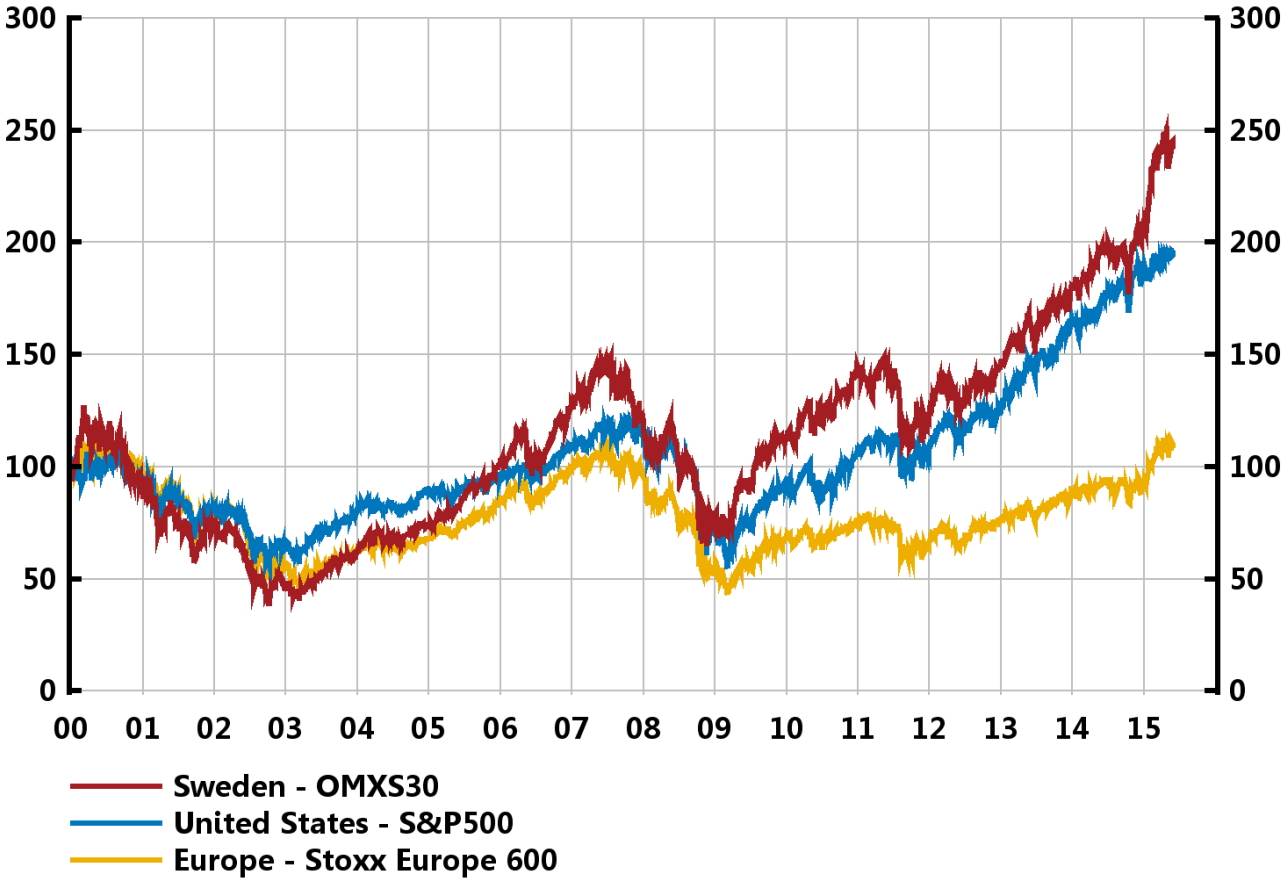
Financial Stability Report 2015:1

June 3, 2015

1:1. Stock indices

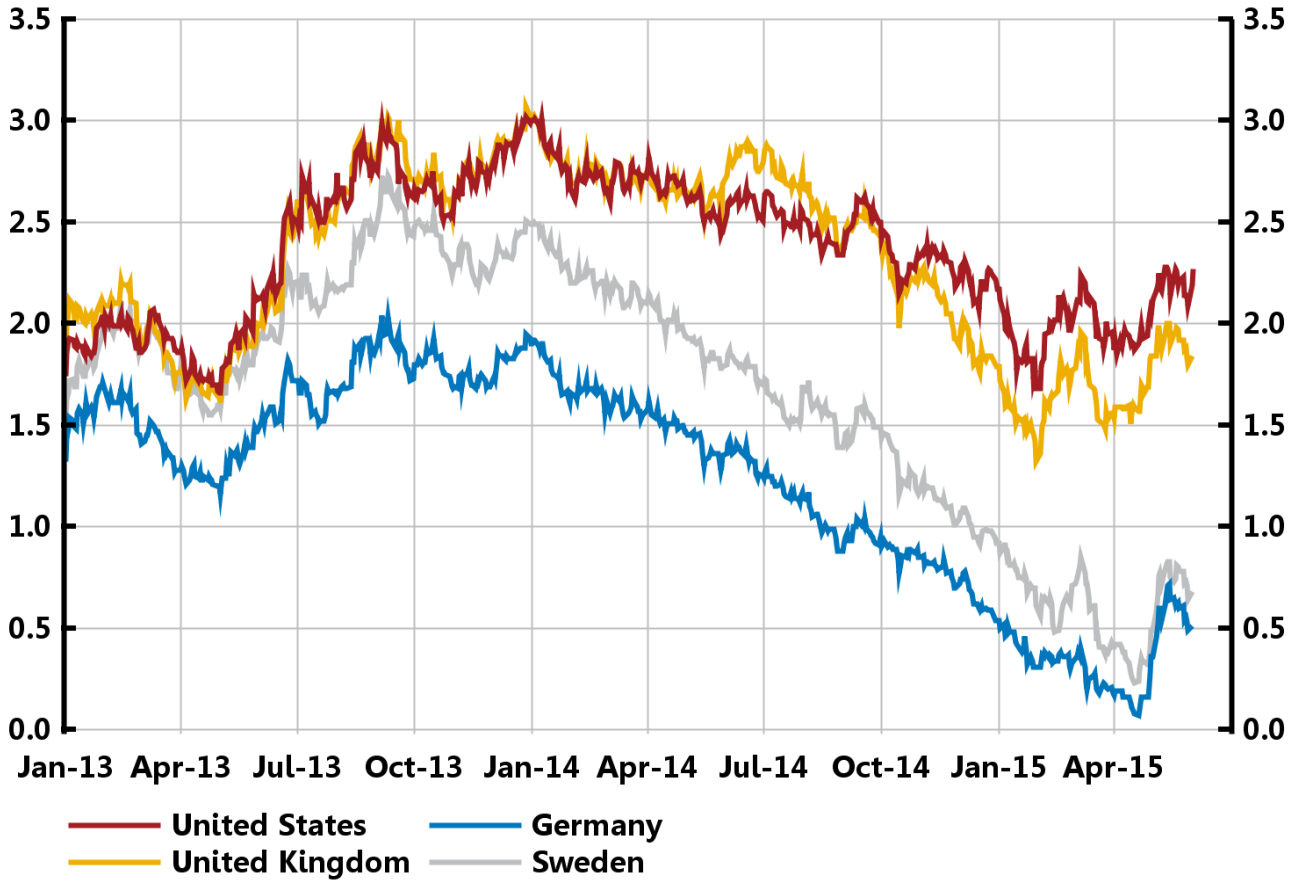
Index, 1 Jan 2000 = 100



Sources: Bloomberg and the Riksbank

1:2. Ten year government bond rates

Per cent

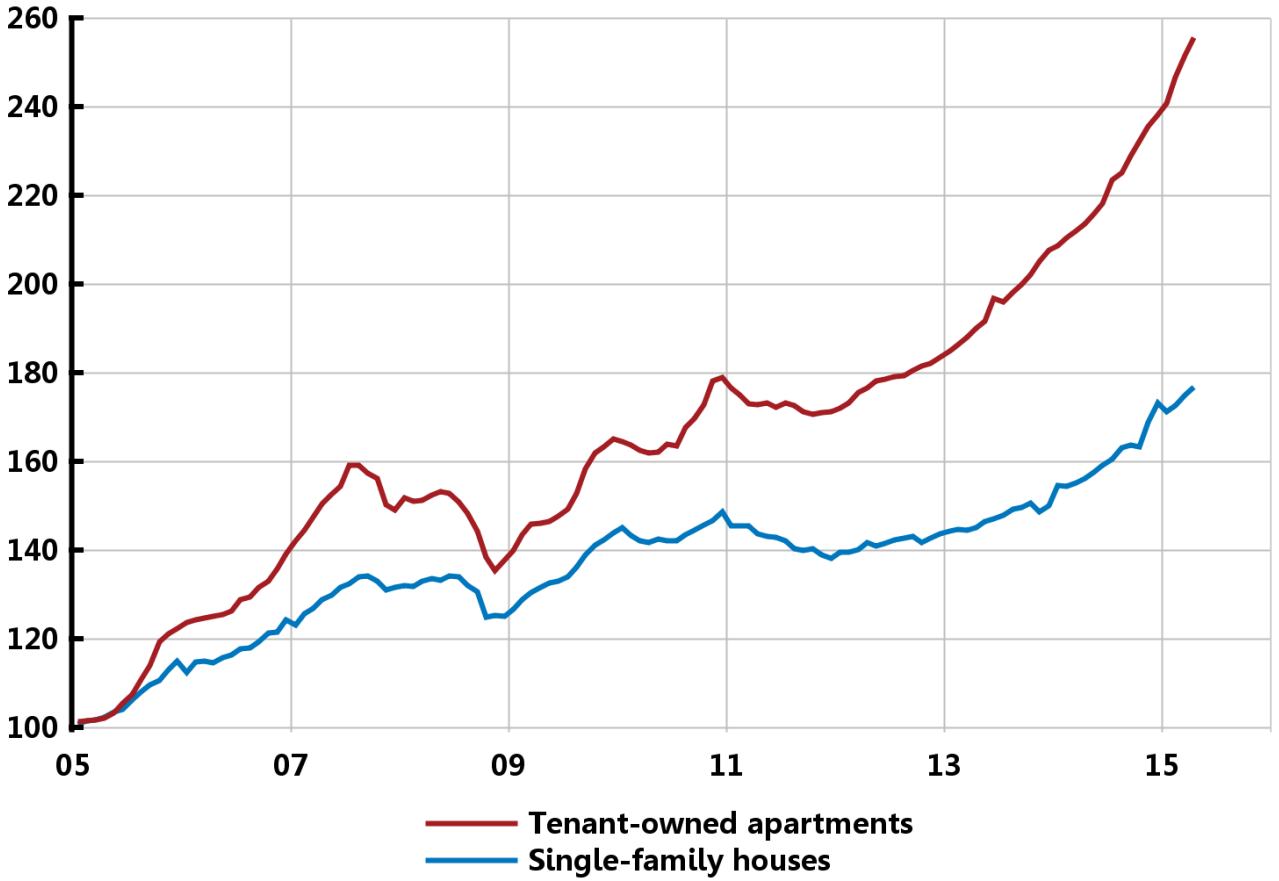


Note. Benchmark bonds. The maturity could therefore potentially be different.

Souce: Macrobond

1:3. Housing prices in Sweden

Index, January 2005=100

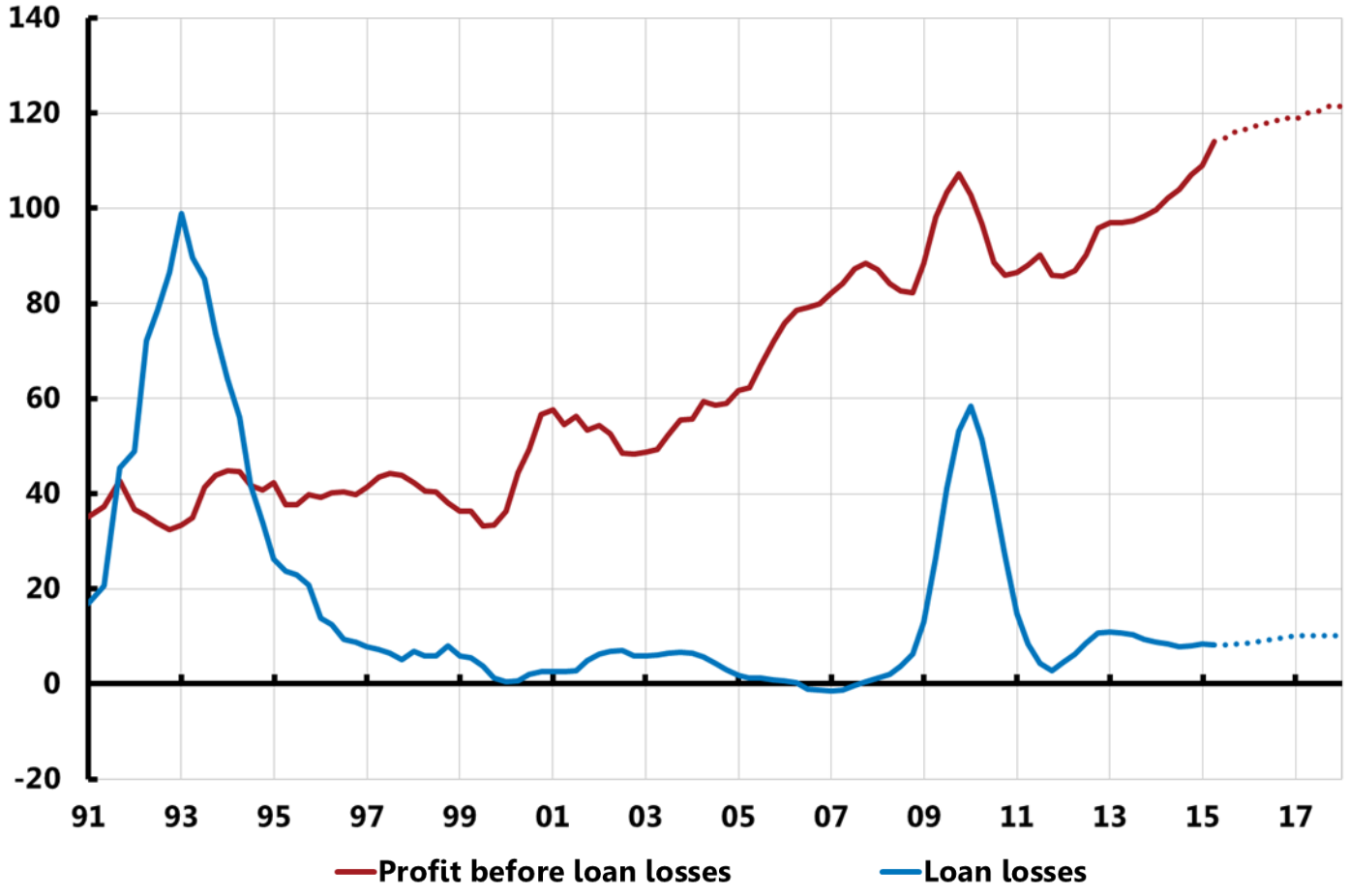


Note. Seasonally-adjusted housing prices.

Sources: Valueguard and the Riksbank

1:4. Profits before loan losses and loan losses in the major Swedish banks

Rolling four quarters, SEK billion, fixed prices, March 2015

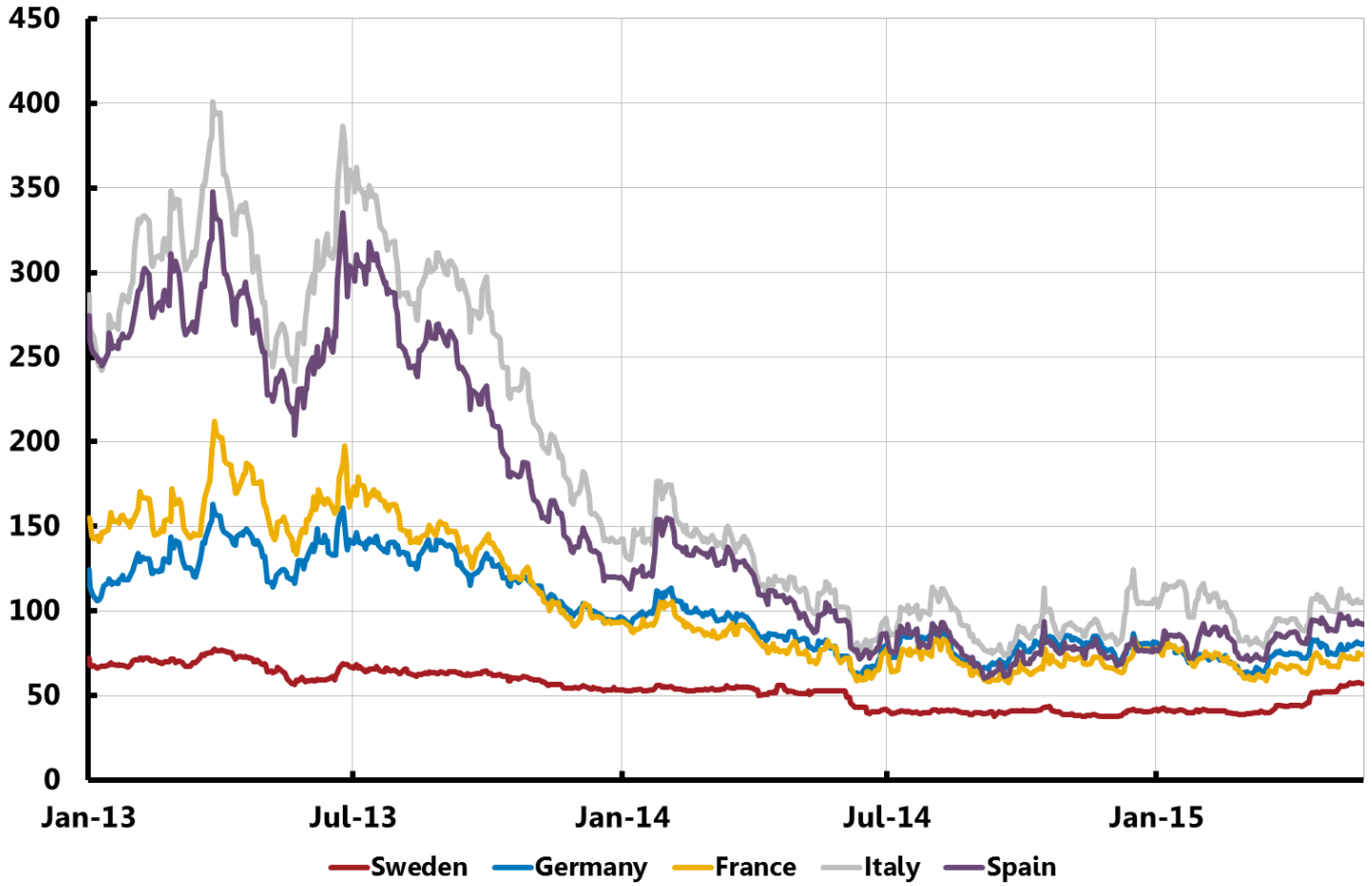


Note. The broken lines refer to a forecast.

Sources: Bank reports and the Riksbank

1:5. Five year CDS-spreads for banks

Basis points

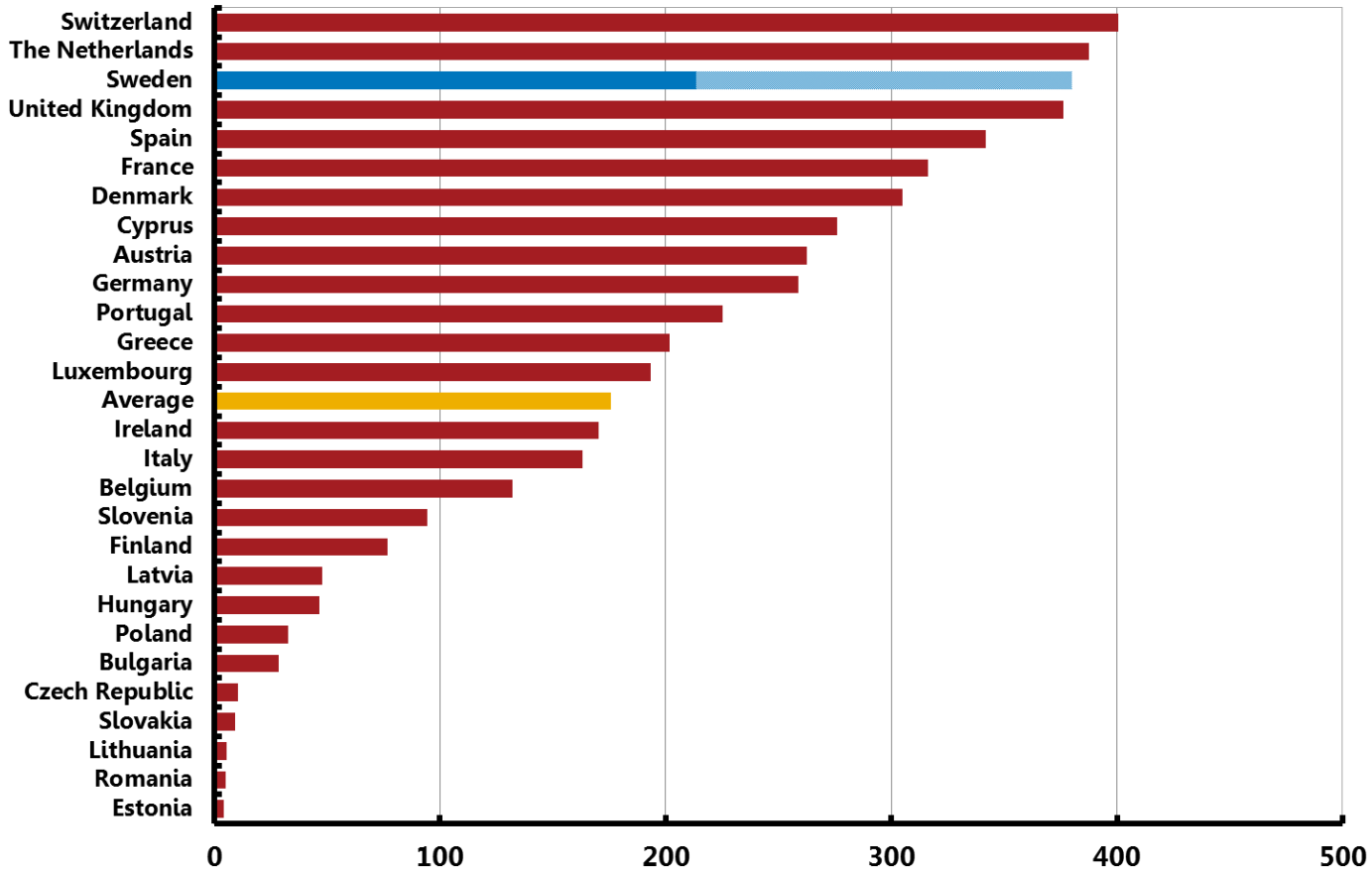


Note. Average of comparable large banks domiciled in the respective country.

Sources: Bloomberg, Reuters EcoWin and Fitch

2:1. The banks' assets in relation to GDP

December 2013, per cent

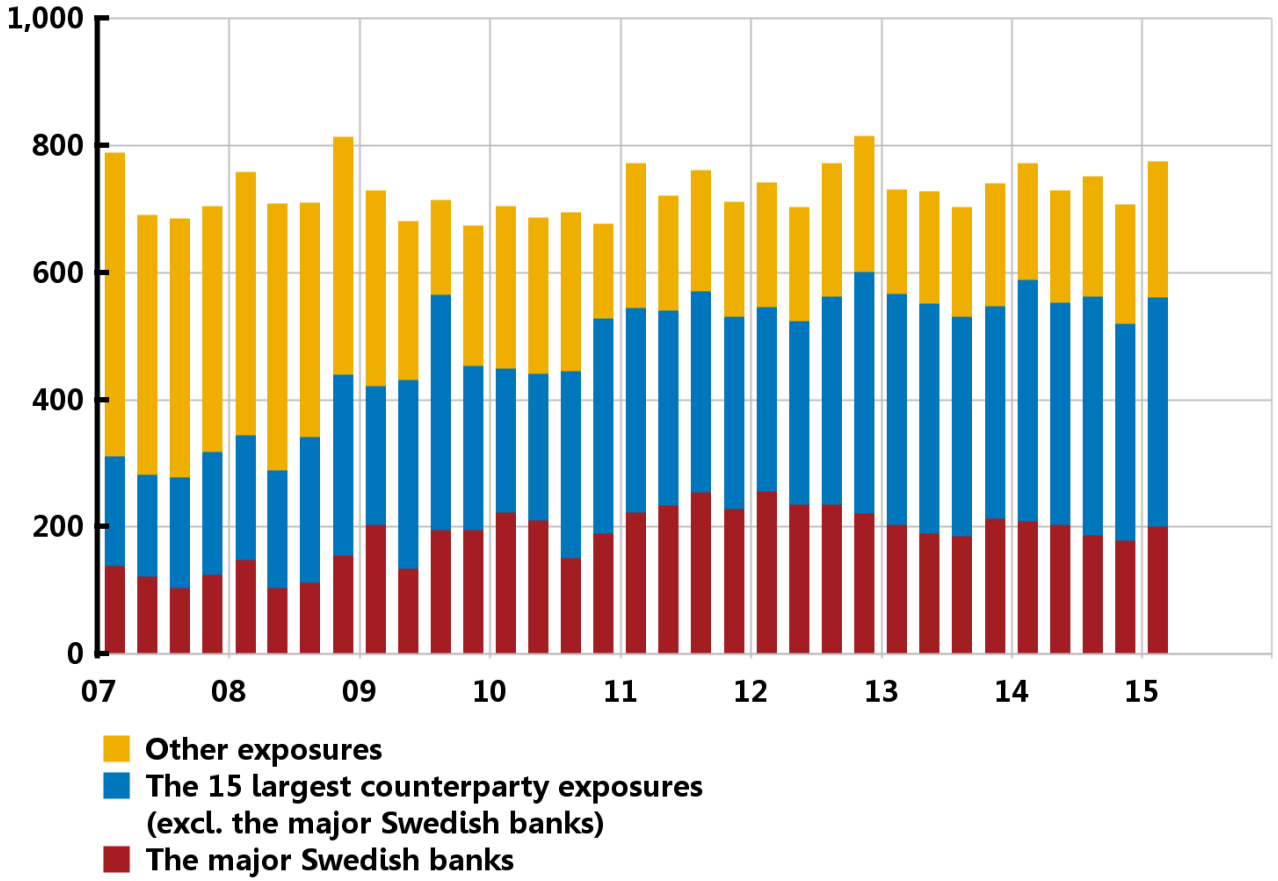


Note. Refers to all assets in the country's banking groups. The shadowed blue bar shows the major banks' assets abroad in relation to GDP.

Sources: ECB, the European Commission, the Swiss National Bank and the Riksbank

2:2. The major Swedish banks' counterparty exposures through securities holdings

SEK billion

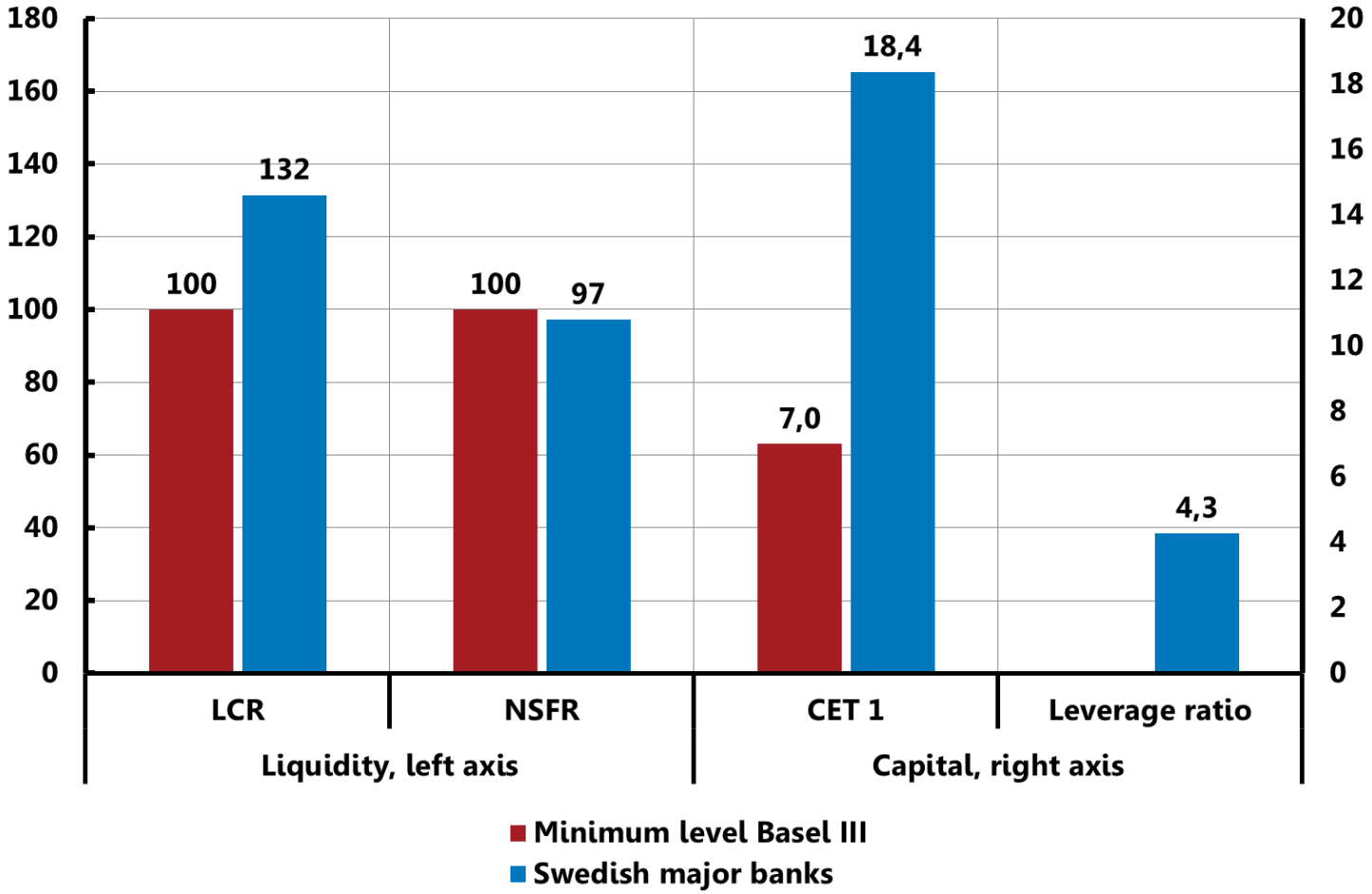


Note. The chart shows the breakdown of the major banks' total securities holdings on the basis of who issued the securities.

Source: The Riksbank

2:3. The four Basel III measures

March 2015, per cent

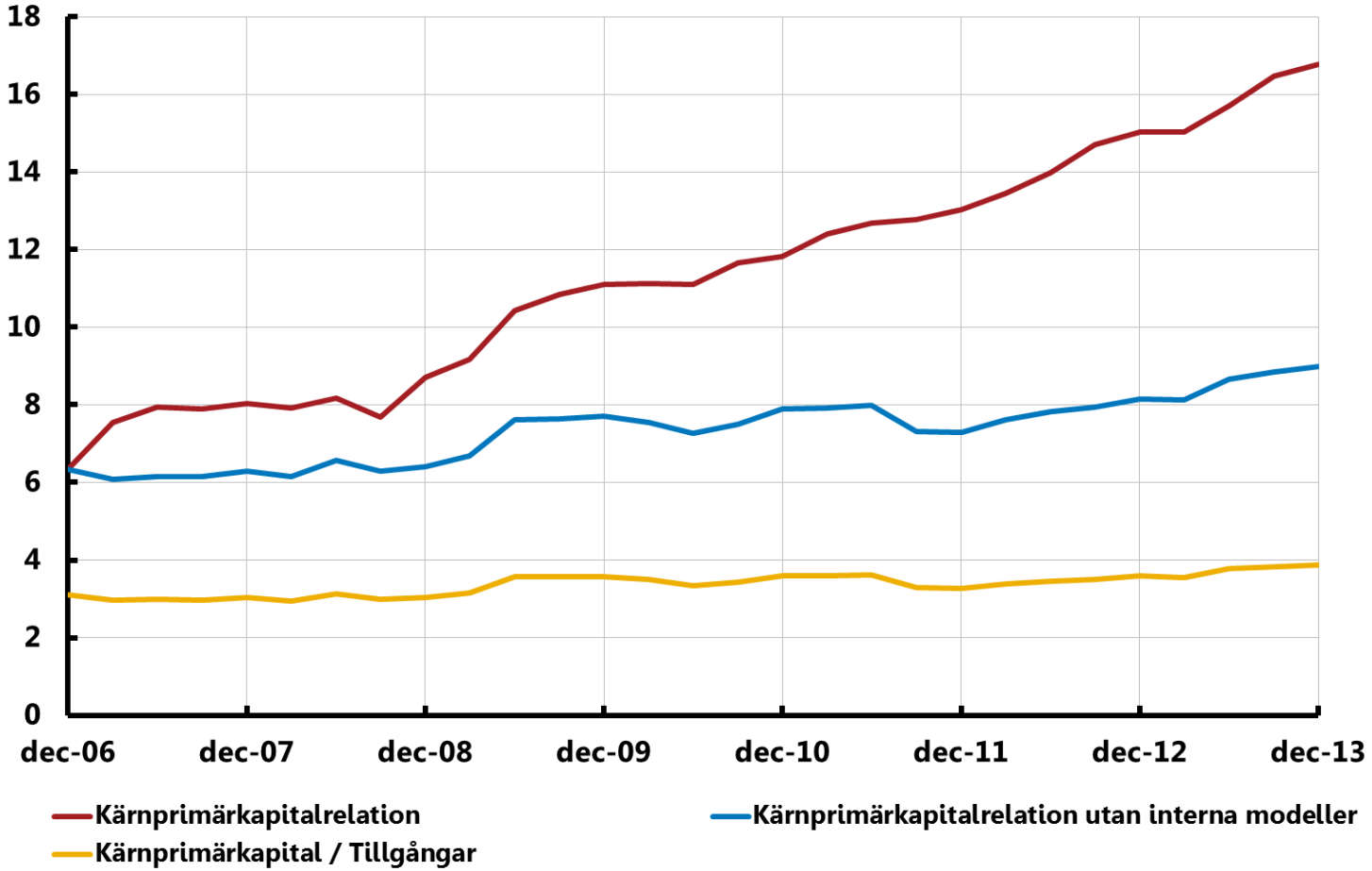


Note. The minimum level for leverage ratio is not yet determined.

Källor: Bankernas resultatrapporter, BIS och Riksbanken

2:4. The major Swedish banks' CET1 ratios, with and without risk-weight effects from internal models

Per cent



Note. The red line shows the major banks' CET 1 capital ratios with the banks' reported risk weights, while the blue line shows how high the ratio would have been if the part of the risk-weight reduction driven by the transition to internal models over the period covered by the diagram had been excluded. The chart assumes that the effect is evenly spread over the entire period in such a way that the internal models reduce the risk weights equally each quarter.

Sources: Bank reports, Finansinspektionen and the Riksbank

2:5. Difference in yield between corporate bonds with higher and lower credit worthiness

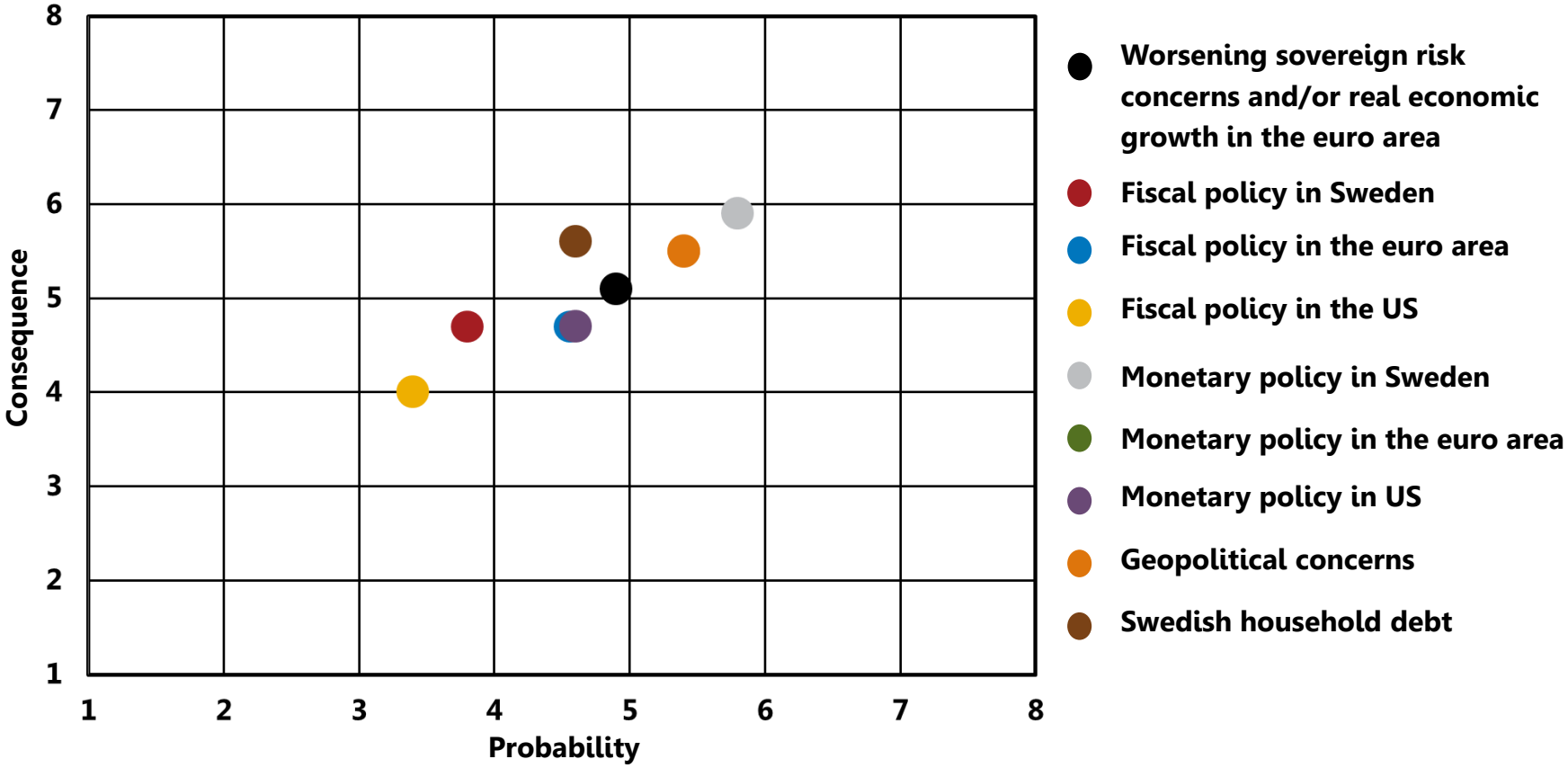
Basis points

Note. The series show the spread between the yield on corporate bonds rated Investment Grade and High-Yield issued in the respective currencies.

Source: Bloomberg

2:6. The participants' assessment of selected risks that can affect the Swedish financial system

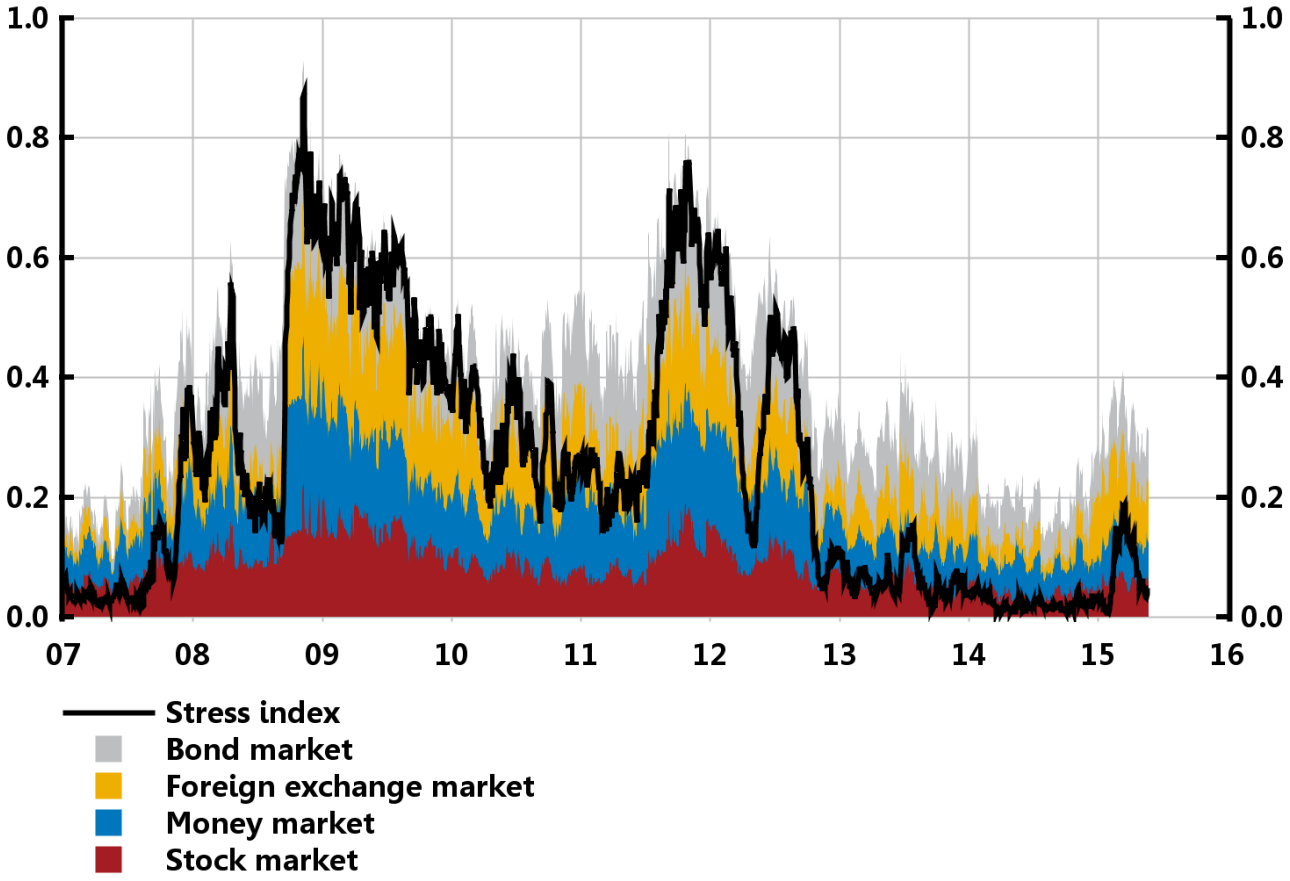
Ranking (1 = extremely low/small, 8 = extremely high/large)



Source: The Riksbank's risk survey spring 2015

2:7. Swedish stress index

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

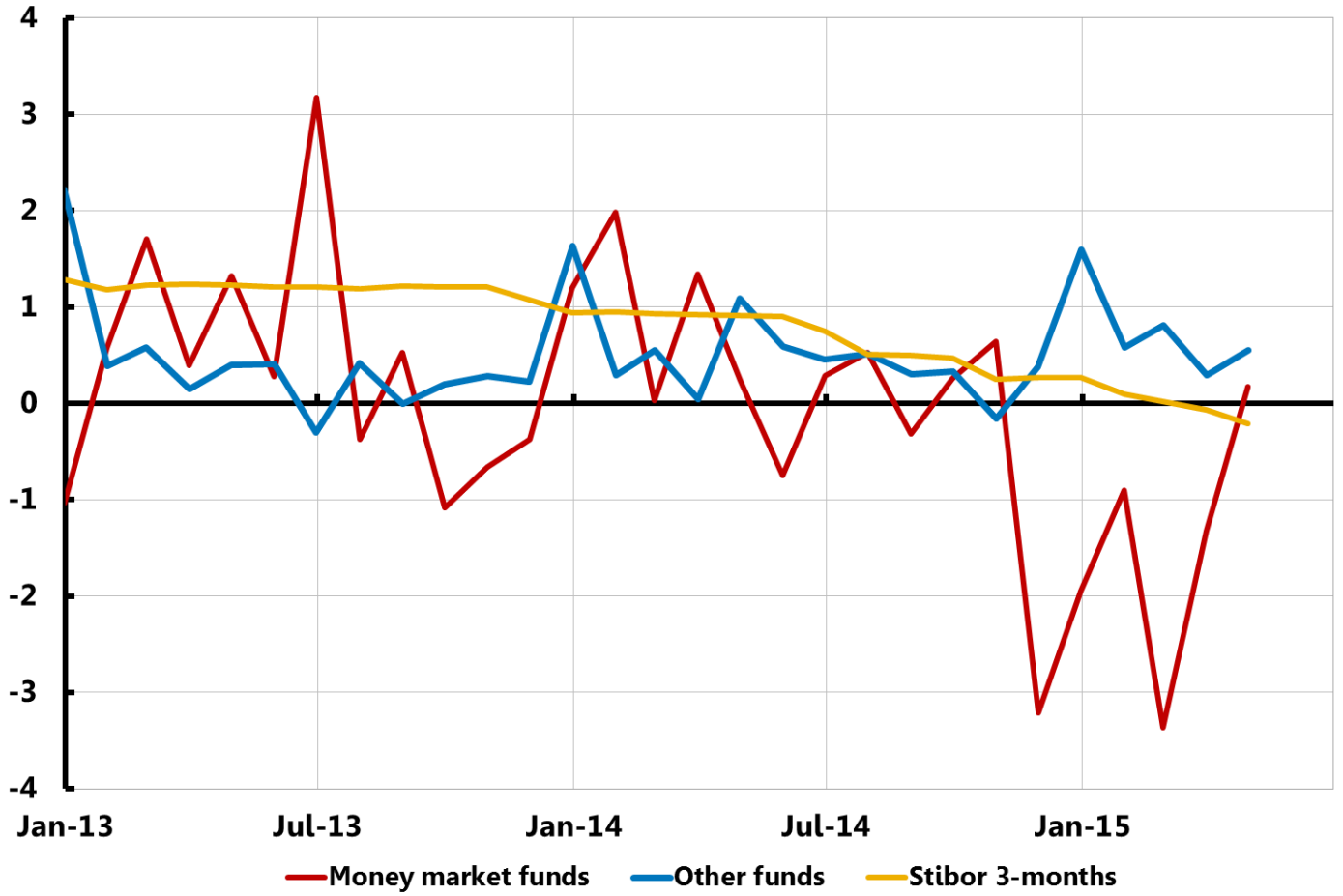


Note. The Swedish stress index has been produced by the Riksbank using a method similar to that used by the ECB for the European stress index. See Johansson, Tor and Bonthron, Fredrik (2013), Further development of the index for financial stress in Sweden, Sveriges Riksbank Economic Review 2013:1. Sveriges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

Sources: Bloomberg and the Riksbank

2:8. Monthly fund flows in relation to the fund's net assets for Swedish investors

Per cent

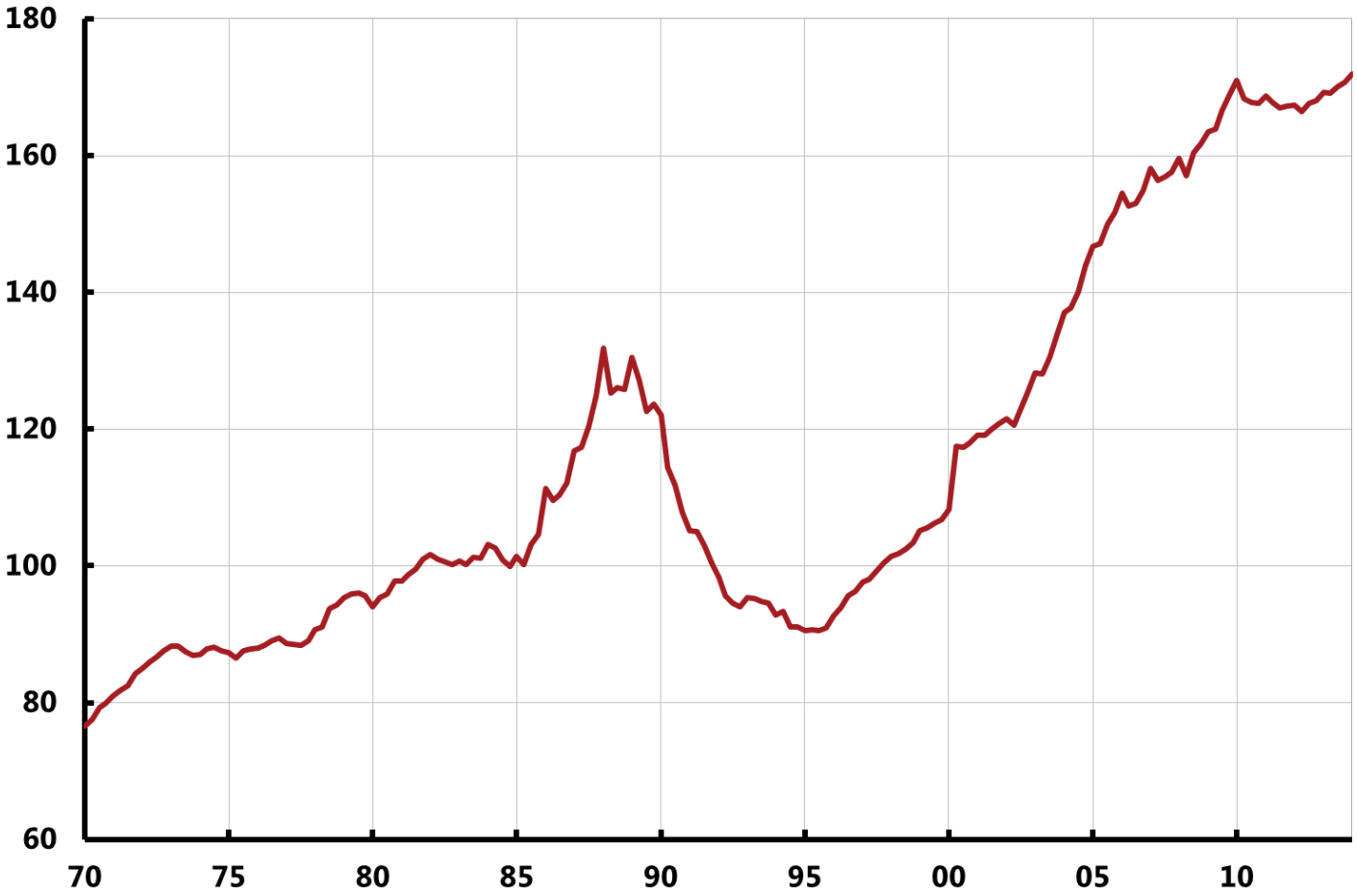


Note. "Other funds" refers to equity funds, mixed funds and bond funds.

Sources: Swedish Investment Fund Association and Macrobond

2:9. Household debt-to-income ratio in Sweden

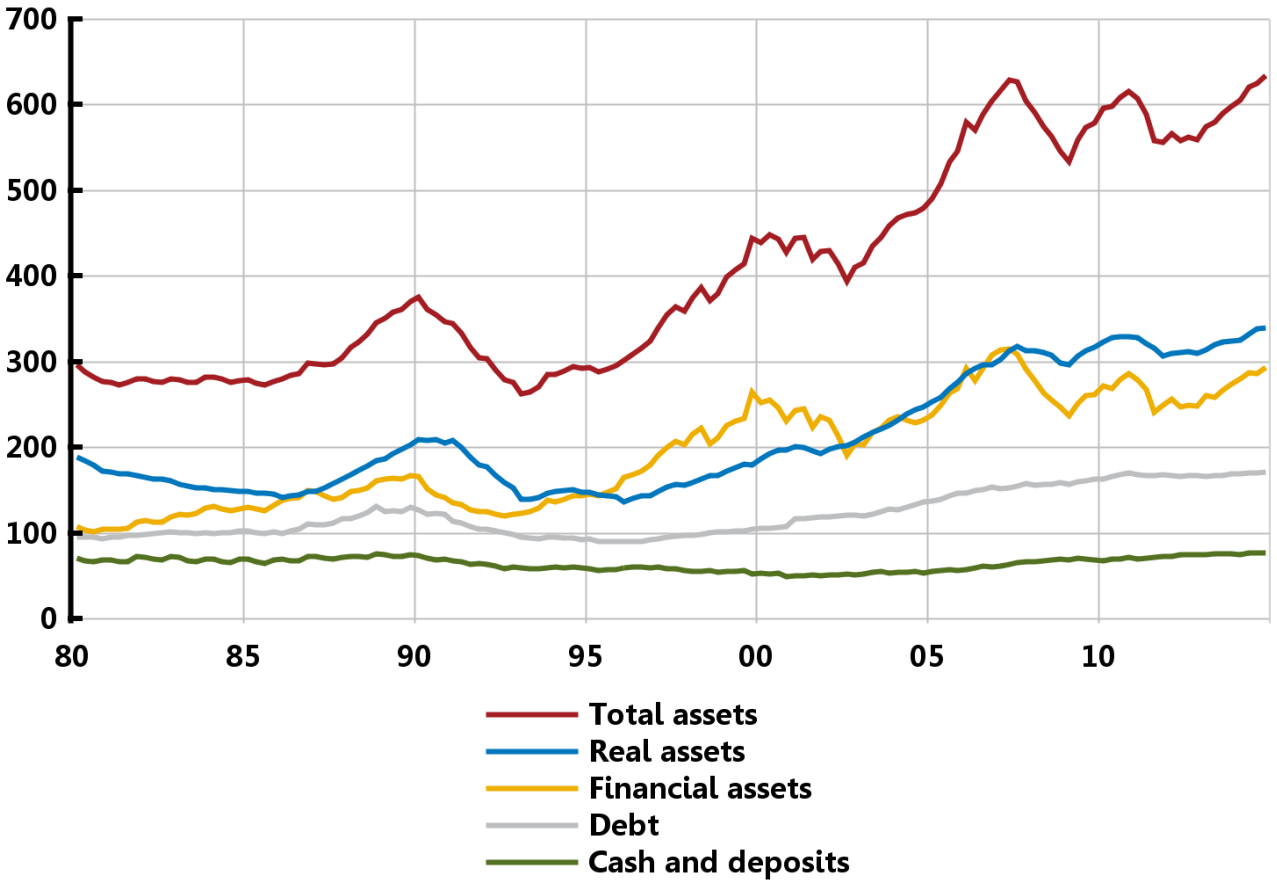
Percentage of disposable income



Sources: Statistics Sweden and the Riksbank

2:10. Household assets and liabilities in Sweden

Percentage of disposable income

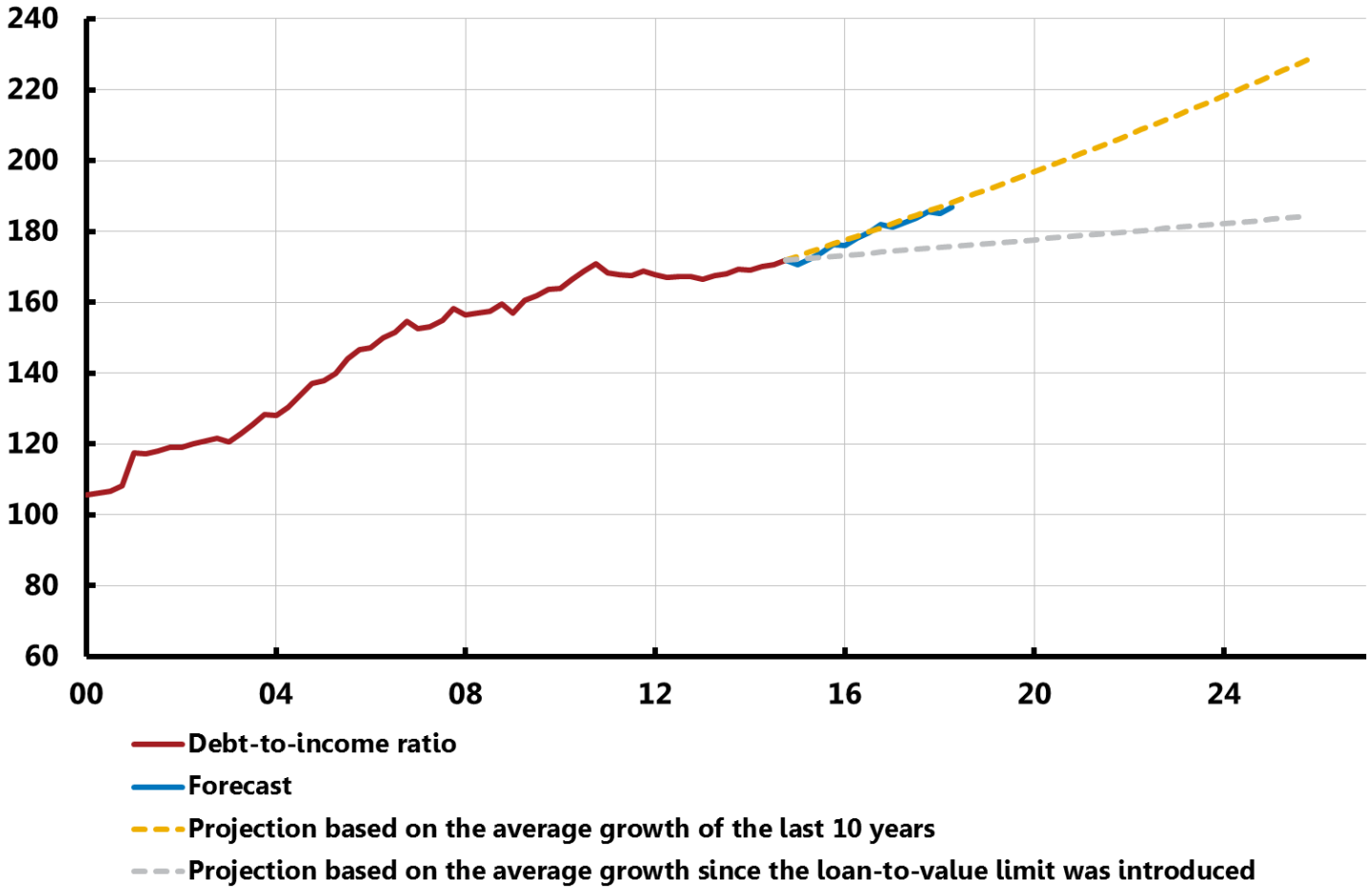


Note. Total assets exclude collective insurance. Financial assets refers mainly to cash, bank deposits, bonds, mutual funds and shares. Real assets refers to single-family houses, tenant-owned apartments and second homes.

Sources: Statistics Sweden and the Riksbank

2:11. Household debt-to-income ratio in Sweden

Percentage of disposable income

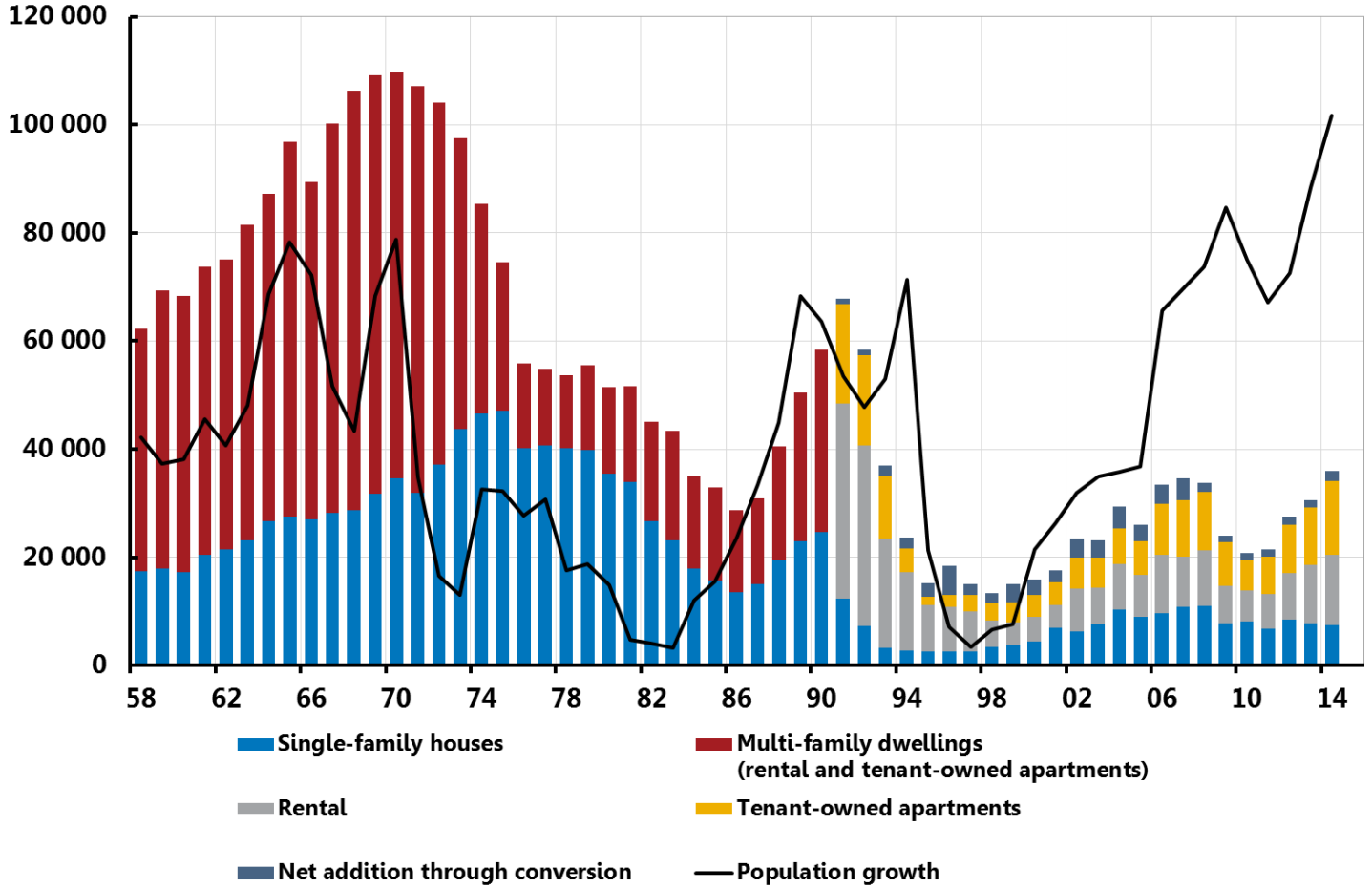


Note. Riksbank's forecast in the Monetary Policy Report, April 2015. The projection means a mechanical calculation of the debt-to-income ratio if it continues to grow in line with historical averages.

Sources: Statistics Sweden and the Riksbank

2:12. Housing construction and population change in Sweden

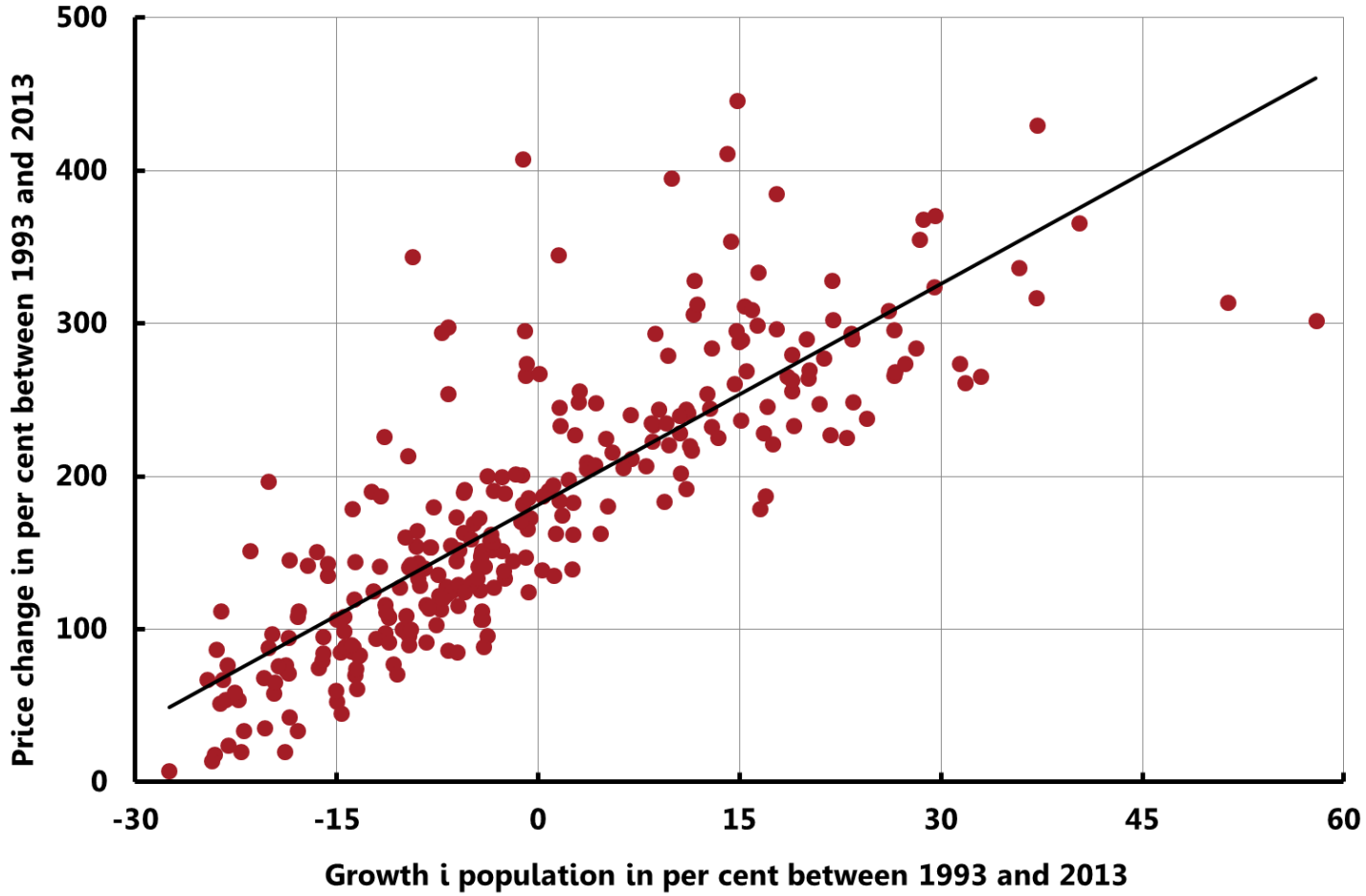
Number of completed dwellings and the number of new residents per year



Note. Before 1991, it is not possible to distinguish between tenure in apartment buildings.

Sources: Statistics Sweden and the Riksbank

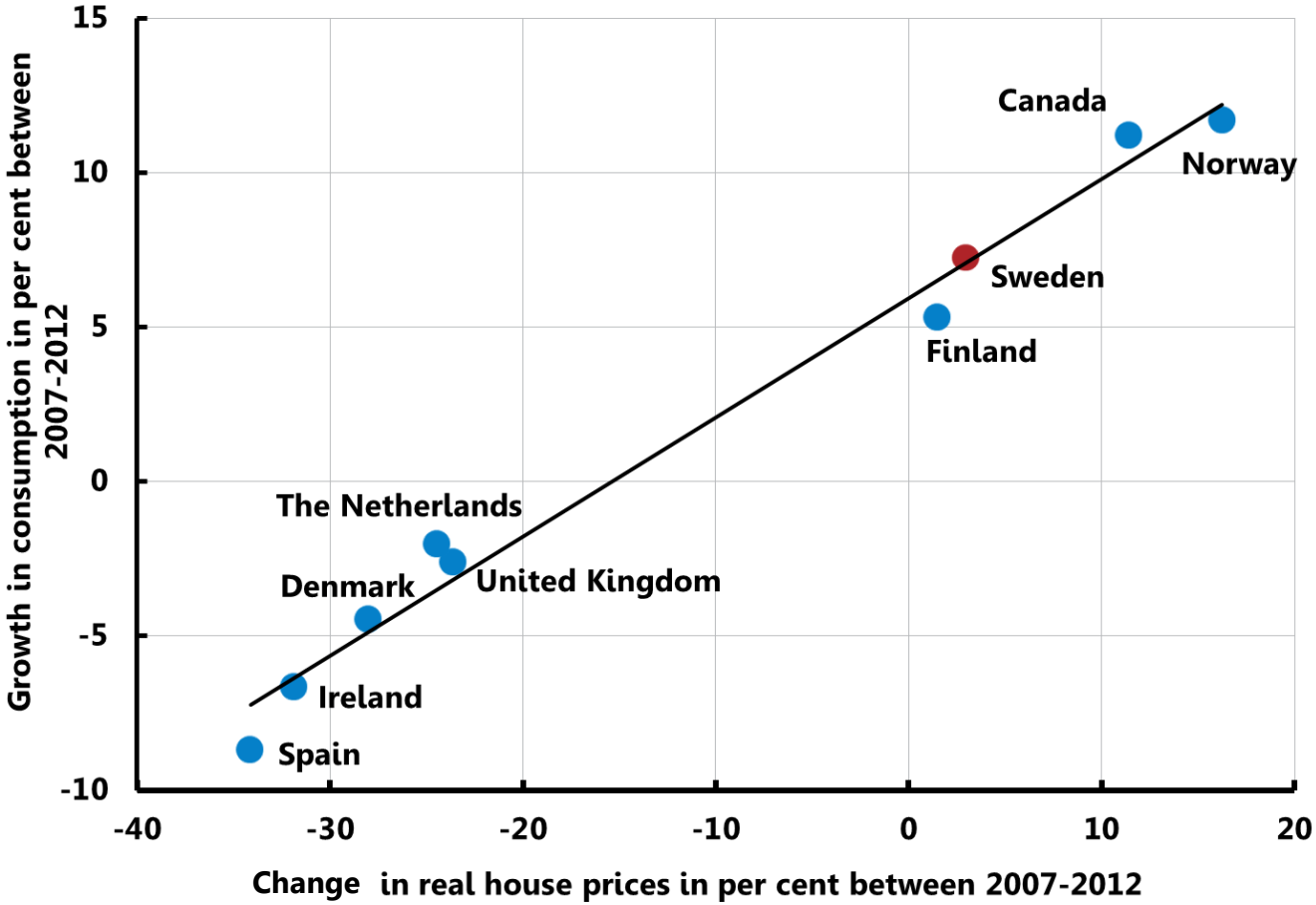
2:13. Correlation between changes in single-family house prices and population of the municipalities in Sweden between 1993 and 2013



Note. Each point shows the percentage change in the price of nominal single-family houses and the number of inhabitants of the municipalities in Sweden between 1993 and 2013.

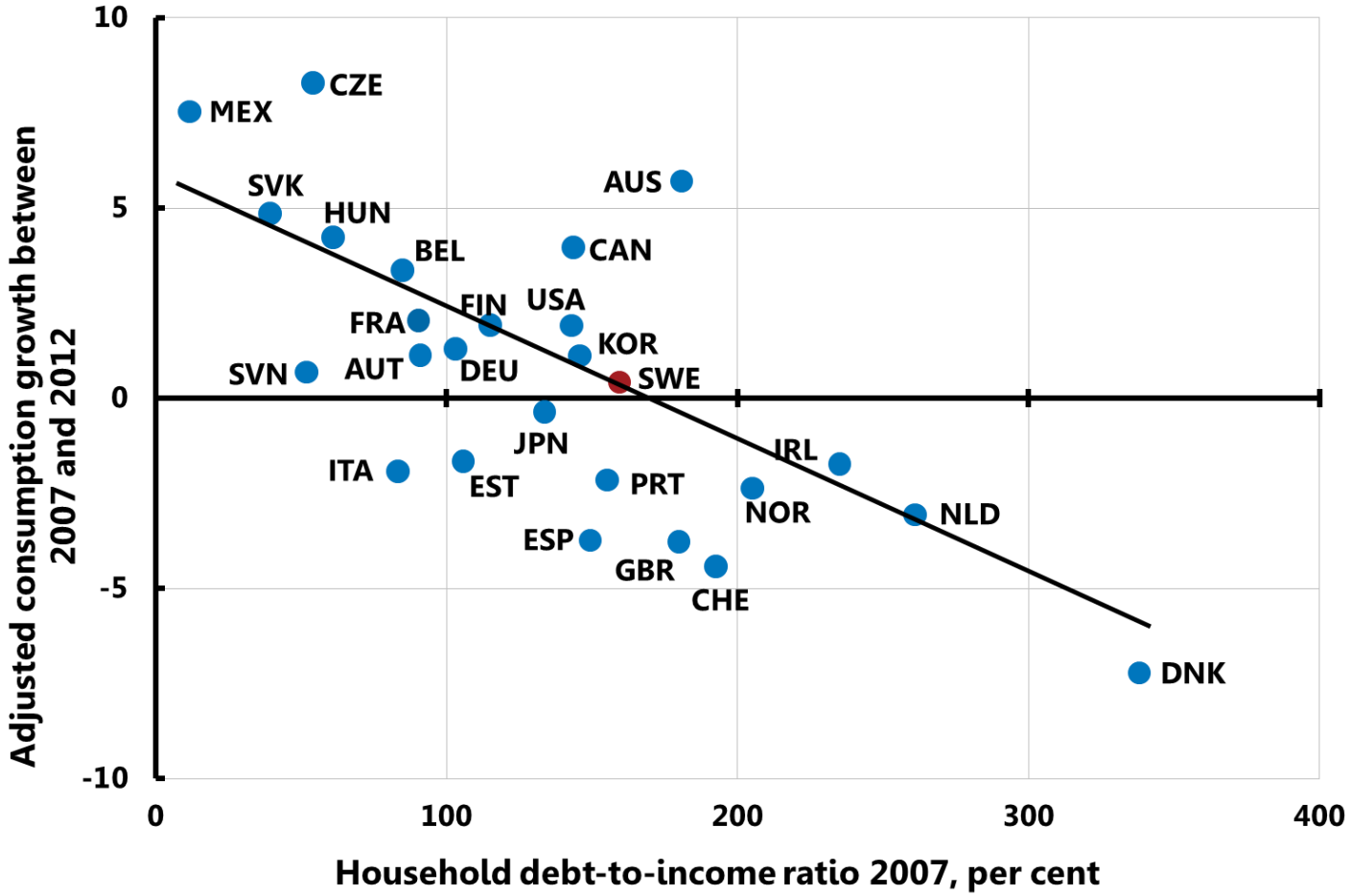
Sources: Statistics Sweden and the Riksbank

2:14. Correlation between consumption and housing prices 2007-2012



Sources: Reuters EcoWin, Marcobond, The Teranet – National Bank House Price Index and the Riksbank

2:15. The relationship between debt-to-income ratio and consumption growth, 2007–2012

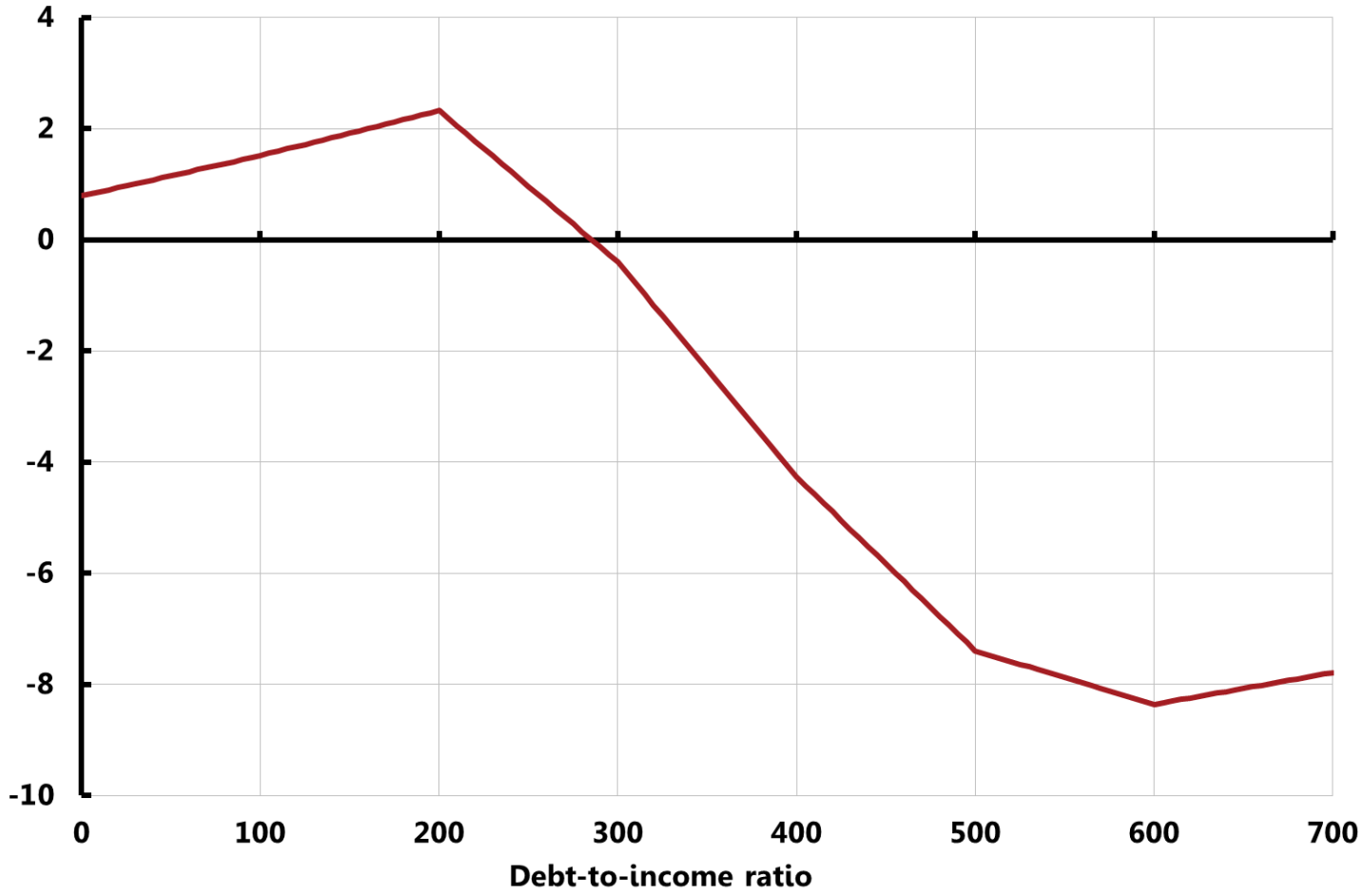


Note. Adjusted consumption growth has been calculated as actual consumption growth minus contributions from growth in debt ratio, current account and consumption. For further information, see Flodén, Martin, (2014), Did household debt matter in the great recession?

Sources: OECD and the Riksbank

2:16. Estimated change in consumption among Danish house-holds at different debt ratios

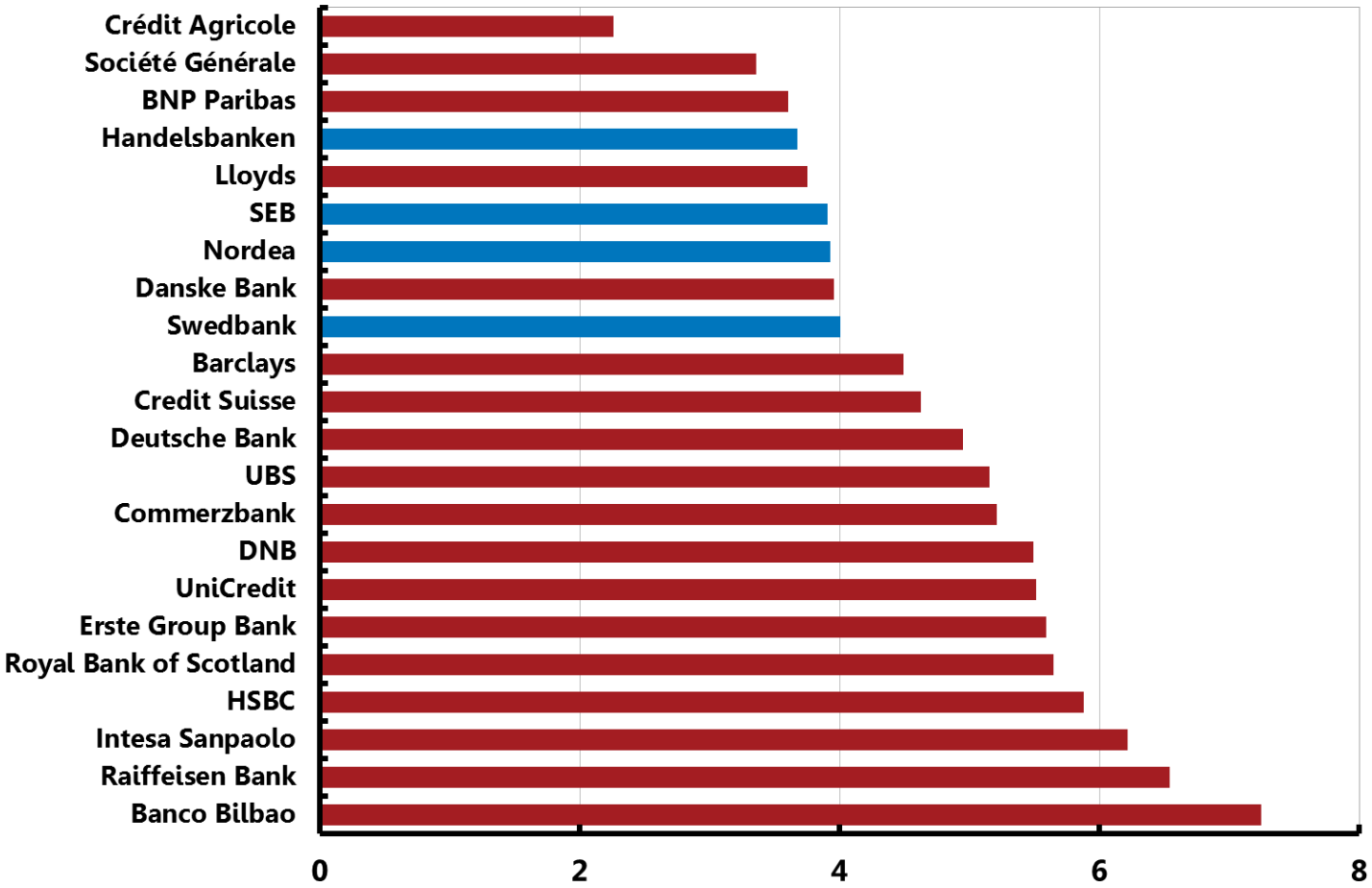
Change from 2007 to 2009 as a percentage of income in 2007



Source: Danmarks Nationalbank

3:1. Leverage ratio

March 2015, per cent

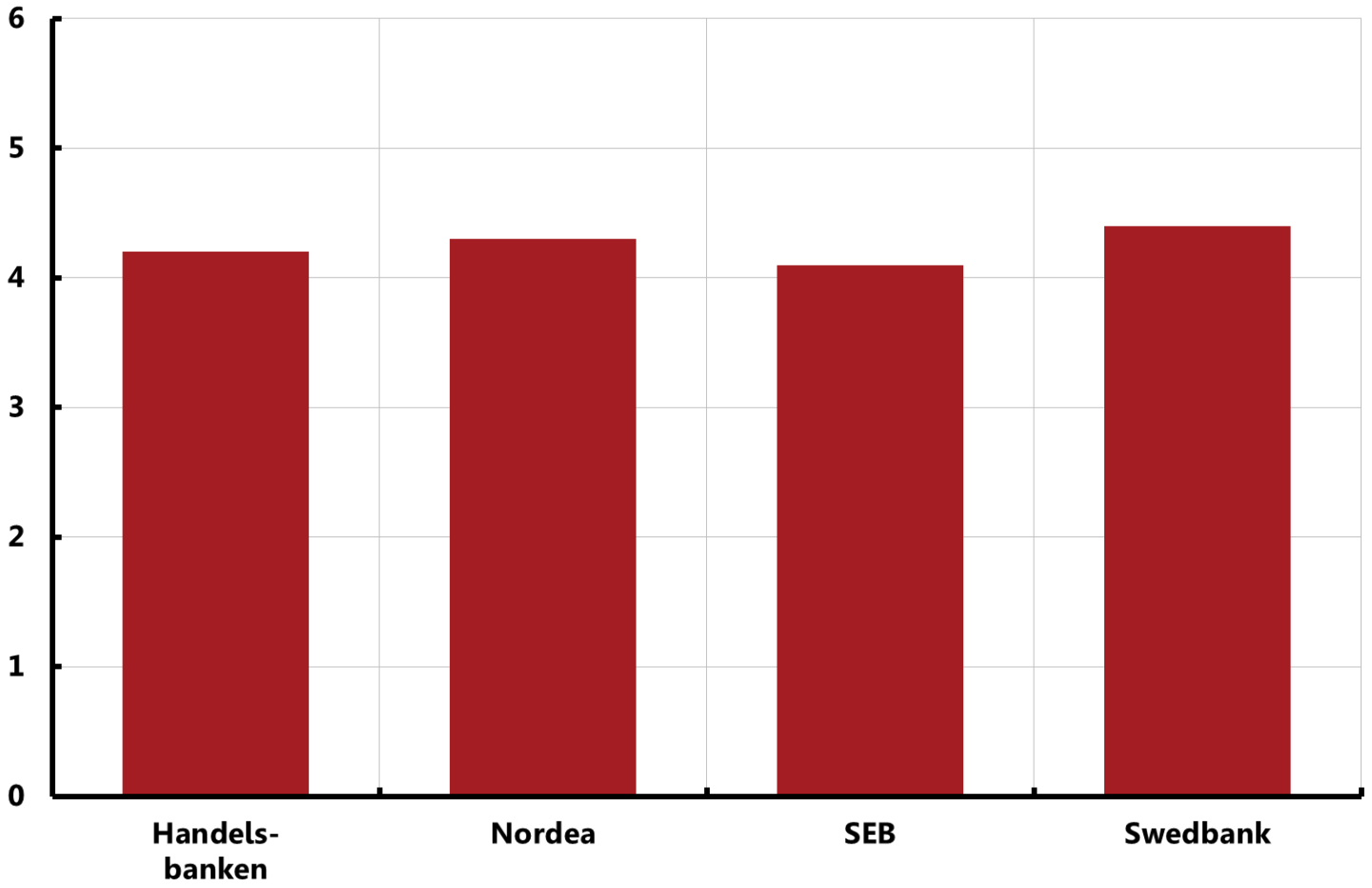


Note. The metric is calculated by SNL as a approximation of the Leverage Ratio and refers to Tier 1 common capital as a percent of total assets less derivatives. Data from some banks is from Q4 2014.

Sources: SNL Financial and the Riksbank

3:2. Reported leverage ratio

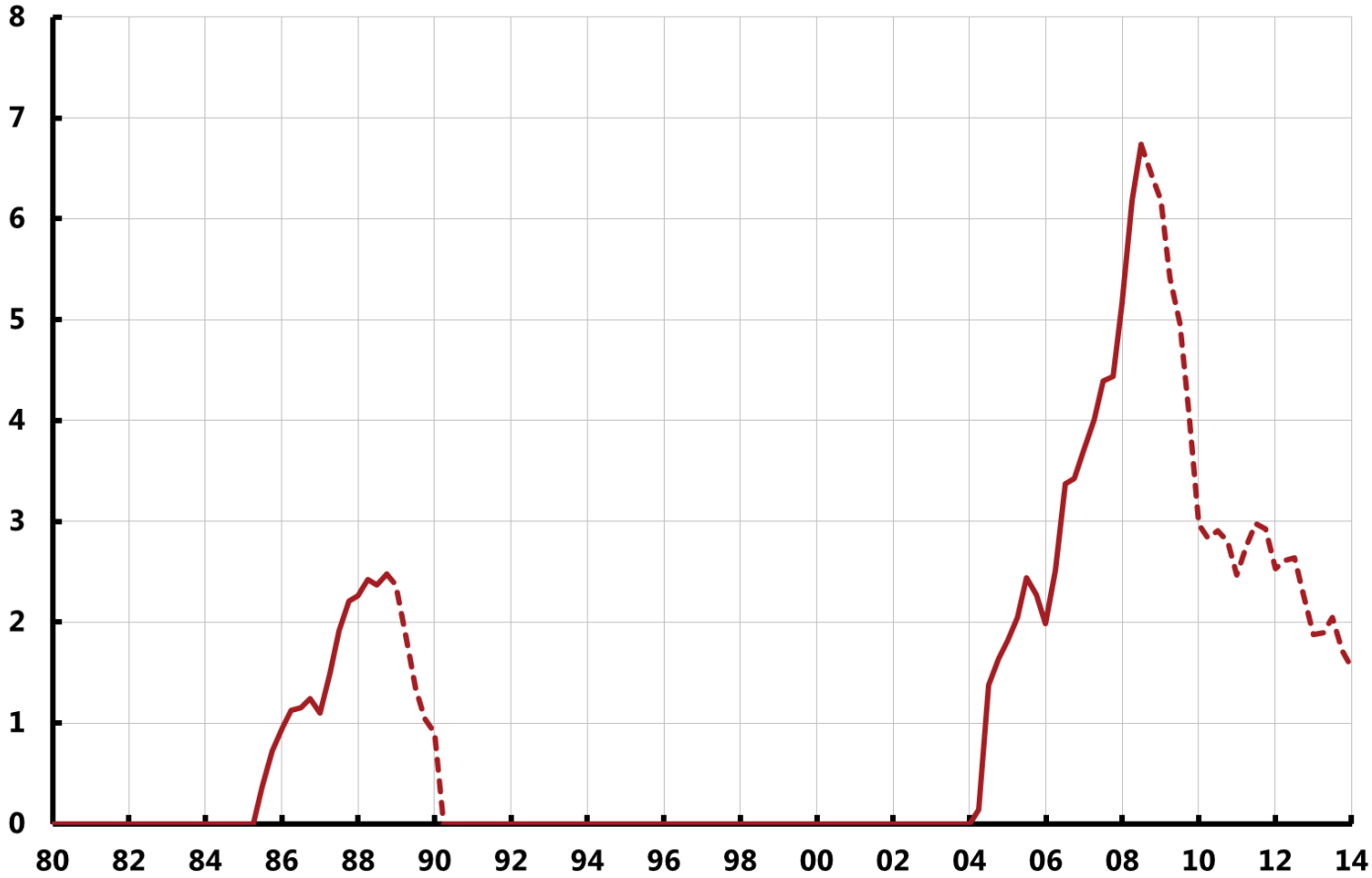
March 2015, per cent



Source: Bank reports

3:3. The countercyclical buffer rate according to the Basel Committee's standard method with no upper limit

Per cent

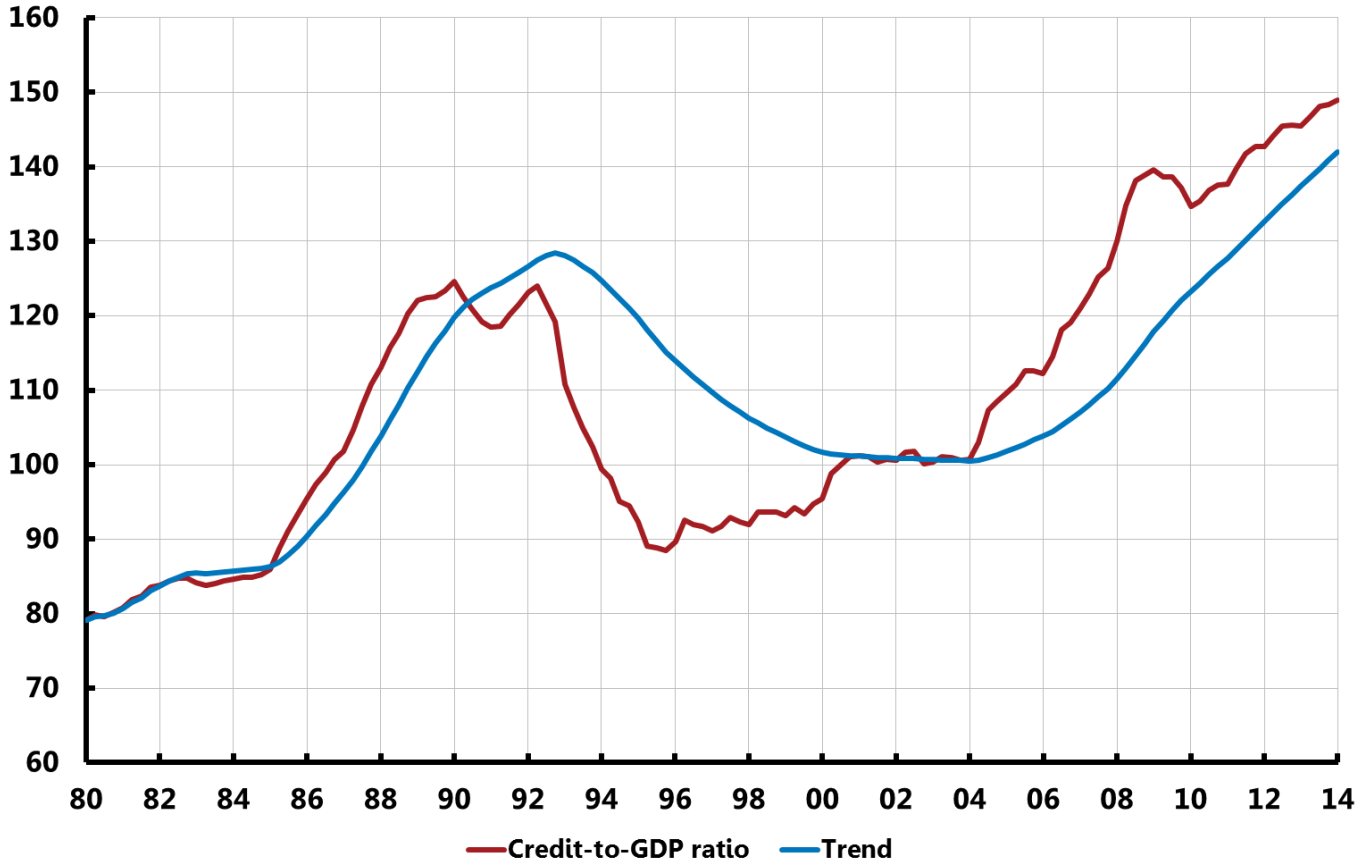


Note. The countercyclical buffer rate for exposures in Sweden is based on a mechanical application of the credit gap according to the BIS standard method. The credit gap shows how much the credit-to-GDP ratio deviates from its statistical trend. The reduction of the buffer value according to the standard method is represented by a dotted line in the chart.

Source: The Riksbank

3:4. The credit-to-GDP ratio and statistical trend according to the Basel Committee's standard method

Per cent

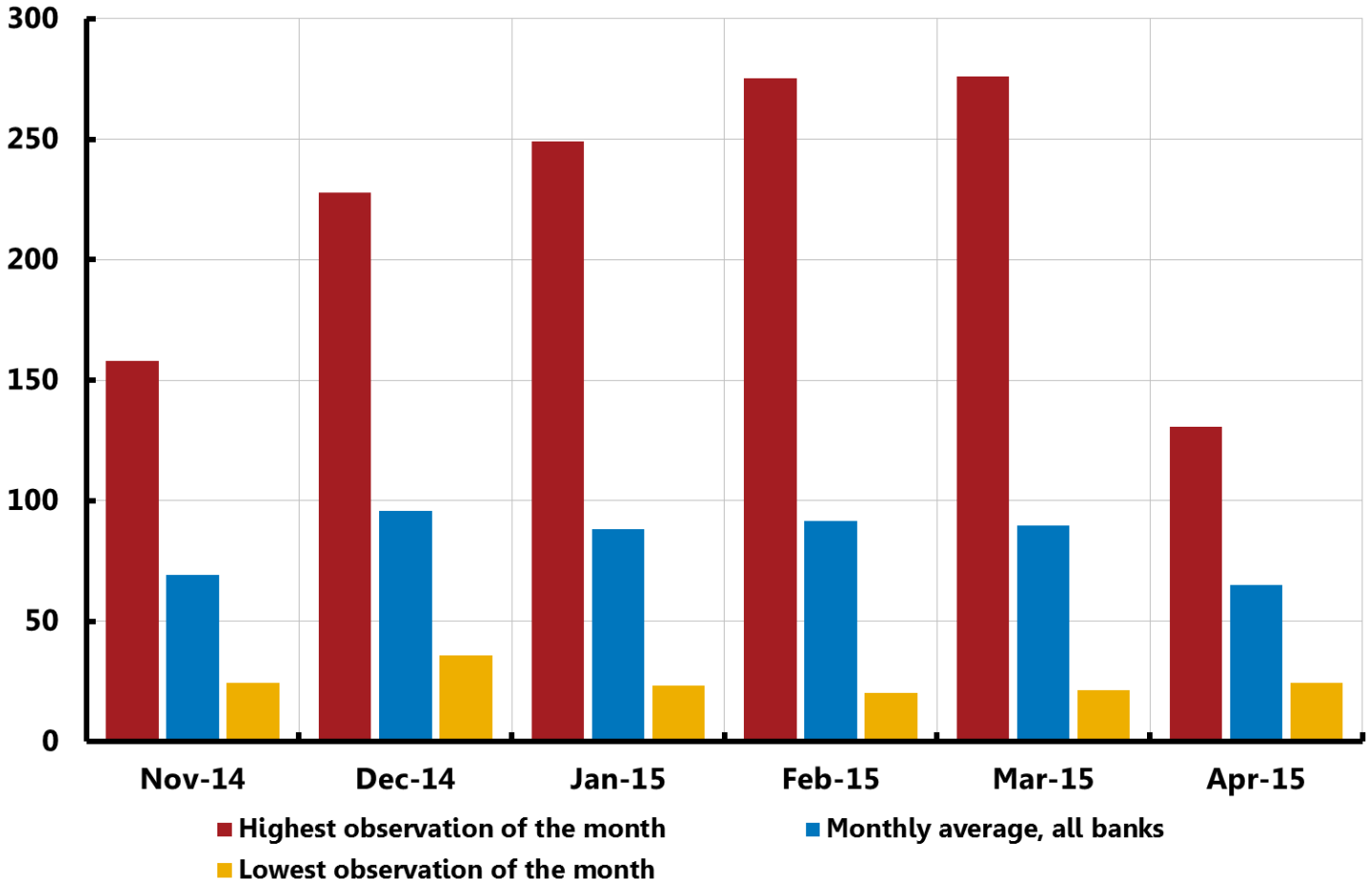


Note. Credit is defined as monetary financial institutions' lending to the private non-financial sector and the outstanding stock of commercial paper and bonds issued by the Swedish private non-financial sector. GDP is in nominal terms and is defined as the sum of GDP for the four most recent quarters. The statistical trend is calculated using a one-sided HP filter with the smoothing parameter equal to 400,000.

Source: The Riksbank

3:5. The major Swedish banks daily LCR in kronor

Per cent

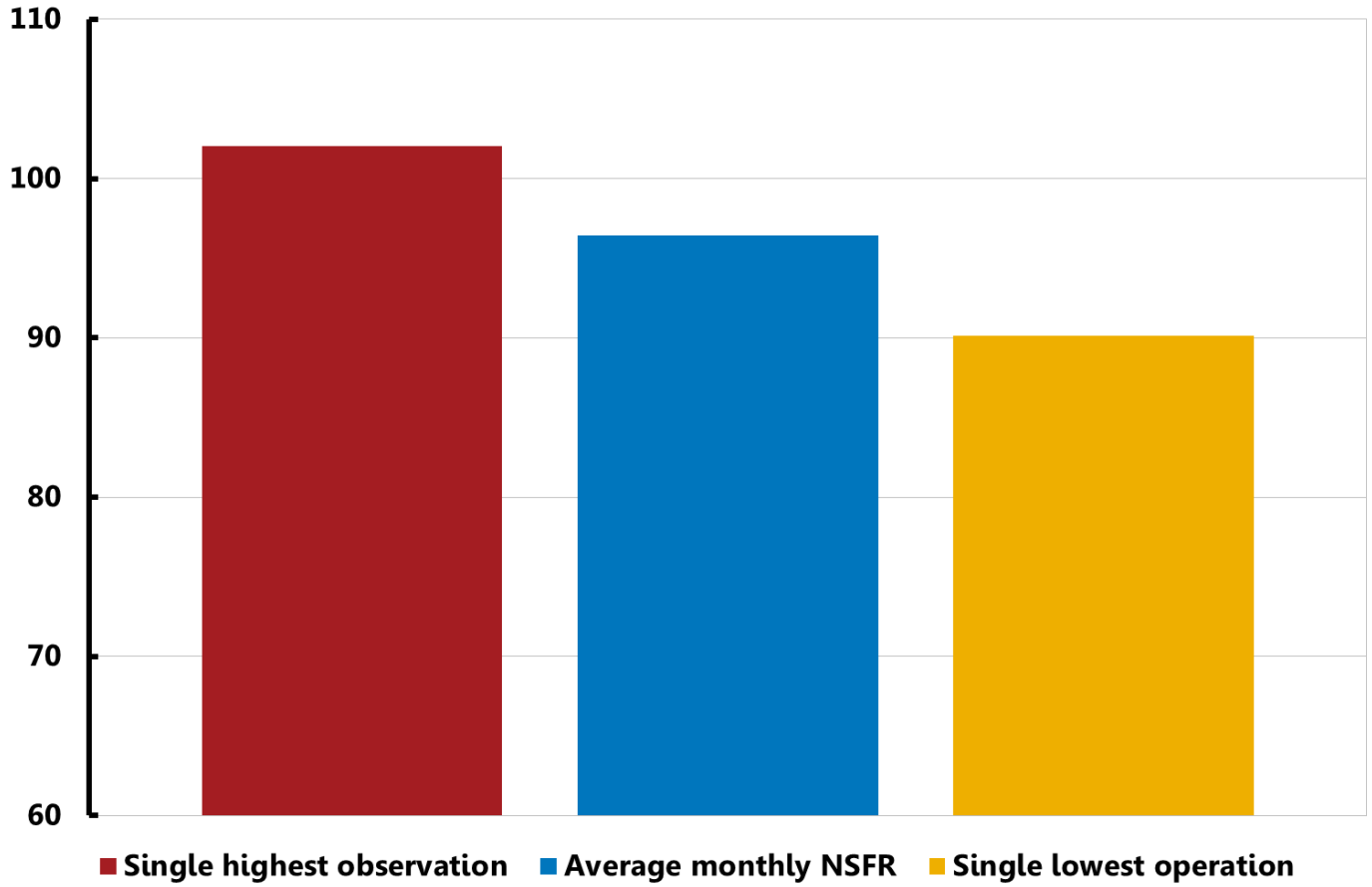


Note. The major banks' average daily LCR in SEK per month, and the highest and lowest individual observation each month.

Source: The Riksbank

3:6. The major Swedish banks lowest, average and highest monthly NSFR

October 2014 - March 2015, per cent

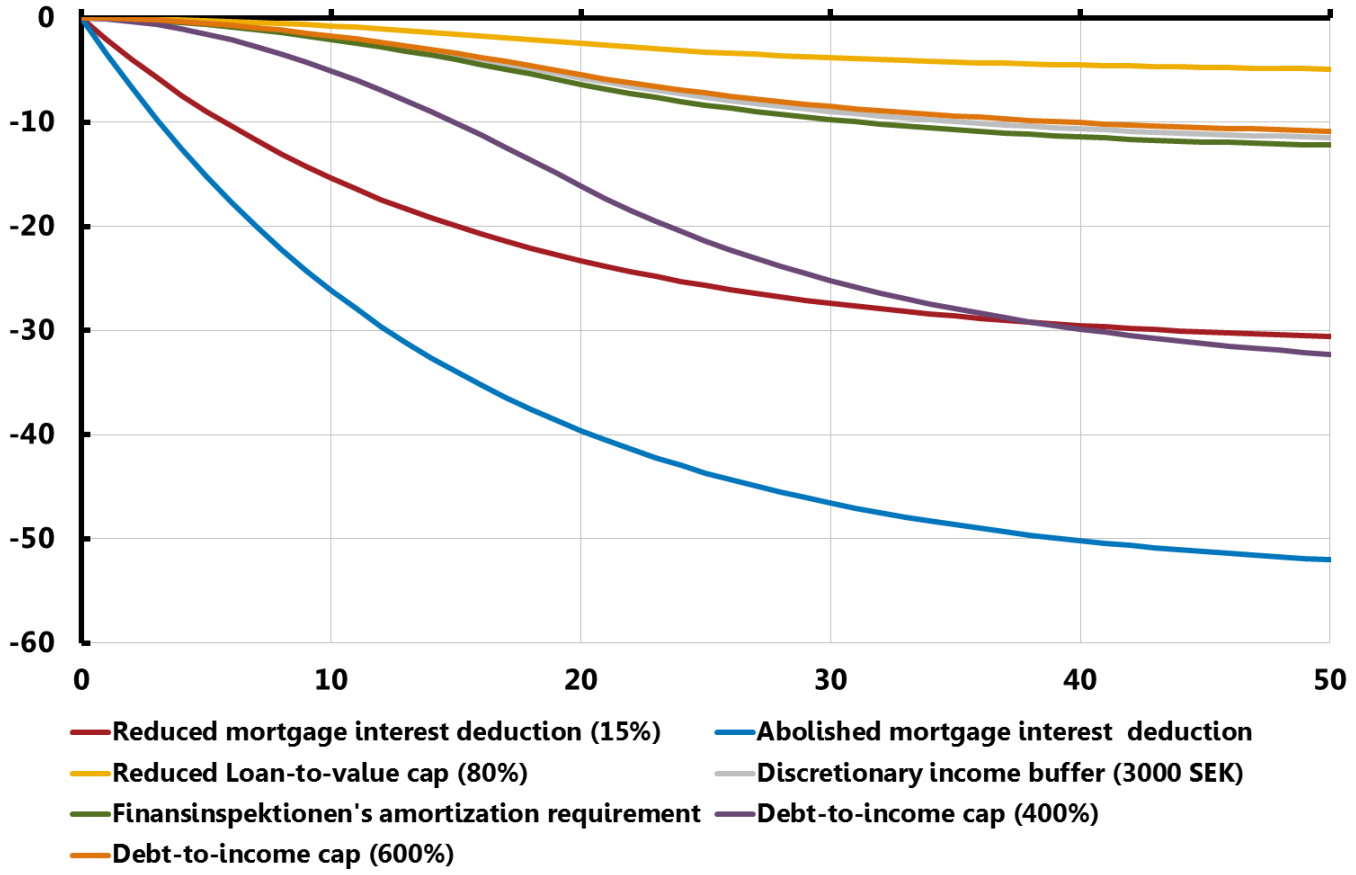


Note. Every month since November 2014, the Riksbank has collected the major banks' NSFRs in accordance with the Basel Committee's final definition. The chart shows the average since then for all of the banks, as well as the highest and lowest observations for a single month.

Source: The Riksbank

A3:1. Various measures effect on the aggregate debt-to-income ratio compared to a basic scenario for the debt-to-income ratio

Percentage points

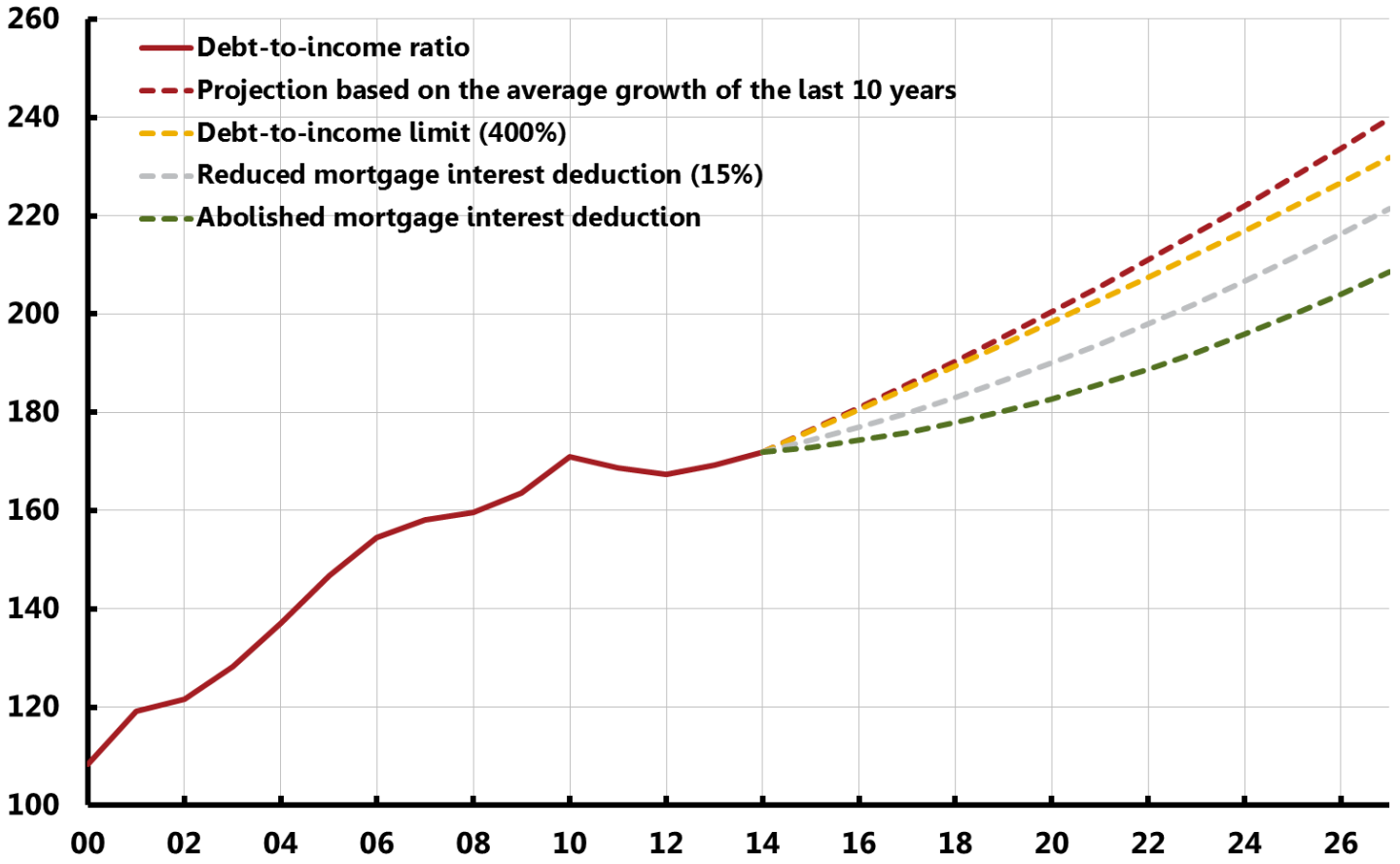


Note. The calculations are based on the current distribution of the debt-to-income ratio among new and existing borrowers. This means that the aggregate debt-to-income ratio in the baseline scenario is constant. If one would change the assumption that the debt-to-income ratio in the baseline scenario increases, the effects could be greater.

Source: The Riksbank

A3:2. Effect on the aggregate debt-to-income ratio of reduced or abolished interest mortgage de-ductibility and debt-to-Income limit compared to projections based on historical averages

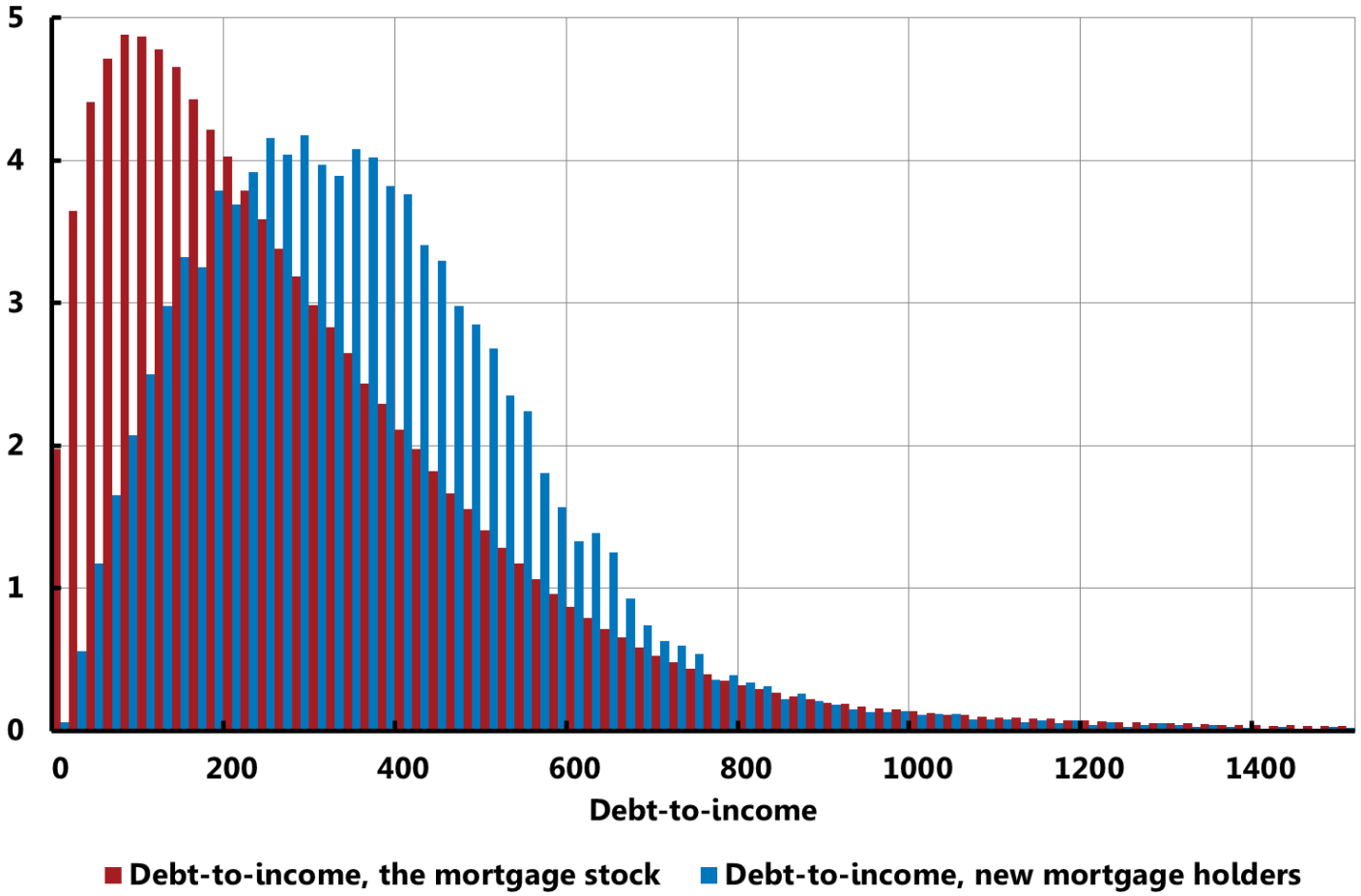
Percentage of disposable income



Sources: Statistics Sweden and the Riksbank

A3:3. Distribution of debt-to-income for mortgage holders in the mortgage stock and new mortgage holders

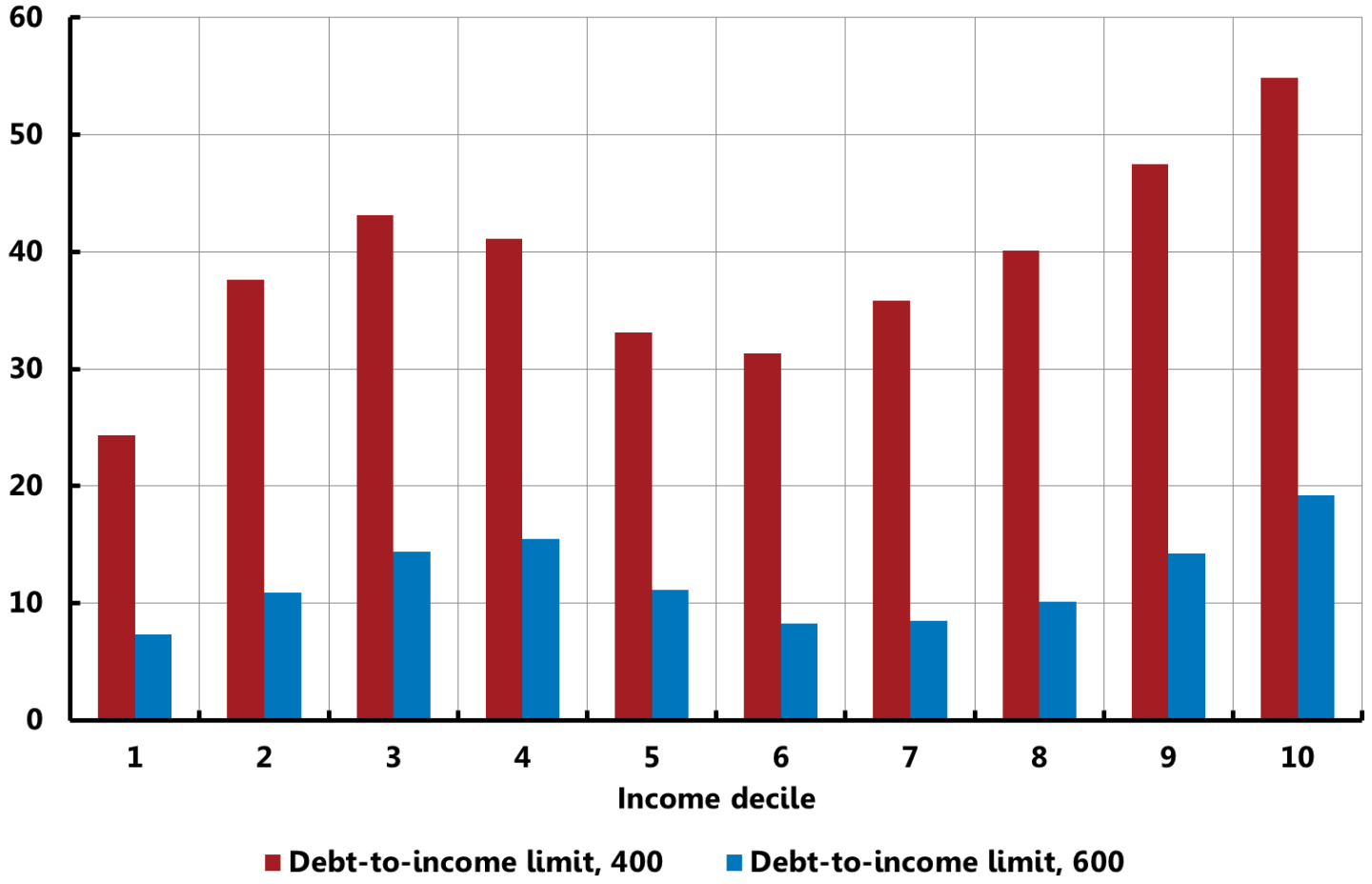
Percentage of mortgage holders



Sources: Finansinspektionen and the Riksbank

A3:4. Percentage of borrowers per income group affected by a debt-to-value limit

Per cent

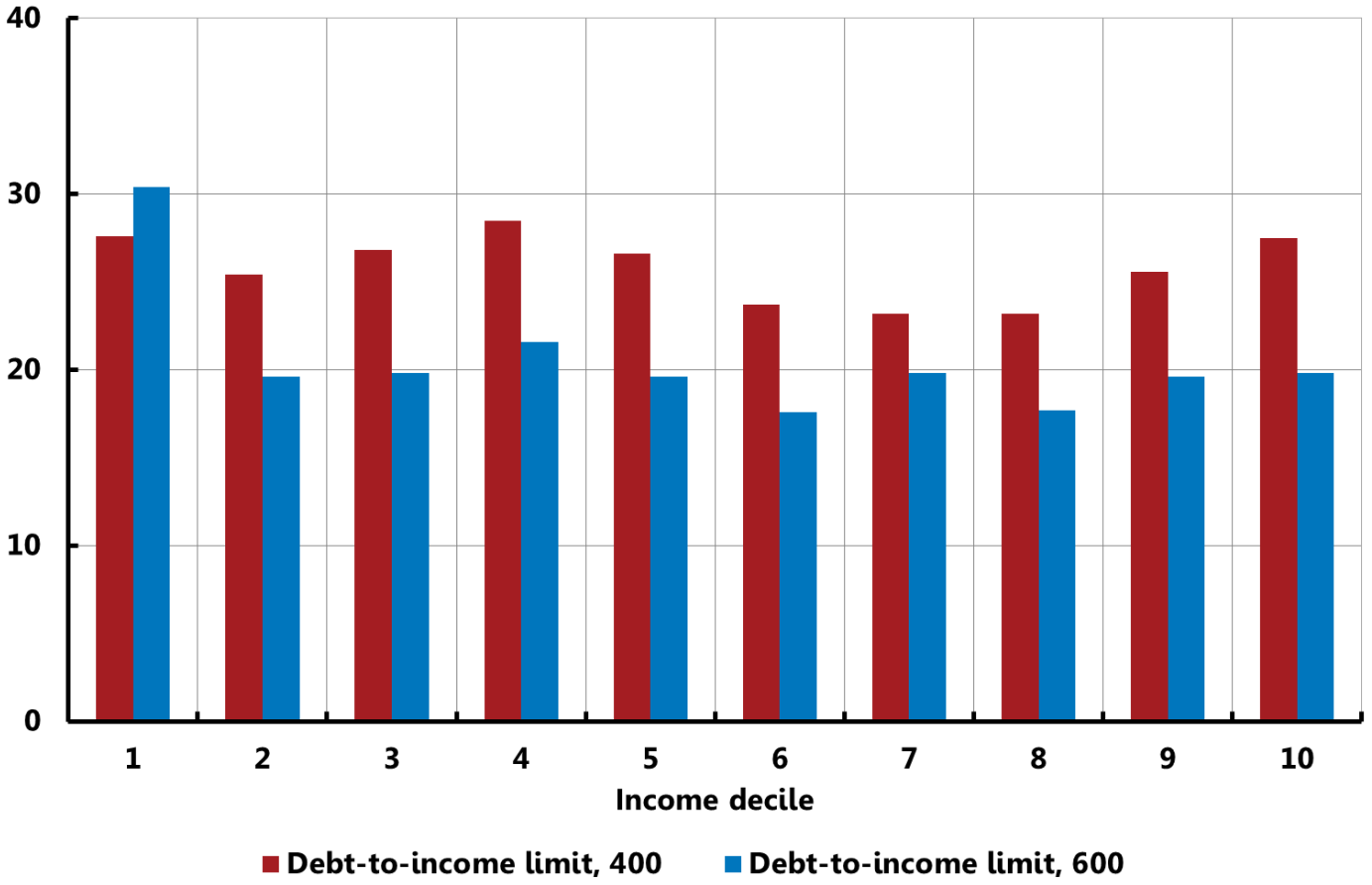


Note. The average disposable income in the respective income deciles is; 1: SEK 17,507, 2: SEK 22,570, 3: SEK 26,683, 4: SEK 31,666, 5: SEK 36,927, 6: SEK 41,369, 7: SEK 45,861, 8: SEK 51,003, 9: SEK 58,426, and 10: SEK 81,947.

Sources: Finansinspektionen and the Riksbank

A3:5. Reduction in debt for households affected by the debt-to-value limit per income group

Per cent

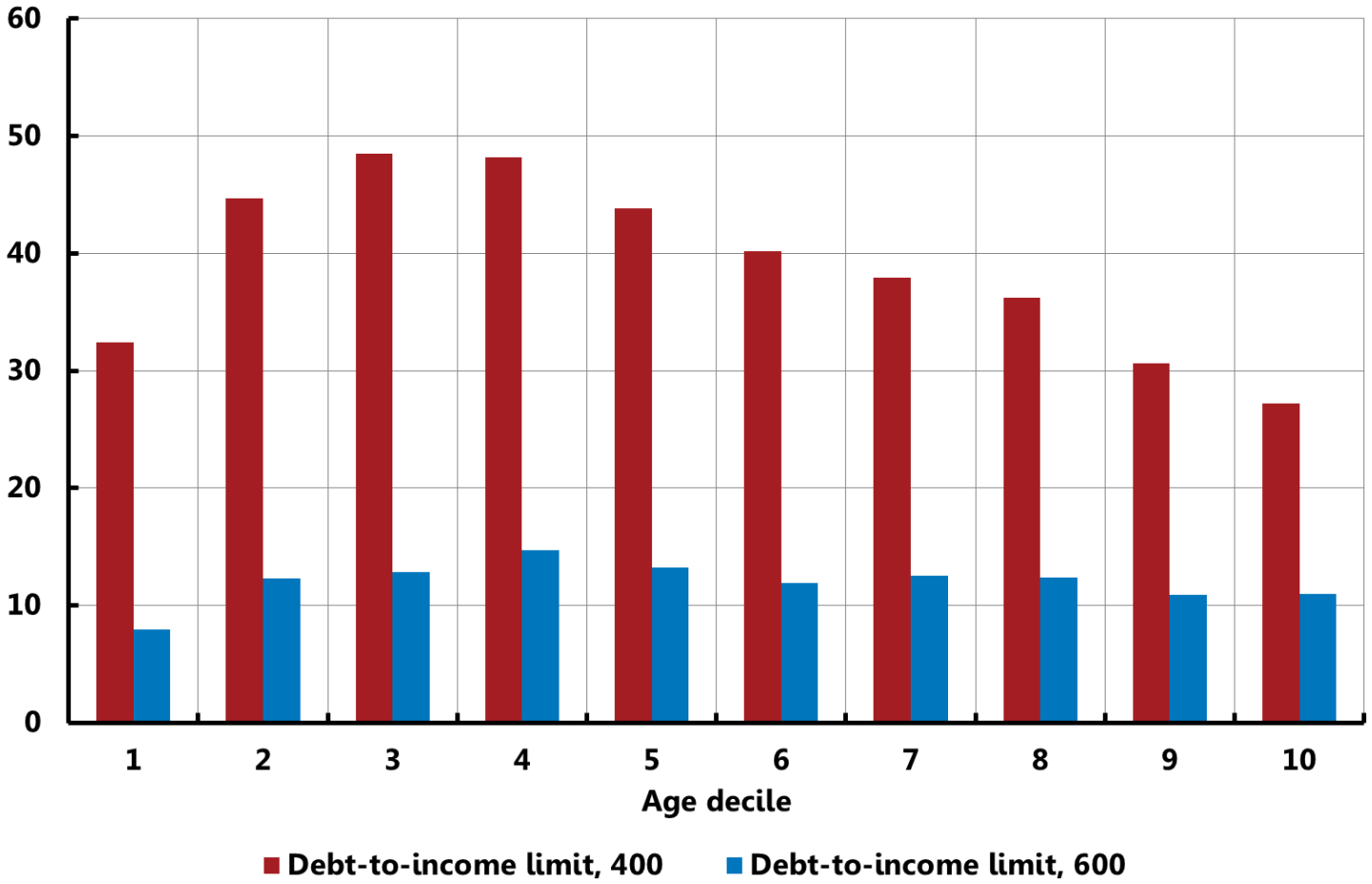


Note. The average disposable income in the respective income deciles is; 1: SEK 17,507, 2: SEK 22,570, 3: SEK 26,683, 4: SEK 31,666, 5: SEK 36,927, 6: SEK 41,369, 7: SEK 45,861, 8: SEK 51,003, 9: SEK 58,426, and 10: SEK 81,947.

Sources: Finansinspektionen and the Riksbank

A3:6. Percentage of age group affected by a debt-to-income limit

Per cent

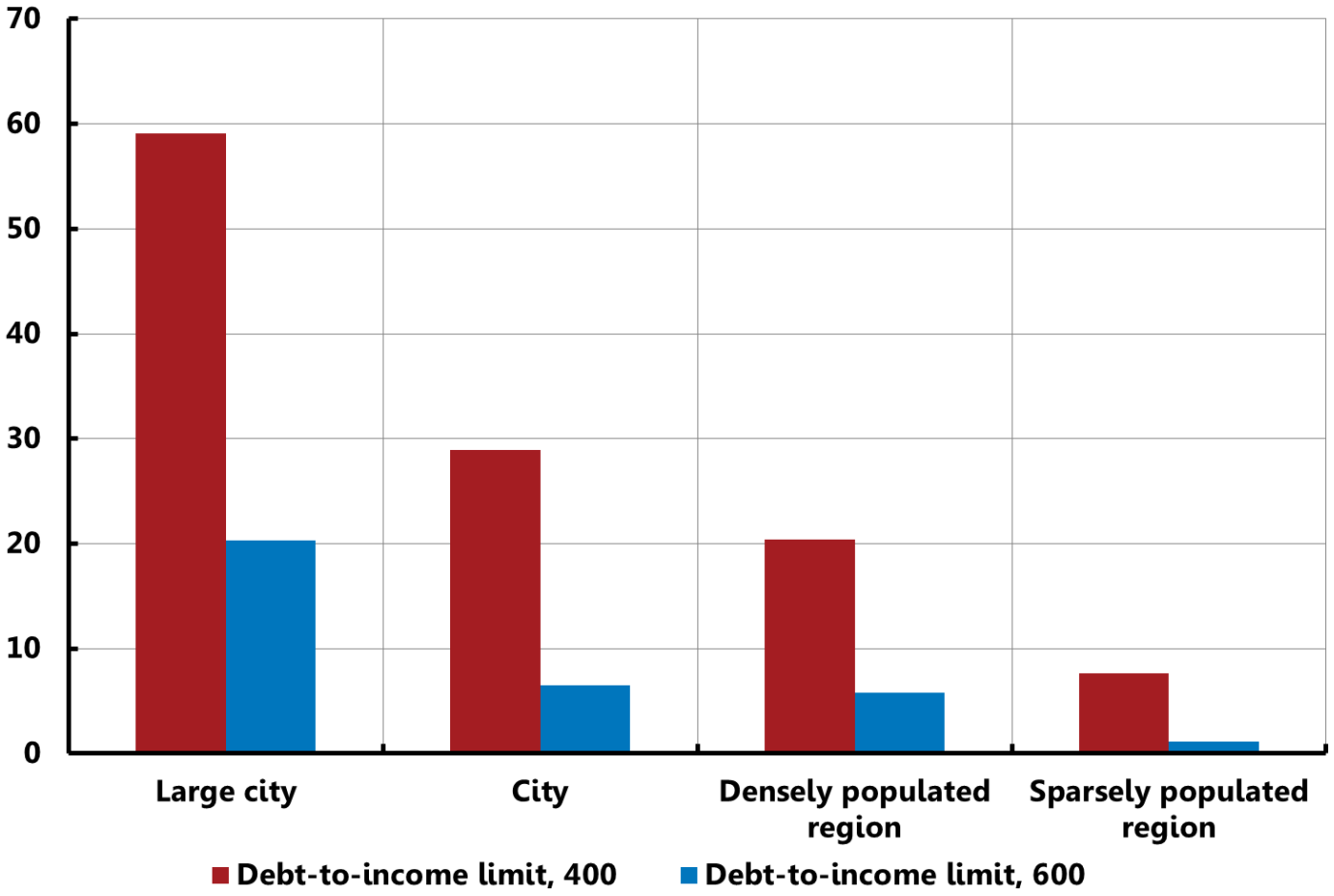


The average age in the respective age deciles is; 1: 24, 2: 29, 3: 32, 4: 37, 5: 41, 6: 45, 7: 49, 8: 54, 9: 61, and 10: 71.

Sources: Finansinspektionen and the Riksbank

A3:7. Percentage of the region's new mortgage holders affected by the debt-to-income limit

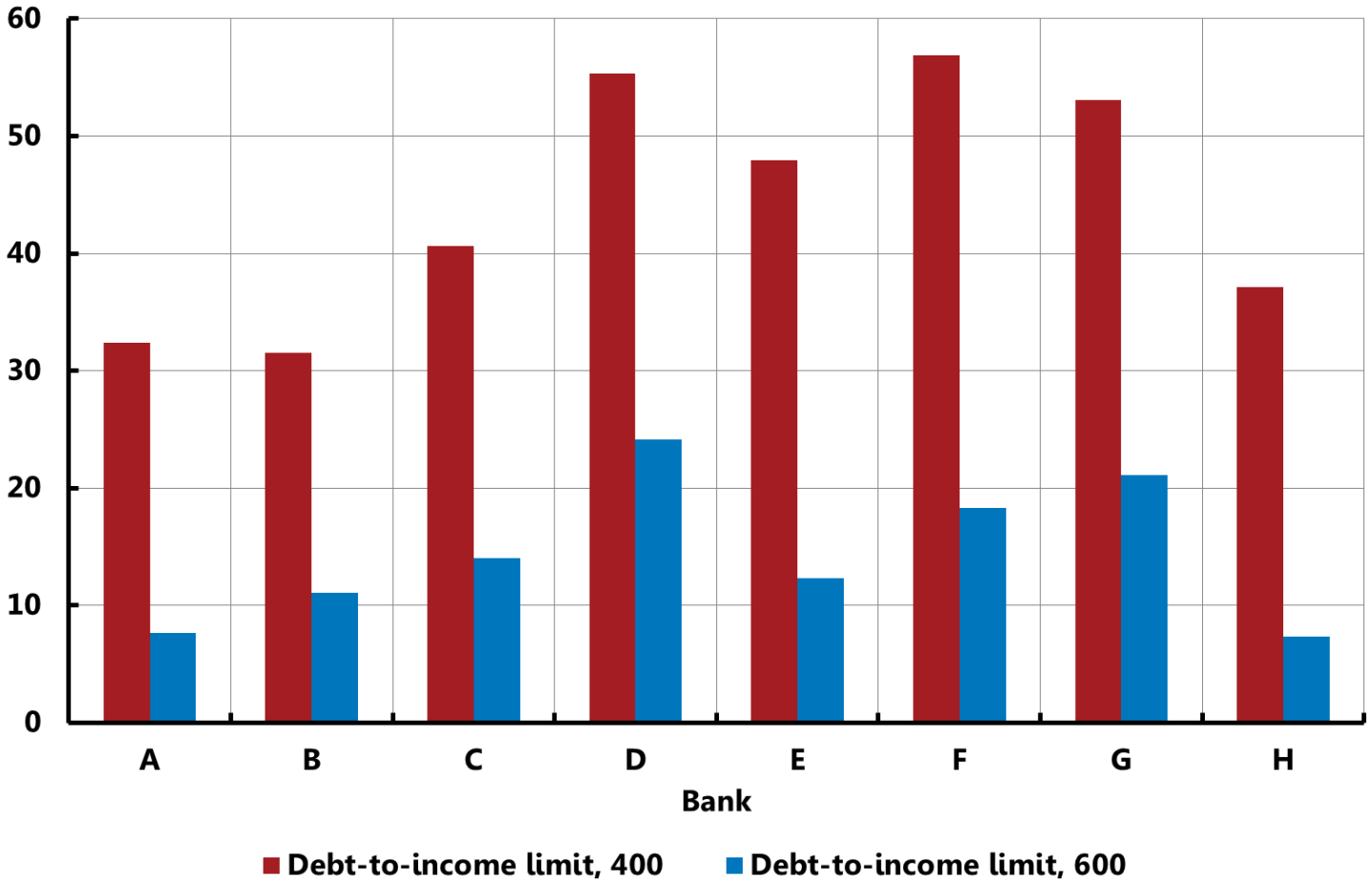
Per cent



Sources: Finansinspektionen and the Riksbank

A3:8. Percentage of banks' new mortgage holders affected by the debt-to-income limit

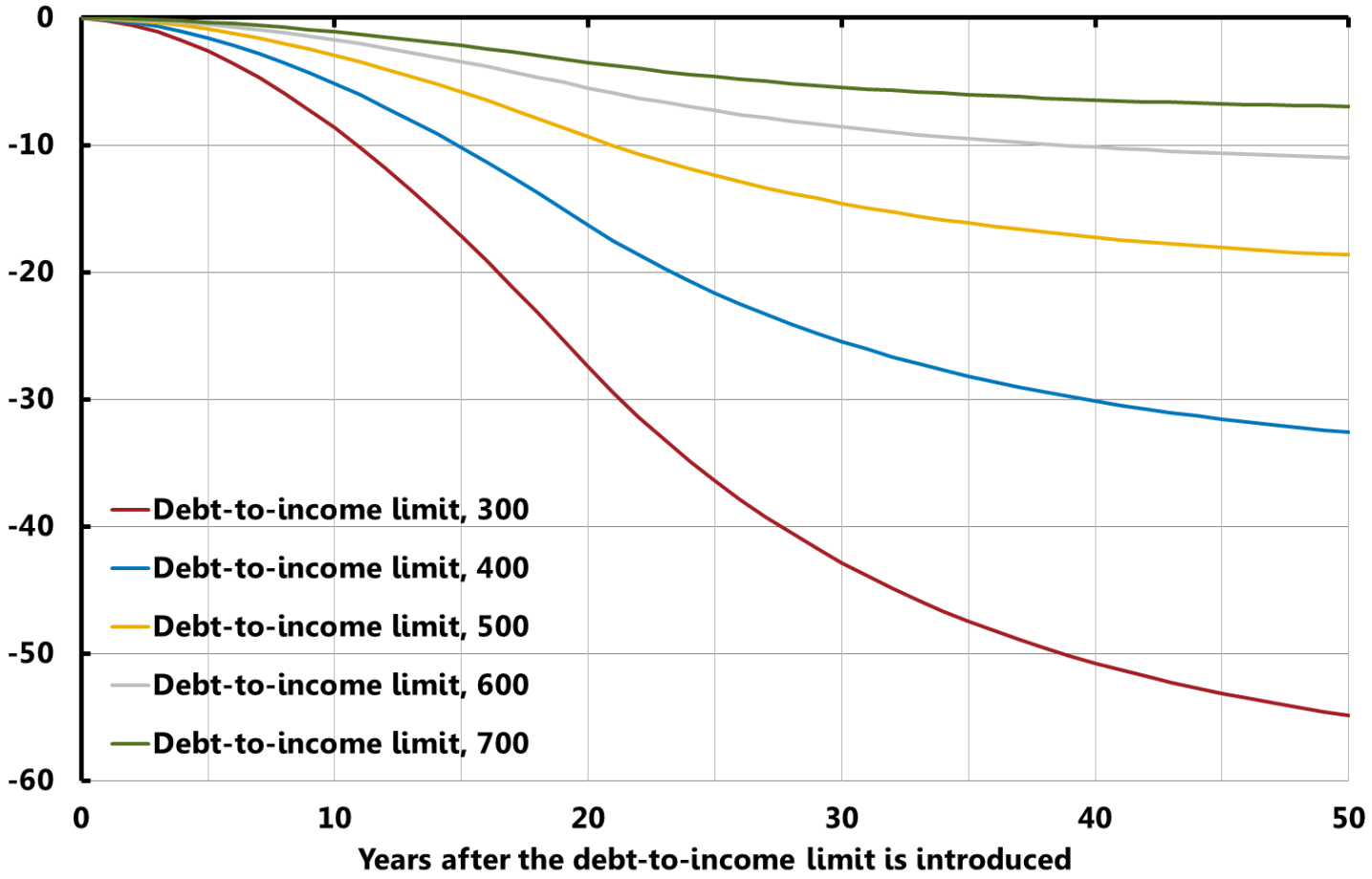
Per cent



Sources: Finansinspektionen and the Riksbank

A3:9. Change in the aggregate debt-to-income ratio compared to base scenario at different debt-to-income limits

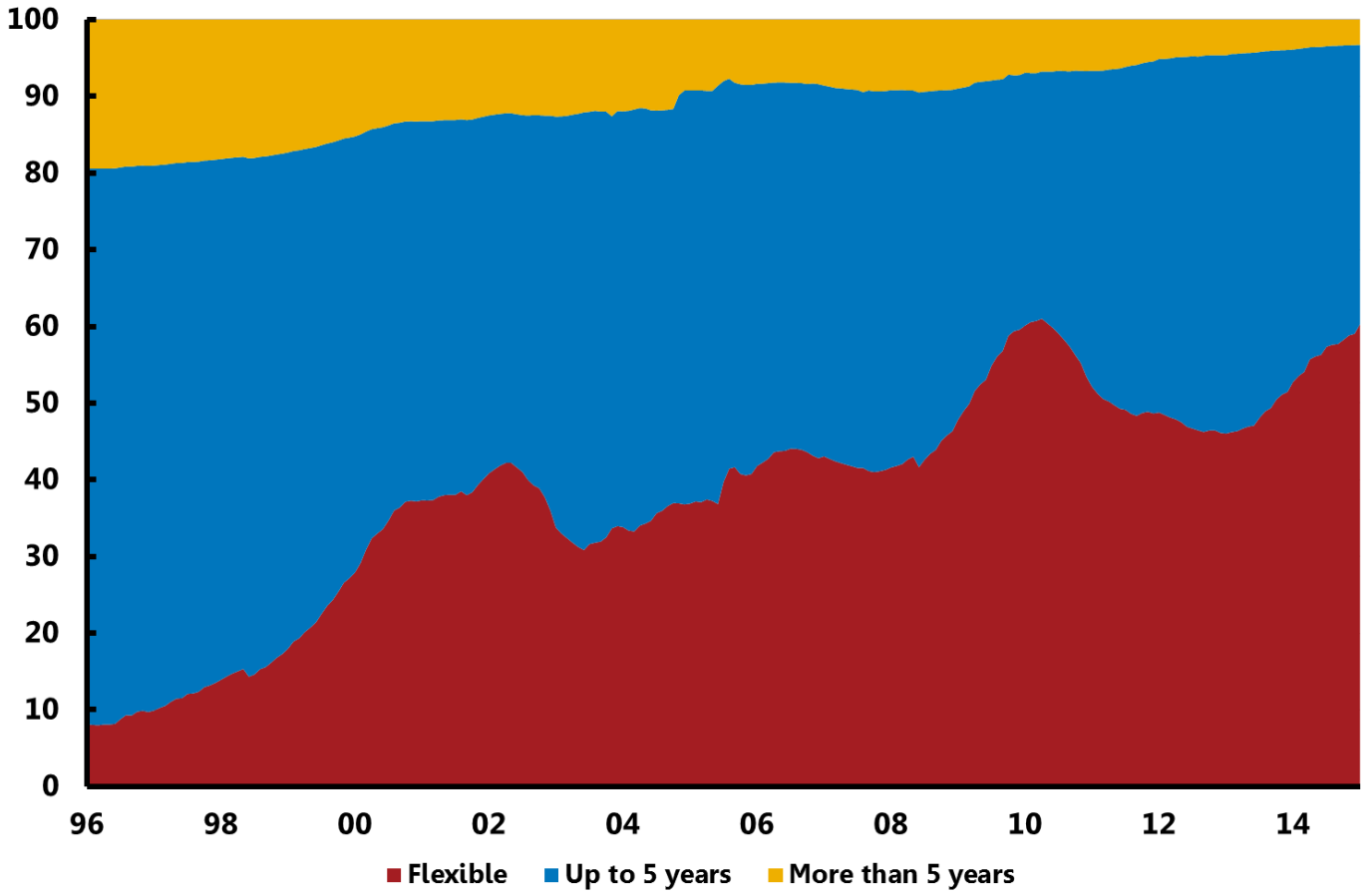
Percentage points



Source: The Riksbank

A3:10. Mortgage loans at various interest rate fixation periods in Sweden

Per cent

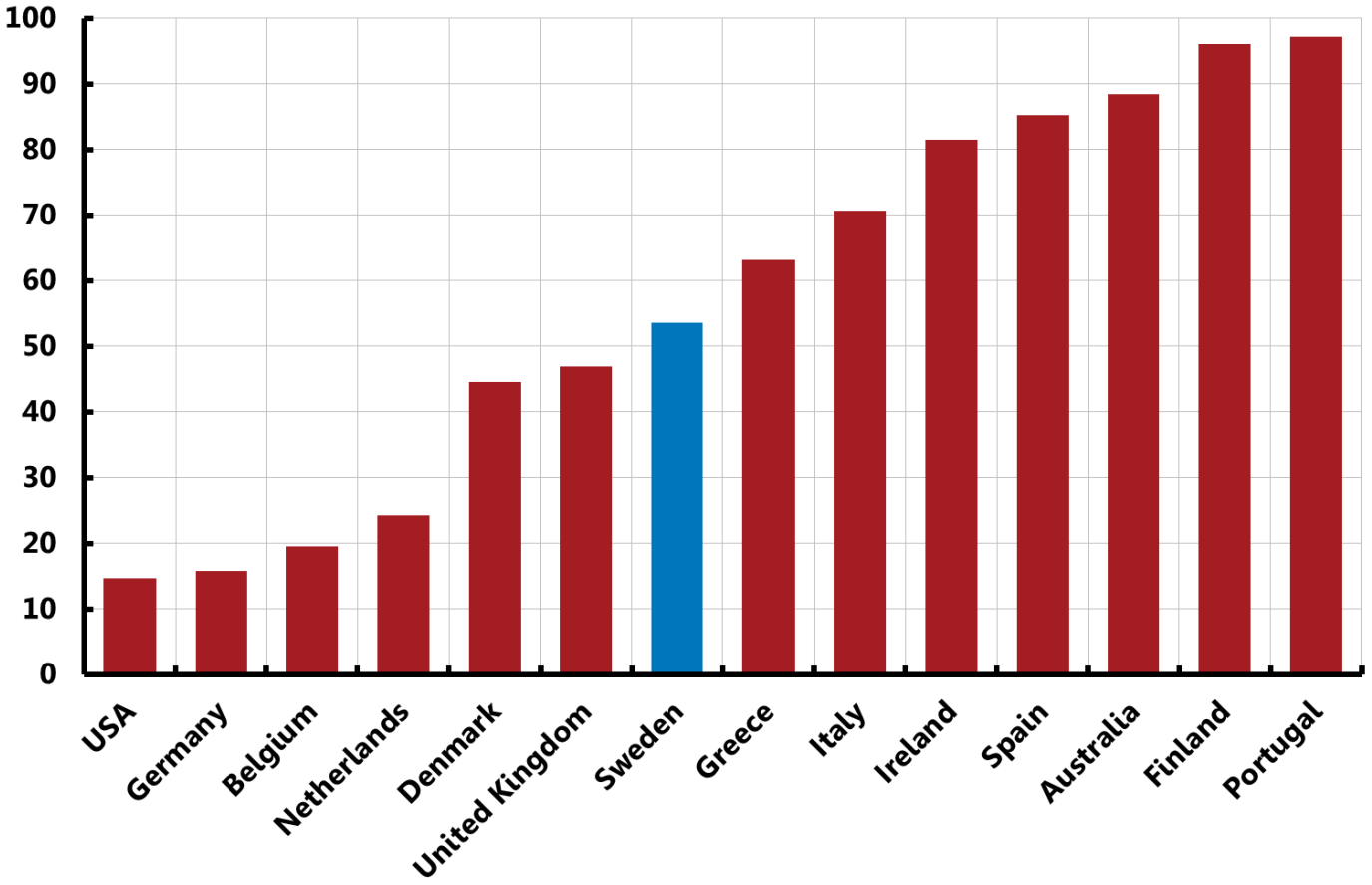


Note. Based on the mortgage institutions' lending. The break-down into fixed-rate mortgages of up to five years and over five years is an estimate based on statistics for MFIs' lending to households.

Sources: Statistics Sweden and the Riksbank

A3:11. Historical average proportion of new loans granted at variable rates in a sample of countries

Per cent

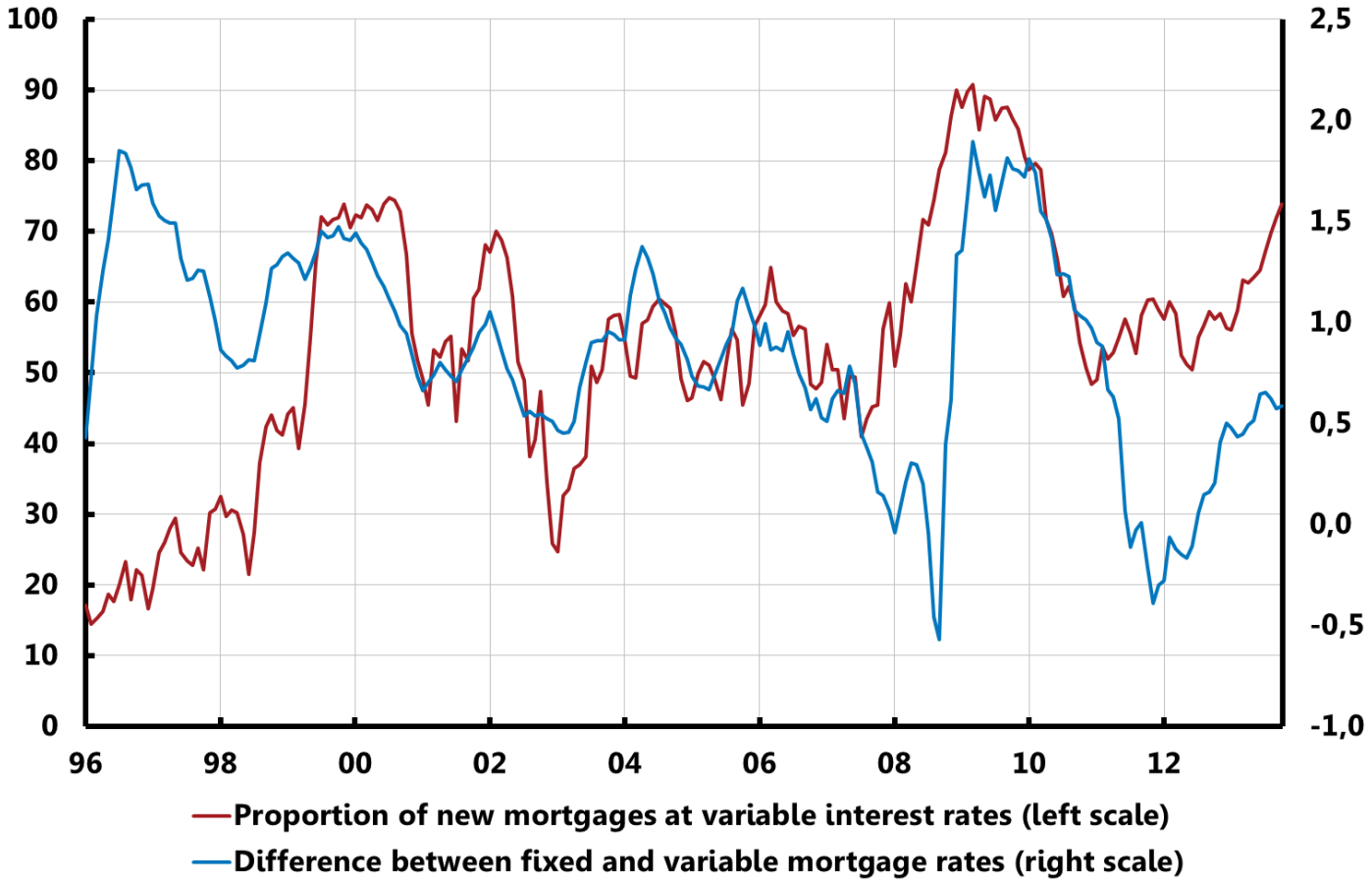


Note. The chart is based on the historical average of all new mortgages with a fixation period of less than one year.

Source: Badarinza et al. (2014) and the Riksbank

A3:12. Proportion of new mortgages at variable interest rates and difference between fixed and variable mortgage rates in Sweden

Per cent

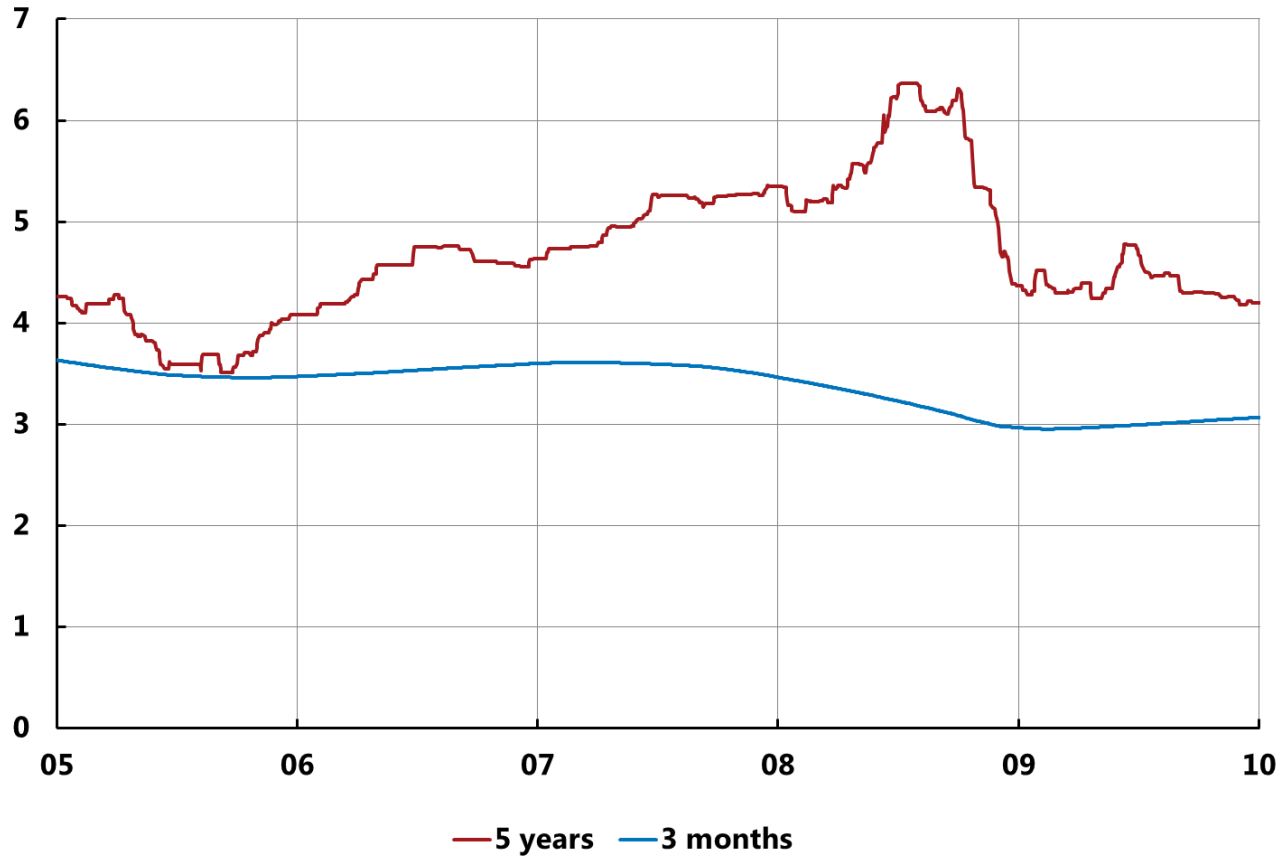


Note. Variable rate loans are defined as loans with a fixed-rate period of less than one year. The difference between mortgages at fixed and variable rates is based on calculated volume-weighted mortgage rates.

Source: Badarinza et al. (2014) and the Riksbank

A3:13. Interest rate for mortgage with five-year fixed-rate period compared to the average interest rate for a mortgage with three-month fixed-rate period over an equivalent five-year period

Per cent

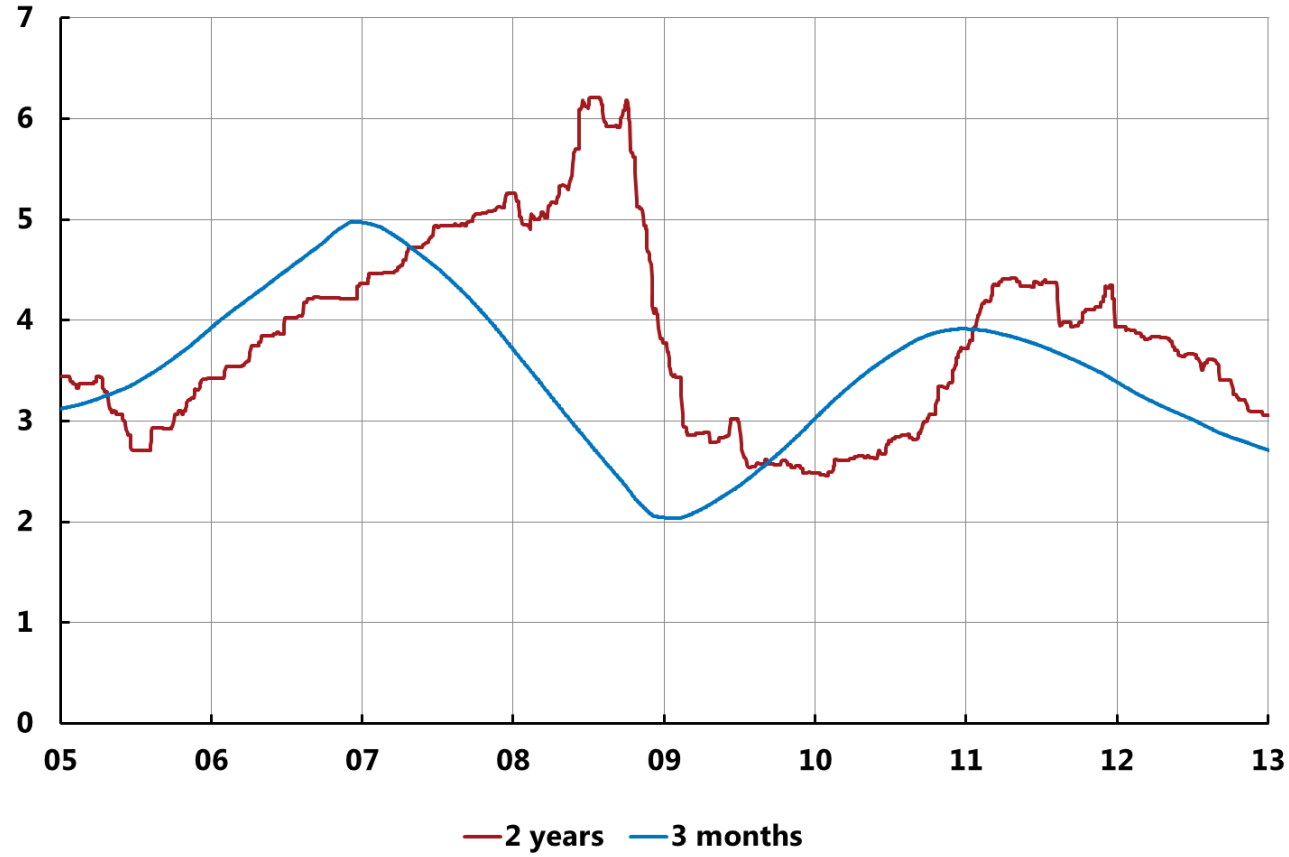


Note. On each given date, the five-year rate is compared with what the interest rate would have been if a rate with a three-month fixed period been chosen over the corresponding period. The interest rates are an average of the listed rates published by the major Swedish banks.

Source: Riksbank's calculations

A3:14. Interest rate for mortgage with two-year fixed-rate period compared to the average interest rate for a mortgage with three-month fixed-rate period over an equivalent two-year period

Per cent

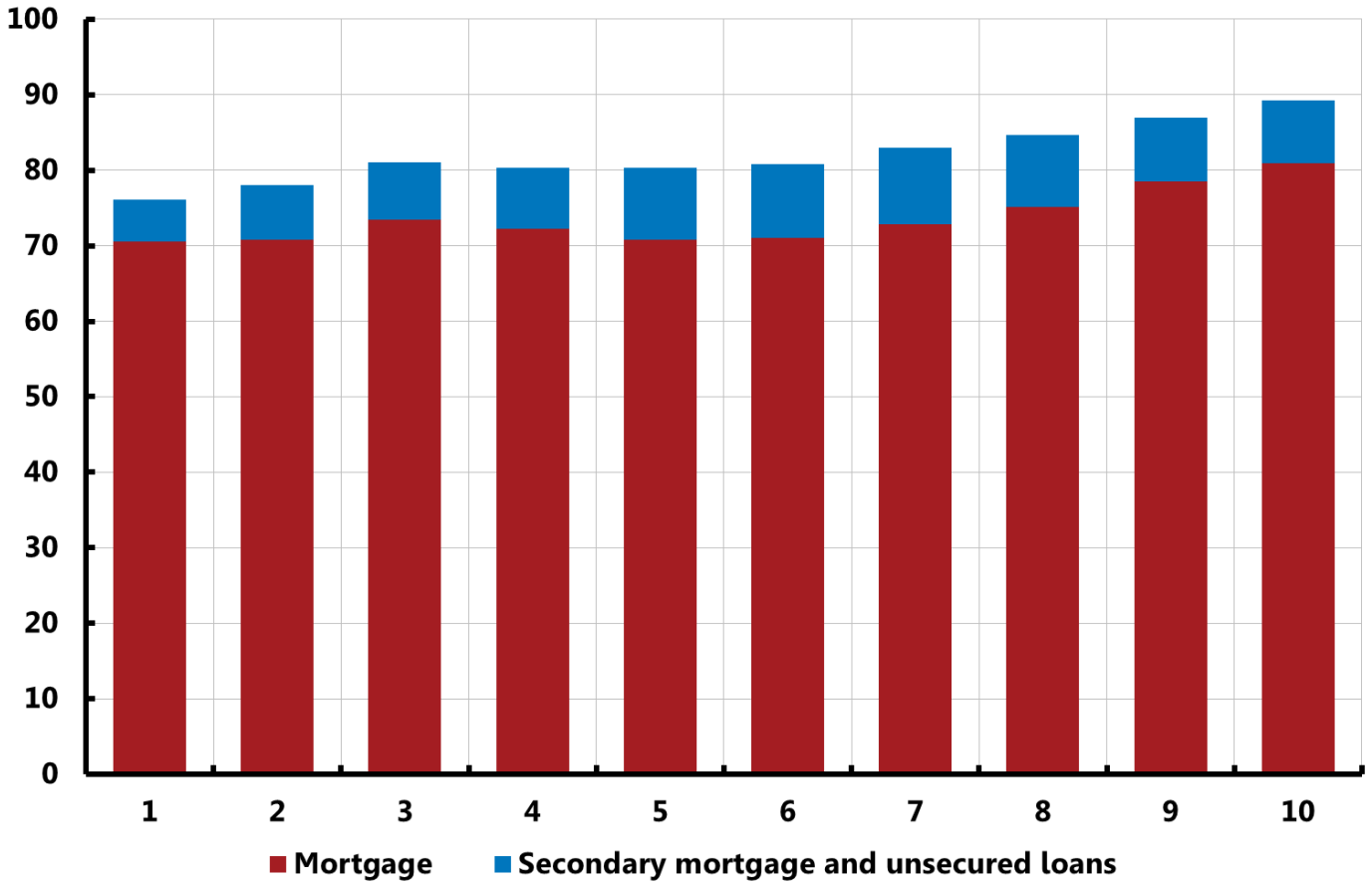


Note. On each given date, the two-year rate is compared with what the interest rate would have been if a rate with a three-month fixed period been chosen over the corresponding period. The interest rates are an average of the listed rates published by the major Swedish banks.

Source: Riksbank's calculations

A3:15. Proportion of new mortgages at variable rates in various income deciles

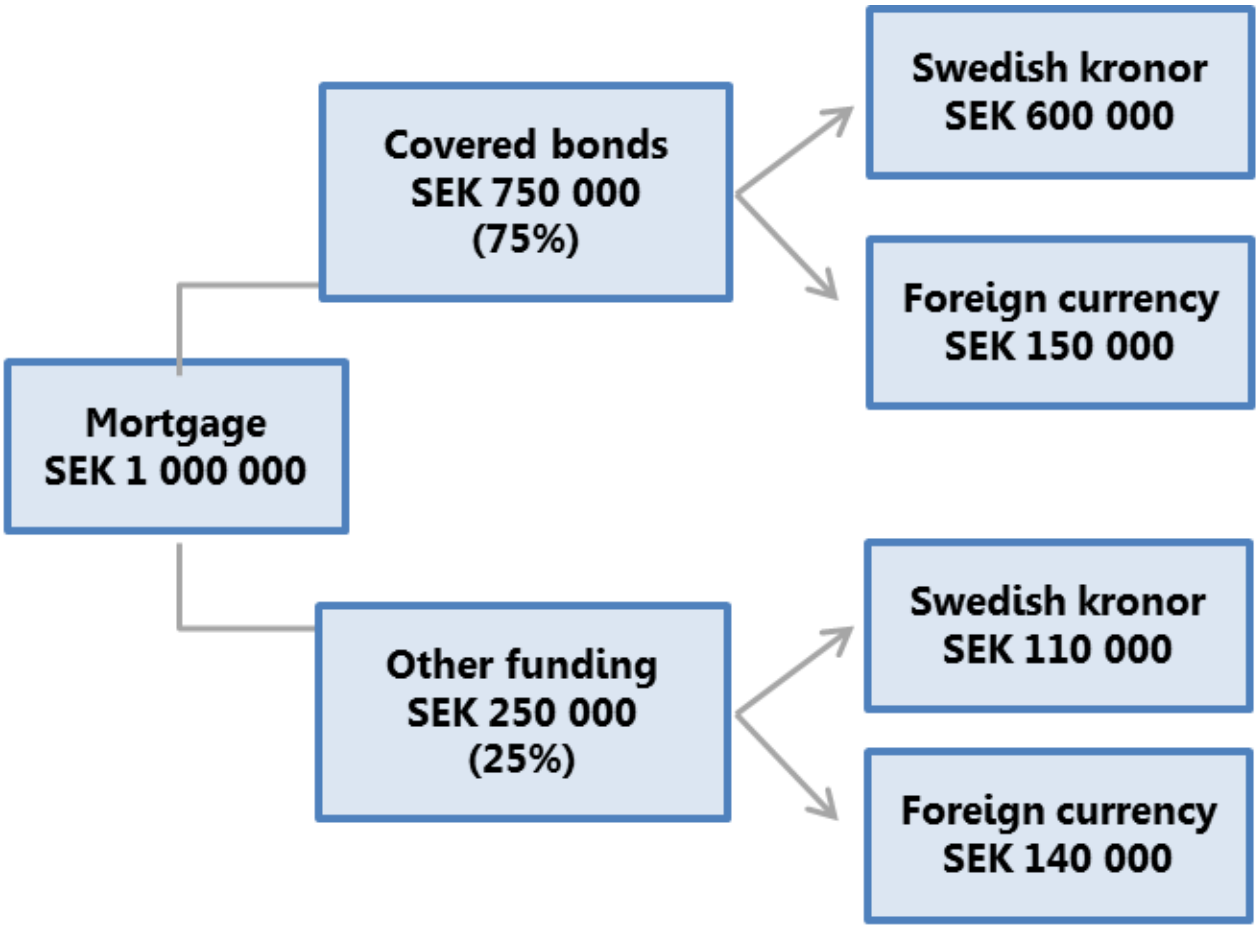
Per cent



Note. The percentage of new loans in the various income deciles is the mean value for the various income groups based on random-sample data on new loans raised in the periods 27 August–3 September 2014 and 25 September–2 October 2014. For details, see Finansinspektionen's report "The Swedish mortgage market 2015". "Total" refers here to both last mortgages and unsecured loans.

Sources: Finansinspektionen and the Riksbank

A3:16. Example of how a Swedish bank funds a mortgage

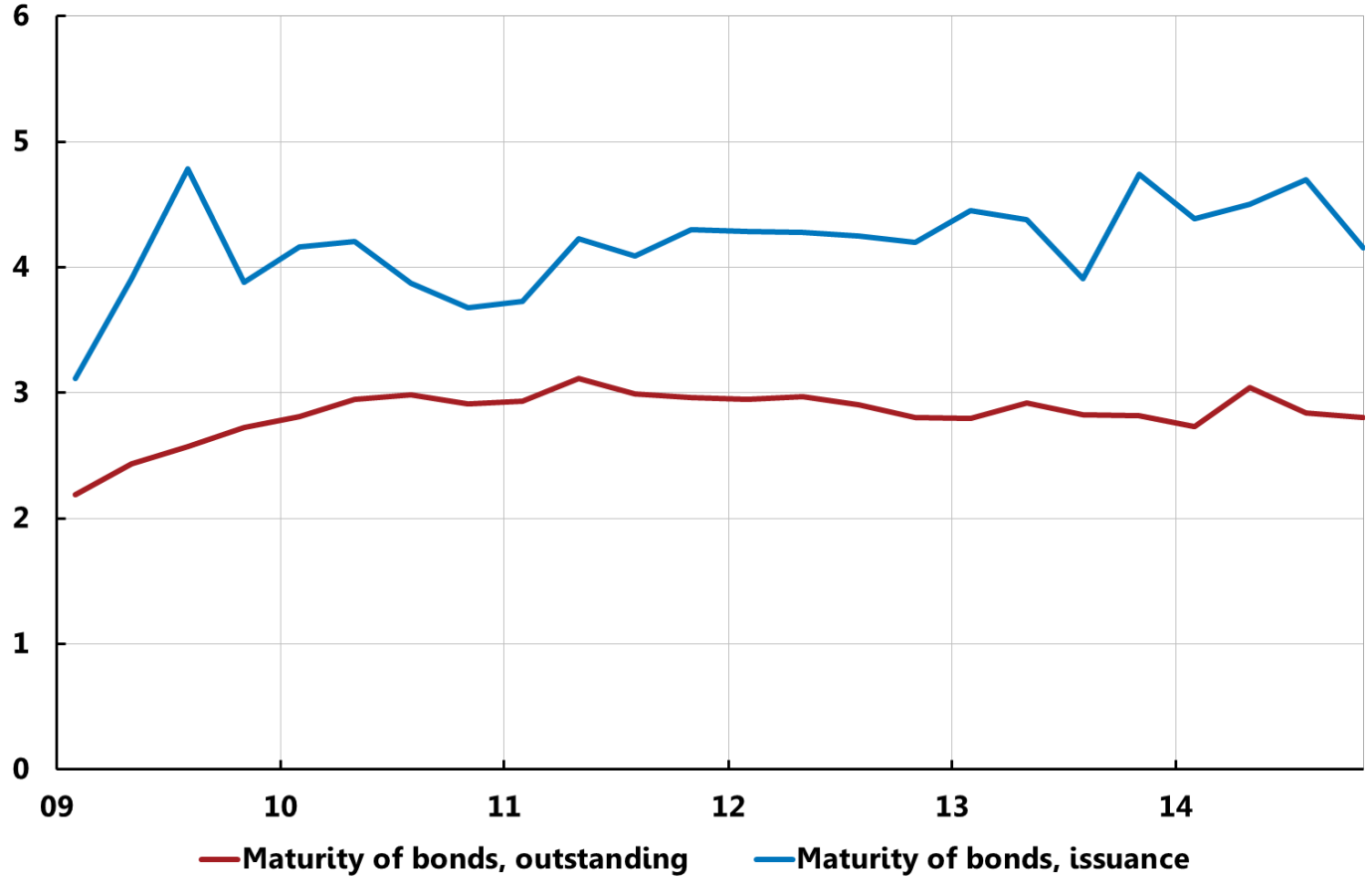


Note. Other funding consists of non-secured senior borrowing and deposits from the public.

Source: The Riksbank

A3:17. Duration of outstanding and issued covered bonds

Number of years



Note. The chart includes seven of the eight issuers active on the Swedish market for covered bonds: Handelsbanken/Stadshypotek, Landshypotek, Länsförsäkringar Hypotek, Nordea/Nordea Hypotek, SBAB, SEB, Swedbank/Swedbank Hypotek. Skandiabanken has also issued on the Swedish market since May 2014.

Source: Association of Swedish Covered Bond Issuers