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DNR 2025-00084

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The Riksbank's statement following consultation with FI prior to its decision on countercyclical capital buffers

29 August 2025

The Riksbank's overall assessment

The Riksbank considers that the countercyclical capital buffer rate should remain unchanged at its positive neutral level of 2 per cent for the third quarter of 2025.

The Riksbank's starting points

In Sweden, FI (the Swedish financial supervisory authority) is responsible for the countercyclical capital buffer as part of its macroprudential responsibilities and it is required to set the countercyclical buffer rate every quarter. Since July 2024, FI has been obliged to give the Riksbank the opportunity to comment in connection with the decisions.[1]

When assessing the level of the countercyclical capital buffer, the Riksbank takes into account the resilience of the banks, and the development of cyclical systemic risks in the financial system. FI applies a positive neutral level, which means that the countercyclical buffer rate should be 2 per cent in normal times. The Riksbank shares FI's assessment of the neutral level, which contributes to the banks having capital that they can use if necessary.

High uncertainty requires high resilience

The world around us continues to be characterised by heightened uncertainty linked to geopolitical tensions, US trade policy and the sustainability of several major countries' public finances. The US administration's tariff announcements in April led to a sharp increase in economic uncertainty and turbulence on the financial markets. Since then, the announcements have been replaced by negotiations and the variation on the financial markets has decreased. Although the EU-US tariff agreement reduces uncertainty somewhat, the significantly higher tariff is expected to have a negative impact on growth in Europe via lower exports to the United States. Given Sweden's position as a small, open economy, with a large financial sector, the risks abroad are assessed to have significance for financial stability in Sweden.

Economic activity in Sweden has been weak for some time and GDP growth has been subdued during the first half of 2025. In addition, corporate bankruptcies remain at a high

[1] See Chapter 7, Section 7 a of the Capital Buffers Act (2014:966).

level, which poses a risk of both increased loan loss provisions in the banks and a decline in employment. In its latest forecast from June, the Riksbank saw global uncertainty weighing down growth in the Swedish economy this year, mainly by hampering investment and consumption. The Riksbank expects these dampening factors to gradually diminish during the year and that growth will be higher in the coming years. However, there is uncertainty about the strength of domestic demand and international developments, which makes it difficult to assess how quickly the Swedish economy can recover.

Despite the sluggish recovery, growth in credit from Swedish banks has continued to increase slightly, although it remains low. Net corporate borrowing via securities markets is also subdued. At the same time, financial conditions are relatively favourable, suggesting that corporate and household borrowing may increase as the economy recovers, global trade uncertainty diminishes, borrower-based macroprudential measures are potentially eased and housing market activity increases. At the same time, economic developments have contributed to a continued slight reduction in the overall indebtedness of households and companies relative to GDP and income.[2] In addition, their interest costs relative to income have started to fall as lending rates have fallen. This suggests that the build-up of cyclical systemic risks is weak.

The major Swedish banks are generally resilient, mainly due to good liquidity, high profitability and substantial capital buffers. Current capital requirements are therefore not expected to limit their room for manoeuvre, which suggests that banks have the capacity to maintain the supply of credit to the real economy. The resilience of the financial system may, however, be put to the test by the current global environment. In such a situation, the current buffer rate provides the conditions for being able to lower the requirement, creating better opportunities for banks to maintain their lending to households and companies and to manage losses without jeopardising the established capital requirements.

On behalf of the Executive Board:

Anna Breman
First Deputy Governor

Ellen Kockum
Senior Economist

The decision has been taken by First Deputy Governor Anna Breman and Deputy Governors Per Jansson, Aino Bunge and Anna Seim following a presentation by Senior Economist Ellen Kockum. Head of Department Olof Sandstedt and Senior Adviser Mattias Erlandsson participated in the finalisation process.

[2] See Financial Stability Report 2025:1 for a broader description of current risks in the financial system.