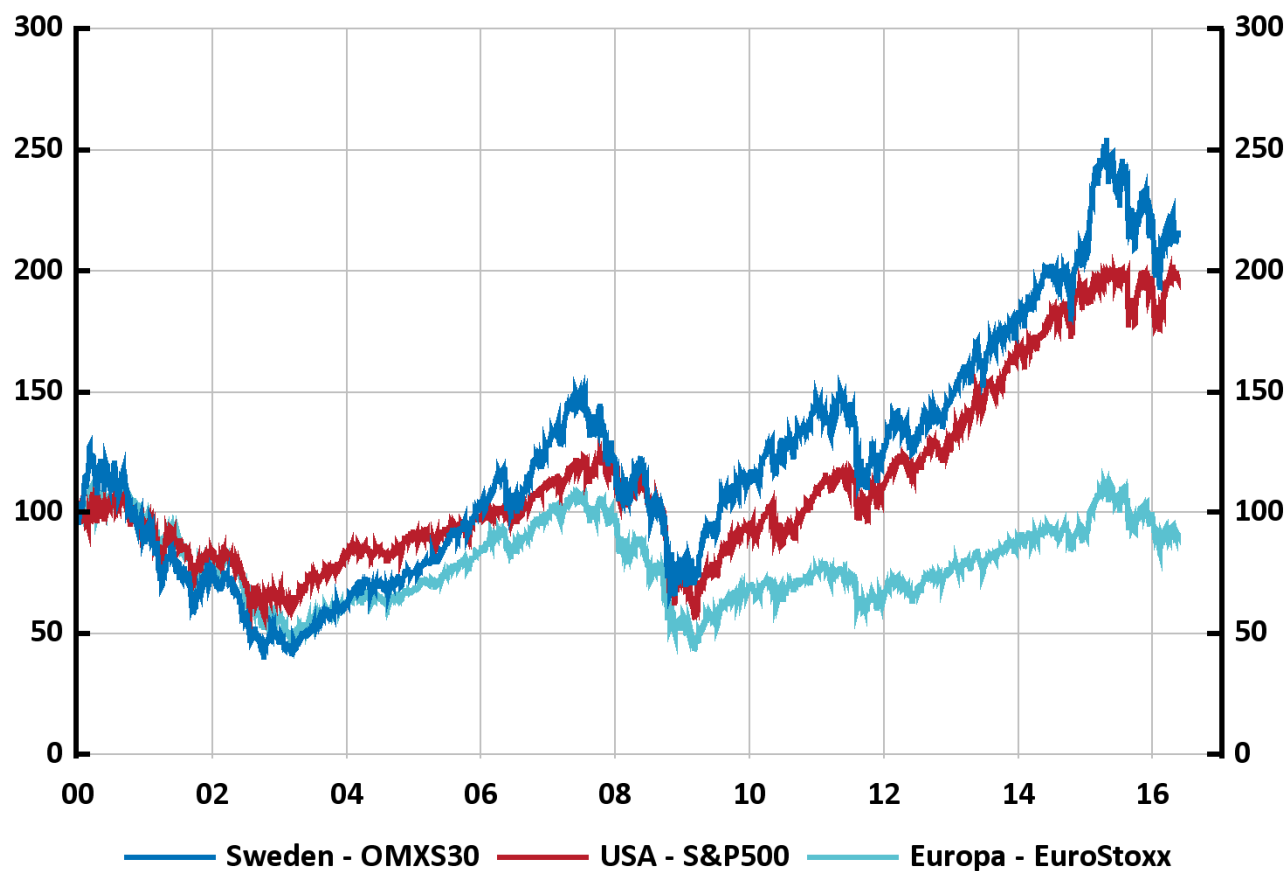
Index, quarter 1 2005=100



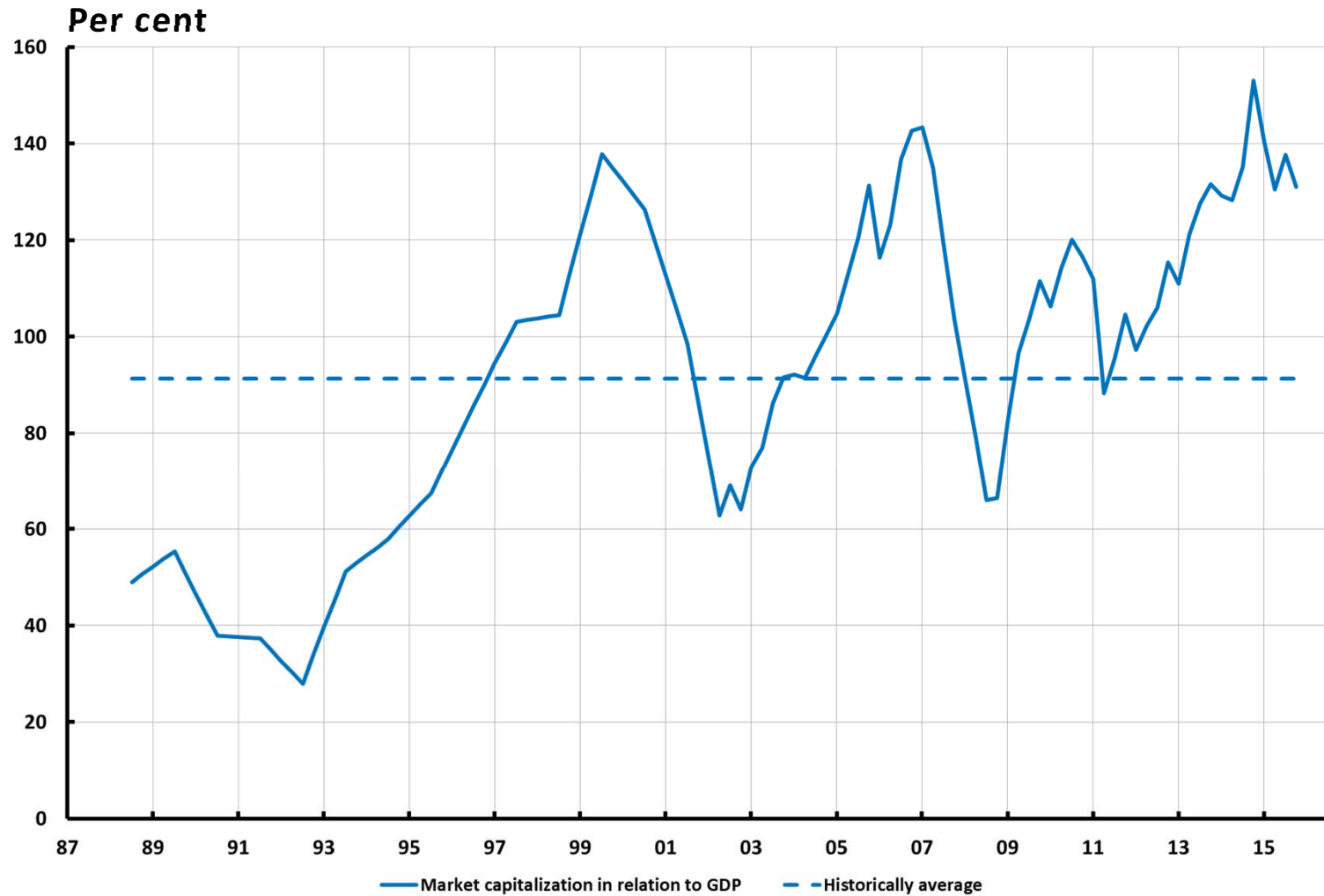
Sources: SCB and Valueguard

2:4 Developments on the equity market

Index, 1 Jan 2000 = 100



2:5 Stock market value in relation to GDP, Sweden



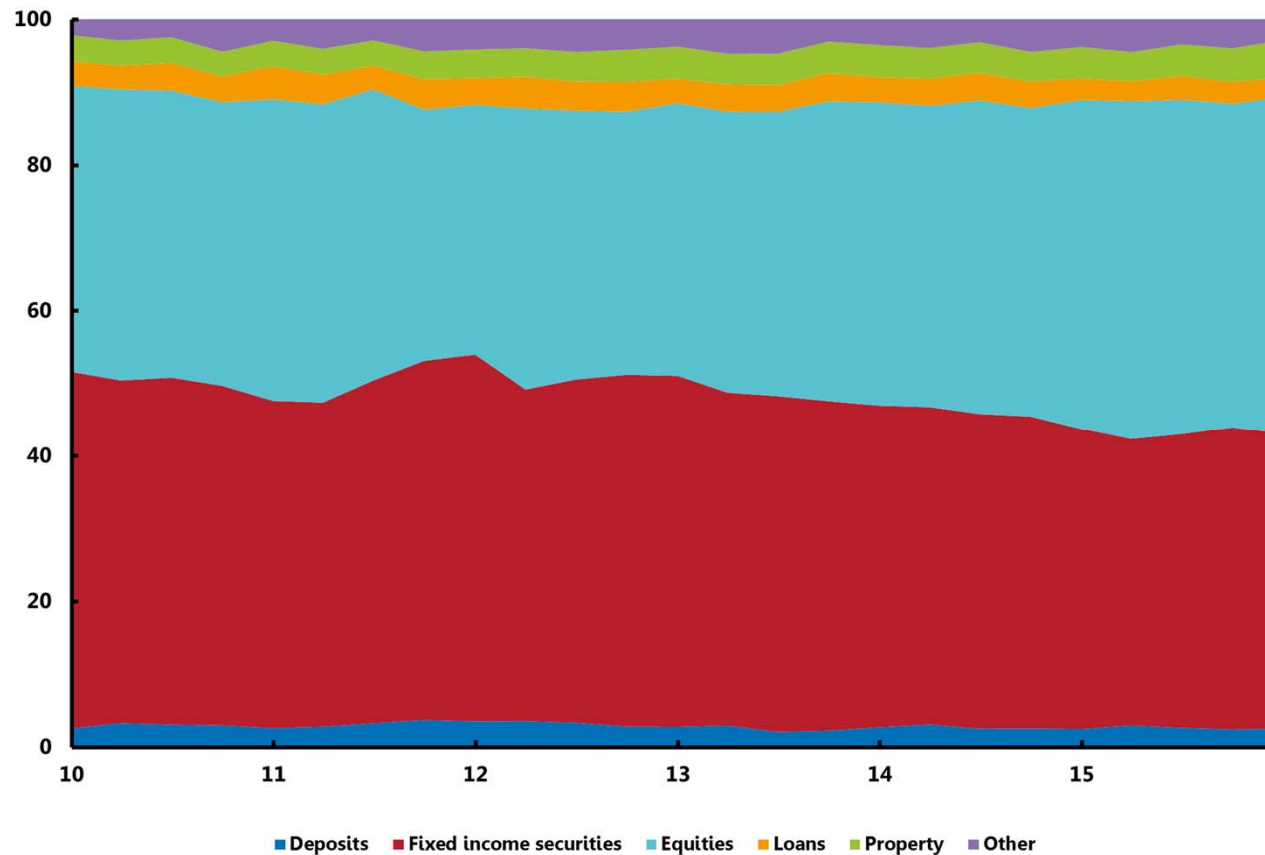
Note. Market capitalization refers to the total market value of the assets included in the index of all shares listed on the Stockholm Stock Exchange (SAX index). Annual data of market capitalization until 2002 and then quarterly data. Data refers to the end of each period.

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

2:6 Swedish life insurance companies' various assets as a proportion of total assets



Per cent



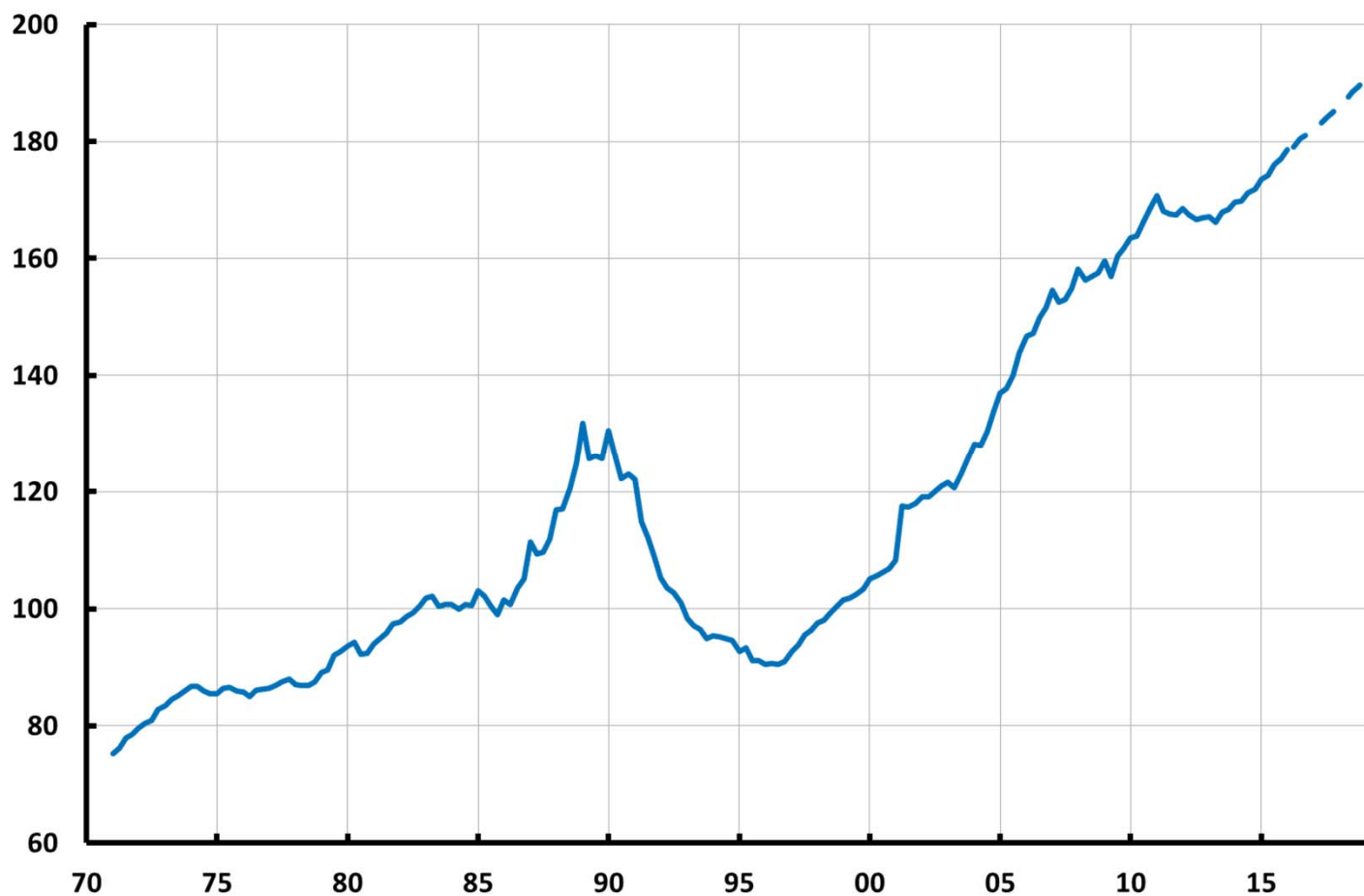
Note. Interest-bearing assets include both bonds and certificates. Equities also include mutual funds, but not those that belong to fund insurance policies. Properties refers to buildings and land as well as equities in wholly-owned property companies. Other refers to repos, derivatives and accrued interest income.

Source: Statistics Sweden

2:7 Households' debt-to-income ratio in Sweden



Per cent of disposable income

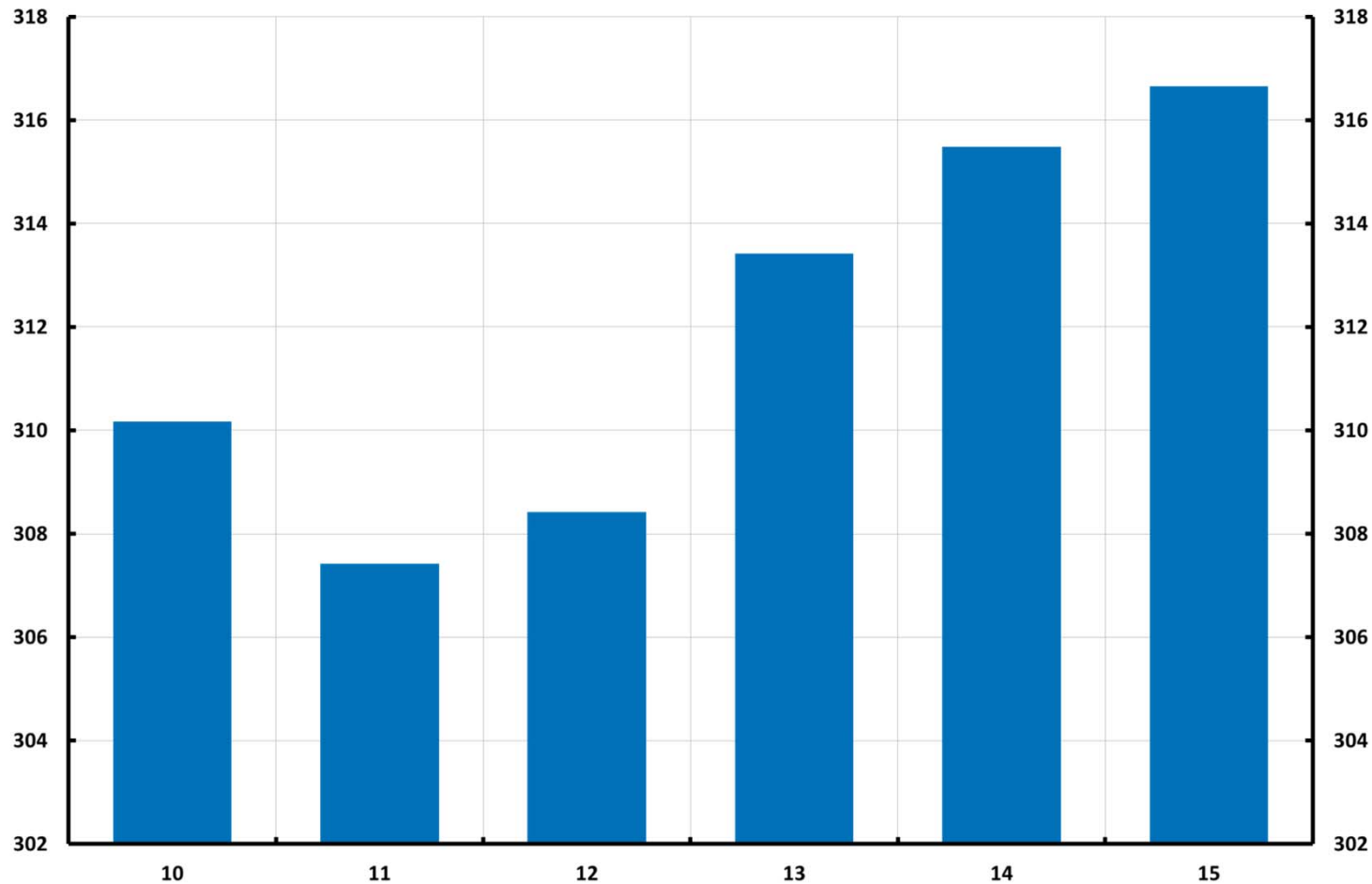


Note. The dashed line represents the Riksbank's forecast.

Sources: Statistics Sweden and the Riksbank

2:8 Average debt-to-income ratio for households with mortgages in Sweden

Per cent of disposable income

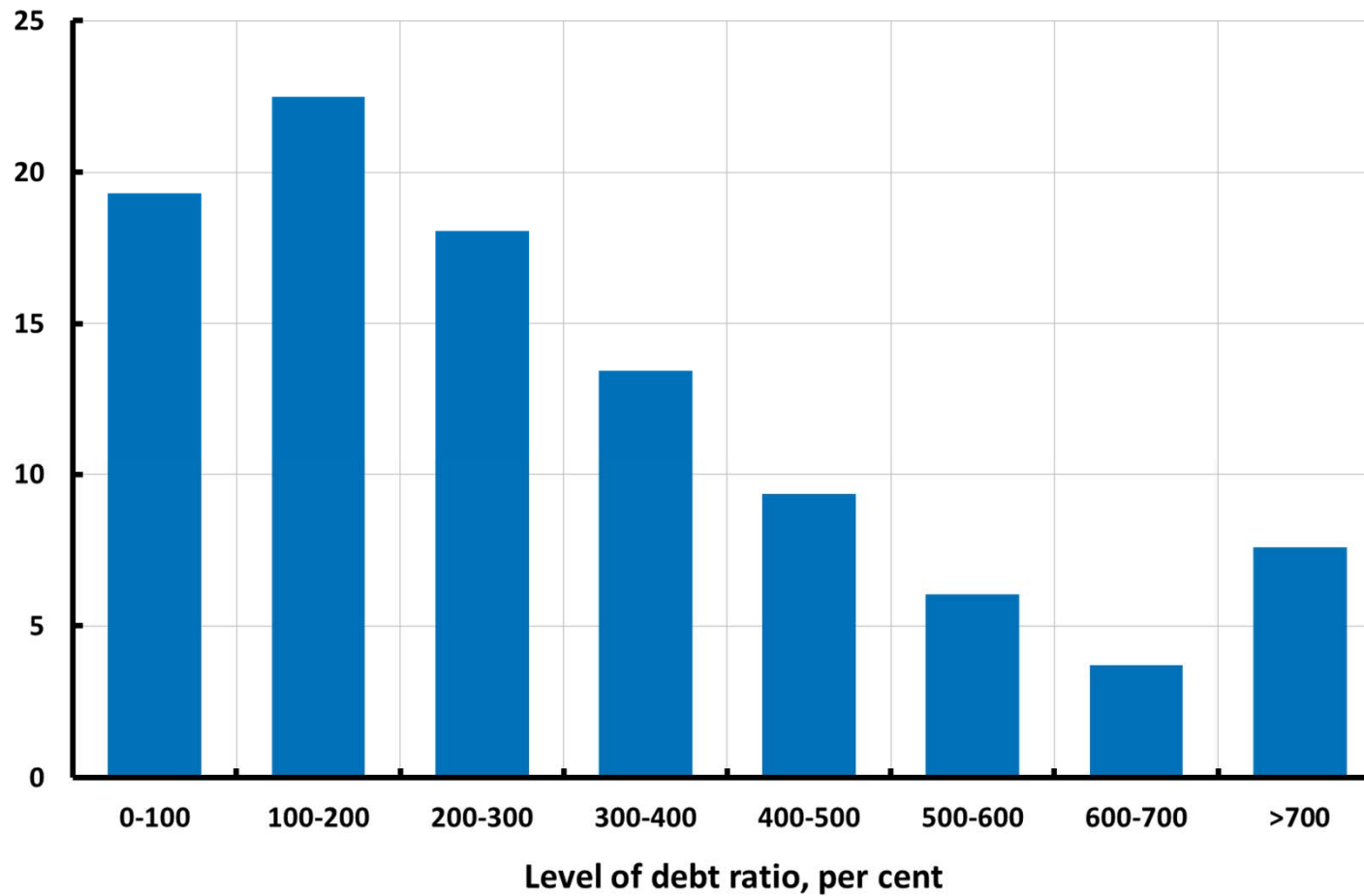


Note. Mean value for indebted households in July each year

Source: The Riksbank

2:9 Breakdown of debts for Swedish households with mortgages in 2015

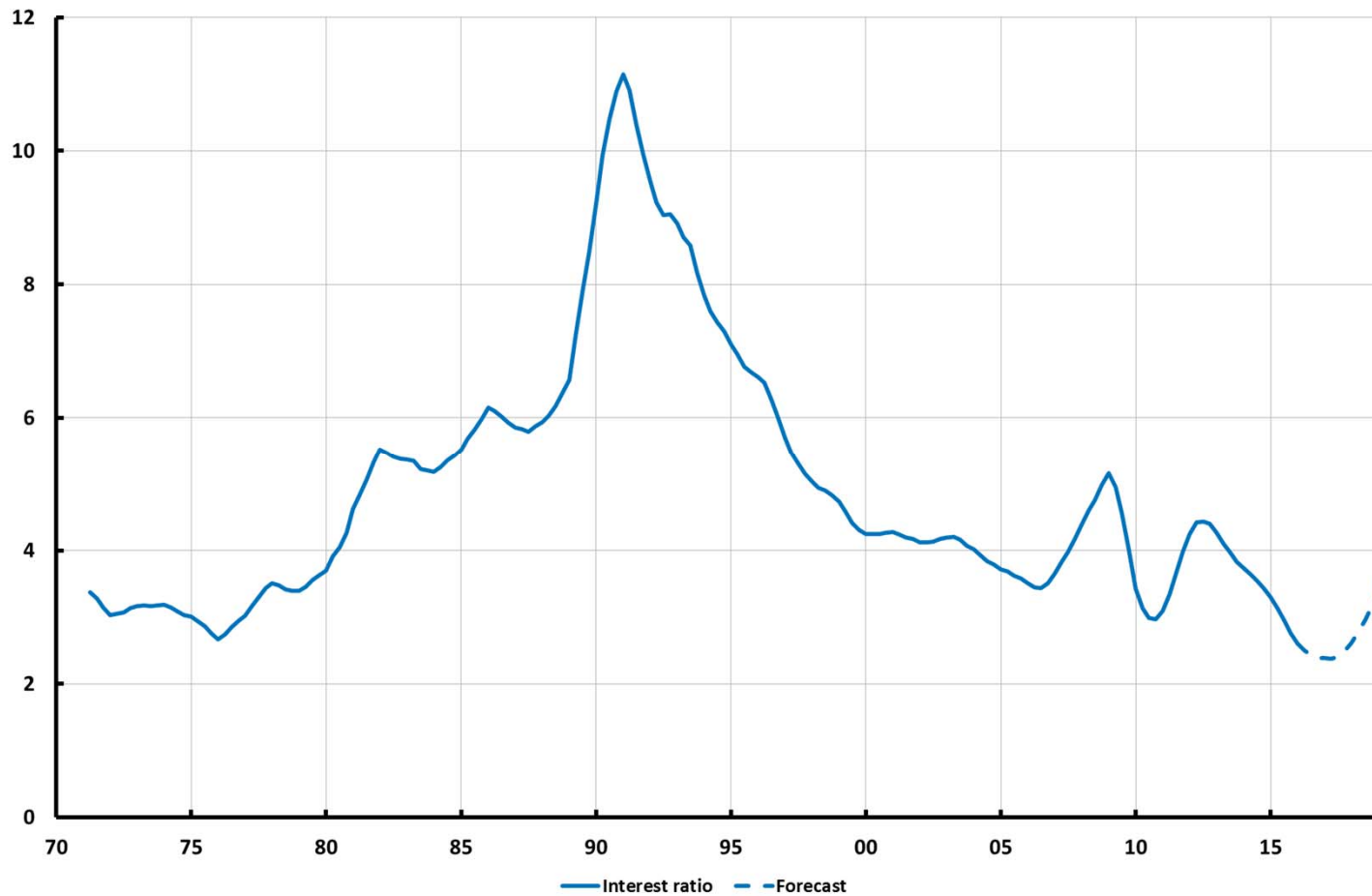
Per cent of households



Source: The Riksbank

2:10 Household interest expenditure in Sweden

Per cent of disposable income



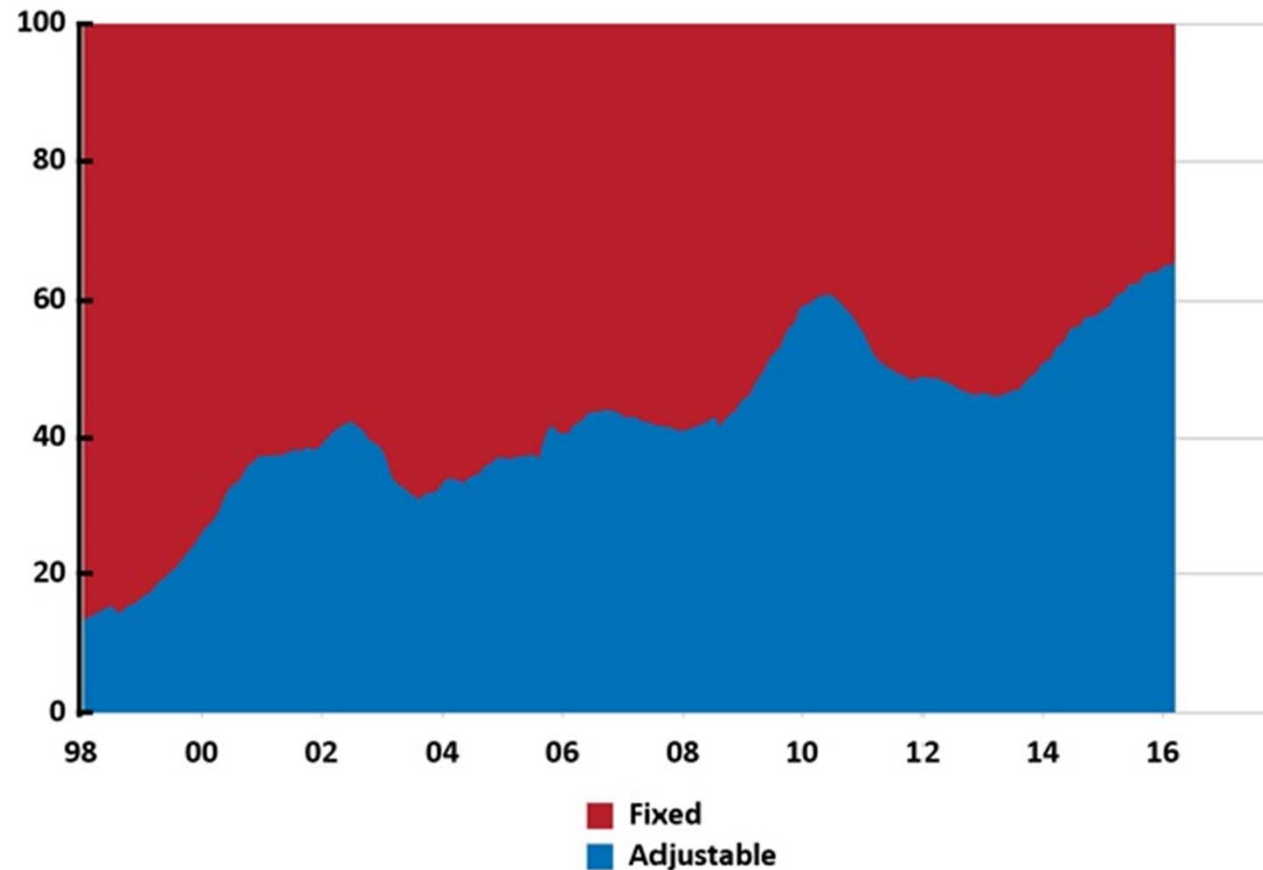
Note. Interest expenditure is after tax.

Sources: Statistics Sweden and the Riksbank

2:11 Rate fixation periods for the mortgage stock in Sweden



Per cent, share of mortgages

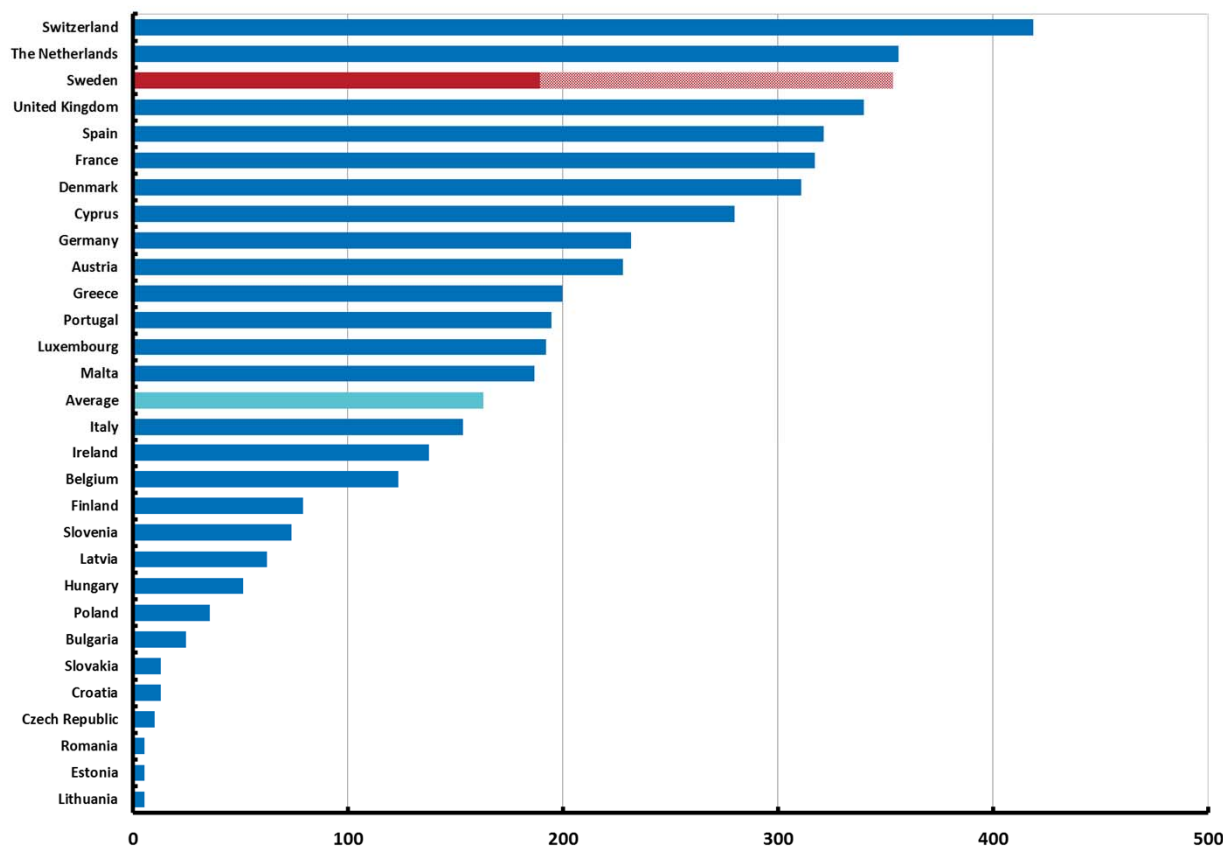


Note. Share of mortgage loans in each category are calculated on the loan value. Variable interest rate refers to rate fixation periods of up to three months. Fixed rate refers to rate fixation periods of three months.

Source: Statistics Sweden

2:12 The banks' assets in relation to GDP

December 2014, per cent

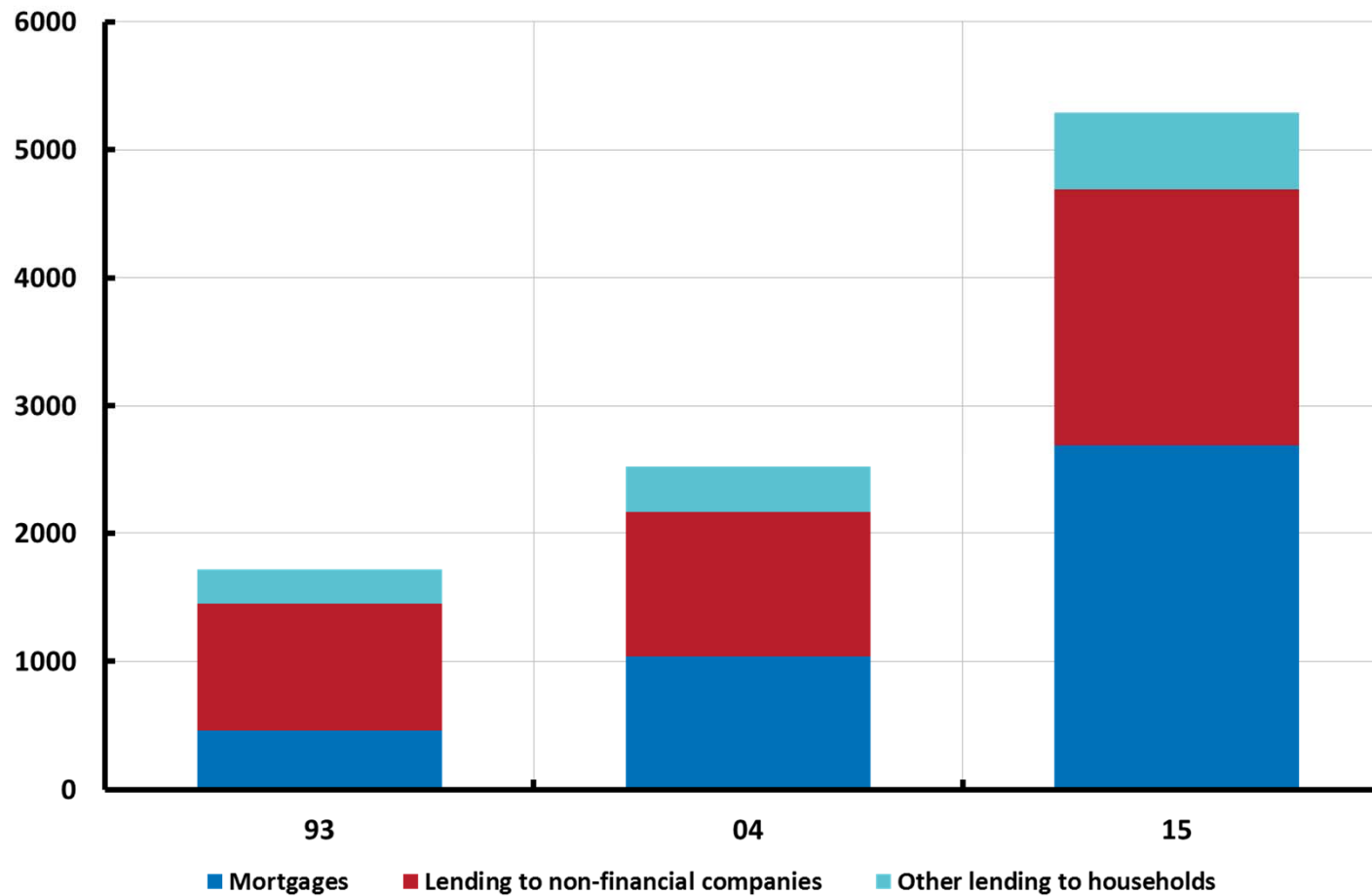


Note. In banking assets are included all of the assets of the national banking groups, that is both foreign and domestic assets. The banks' insurance operations are, however, excluded. The shadowed part of the red bar shows the four major banks' assets in foreign subsidiaries and branches in relation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

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

2:13 Distribution of Swedish banks' lending

SEK billion

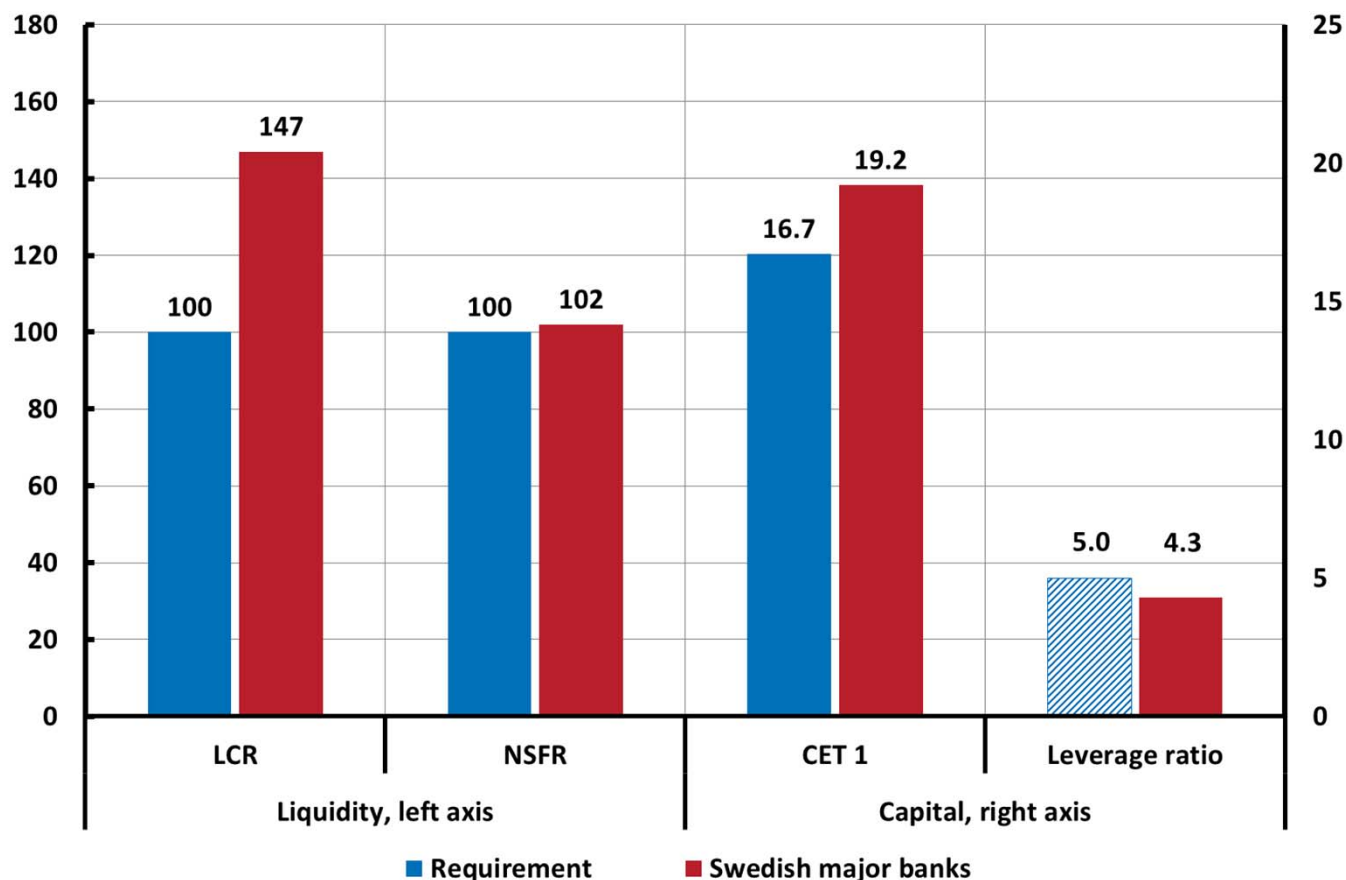


Note. The chart shows the monetary financial institutions (MFIs) lending. Banks' foreign subsidiaries are not included. 1993 refers to mortgage for the Swedish mortgage lending.

Sources: Statistics Sweden and the Riksbank

2:14 The four Basel III measures for liquidity and capital adequacy

March 2016, per cent

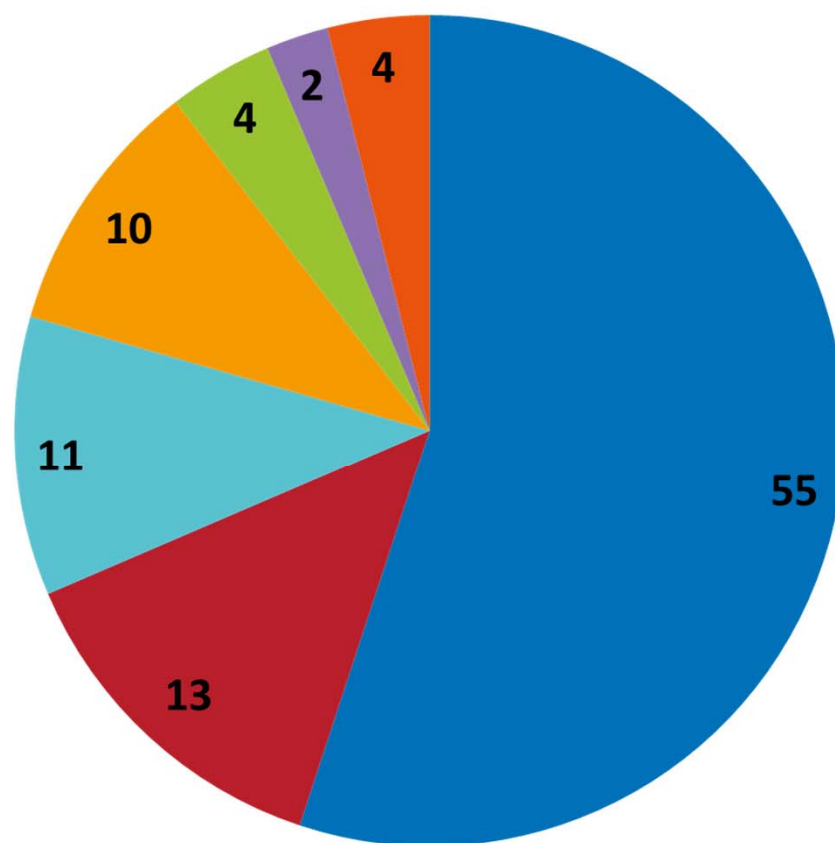


Note. Minimum leverage ratio has not yet been set. The chart shows the level recommended by the Riksbank from 2018. CET 1 is an abbreviation of Core Equity Tier 1 ratio, minimum level has been calculated as a weighted average of the major banks' total capital requirements. The major banks' capital ratios are given as weighted averages.

Sources: Bank reports, BIS and the Riksbank

2:15 The major Swedish banks' lending by geography

March 2016, per cent



■ Sweden ■ Finland ■ Denmark ■ Norway ■ The Baltics ■ Great Britain ■ Other

Note. The major Swedish banking groups total lending amounted to 7 798 billion SEK in the first quarter of 2016.

Sources: Bank reports and the Riksbank



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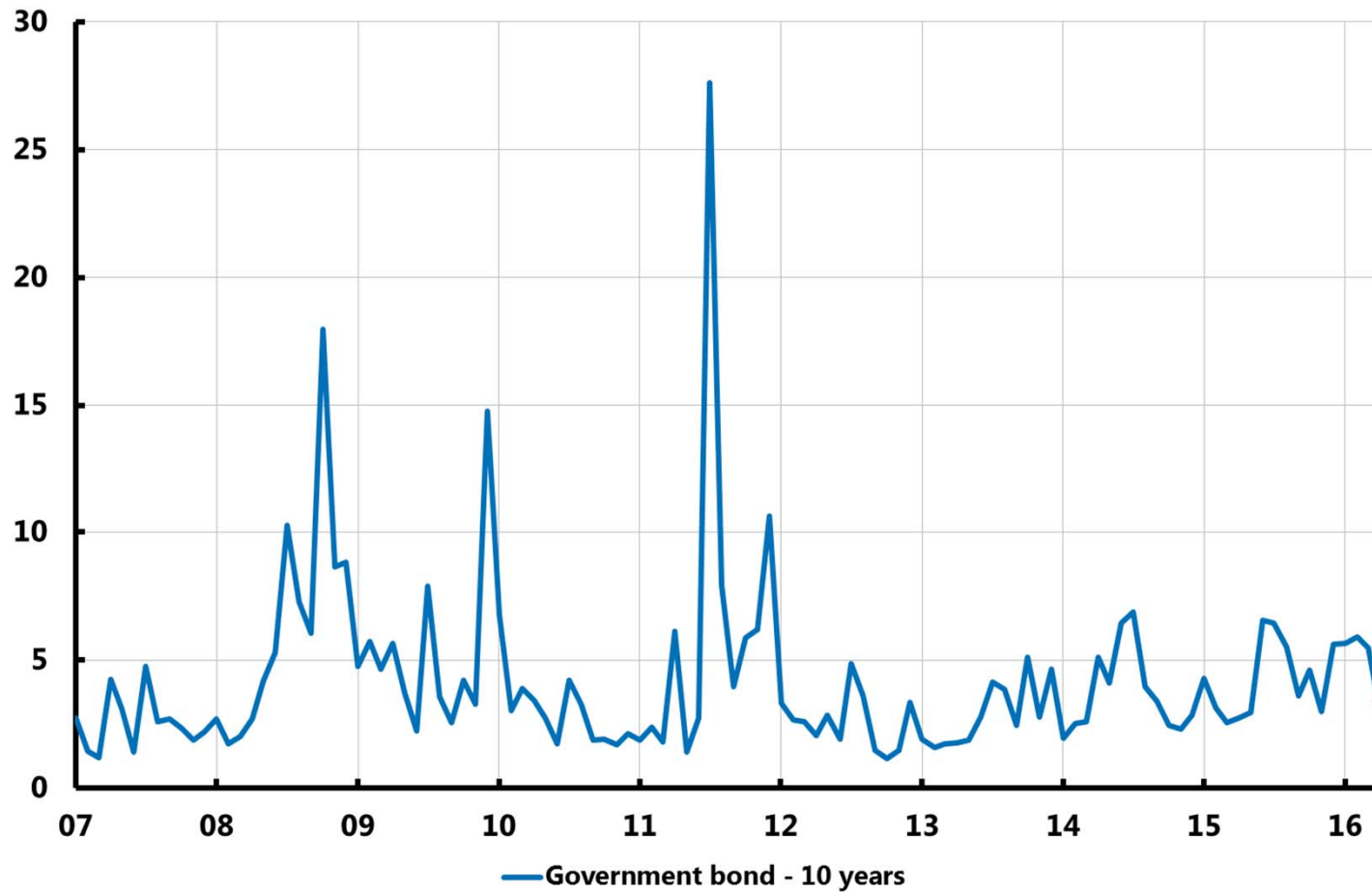
Article

Market liquidity on the Swedish bond
market and its importance for financial
stability

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

R2:1 Price change in government bonds per billion turnover (intraday)

Ratio

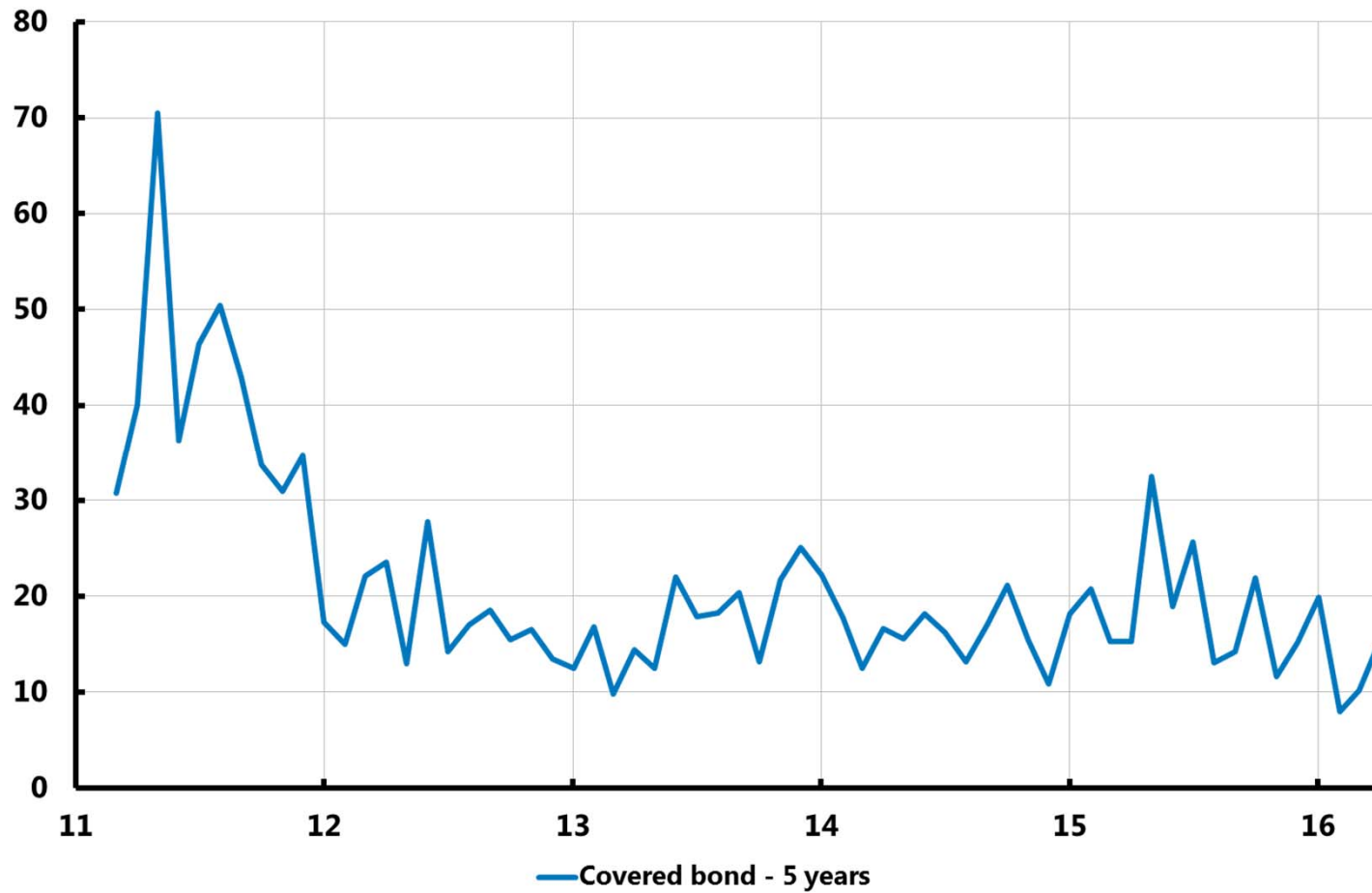


Sources: Bloomberg and Nasdaq

R2:2 Price change in covered bonds per billion turnover (intraday)



Ratio

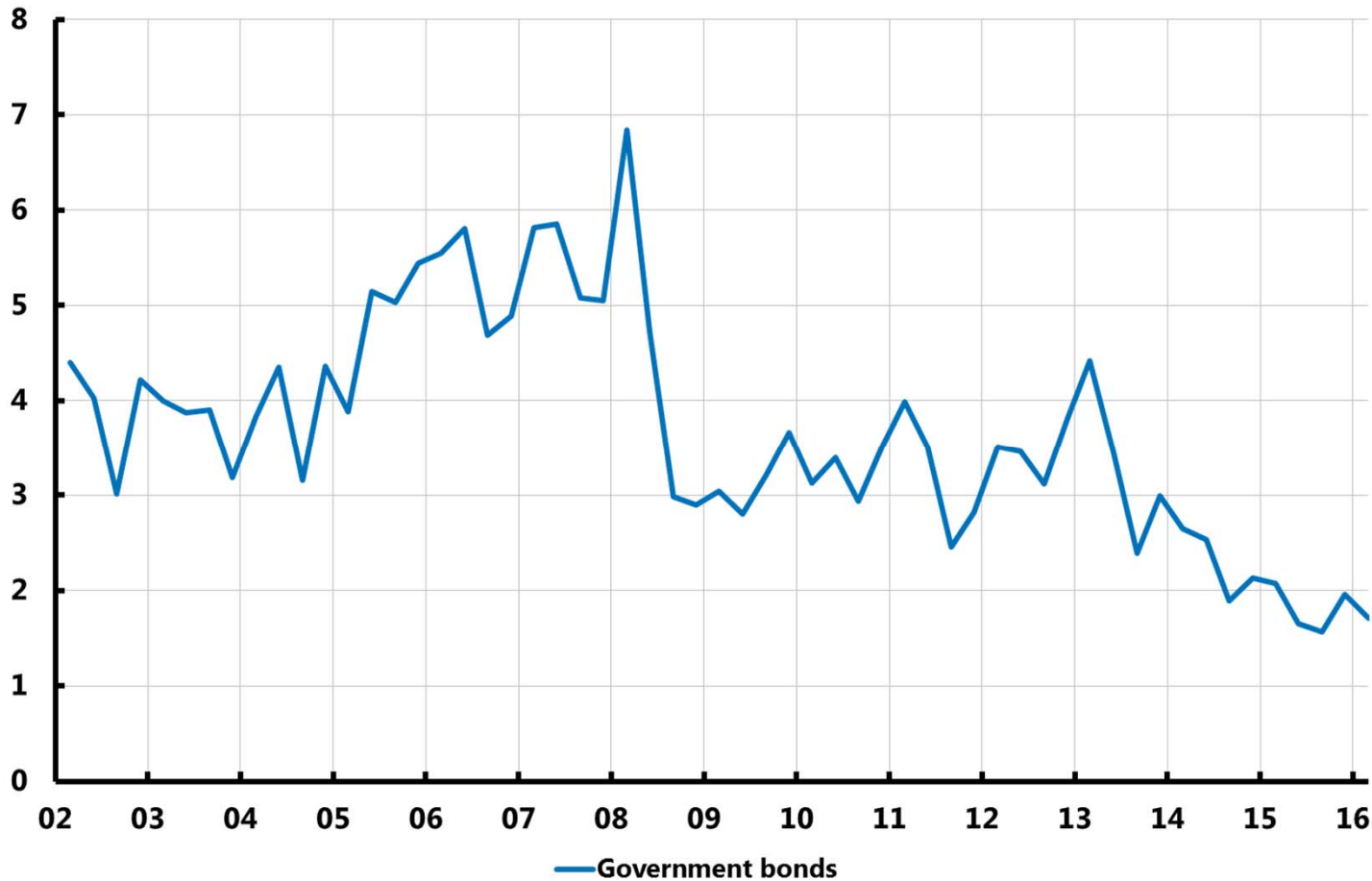


Sources: Bloomberg and Nasdaq

R2:3 Government bonds' daily turnover in relation to outstanding stock



Per cent



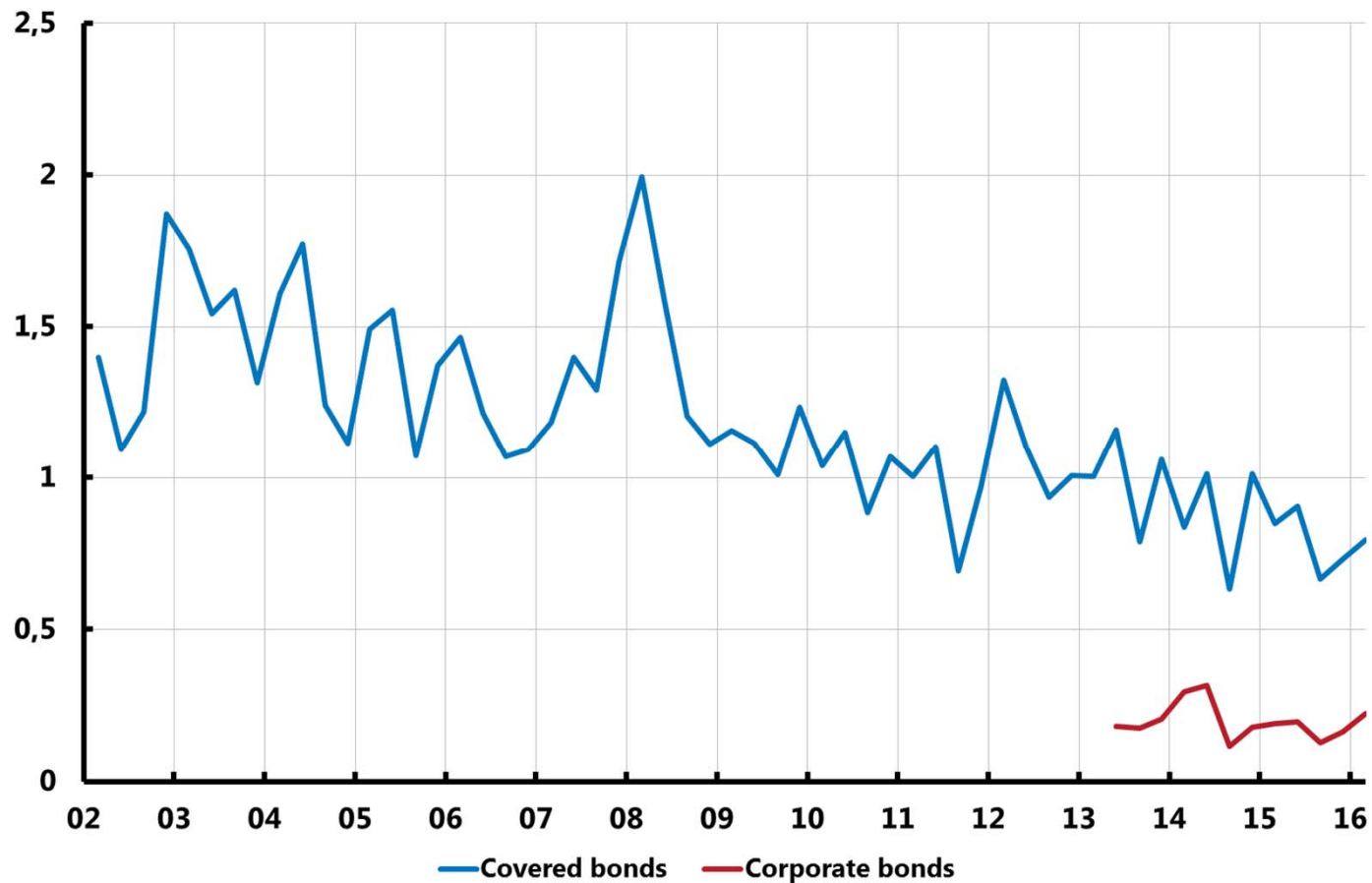
Note. Refers to quarterly averages of turnover.

Sources: The Riksbank, the Swedish National Debt Office and Statistics Sweden

R2:4 Daily turnover for covered bonds and corporate bonds in relation to outstanding stock



Per cent

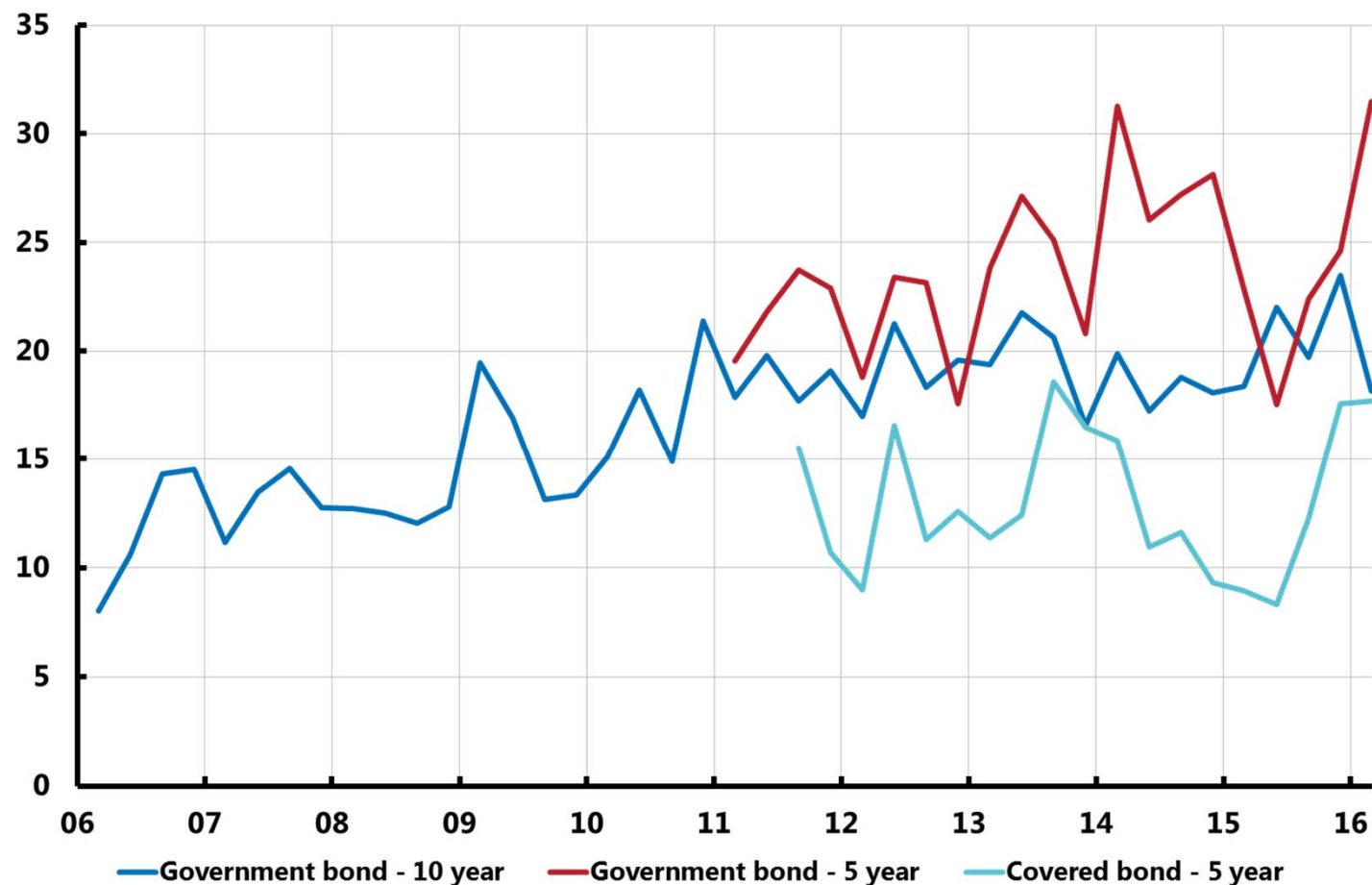


Note. Refers to quarterly averages of turnover. There is no outstanding stock for one of the banks whose bonds are included in the turnover statistics. This should not affect the development of the measure to any great degree, however.

Sources: The Riksbank, the Swedish National Debt Office and Statistics Sweden

R2:5 Special benchmark bonds as a percentage of total turnover

Per cent

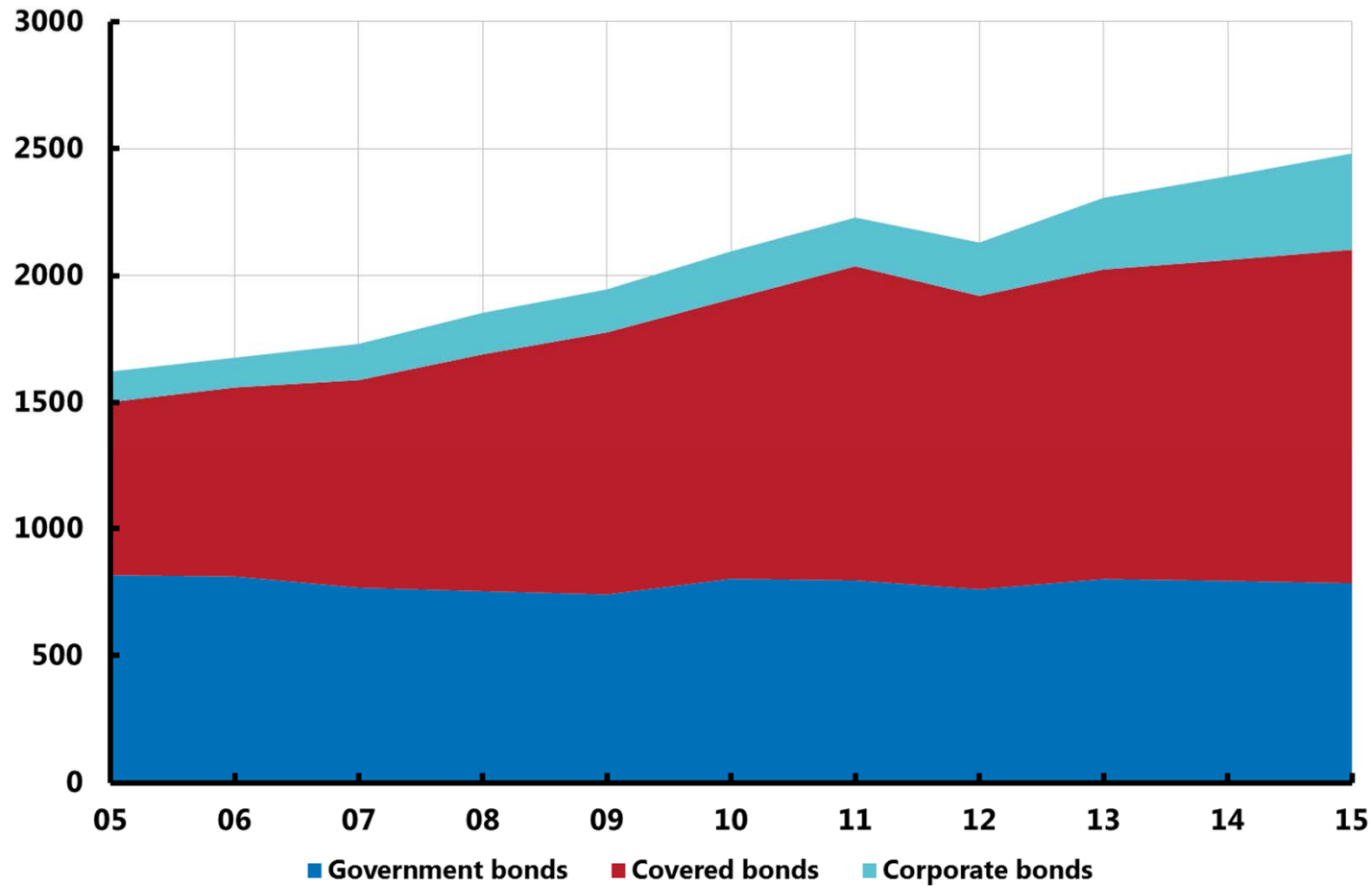


Note. Refers to quarterly averages of the turnover for government bonds and covered bonds respectively.

Sources: Nasdaq and the Riksbank.

R2:6 Outstanding volumes on the Swedish bond market

SEK Billion



Sources: Statistics Sweden and the Riksbank



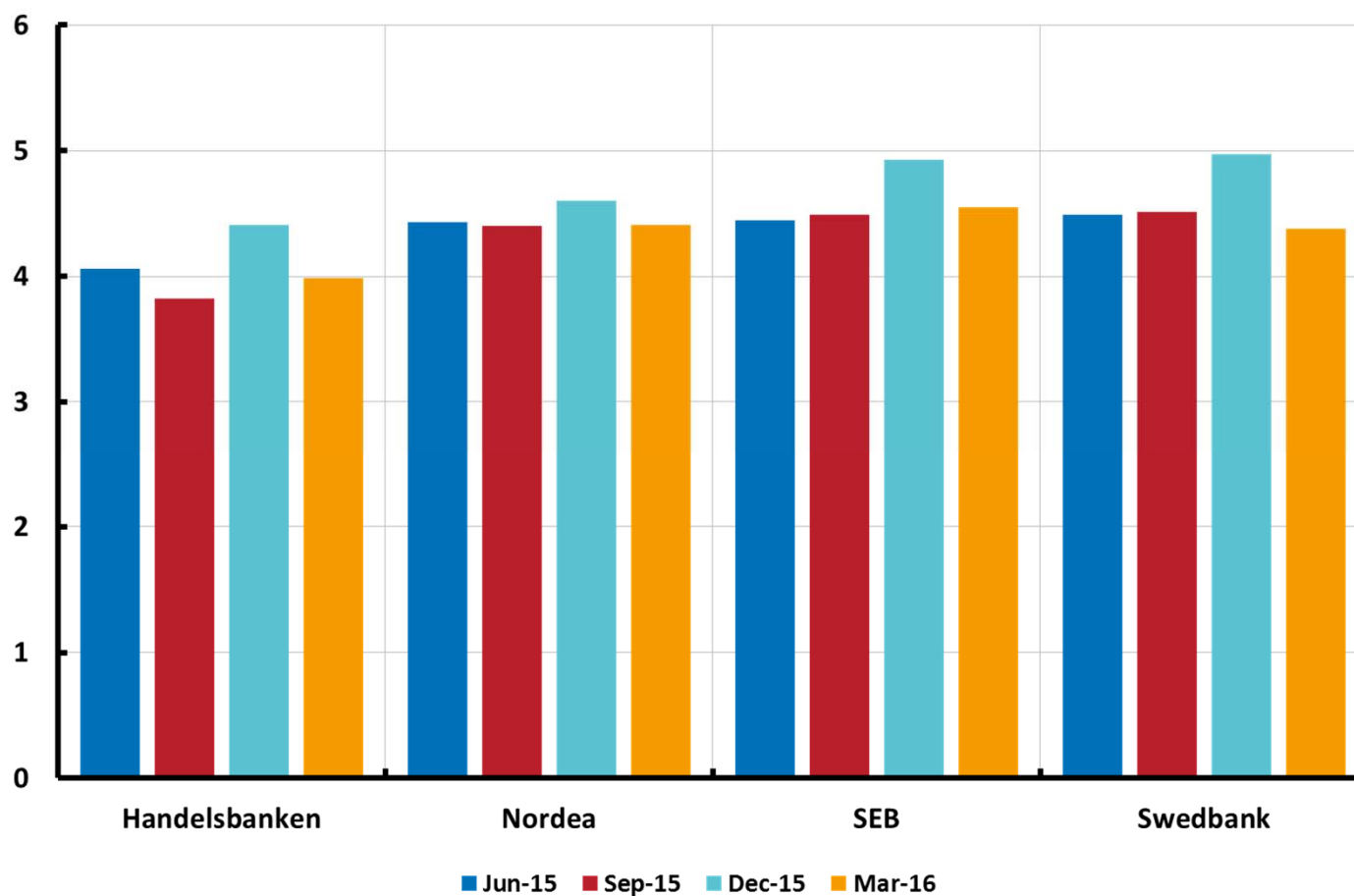
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Chapter 3 Recommendations

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

3:1 Reported leverage ratios

Per cent

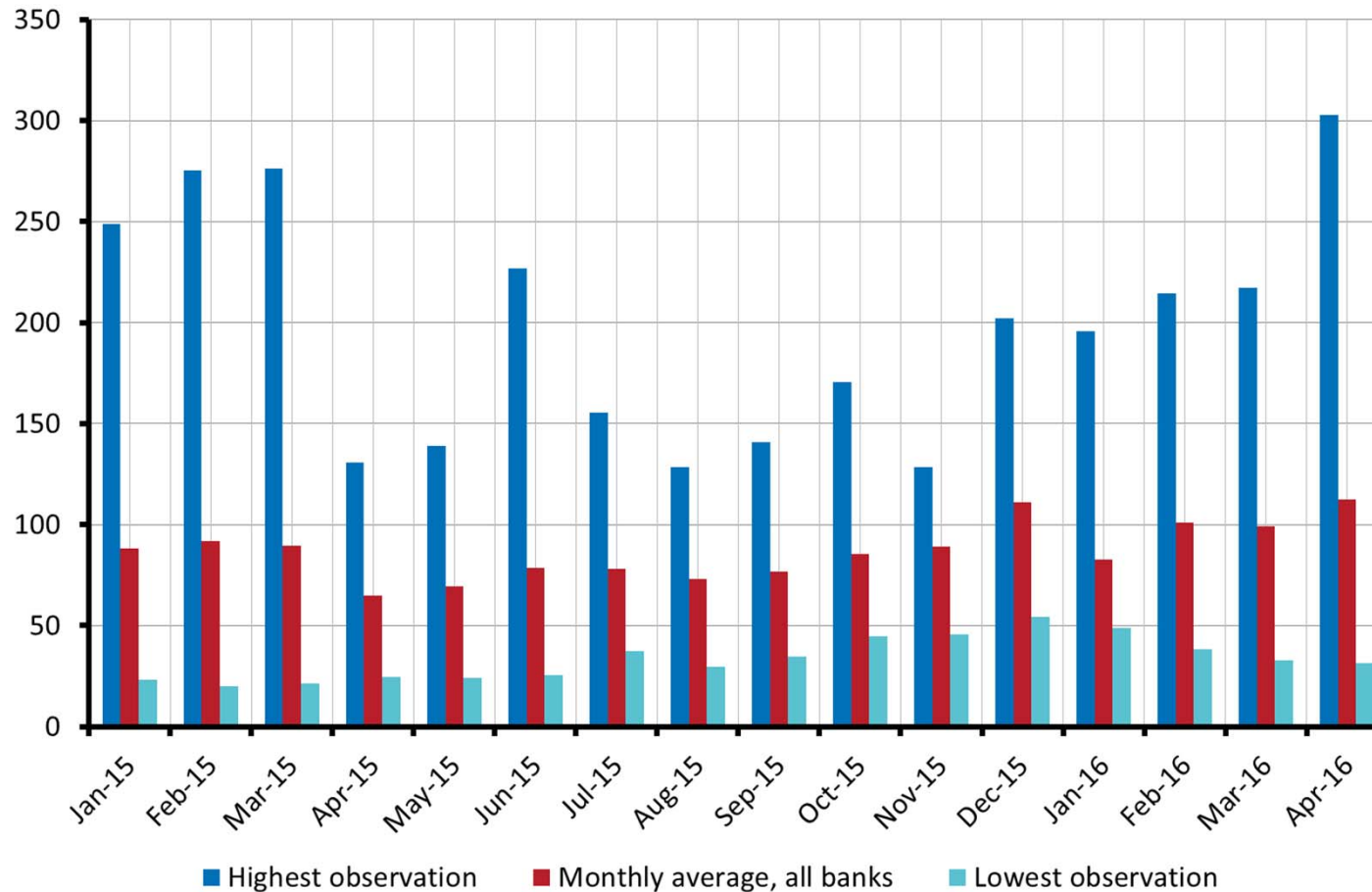


Note. According to the EU's capital requirements regulation (CRR).

Sources: Bank reports

3:2 The major Swedish banks daily LCR in kronor

Per cent

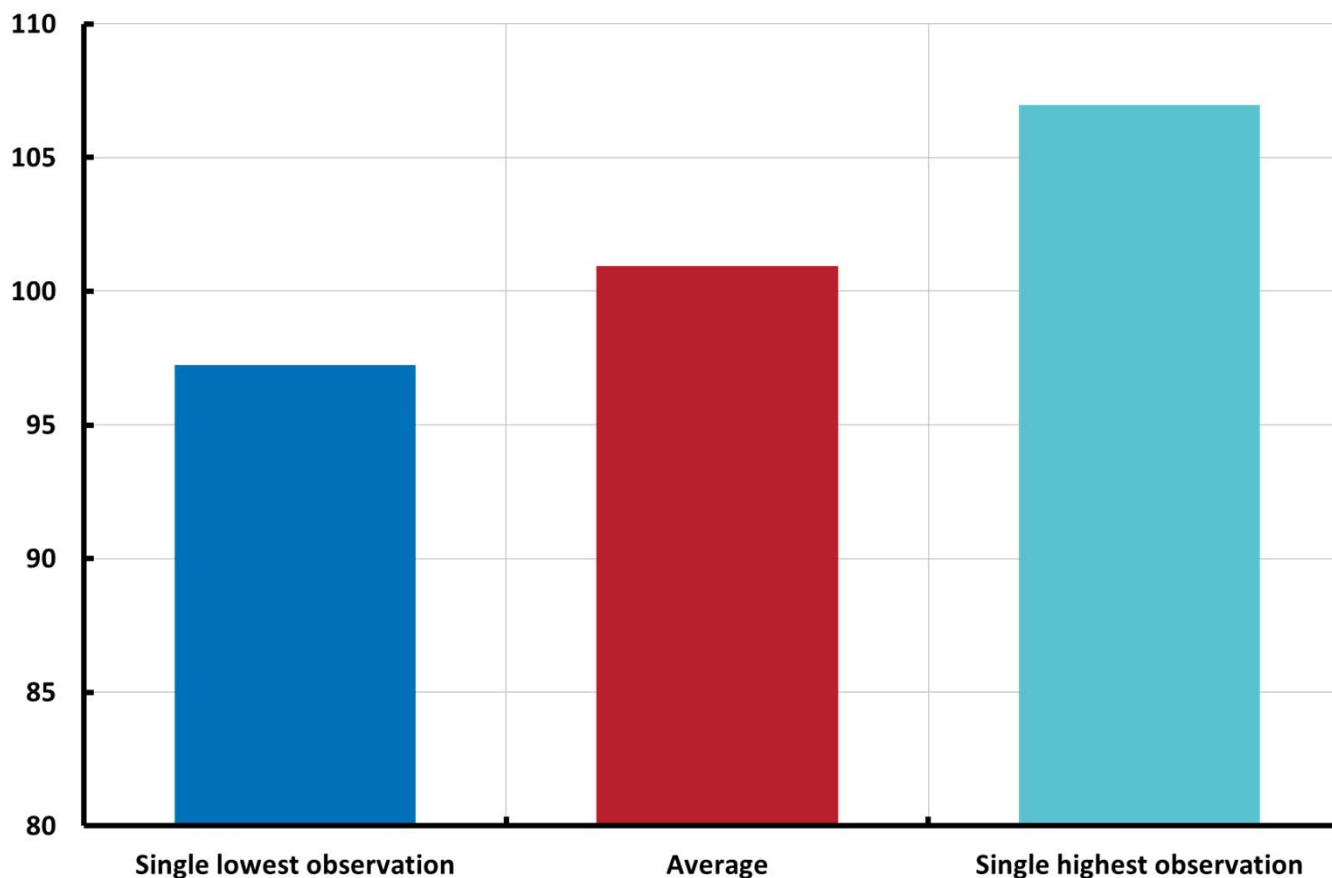


Note. Average daily LCR in kronor each month, and the single highest and single lowest observation each month.

Source: The Riksbank

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

September 2015 to March 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 over the past six months.

Source: The Riksbank



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Article

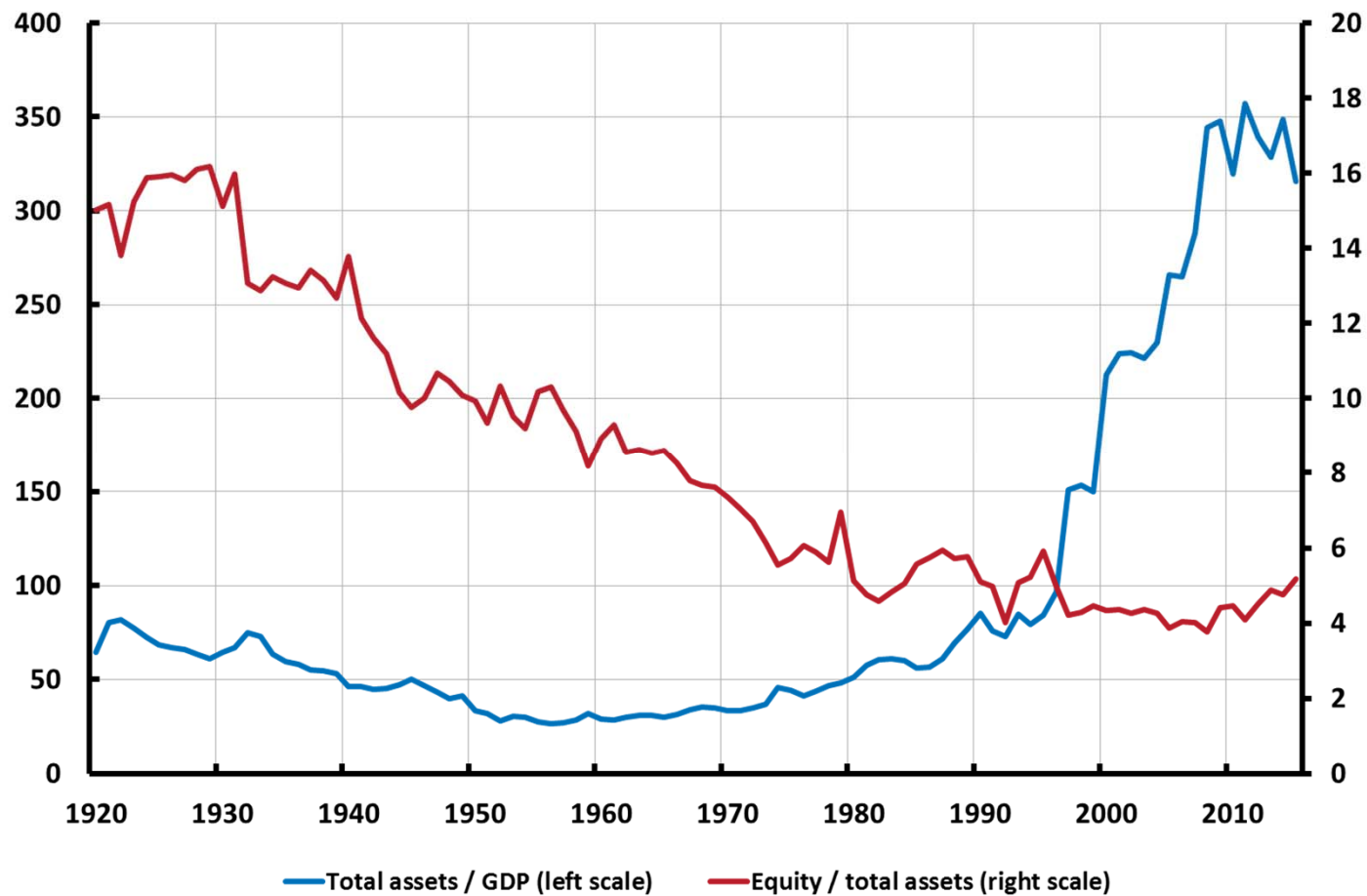
Need for a leverage ratio requirement for
the major Swedish banks

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

R3:1 Equity in relation to total assets in Swedish banks and the size of the Swedish banking system



Per cent



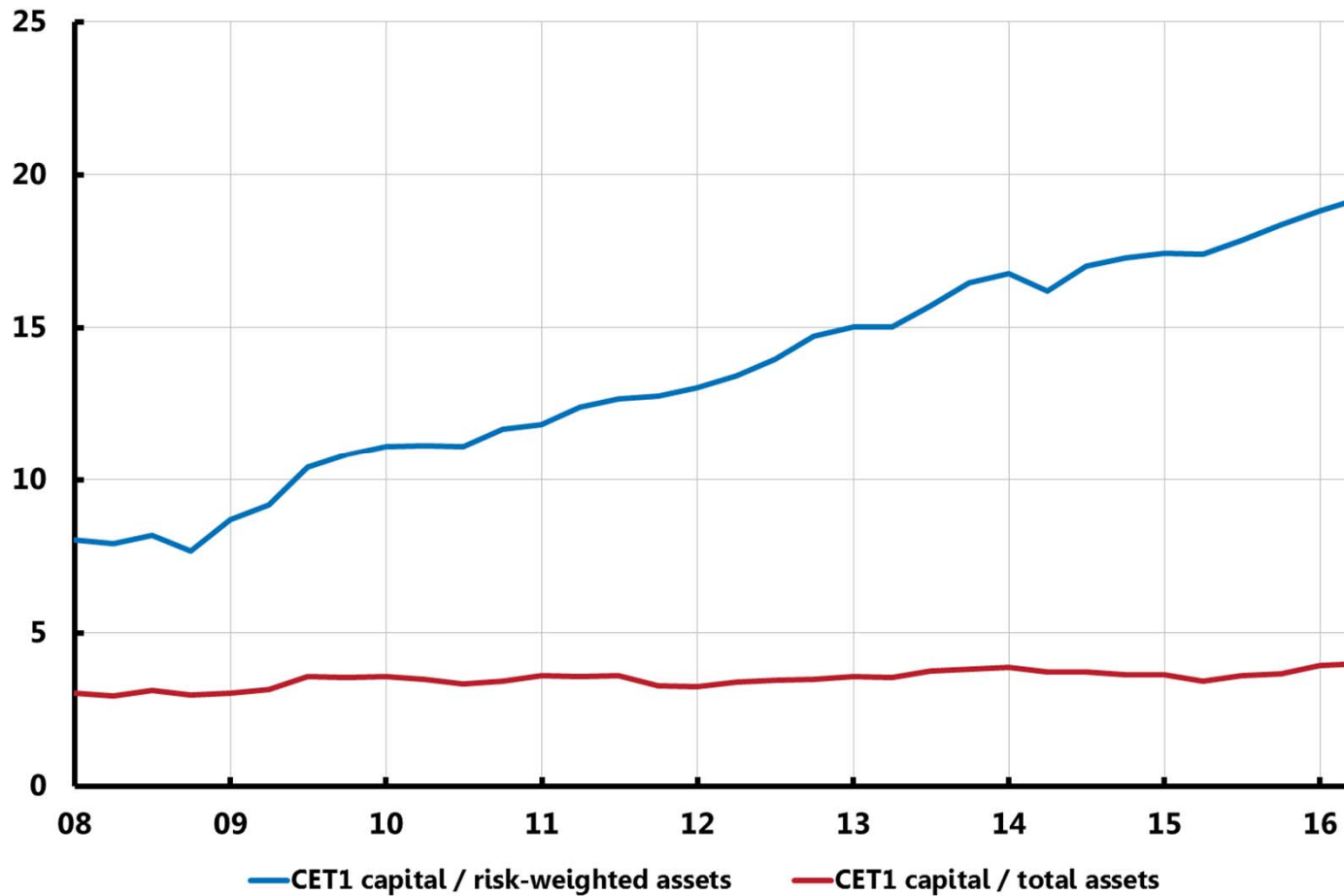
Note. Up to 1997 the graph refers to all Swedish commercial banks, after that refers to the four major Swedish banks at group level.

Sources: Hortlund P., Do Inflation and High Taxes Increase Bank Leverage?, *SSE/EFI Working Paper Series in Economics and Finance*, No 6122005, November 2005, Statistics Sweden and the Riksbank.

R3:2 The major banks' CET 1 capital in relation to risk-weighted and total assets



Per cent

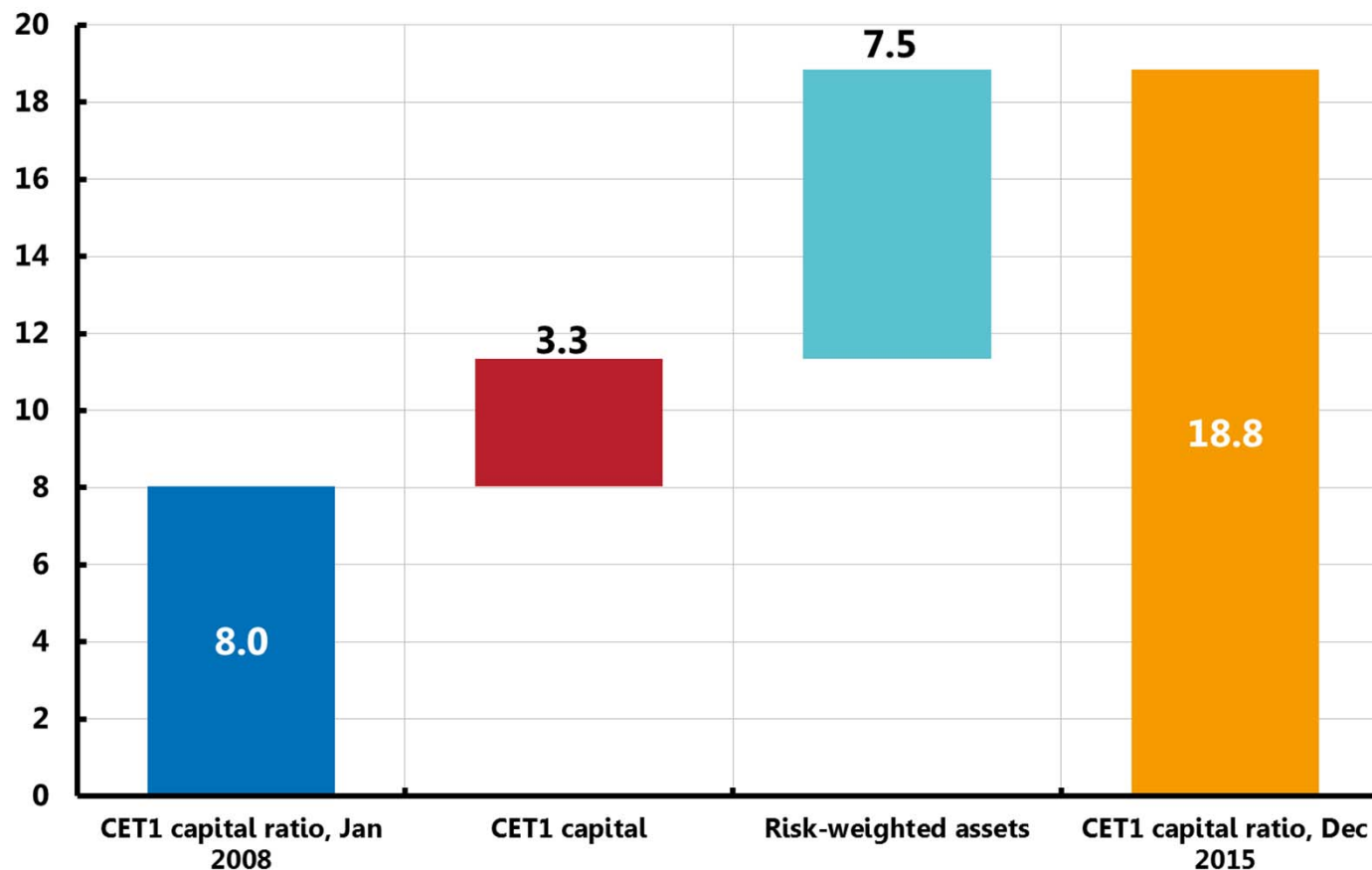


Sources: Banks' annual reports and the Riksbank

R3:3 The Swedish major banks CET1 capital in relation to risk-weighted and total assets



Per cent

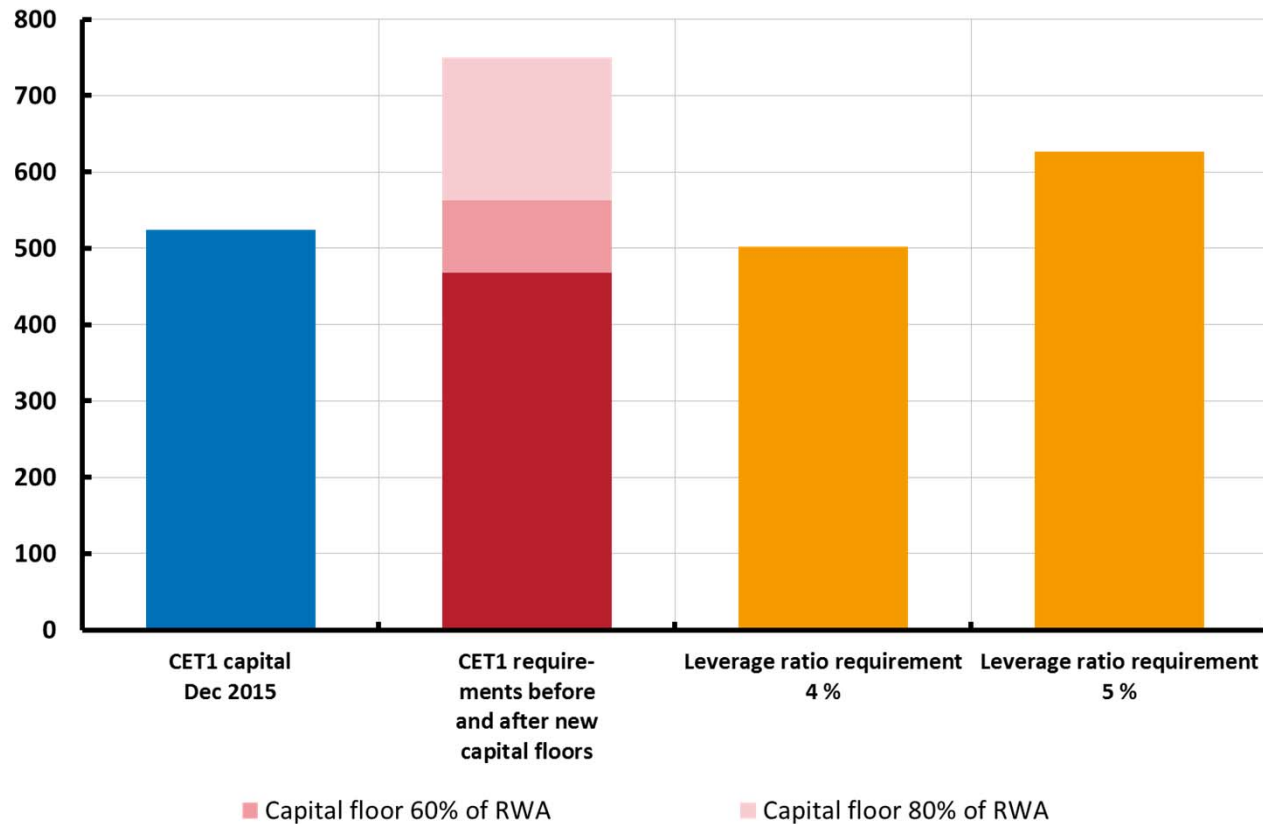


Note. The CET1 capital and the risk-weighted assets are calculated in relation to total assets. The red and the turquoise bar illustrate how these factors have contributed to the development of CET1 capital ratio.

Sources: Bank reports and the Riksbank

R3:4 How new regulations can affect the major banks' capital requirements

SEK Billion



Note: The calculations are based on the major banks' balance sheets in December 2015. The dark red part of the second column includes all Pillar 1 and Pillar 2 requirements. The light red areas in the second column show the Riksbank's assessment of how much the capital requirements can increase if the new regulatory floors are set at 60 and 80 per cent respectively of the risk-weighted assets (RWA) based on the standard method. Capital requirements for risk weight floors for Swedish and Norwegian mortgages have then been excluded. The banks can also meet the leverage ratio requirement with other Tier 1 capital. In December 2015, the major banks' other CET1 capital amounted to SEK 64 billion.

Source: The Riksbank



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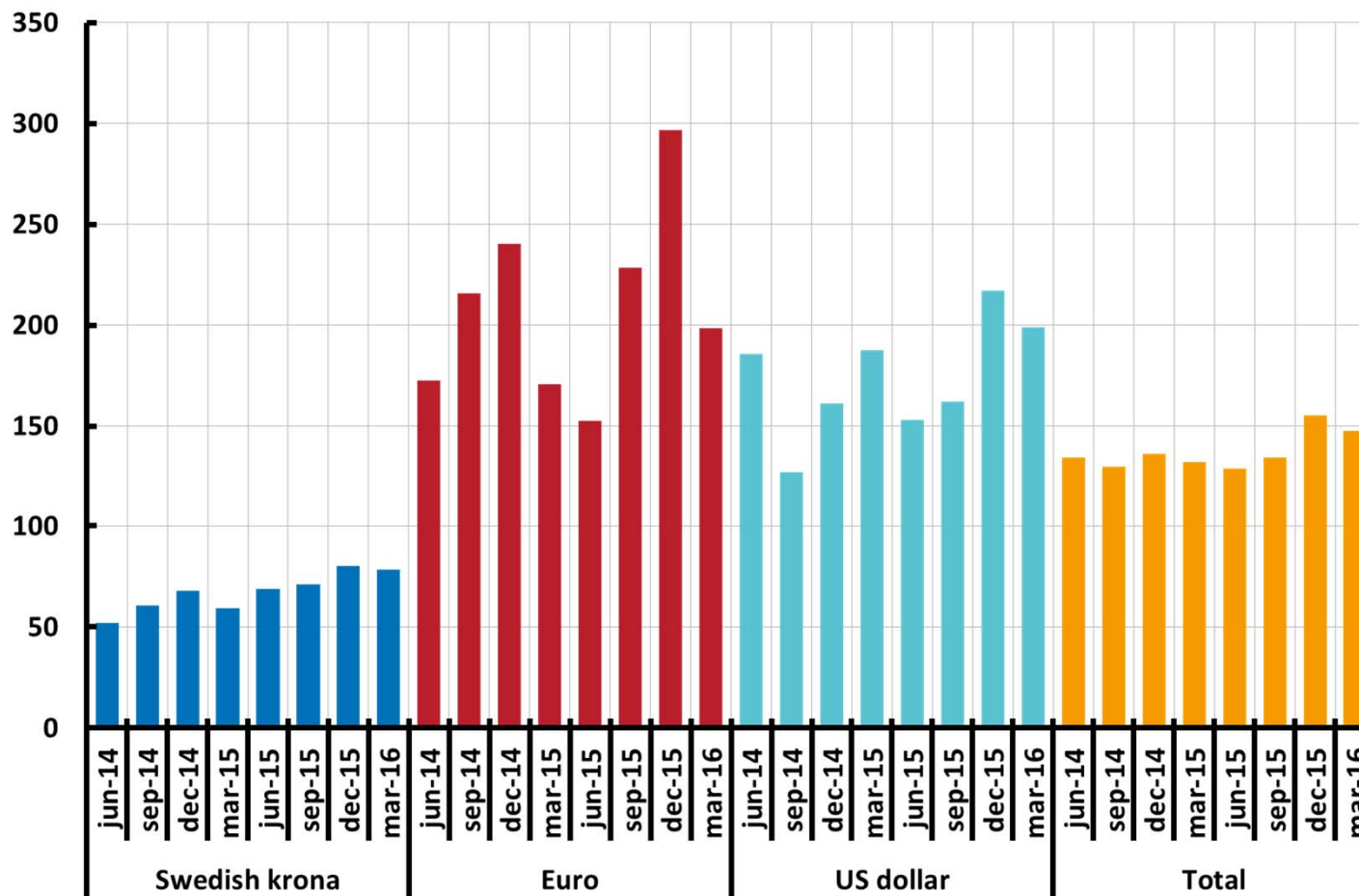
Article

Need for a liquidity coverage ratio (LCR) in
Swedish kronor

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

R3:5 The major banks' LCR in different currencies

Per cent

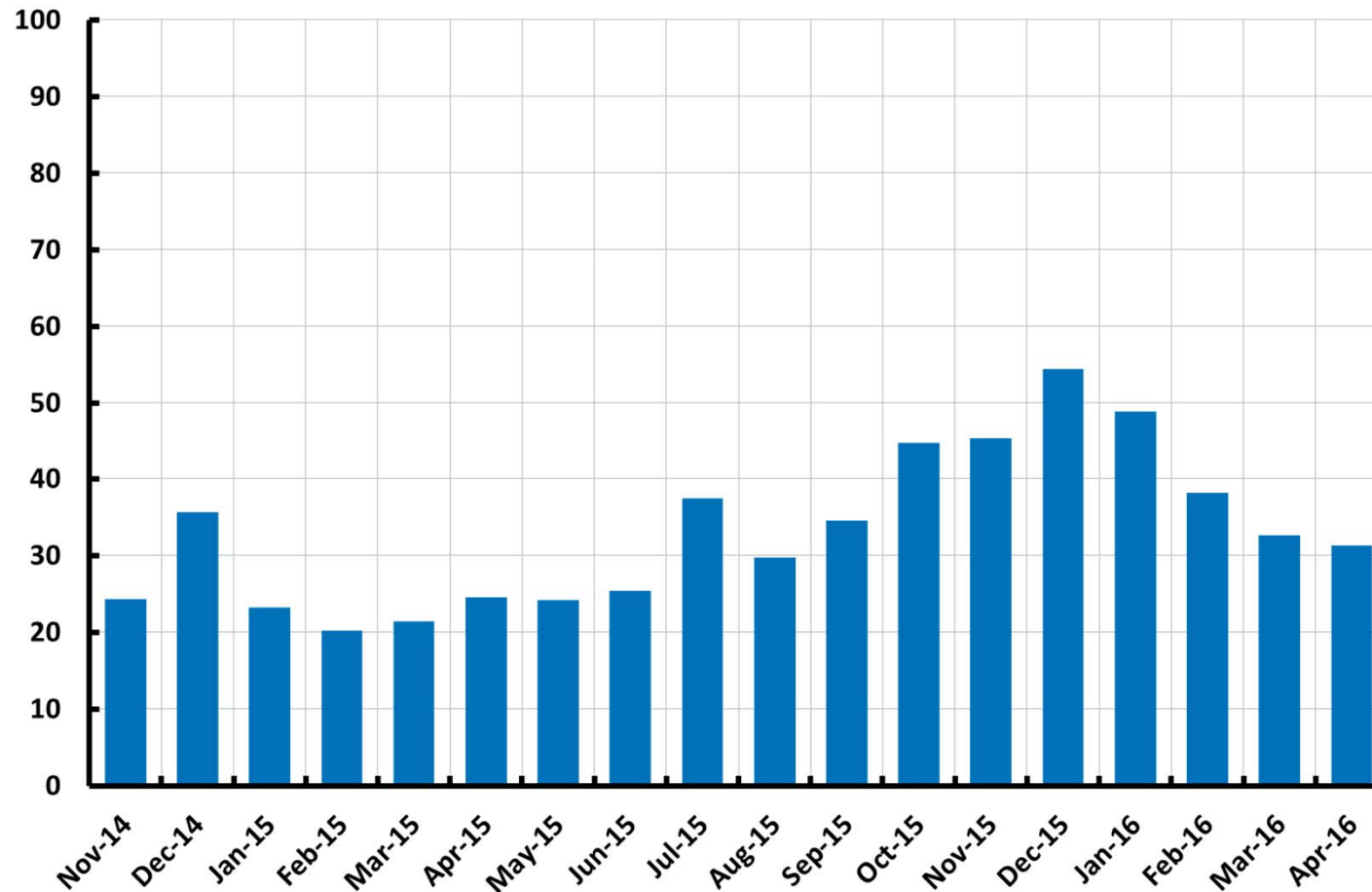


Note. The chart is based on monthly data and shows the average for the four major banks.

Source: The Riksbank

R3:6 The lowest level of LCR in SEK per month, major Swedish banks

Per cent



Note. The chart is based on daily data and shows the single lowest observation each month.

Source: The Riksbank