

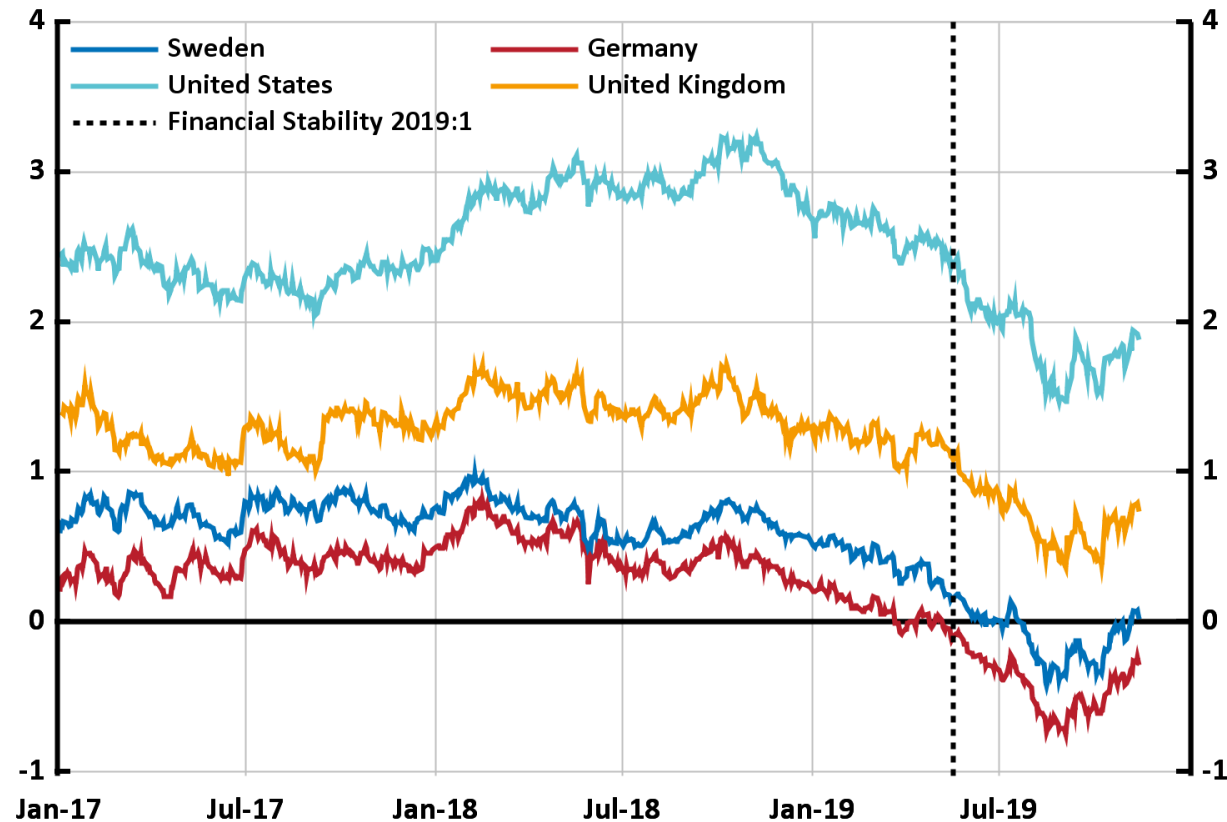


# Financial stability 2019:2

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

# 1. Government bond yields with 10 years to maturity

Per cent

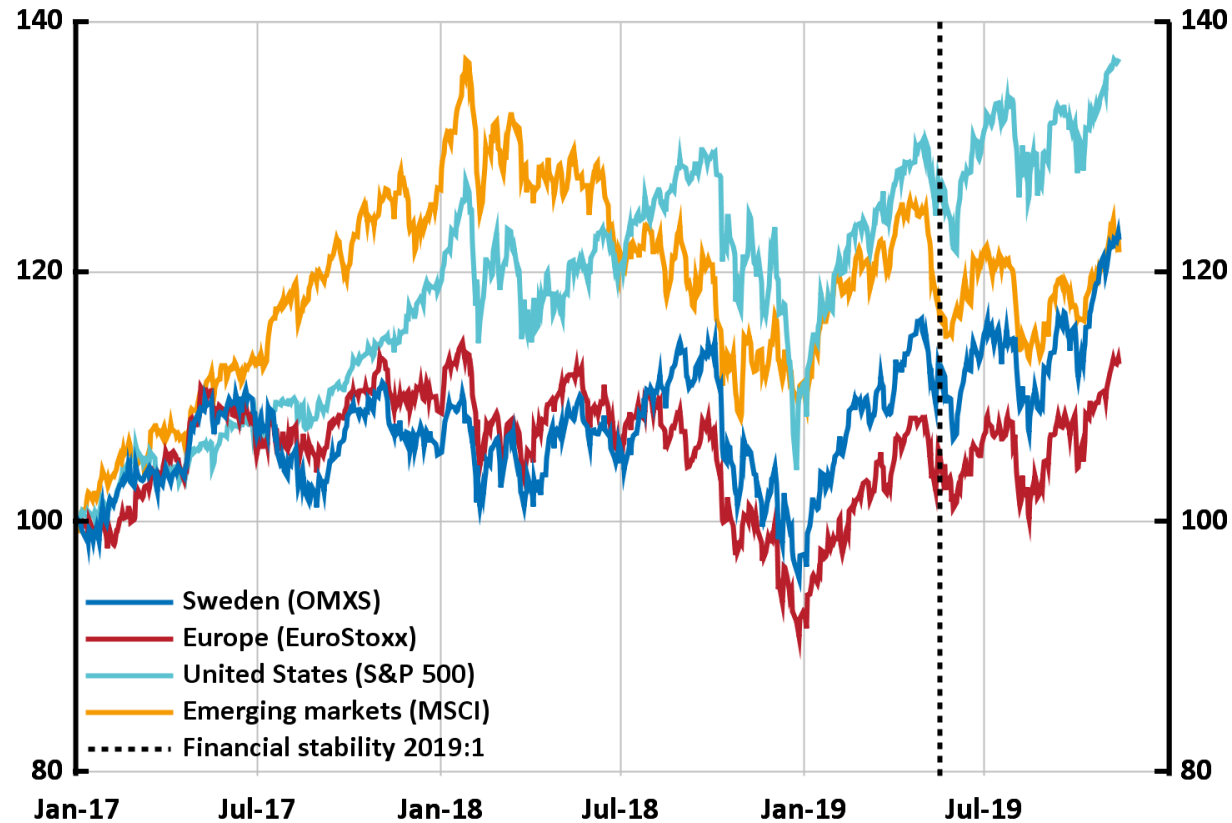


Note. Implied zero-coupon yields from government bonds for Sweden, Germany and United Kingdom. 10-year benchmark bonds for the United States.

Sources: The national central banks and the Riksbank

## 2. Stock market movements in domestic currency

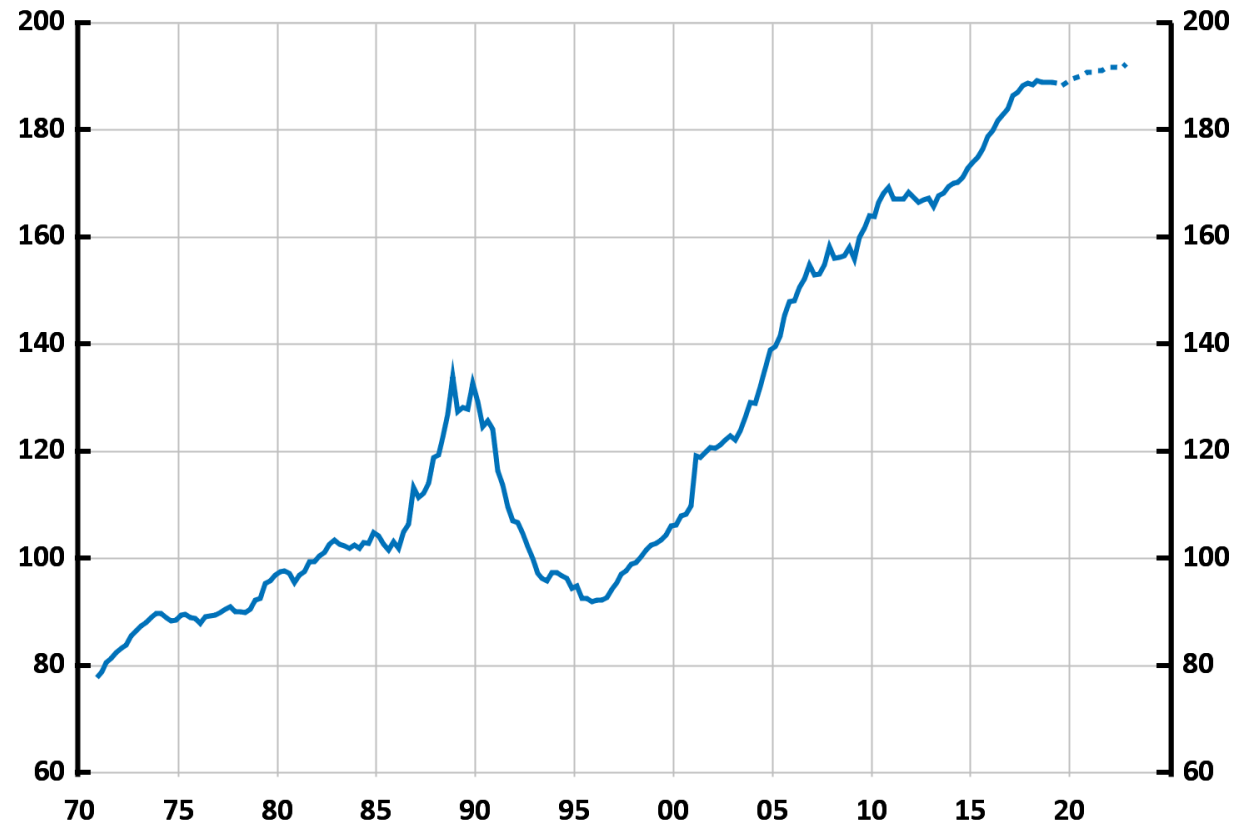
Index, 3 January 2017 = 100



Source: Macrobond

# 3. Household debt

Per cent of annual disposable income

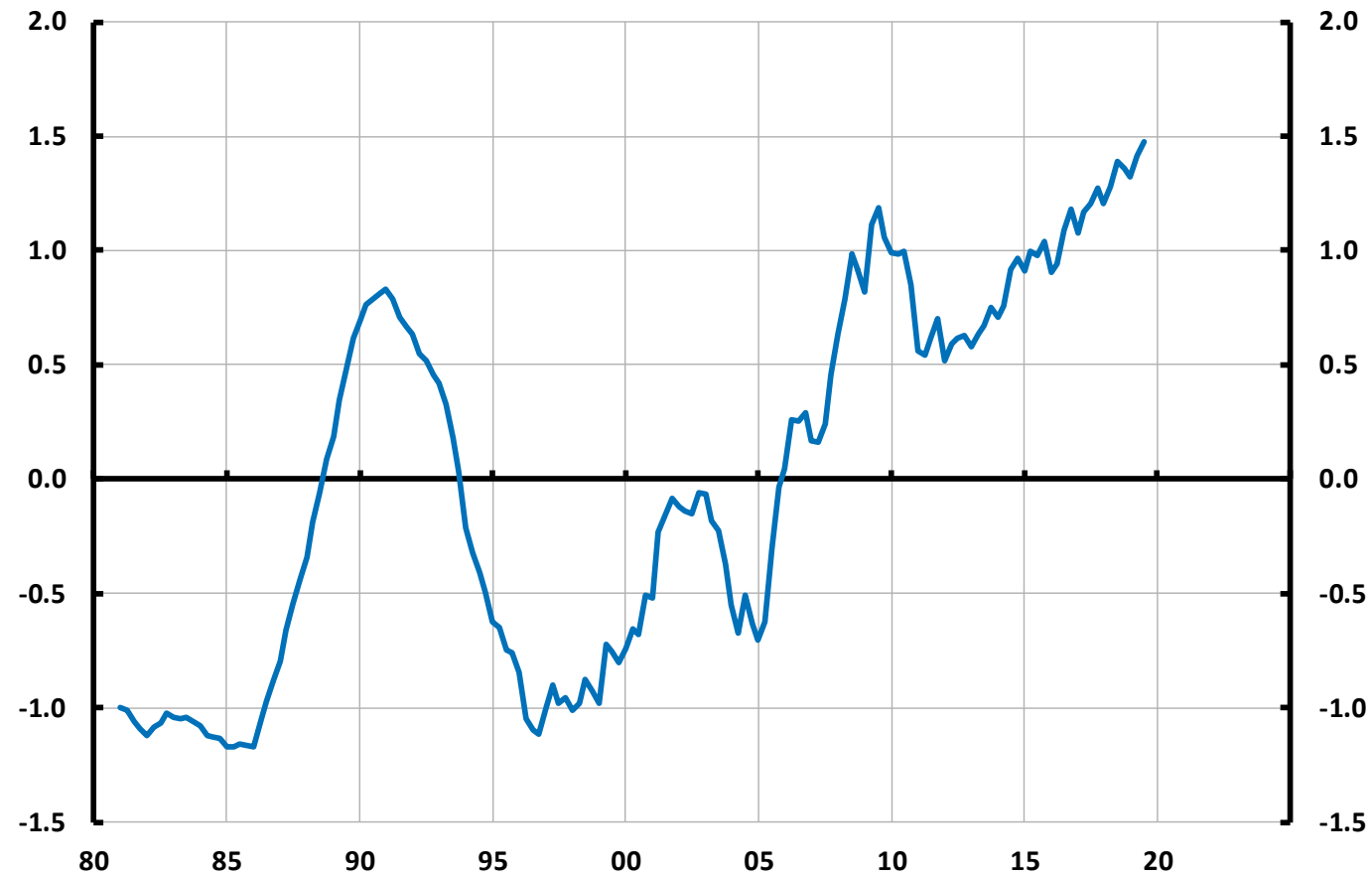


Note. Total household debt as a share of disposable income summed over the past four quarters. The dashed line represents the Riksbank's forecast. Statistics Sweden has recently revised the National Accounts, which has contributed to an increase in the debt-to-income ratio. Data before 1993 has not yet been revised.

Sources: Statistics Sweden and the Riksbank

# 4. Indicator of financial vulnerability

Index

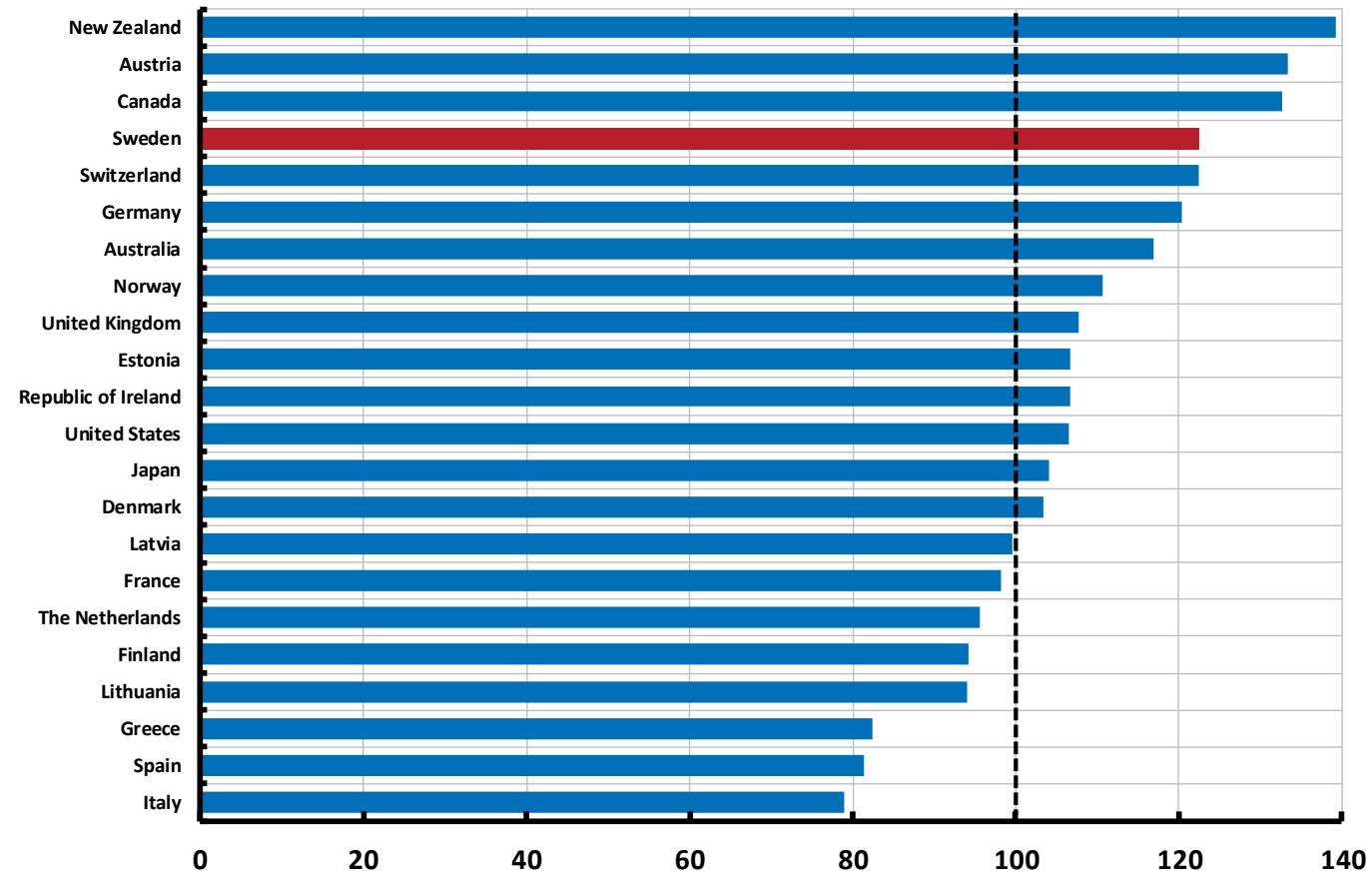


Note. The indicator is based on deviations from trend in three underlying variables: Lending to households and companies in relation to GDP, real house prices and the relationship between non-stable and stable financing sources for the Swedish banking sector. For more information, see Giordani, P., Spector, E. and Zhang, X. (2017), A new early warning indicator of financial fragility in Sweden, Economic Commentaries no. 1. Sveriges Riksbank.

Sources: Statistics Sweden and the Riksbank

# 5. Development of house prices in relation to disposable income

Index, 2010 = 100

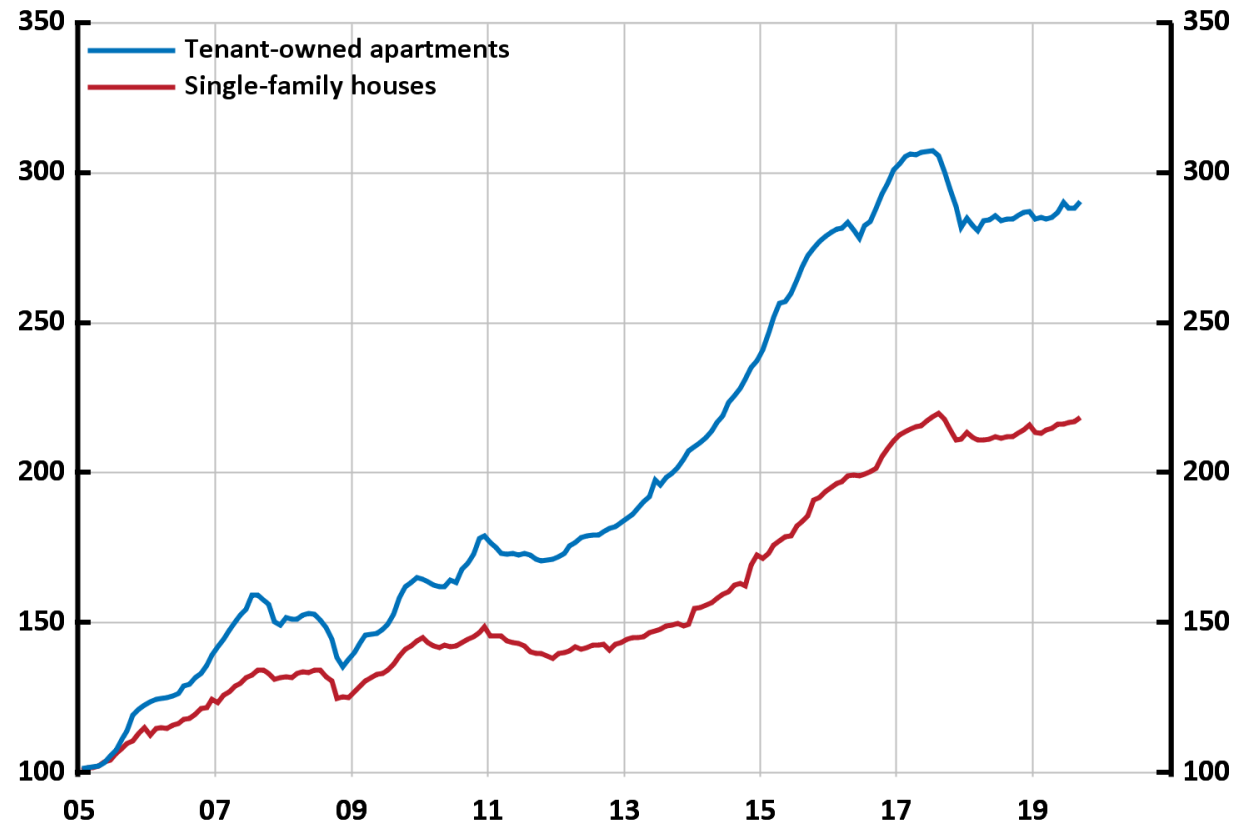


Note. The chart shows how housing prices have developed in relation to disposable income between 2010 and 2018. If the prices have developed in line with disposable income, the column will be around the dashed black line at 100.

Source: OECD

# 6. Housing prices in Sweden

Index, January 2005 = 100

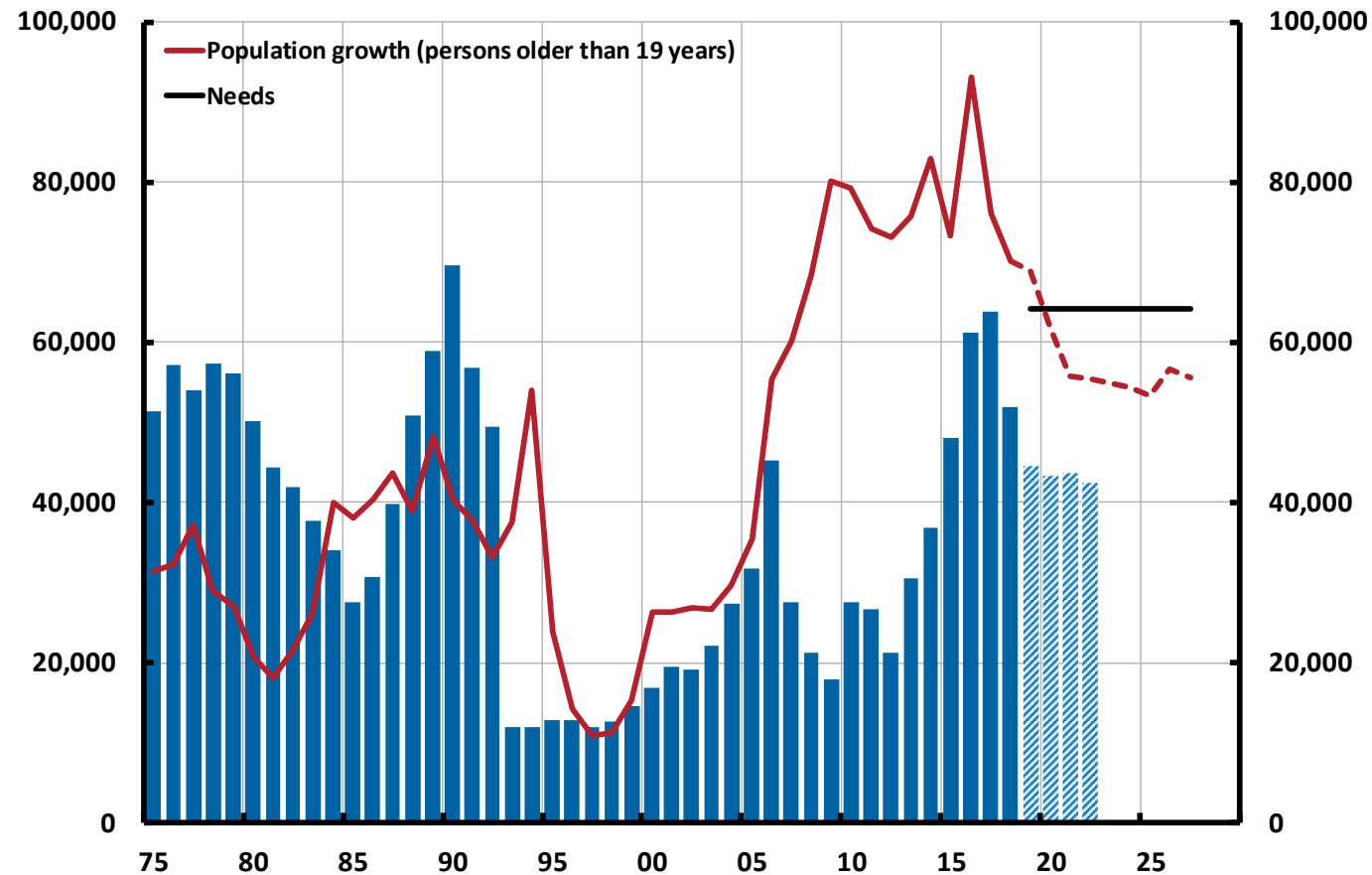


Note. Housing prices are seasonally adjusted.

Sources: Valueguard and the Riksbank

# 7. Housing construction and population growth

Number



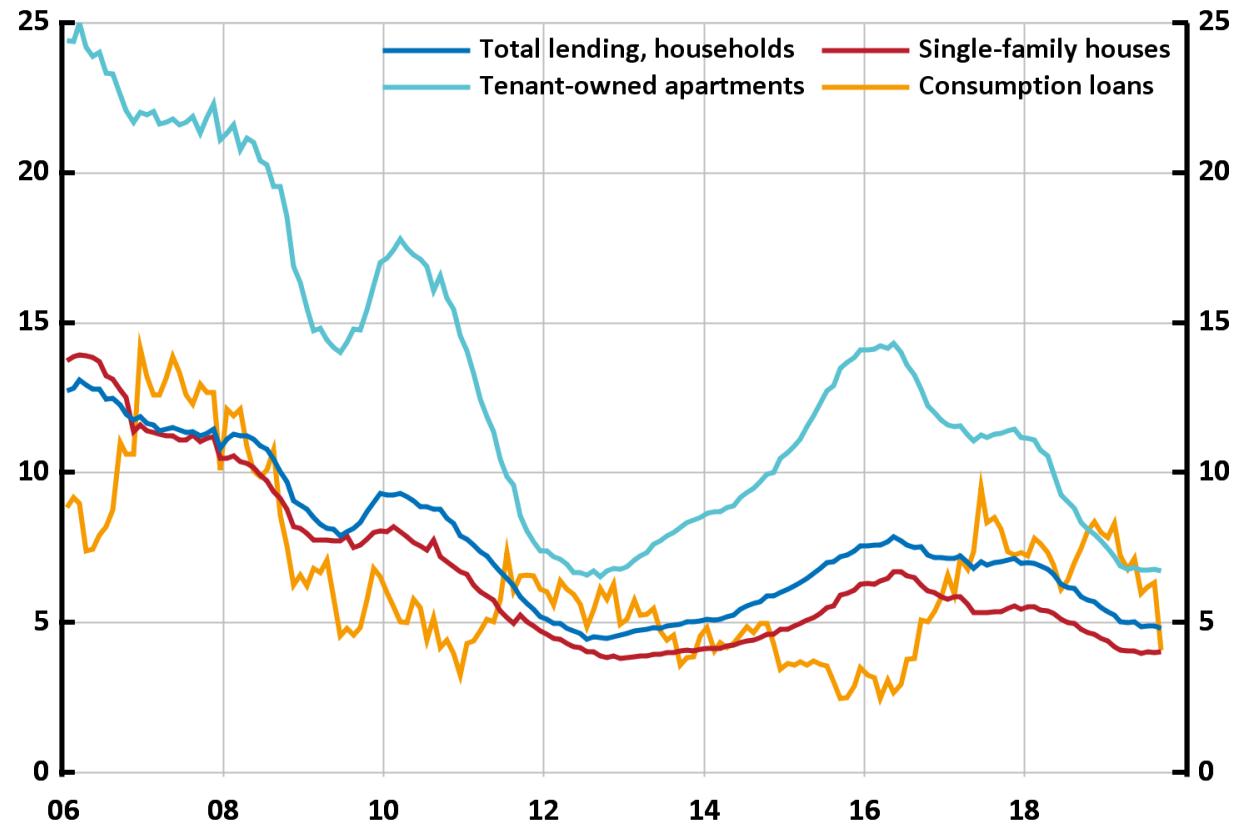
Note. Needs refers to the forecast from Boverket. The columns refer to housing starts and the dashed columns refer to the Riksbank's forecast. The dashed red line refers to the population projection from Statistics Sweden.

Sources: Boverket, Statistics Sweden and the Riksbank



# 8. Loans to households per type of collateral

Annual percentage change

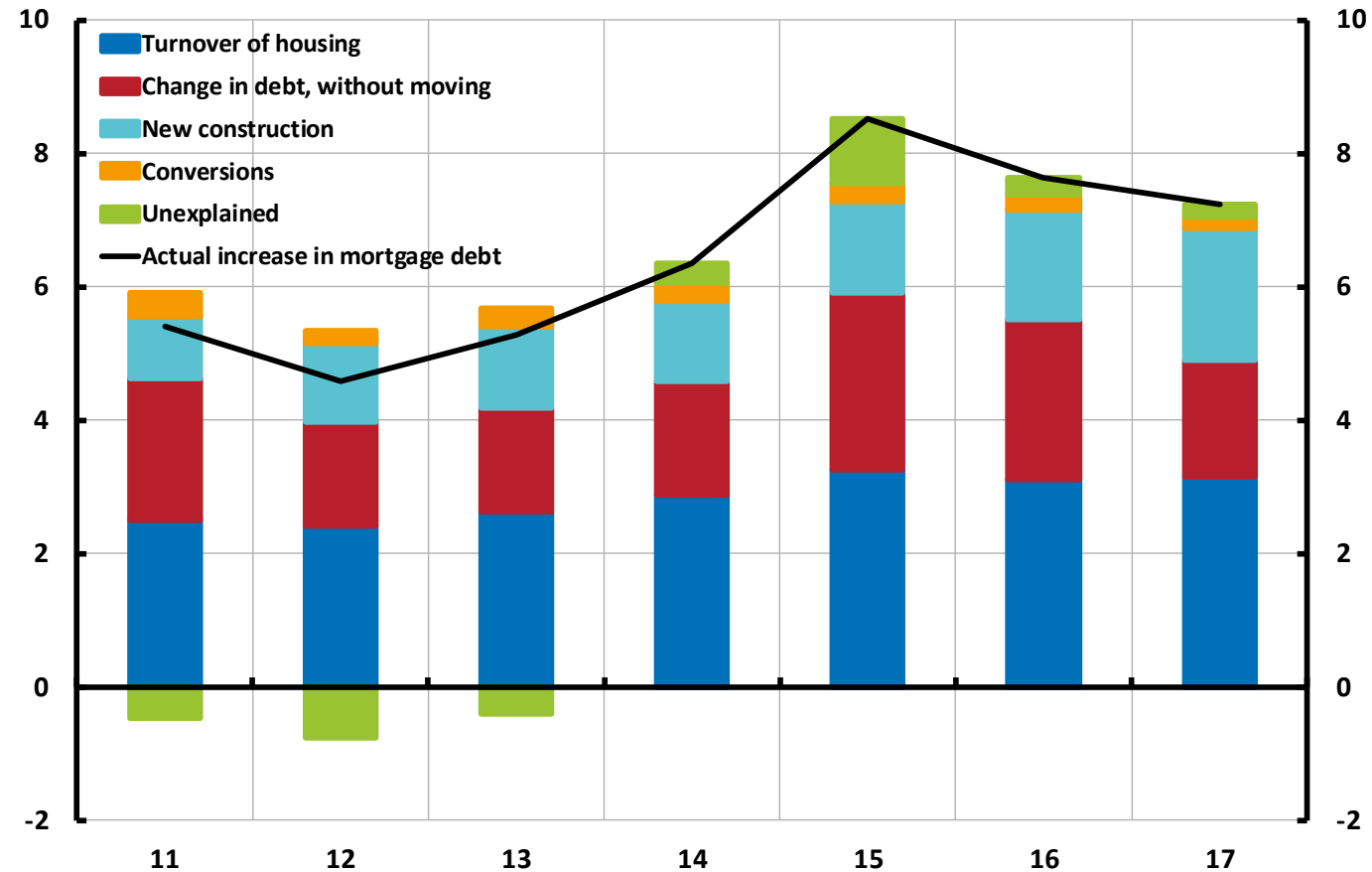


Note. Refers to loans from monetary financial institutions (MFI).

Sources: Statistics Sweden and the Riksbank

# 9. Contribution to the development of mortgage debt

Annual percentage change and net contribution to annual percentage change

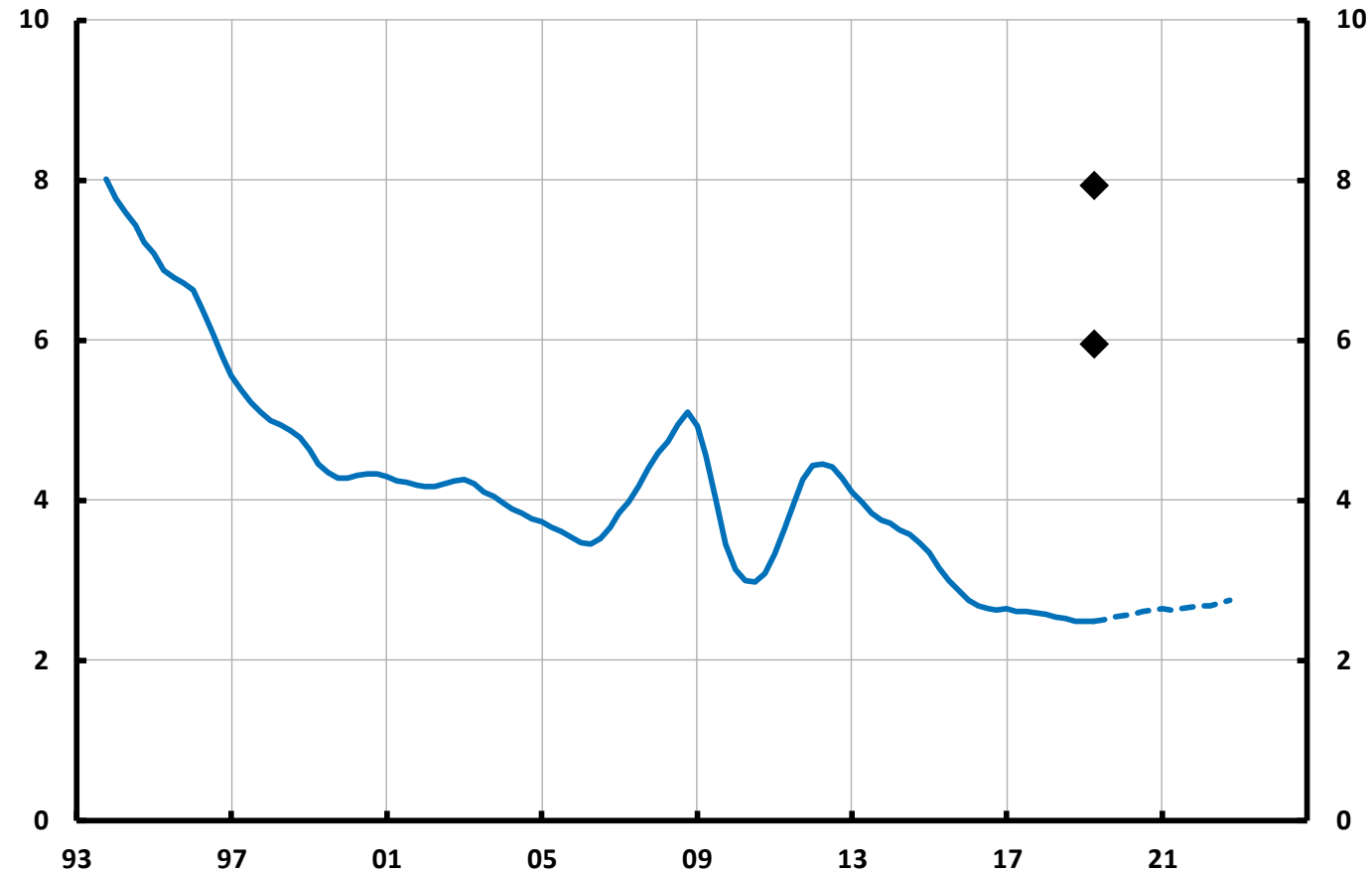


Note. Change in debt refers to the net of debt increase and debt decrease among households that do not move.

Sources: Statistics Sweden and the Riksbank

# 10. Households' interest expenditure

Percentage of annual disposable income

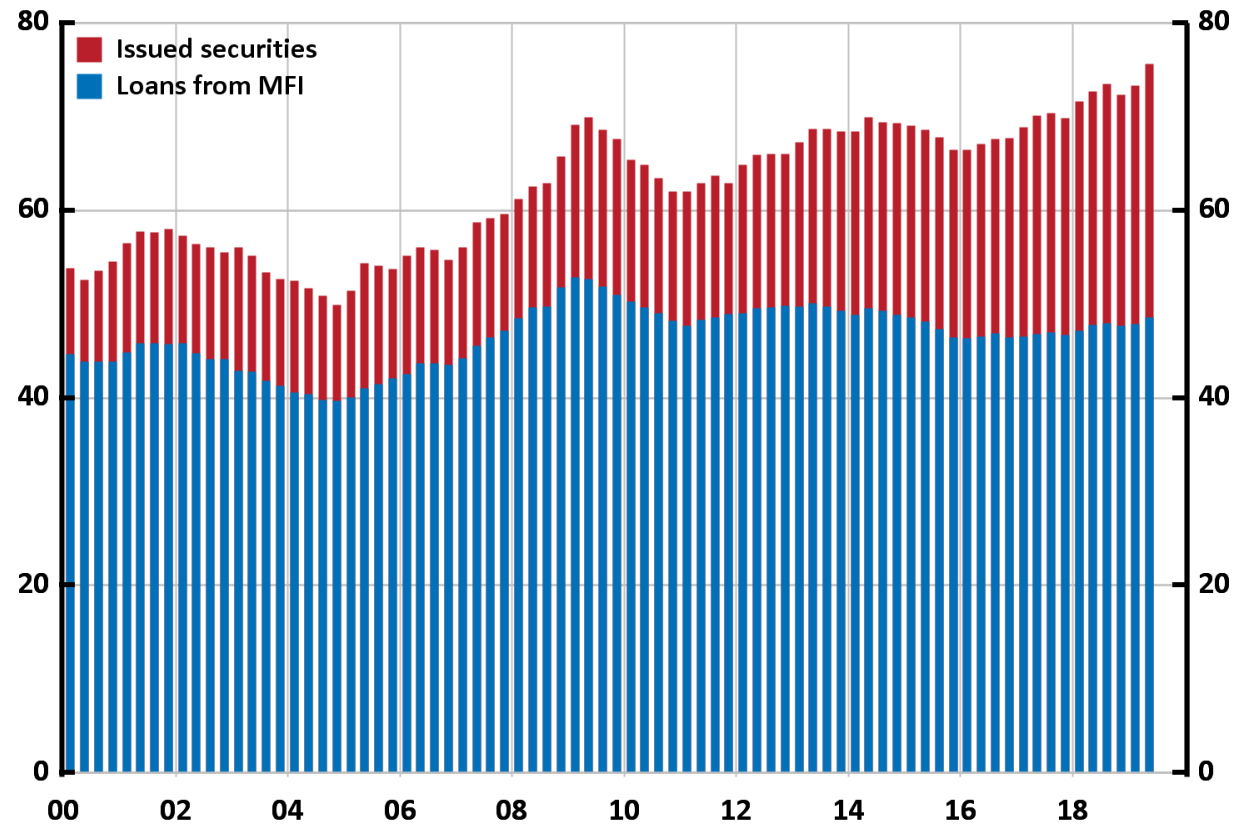


Note. Four-quarter moving average. The dashed line represents the Riksbank's forecast. The rhombuses illustrate an interval for the interest expenditures that is calculated on the current debt-to-income ratio, a long-term interval for the repo rate of 2.5-4 per cent and an assumption of a 2-percentage-point margin between the repo rate and the interest rate faced by households. Interest expenditure have been adjusted for tax relief.

Sources: Statistics Sweden and the Riksbank

# 11. Loans to non-financial corporations

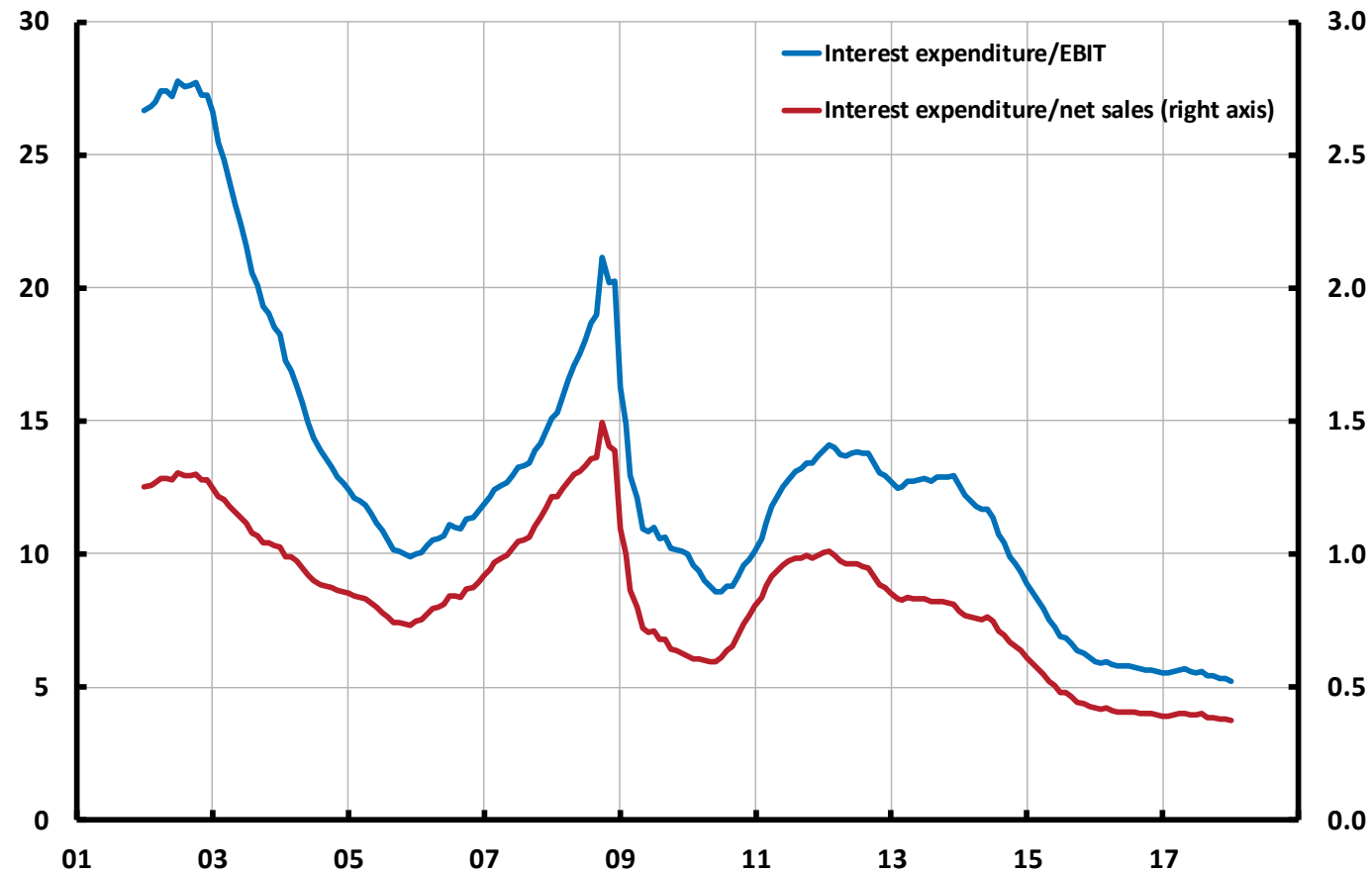
Percentage of GDP



Sources: Statistics Sweden and the Riksbank

# 12. Companies' interest expenditure

Percentage share

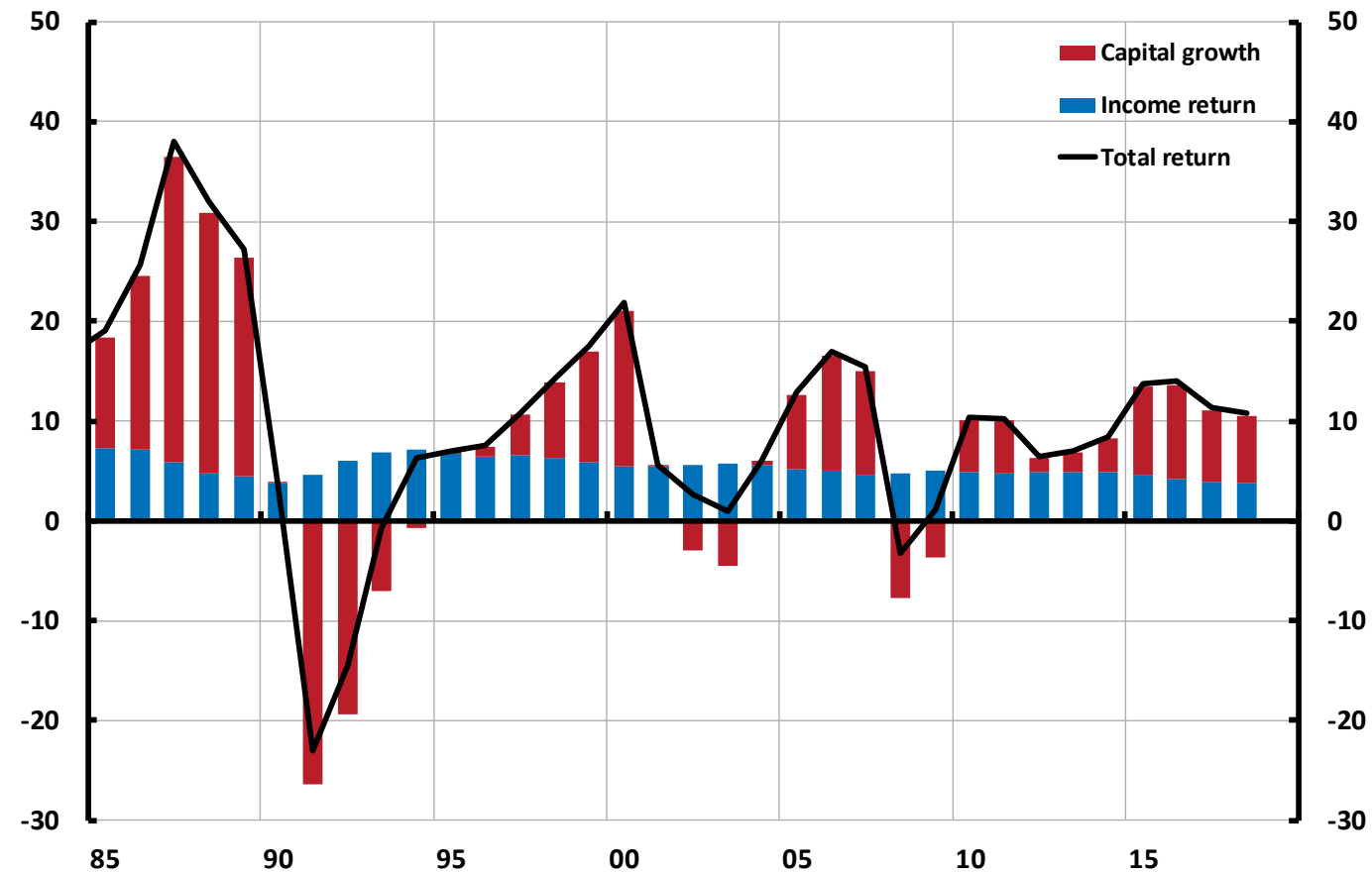


Note. Interest expenditure is based on monthly data, while earnings before interest and taxes (EBIT) and net sales are based on annual data, which have been interpolated to monthly data so that the ratios can be calculated.

Sources: Statistics Sweden and the Riksbank

# 13. Return on commercial properties

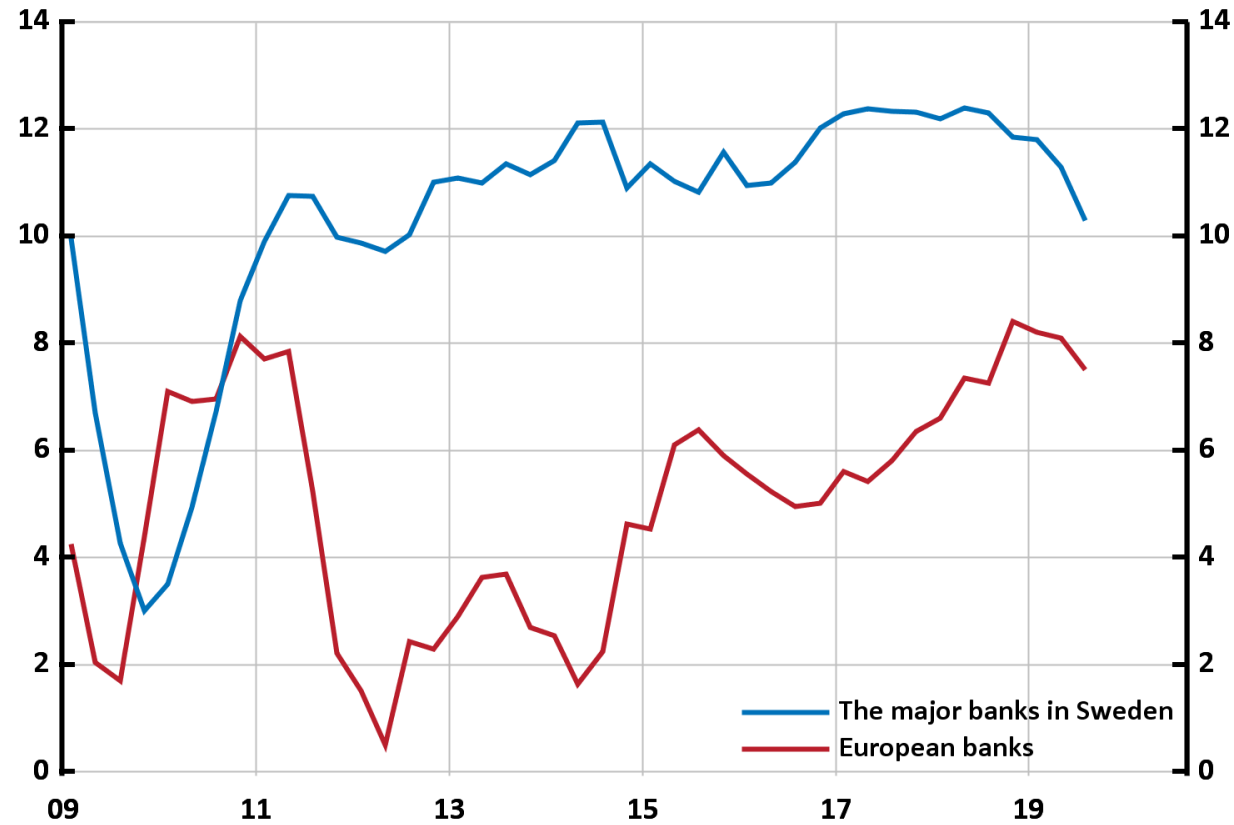
Per cent



Source: MSCI

# 14. Return on equity

Per cent, rolling four quarters

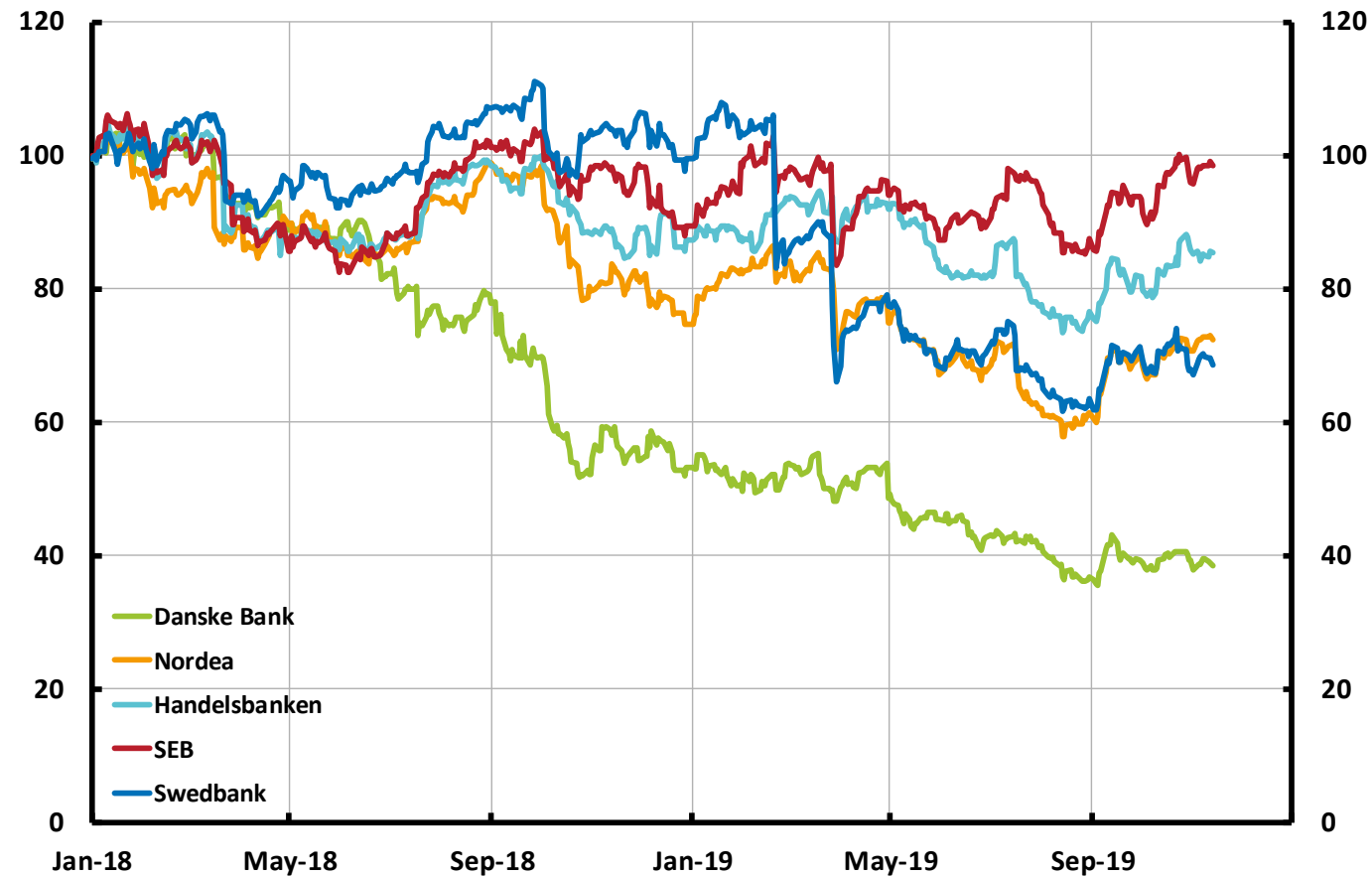


Note. Unweighted average adjusted for nonrecurring items.

Sources: SNL Financial and the Riksbank

# 15. Equity prices of the major banks in Sweden

Index, 2 January 2018 = 100

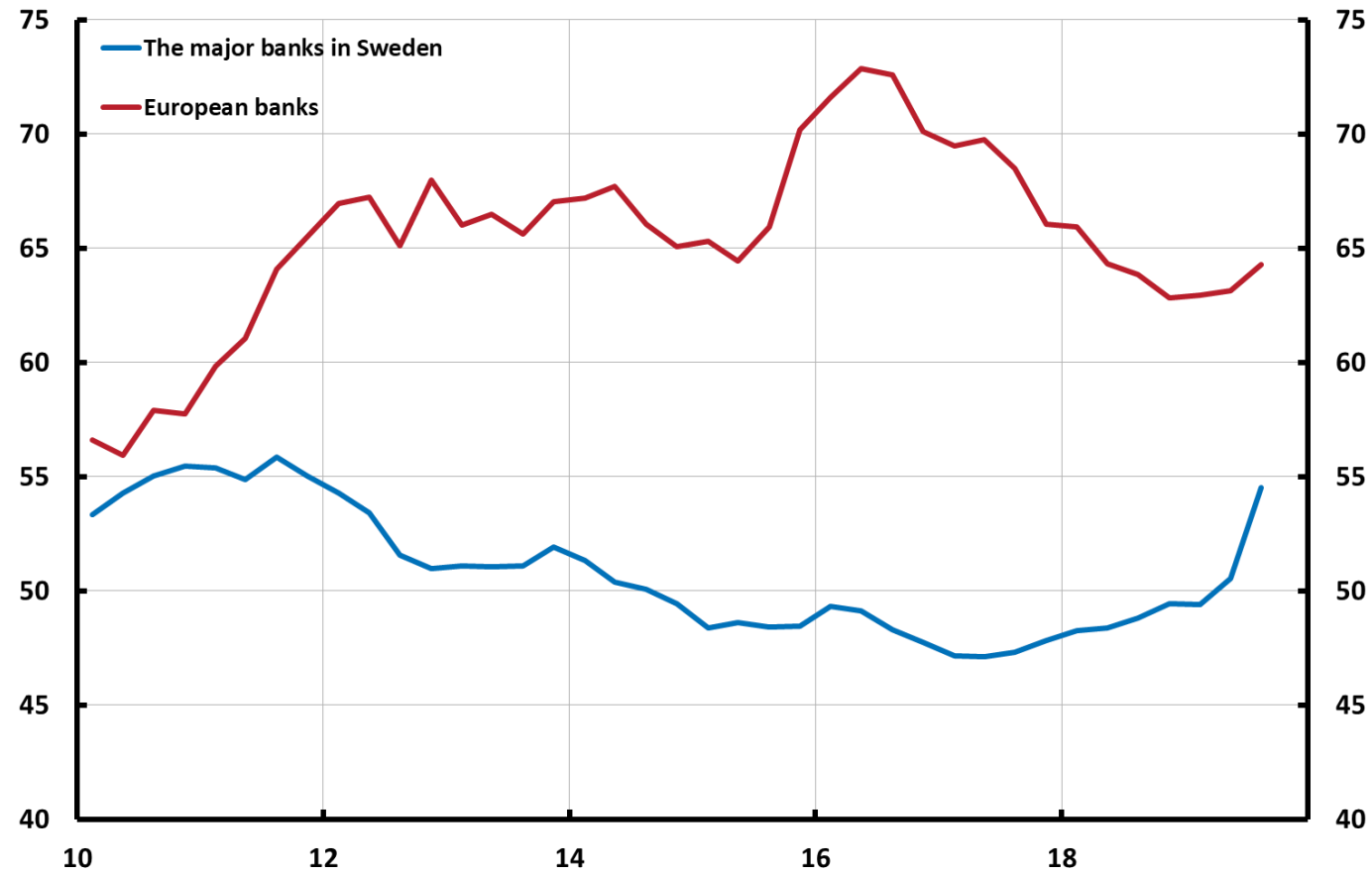


Source: Bloomberg



# 16. Banks' cost-to-income ratio

Per cent, rolling four quarters

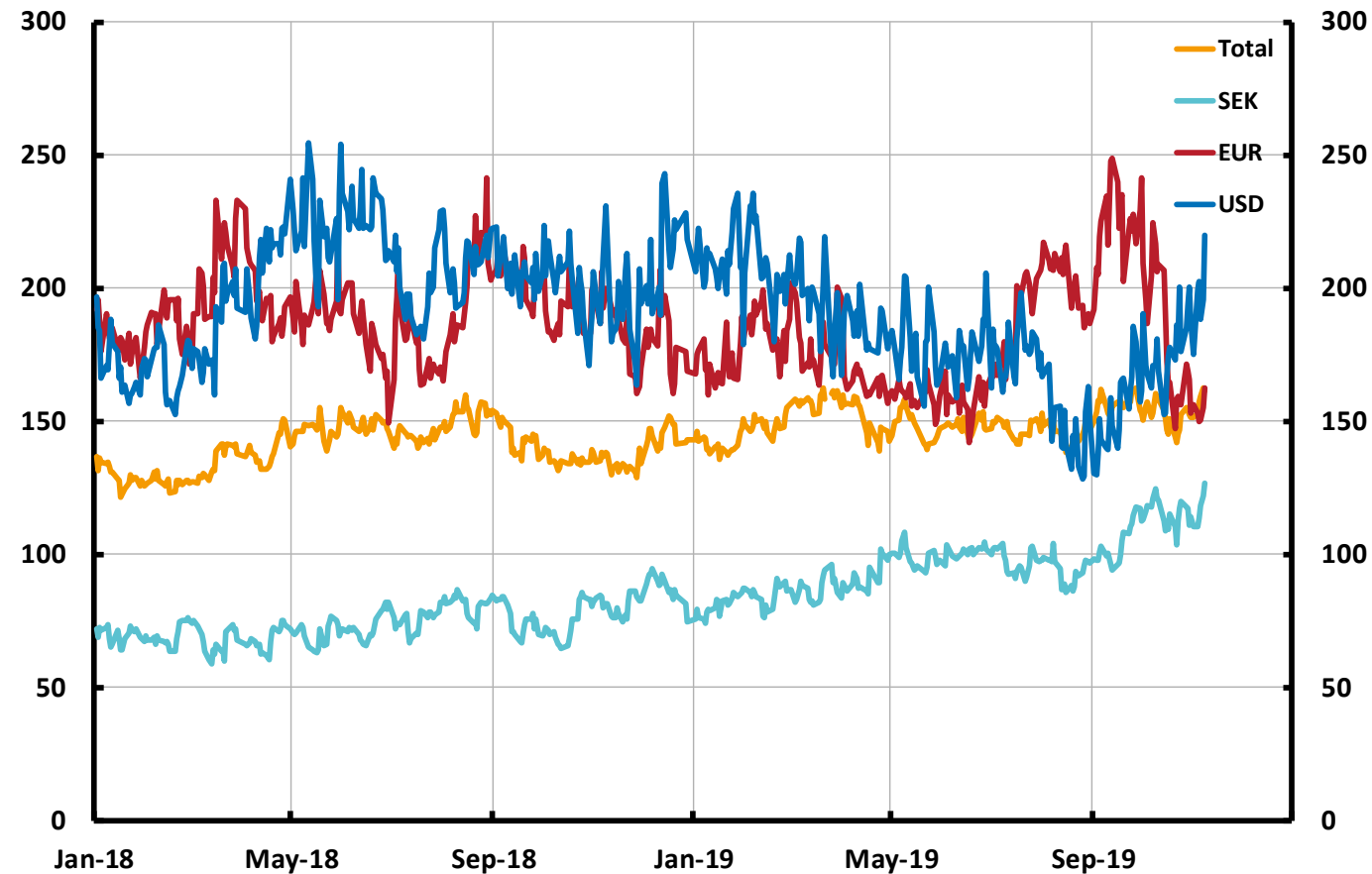


Note. Unweighted average.

Sources: SNL Financial and the Riksbank

# 17. The three major Swedish banks' LCR in different currencies

Per cent

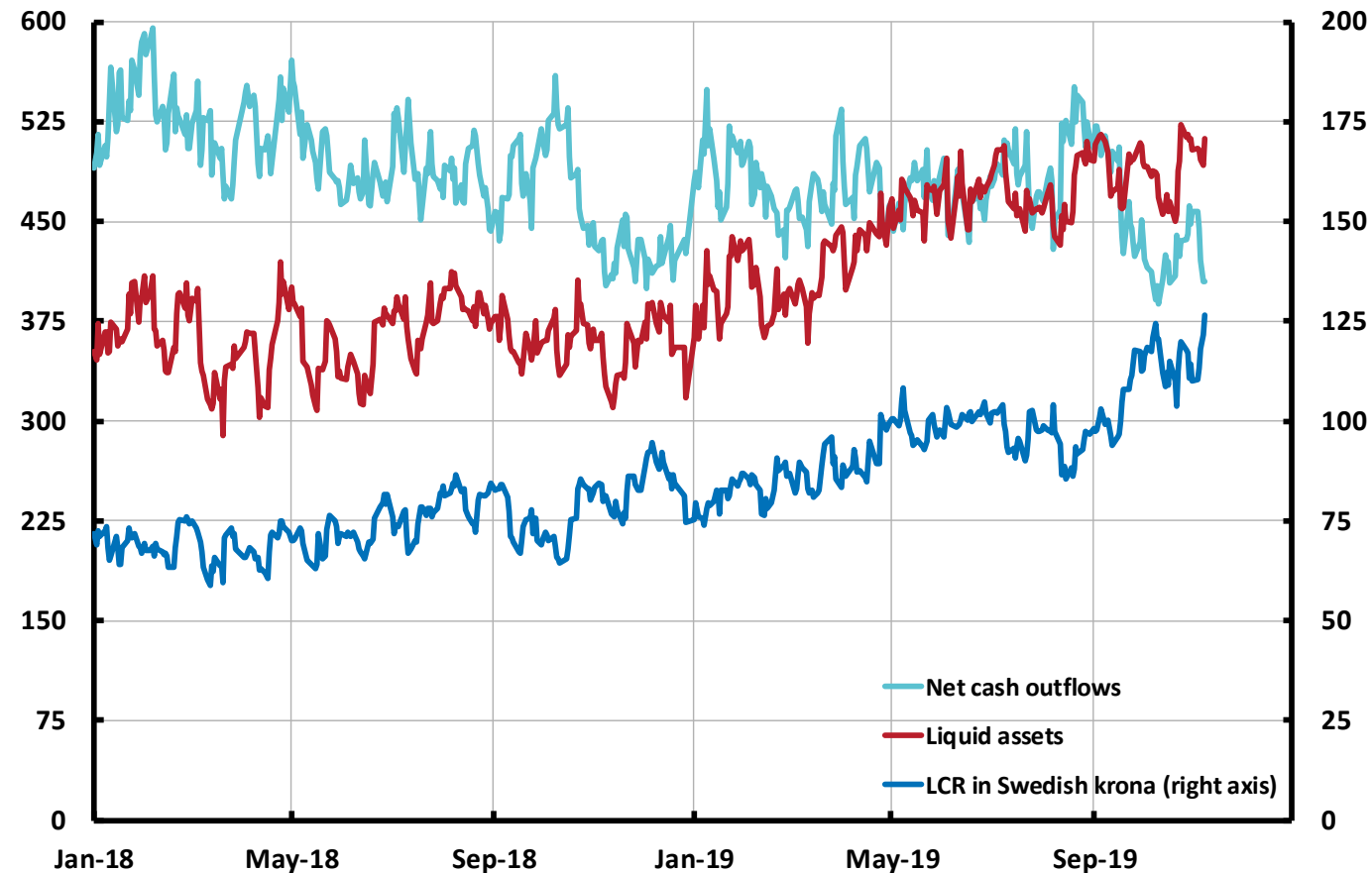


Note. Refers to a volume-weighted average.

Source: The Riksbank

# 18. The three major Swedish banks' LCR in SEK, liquid assets and net cash outflows

SEK billion and per cent

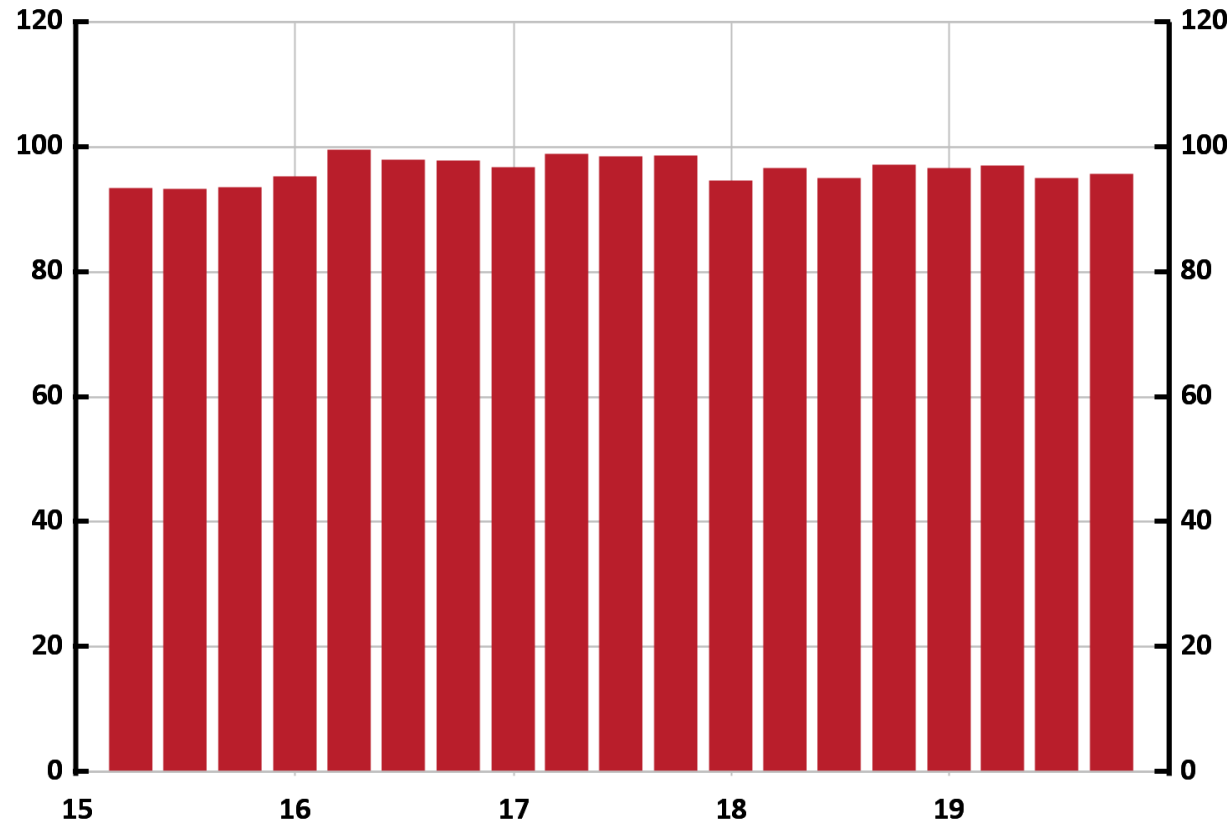


Note. Left axis refers to SEK billion and right axis to per cent. LCR in Swedish krona is a volume-weighted average.

Source: The Riksbank

# 19. The Riksbank's structural liquidity measure for the major banks in Sweden

Per cent

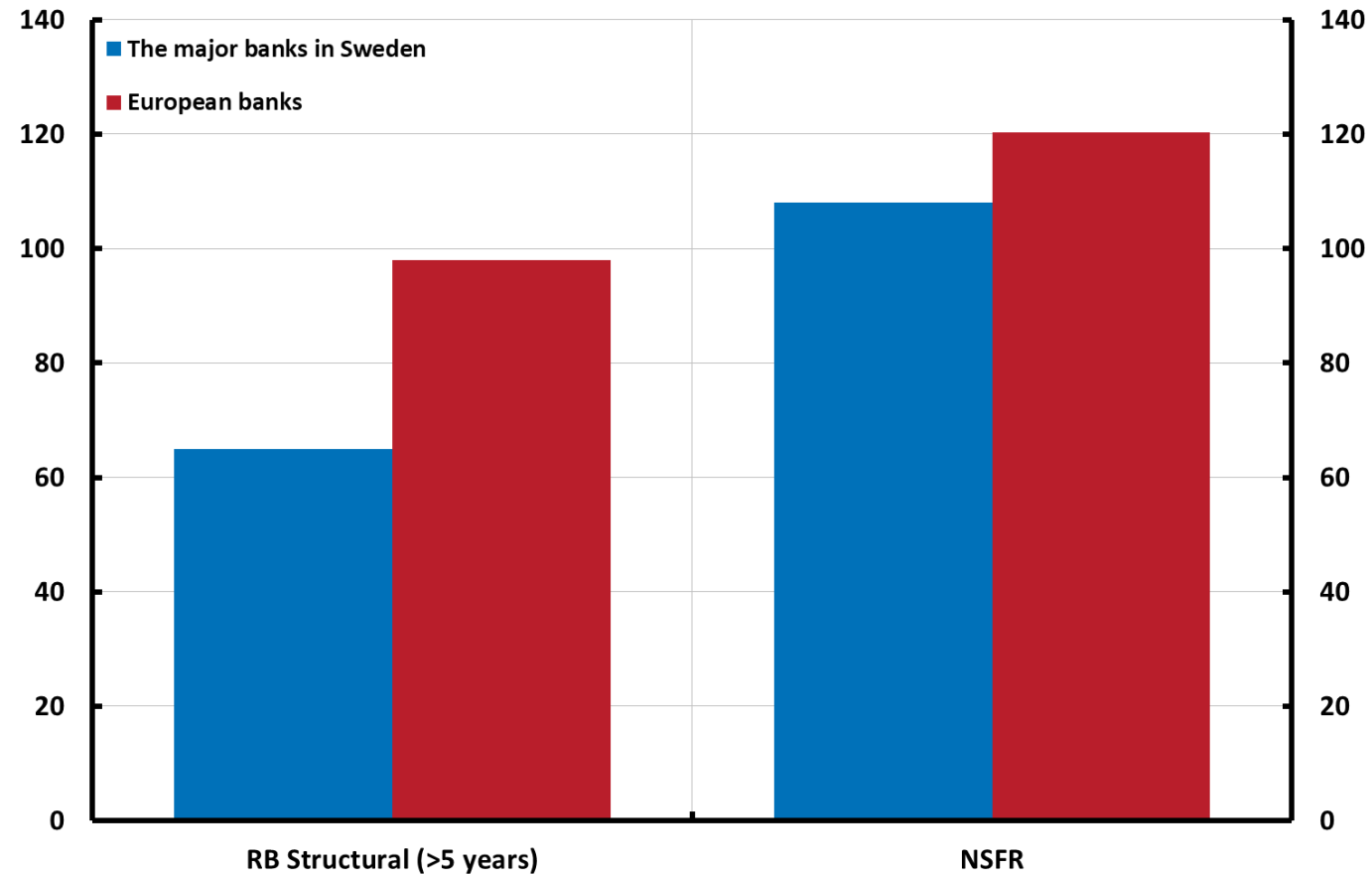


Note. Refers to an unweighted average. The measure compares a bank's stable funding with its illiquid assets. The higher a bank's results in the measure, the lower its structural liquidity risks. This chart does not include Danske Bank.

Sources: Liquidatum and the Riksbank

# 20. Measures of the major banks' and European banks' structural liquidity risk

Per cent, December 2018

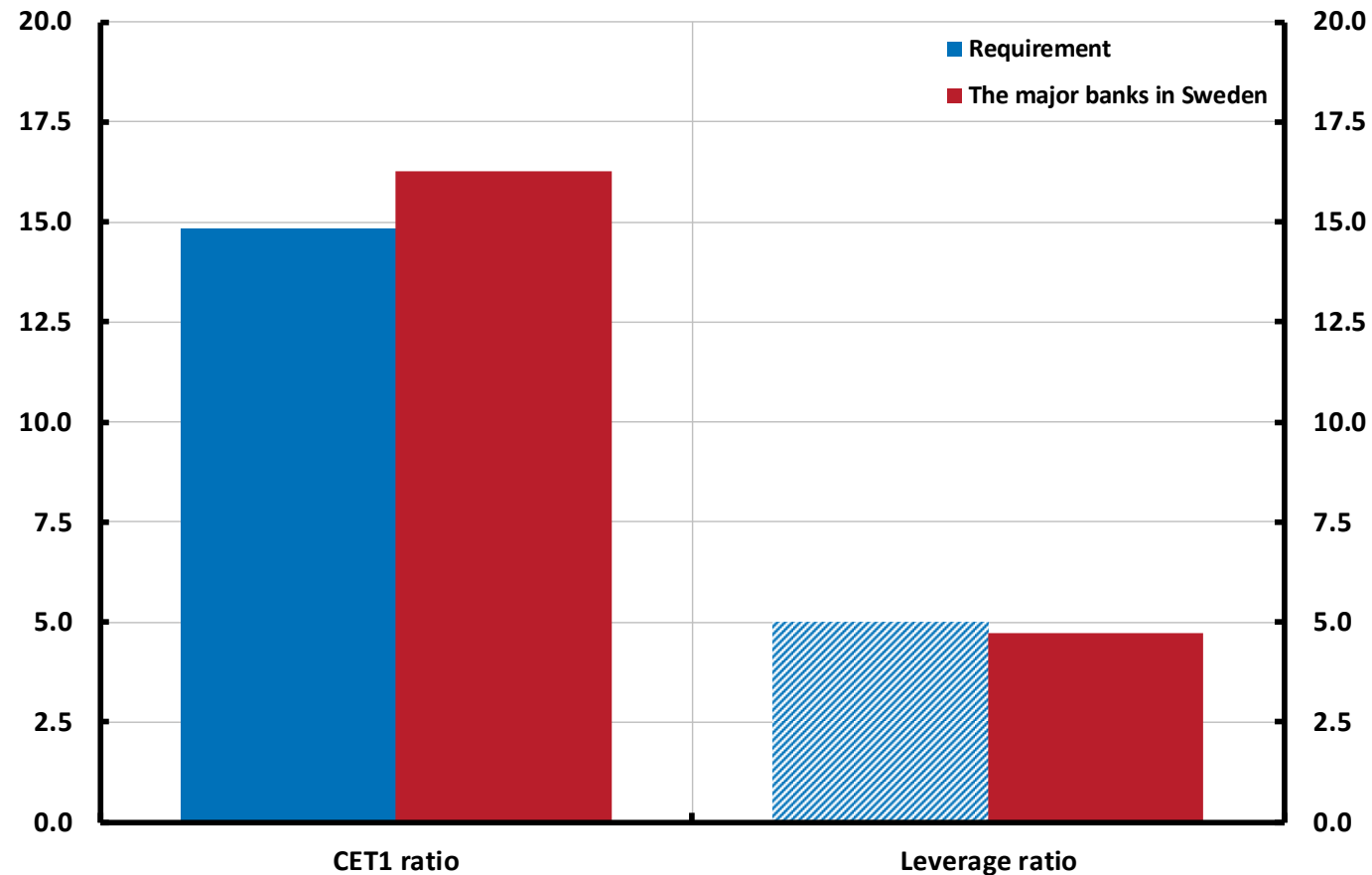


Note. Both measures refers to unweighted averages. The Riksbank's structural liquidity measure is updated until December 2018 and does not include Danske Bank among the major banks in Sweden. Data for NSFR is updated until September 2019 and includes Danske Bank, although only until August 2019. The major banks' reporting of NSFR is not standardised but is instead done on the basis of two different definitions, CRR II and Basel III.

Sources: Liquidatum, SNL Financial and the Riksbank

# 21. Capital levels of the major banks in Sweden

Per cent, September 2019

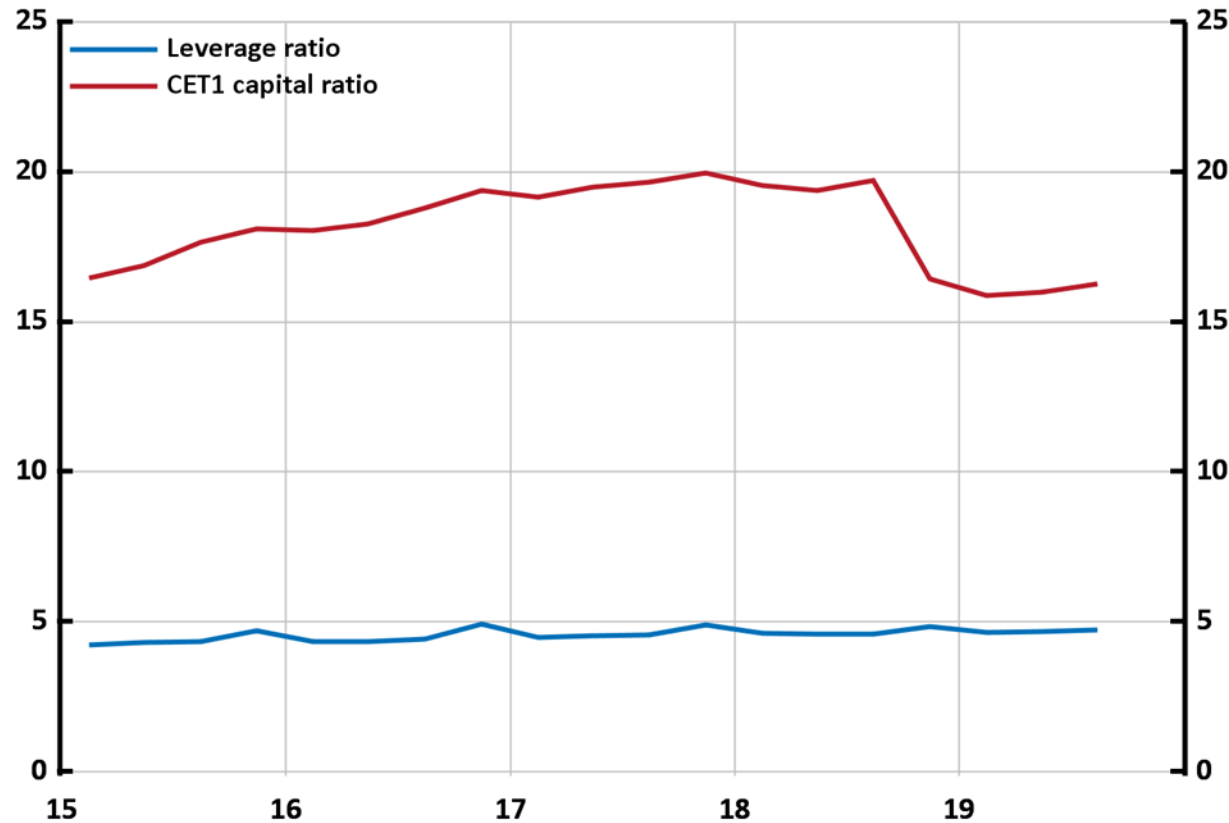


Note. CET1 ratio is an abbreviation for Common Equity Tier 1 ratio. The requirement for CET1 is determined by FI and refers to an unweighted average for the three major Swedish banks. The requirement was determined in the second quarter of 2019. CET1 and the leverage ratio are calculated as a volume-weighted average for the five major banks in Sweden and refer to the third quarter of 2019. The minimum level of the leverage ratio has not yet been determined, so the chart shows the level recommended by the Riksbank.

Sources: Bank reports, FI and the Riksbank

## 22. CET1 capital ratio and leverage ratio among the major banks in Sweden

Per cent

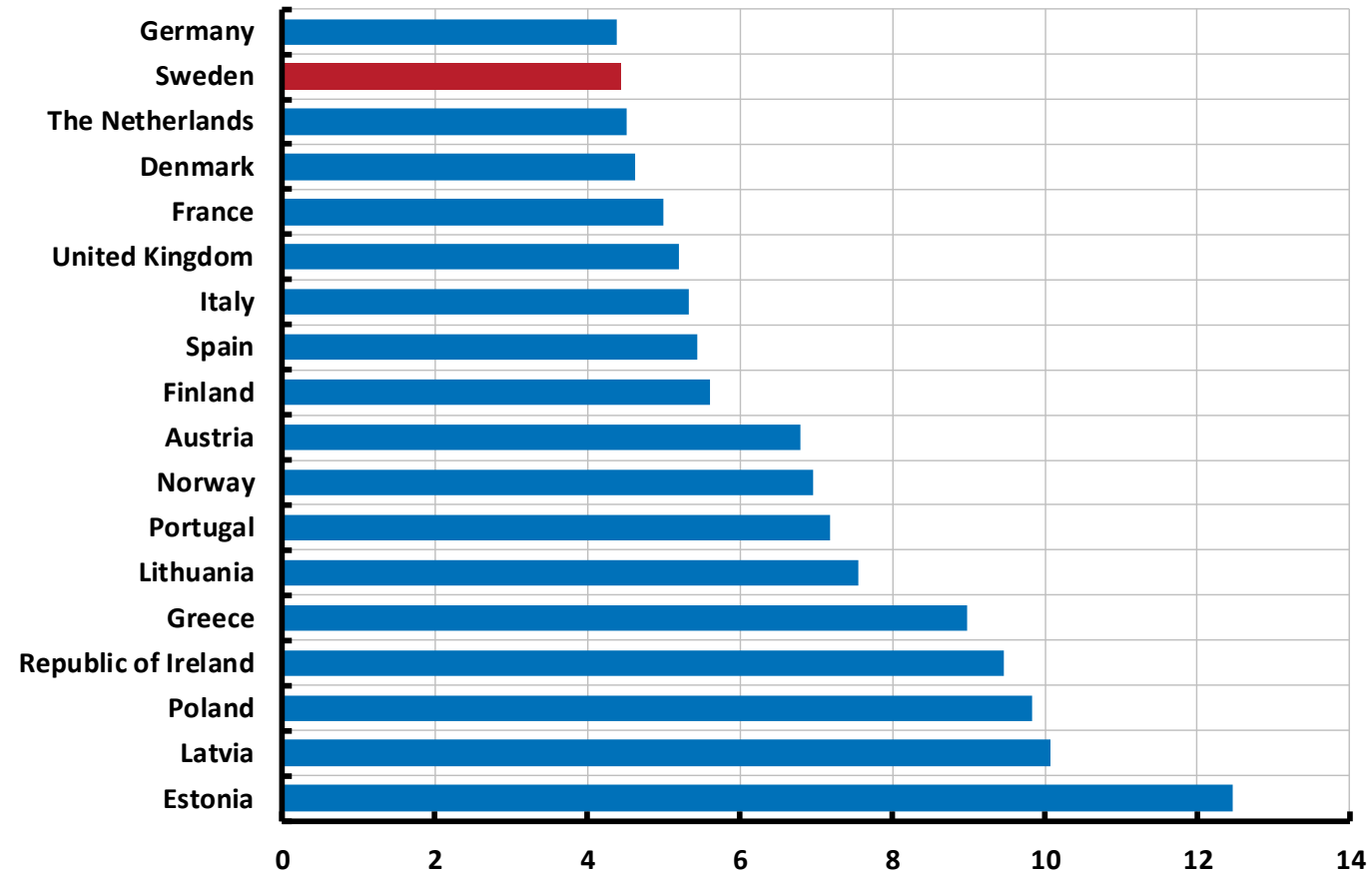


Note. Refers to a volume-weighted average. The decrease in banks' Common Equity Tier 1 capital ratio is due to the risk-weight floor for Swedish mortgages being moved from Pillar 2 to Pillar 1. See Risk-weight floor for Swedish mortgages will become a Pillar 1 requirement. Fact box in Financial Stability Report 2018:2. Sveriges Riksbank.

Sources: Bank reports and the Riksbank

# 23. The leverage ratio in various countries

Per cent, June 2019



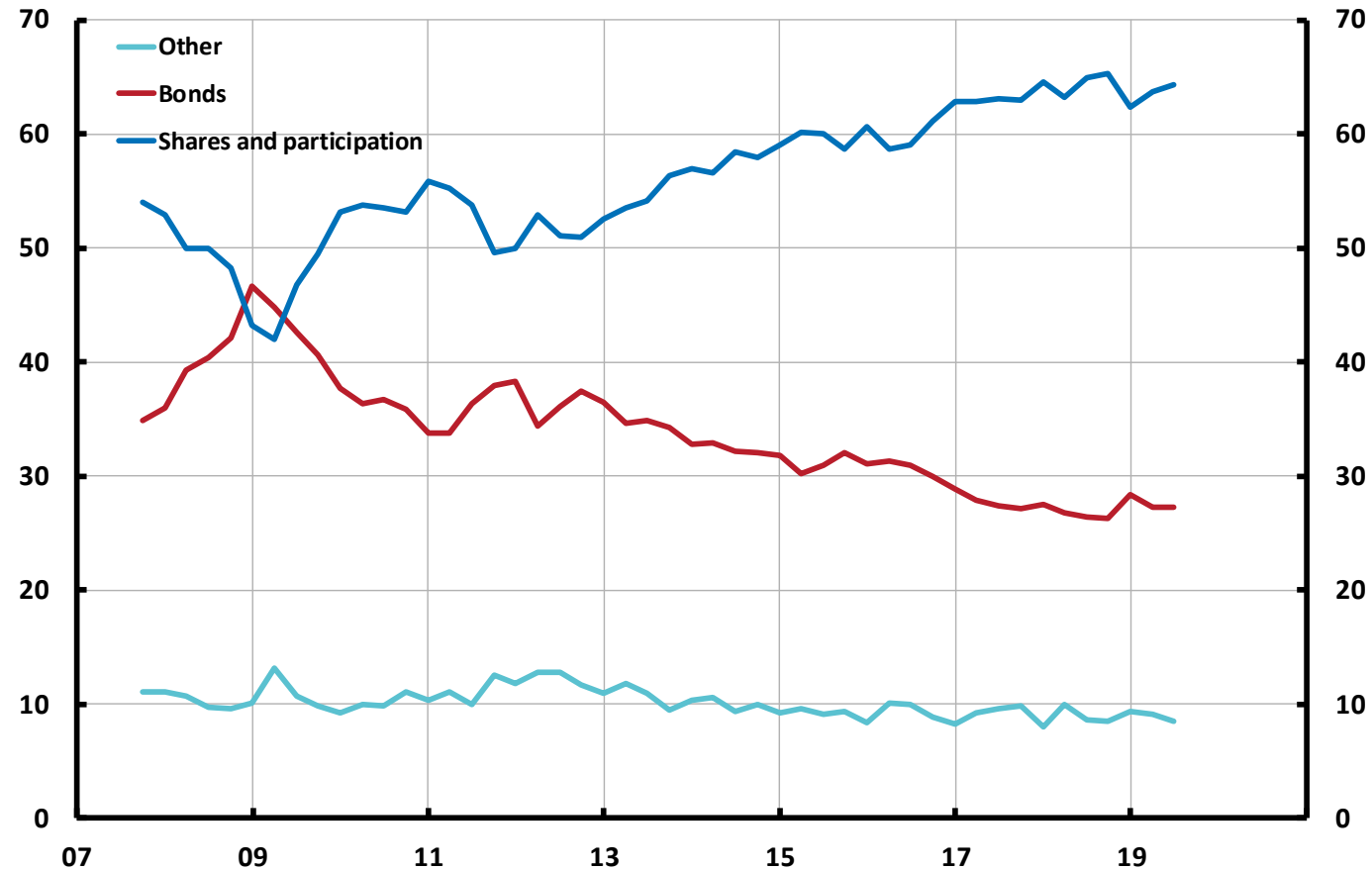
Note. Refers to a weighted average per country.

Source: European Banking Authority (EBA)



# 24. Investments of Swedish life insurance companies

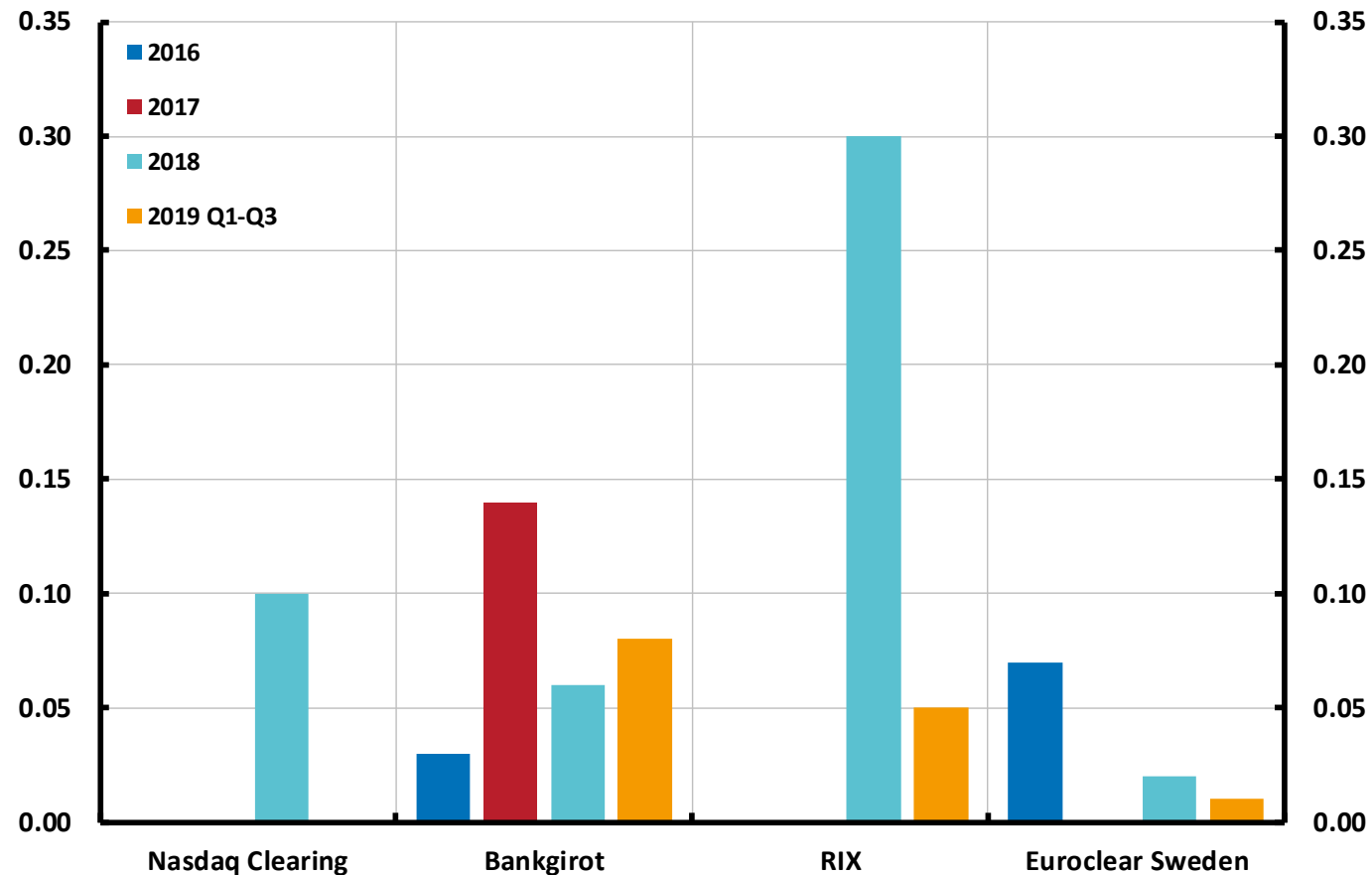
Per cent



Source: Statistics Sweden

# 25. Interruptions to the Swedish infrastructure systems

Per cent

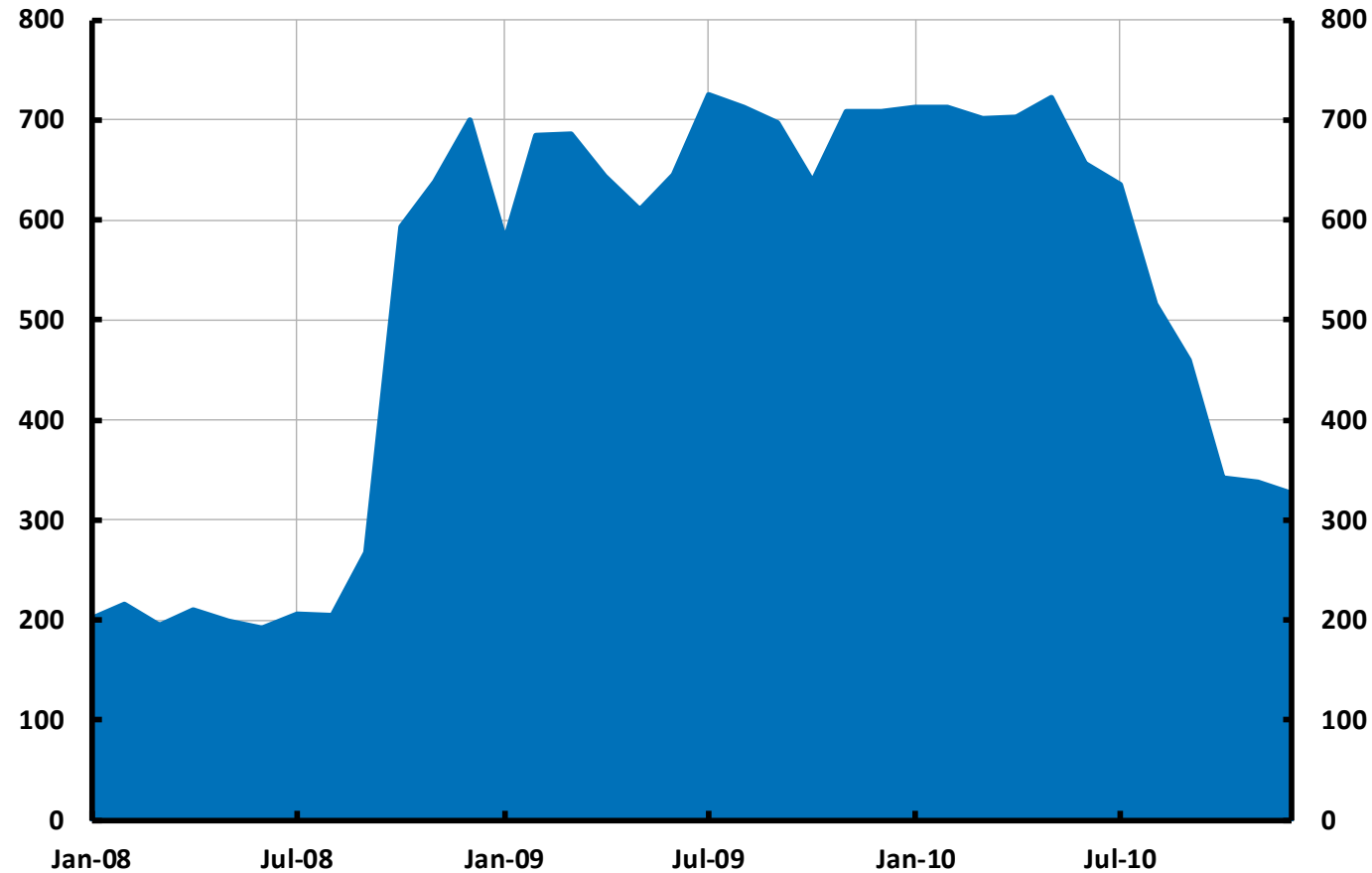


Note. 0 per cent shows that the system has been available the entire time without interruption. 0.2 per cent corresponds to an interruption of 5 hours over a period of one year. For a period of three quarters, 0.2 per cent corresponds to about 3 hours and 45 minutes.

Sources: Bankgirot, Euroclear Sweden, Nasdaq Clearing and the Riksbank

# 26. The Riksbank's balance sheet between 2008-2010, total assets

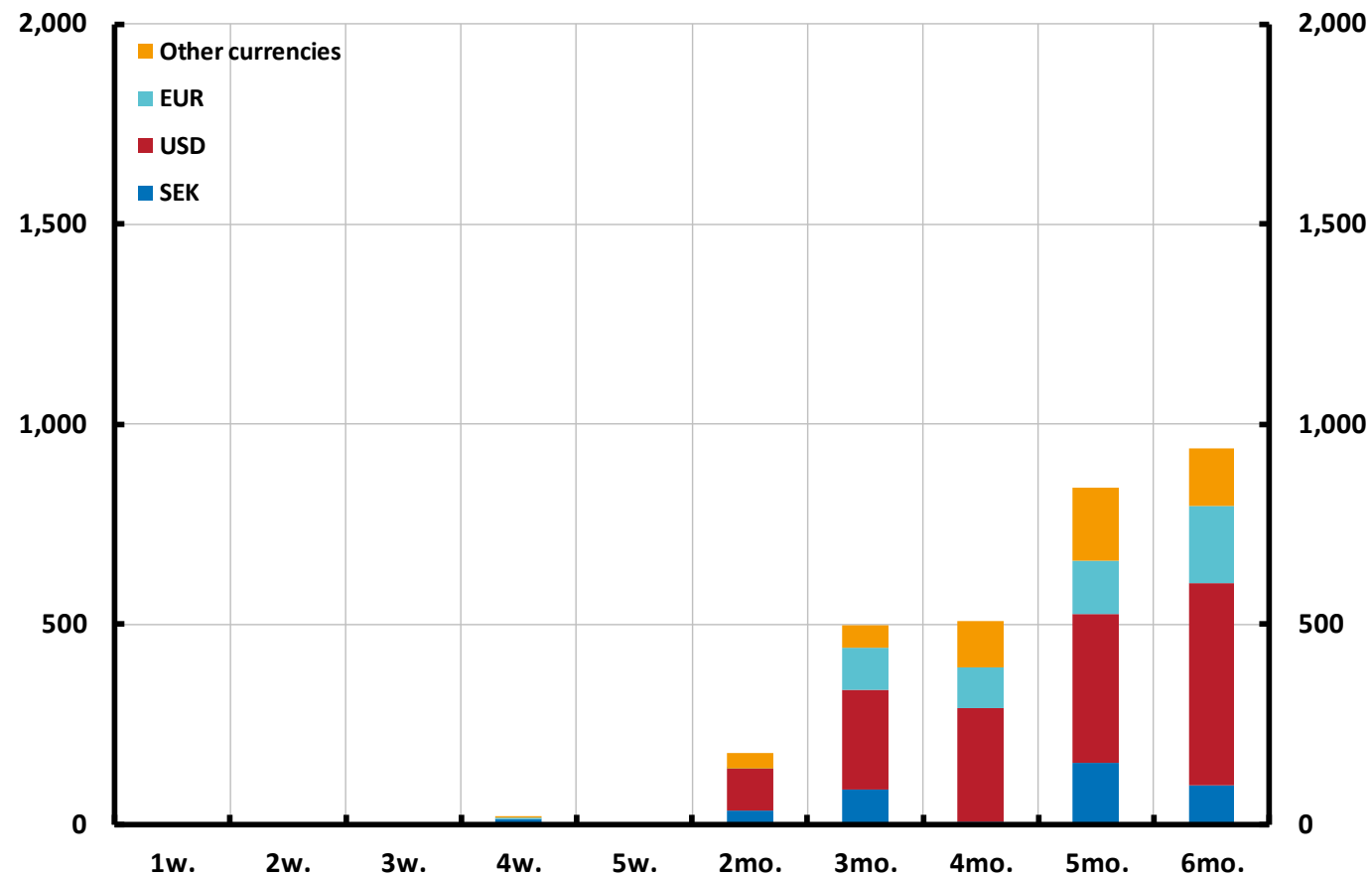
SEK billion



Source: The Riksbank

# 27. The sum of the banks' liquidity needs in the system-wide scenario

SEK billion

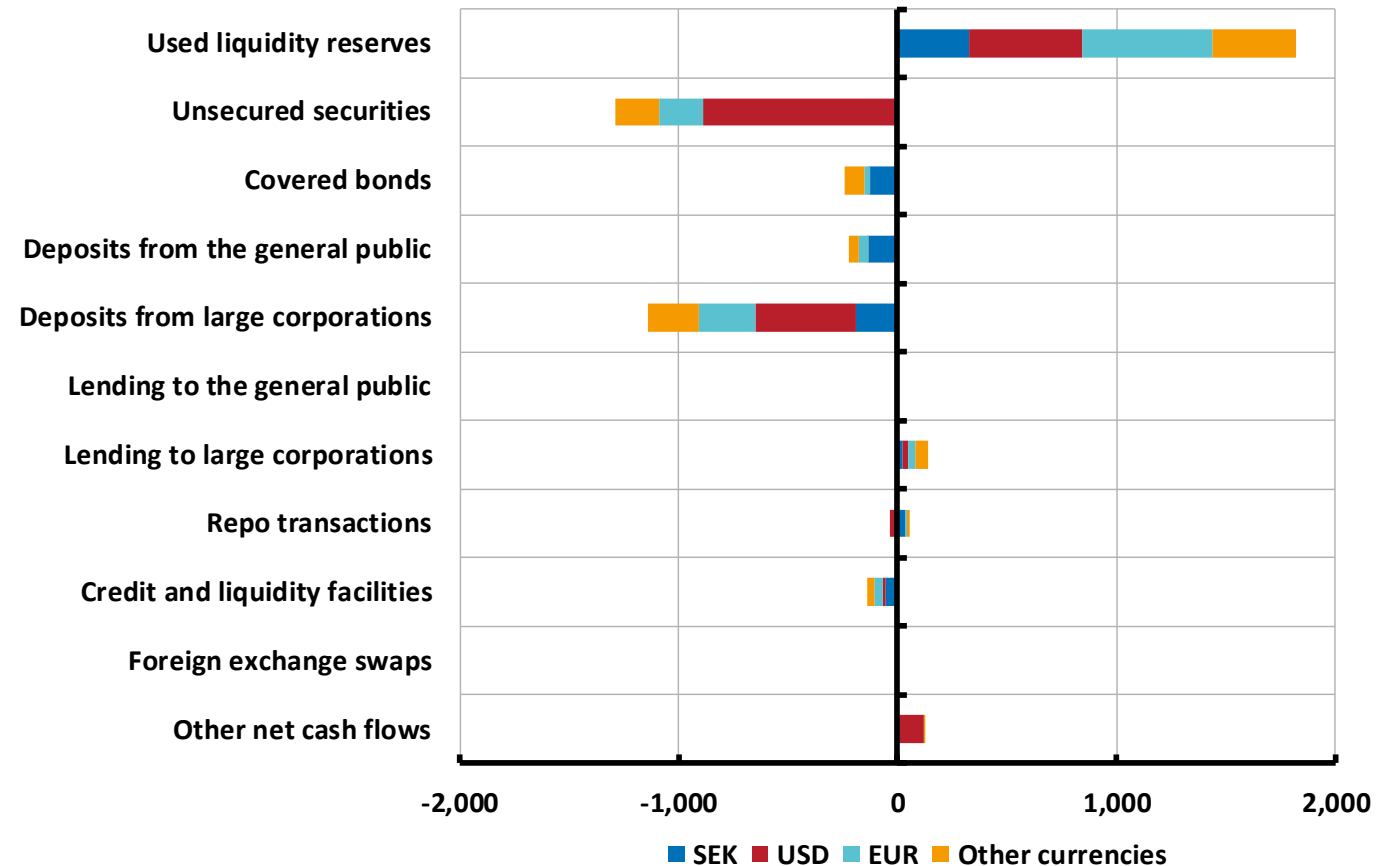


Note. Accumulated liquidity needs over time. Other currencies include, among others, DKK, NOK and GBP.

Source: The Riksbank

# 28. Decomposition of cash flows during six months in system-wide scenario

SEK billion

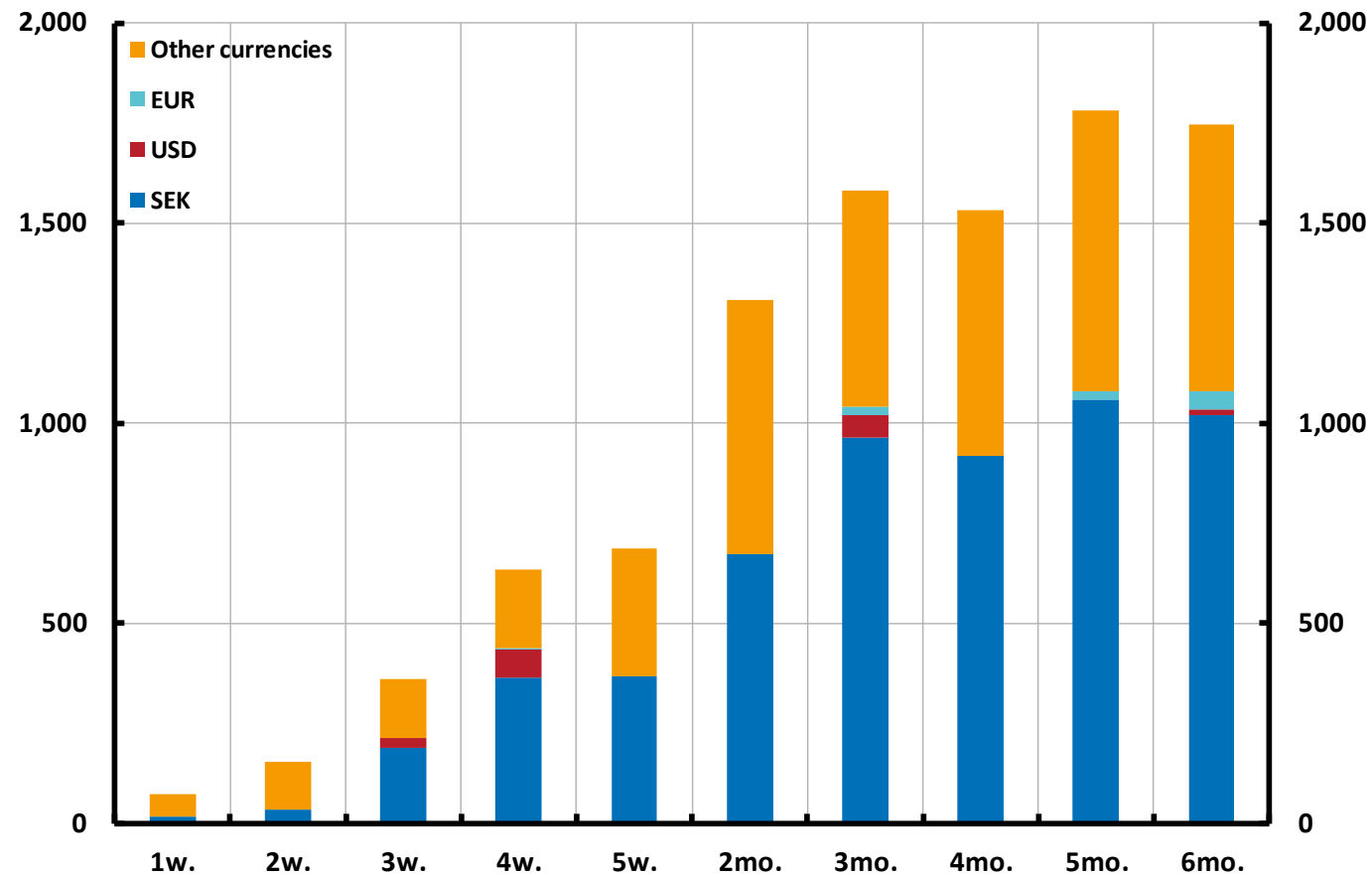


Note. Used liquidity reserves correspond to the excess reserves that the banks have above those reserves that are needed to keep an LCR of 75 per cent until the end of the six month period. Foreign exchange swaps refer to net cash flows. Repo transactions corresponds to net cash flows, that is, the difference between cash inflows from reverse repos and cash outflows from repos. The chart only presents the categories that will have the largest impact on the liquidity need, and the rest of the categories are summed in Other net cash flows. Note that the liquidity need, which corresponds to the sum of the bars, is expressed in negative terms, as opposed to Chart 27 where it is expressed in positive terms.

Source: The Riksbank

# 29. The sum of the banks' liquidity needs in the bank-specific scenario

SEK billion

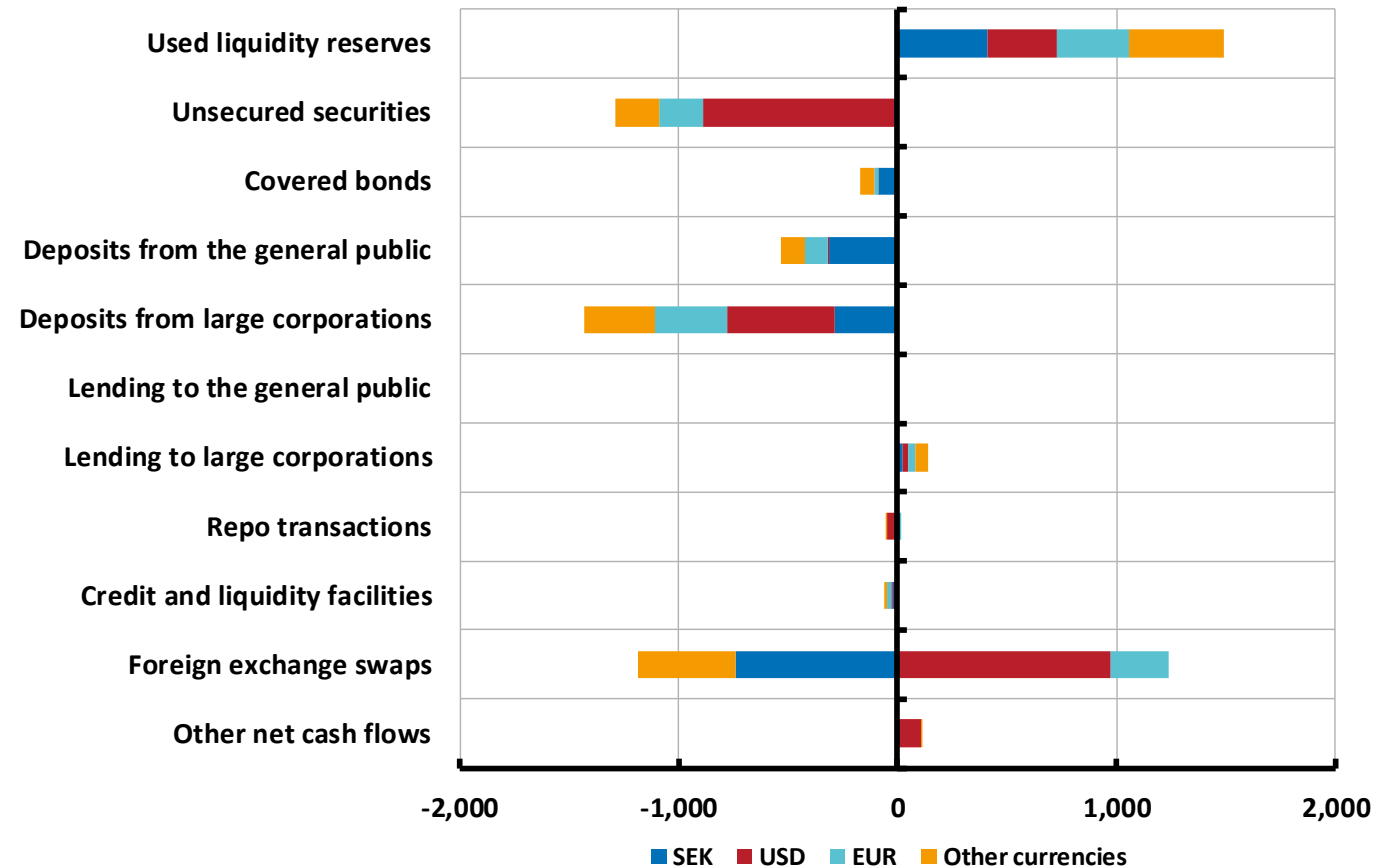


Note. Accumulated liquidity needs over time. Other currencies include, among others, DKK, NOK and GBP.

Source: The Riksbank

# 30. Decomposition of cash flows during six months in the bank-specific scenario

SEK billion



Note. Se note to Chart 28.

Source: The Riksbank