



REPORT

# Financial stability and preparedness

20 May 2026



## Summarized assessment

The Swedish financial system is stable and the financial sector's preparedness for crisis and war has been strengthened. The geopolitical situation increases the risk of both financial and operational shocks in the financial system. The rapid technological development, particularly within artificial intelligence, is also enhancing the significance of operational risks and could make the risks in the financial sector more complex and difficult to assess.

The conflict in the Middle East has increased the probability of a deeper recession, rising inflation and higher interest rates in Sweden. This could lead to highly indebted households and non-financial corporations to once again experience pressure on their margins, which increases the risk of credit losses in the banking sector. Swedish banks have a significant exposure to commercial real estate firms. The commercial real estate sector's financial situation has strengthened recently, but several commercial real estate firms are highly indebted, have short fixed interest-rate terms and high vacancies, which makes them vulnerable. However, since the major Swedish banks have significant capital and liquidity buffers and continue to have a good profitability they are resilient to such a scenario.

During the spring, periods with large price fluctuations and high volatility on global financial markets occurred. Such situations could in a worst-case scenario lead to a weakening of the financial position of Swedish life insurance undertakings and occupational pension undertakings. This could also lead to higher borrowing costs for Swedish banks. However, life insurance undertakings and occupational pension undertakings have a strong solvency, and the major banks have a good liquidity position. Overall, the Swedish financial system has good resilience to strong price fluctuations in global financial markets.

The security situation is strained, and the Swedish financial sector needs to be able to continue to function in the event of heightened states of alert and war in Sweden. The Government has tasked FI with leading and coordinating the preparedness work for the financial services sector. During the past year, FI published a planning guidance for financial firms and established a new structure for private-public collaboration within the sector. FI also categorized the firms that are identified as being important for total defence, built up a function for situational awareness, enhanced the collaboration with both the private sector and other actors, and participated in and completed exercises to enhance the sector's ability to manage crises and war. The Government submitted a proposal to the Parliament for the establishment of a new function for operational crisis management in the financial sector as of 1 July 2026 under the leadership of the Swedish Riksbank. This function will include Finansinspektionen, the Swedish National Debt Office and certain financial firms.