

Nordics – 2Q22

Denmark, Norway, Sweden and Finland Macroeconomic Outlook Report



Design and layout:

Marketing and Communication Department

Management Solutions

Photographs: Management Solutions' picture library,
Fotolia, Shutterstock

© Management Solutions 2022

©All rights reserved. This publication may not be reproduced, distributed, publicly released or transformed, wholly or in part, freely or onerously, using any means or methods, without the prior written consent of Management Solutions. The contents of this publication are provided for information purposes only. Management Solutions does not accept any liability for the use that might be made of this information by fourth parties. The use of this material by anyone without the express authorization of Management Solutions is forbidden.

Index



1. Nordics macroeconomic view **5**



2. International overview **15**



3. Banking sector: general overview **19**



4. Appendix **25**



Nordics macroeconomic view

During 2Q22, the Nordic economies showed different behaviors in response to the global inflationary situation. The most GDP significant decline was recorded in Denmark, followed by Finland. On the other hand, the economic growth of Norway and Sweden increased during the period. When it comes to inflation, all Nordic countries were affected by the global situation of rising food and energy prices, mainly leading to a significant increase in their inflation rates. Regarding the labor market, Sweden increased its unemployment rate while Denmark or Finland reduced it, and Norway maintained the rate of the previous quarter.

MAIN MACROECONOMICS INDICATORS (%)

INDICATOR	2Q21	3Q21	4Q21	1Q22	2Q22	2022	2023
GDP (YoY)							
DENMARK	8.79	4.13	6.53	6.66	3.80	3.02	1.37
NORWAY	5.91	5.33	4.76	3.73	3.89	4.00	2.32
SWEDEN	14.15	8.92	5.63	4.00	4.14	2.21	1.04
FINLAND	7.70	3.50	3.00	3.80	3.20	1.07	0.60
OECD	15.51	4.69	1.20	4.20	0.97	3.46	1.75
CPI (YoY)							
DENMARK	1.63	1.87	3.17	4.83	7.43	5.20	3.85
NORWAY	2.87	3.50	4.63	3.80	5.80	4.64	3.28
SWEDEN	1.77	2.00	3.33	4.67	7.47	6.47	5.41
FINLAND	2.08	2.19	3.45	4.90	6.83	6.23	4.58
OECD	3.34	4.31	6.56	7.90	8.60	4.39	3.10
UNEMPLOYMENT (rate)							
DENMARK	5.20	4.80	4.50	4.40	4.20	5.06	5.52
NORWAY	5.10	4.20	3.40	3.30	3.30	2.82	2.80
SWEDEN	9.90	8.20	7.50	8.10	8.50	7.40	7.35
FINLAND	8.00	7.57	6.97	6.67	6.47	7.21	7.74
OECD	6.49	5.93	5.51	5.23	6.40	5.24	5.30

Source: StatBank Denmark. Projections from the OECD June 2022.

- ▶ **Denmark:** In the second quarter, the Danish economy worsened, with GDP decelerating by 2.86 p.p. from the previous quarter. Thus, the year-on-year change in GDP registered a rate of 3.80%. The inflation rate stood at 7.43%, 2.60 p.p. higher than in the previous quarter. The unemployment rate decreased by 0.20 p.p. to 4.20%.
- ▶ **Norway:** In terms of year-on-year GDP growth, Norway increased by 0.16 p.p. to 3.89%. On the other hand, the inflation rate stood at 5.80%, after experiencing an increase of 2.00 p.p. The unemployment rate remained at 3.30%, the lowest of the four countries analysed.
- ▶ **Sweden:** In the second quarter of 2022, the Swedish economy recorded an acceleration in its GDP growth rate of 0.14 p.p. compared to the previous quarter, registering a rate of 4.14%. The unemployment rate increased by 0.40 p.p. from the previous quarter to 8.50%, still the highest of the four countries. Inflation rose by 2.80 p.p. to 7.47%, the highest rate in the group.
- ▶ **Finland:** Finland experienced a slight contraction in its economy of 0.60 p.p. compared to the second quarter of 2022, with its GDP standing at a year-on-year rate of change of 3.20%. The inflation rate continued to rise to 6.83%. As for the labor market, the unemployment rate decreased by 0.20 p.p., with Finland registering a rate of 6.47%.

Denmark macroeconomic view

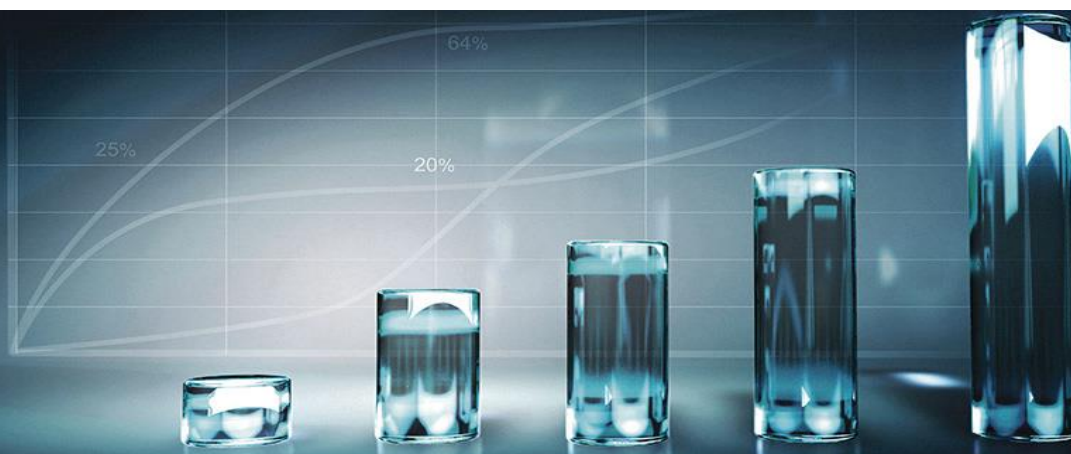
During this quarter, economic growth was significantly affected by the upward trend in inflation due to higher food and energy prices. However, exports and imports increased. Regarding the labor market, both employment (YOY) and unemployment decreased compared to 1Q22.

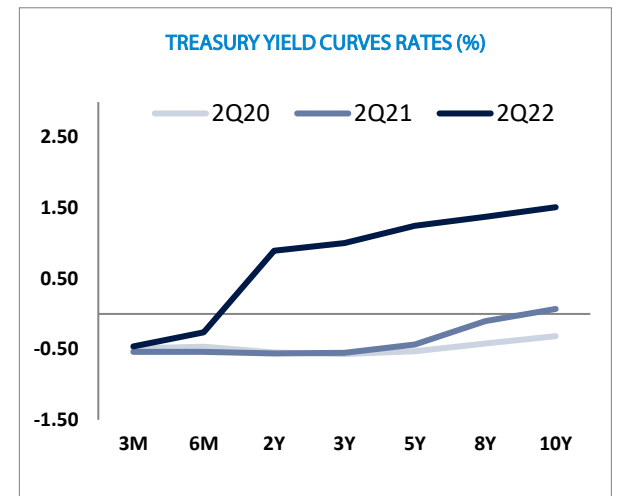
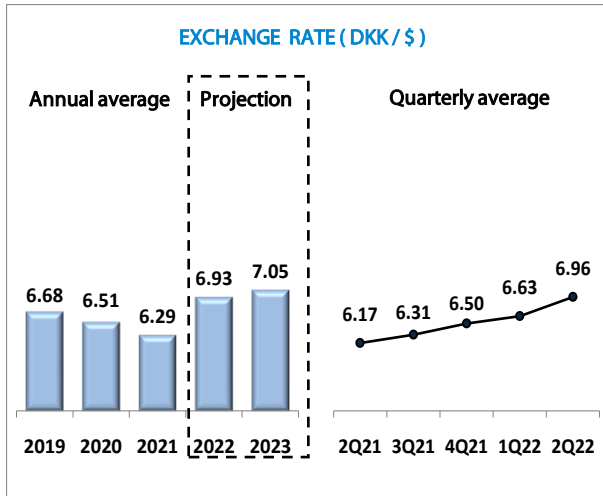
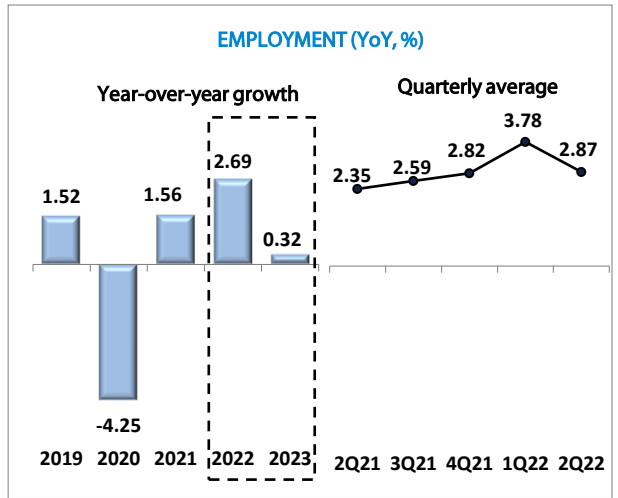
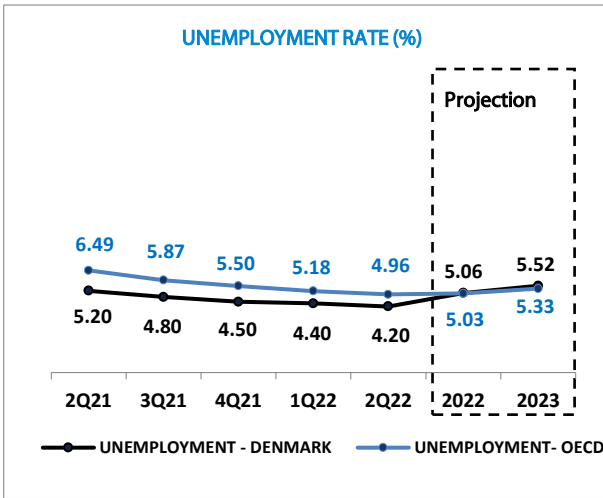
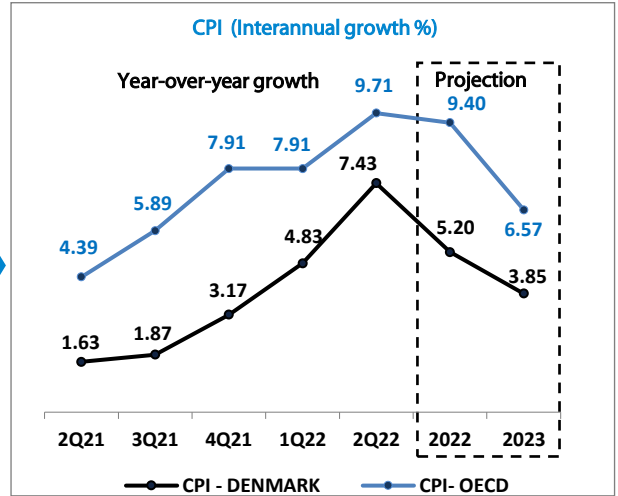
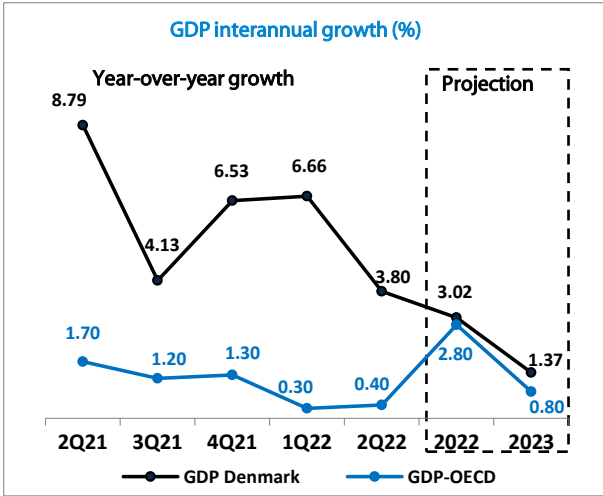
MAIN MACROECONOMICS INDICATORS (%)

INDICATOR (YoY)	2Q21	3Q21	4Q21	1Q22	2Q22	2022	2023
GDP	8.79	4.13	6.53	6.66	3.80	3.02	1.37
DOMESTIC DEMAND	10.79	5.21	3.06	6.66	2.27	2.67	1.73
PRIVATE CONSUMPTION	9.73	5.11	3.35	6.88	-1.45	1.25	1.15
GOVERNMENT CONSUMPTION	8.66	2.65	1.35	0.23	-2.39	-2.44	0.87
GROSS CAPITAL FORMATION	15.20	8.14	4.26	13.19	14.69	3.17	3.09
EXTERNAL DEMAND							
EXPORTS	12.12	7.05	12.59	4.35	8.29	3.18	3.61
IMPORTS	16.82	9.94	3.74	3.45	4.64	3.84	3.97
INFLATION (YoY)							
CPI	1.63	1.87	3.17	4.83	7.43	5.20	3.85
LABOUR MARKET							
UNEMPLOYMENT (rate)	5.20	4.80	4.50	4.40	4.20	5.06	5.52
EMPLOYMENT (YoY)	2.35	2.59	2.82	3.78	2.87	2.69	0.32

Source: StatBank Denmark. Projections from the OECD June 2022.

- ▶ During the second quarter of the year, the economy reversed its growth trend, declining its GDP to 3.80%. This slowdown in its economic boom is explained due to high energy prices and increased uncertainty that dampened investments and consumption.
- ▶ Inflation rose significantly in the second quarter of the year 2022, driven mainly by food prices and other imported goods. Inflationary impulses from abroad have been stronger than expected, as a reflection of global inflationary pressures being on the way up and stronger than anticipated. Other main drivers for the rise in inflation are higher commodity and energy prices. Inflation was already high due to supply and demand imbalances during the pandemic and it has risen more due to the conflict in Ukraine.
- ▶ When it comes to the labour market, the employment interannual growth decreased significantly down to 2.87%. On the other hand, the unemployment rate decreased to 4.20% rate. Besides, there are prospects in the coming years that reforms for a higher retirement age will increase the labour force and contribute to reducing labour market pressure.
- ▶ Concerning external demand, during this quarter, there was an increase in both imports and exports, although the level of exports did not recover from the 1Q22 decrease.
- ▶ During the second quarter of 2022, the Danish krone depreciated against the dollar, increasing by 0.33 DKK/\$ from the exchange rate recorded in the previous quarter, standing at an average rate of 6.96 DKK/\$.





Norway macroeconomic view

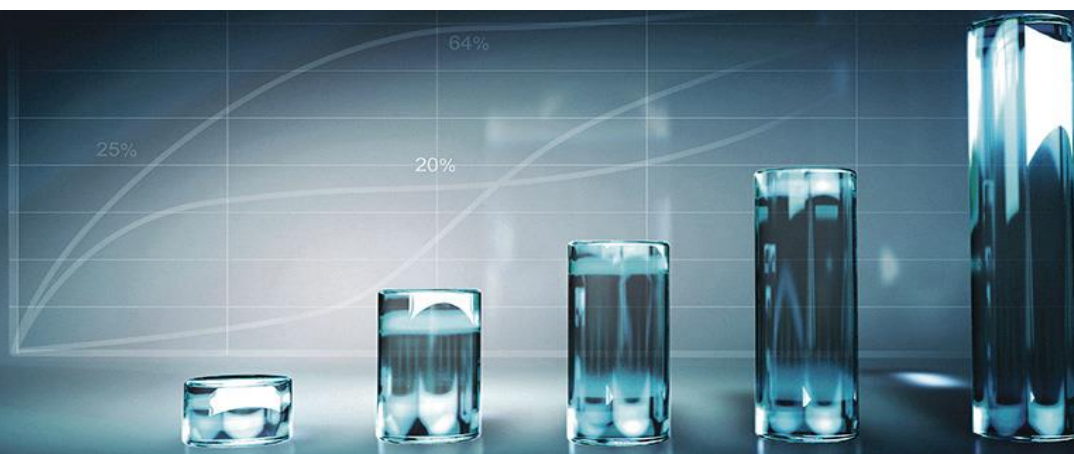
In Norway, in 2Q22 economic growth increased compared to the previous quarter up to 3.89% despite rising inflation to a 5.80% rate. Both exports and imports decreased. With respect to the labor market, unemployment remained the same level although employment declined.

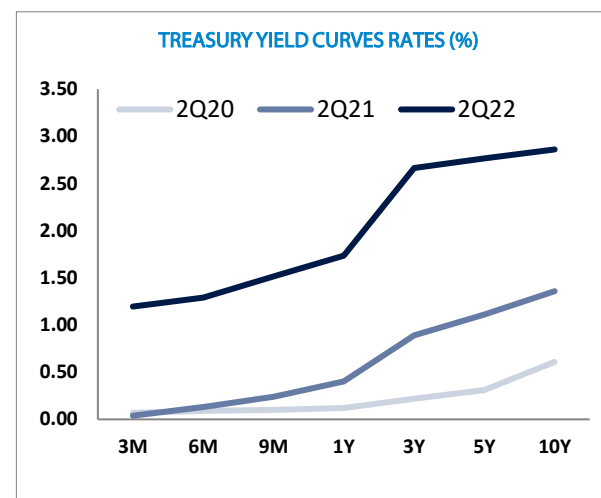
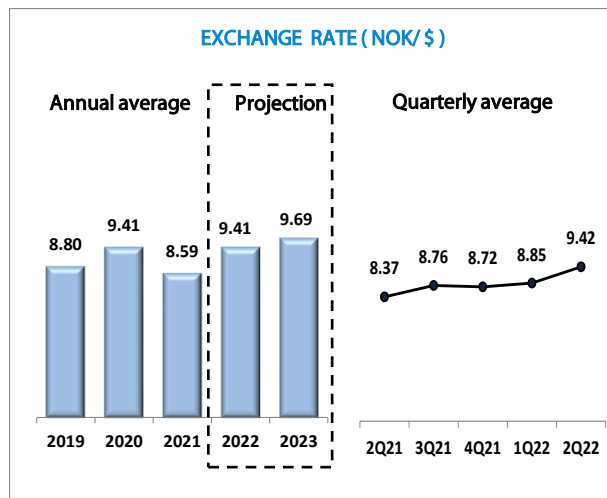
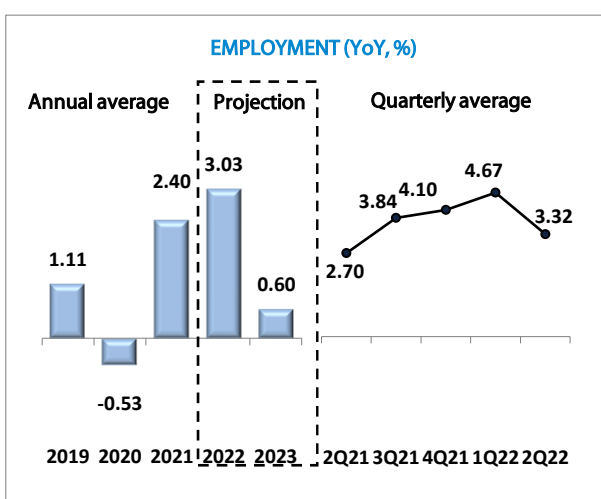
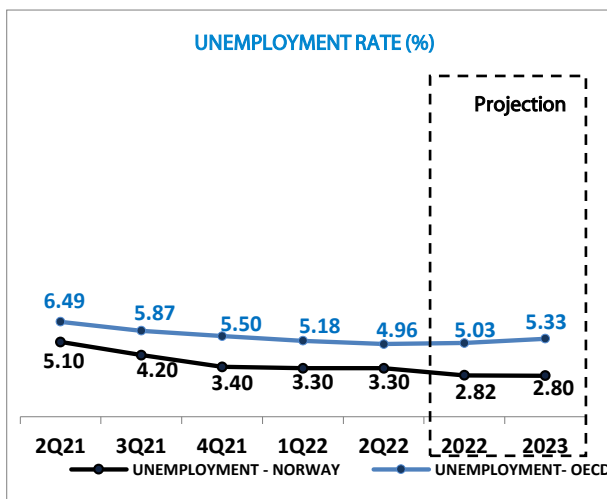
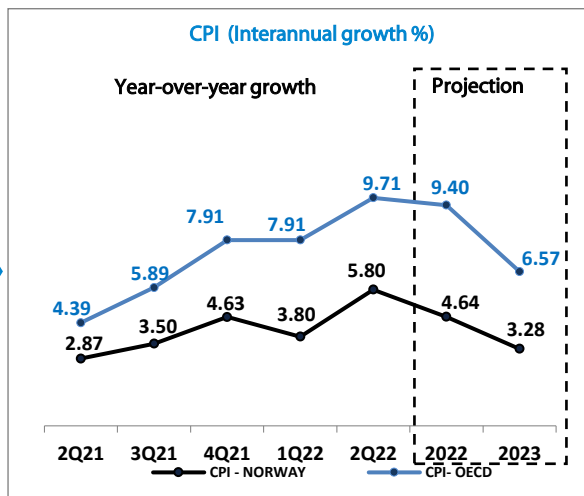
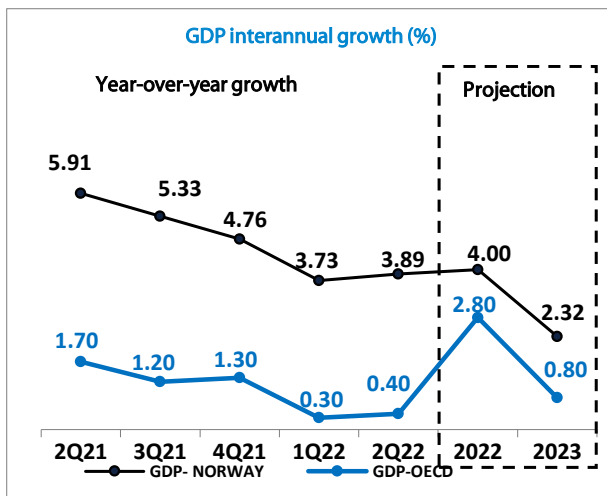
MAIN MACROECONOMICS INDICATORS (%)

INDICATOR (YoY)	2Q21	3Q21	4Q21	1Q22	2Q22	2022	2023
GDP	5.91	5.33	4.76	3.73	3.89	4.00	2.32
DOMESTIC DEMAND	5.64	3.83	4.41	5.49	5.11	5.30	2.15
PRIVATE CONSUMPTION	8.92	6.33	8.15	10.07	10.83	7.85	1.50
GOVERNMENT CONSUMPTION	7.06	4.14	1.59	1.27	0.26	0.08	1.21
GROSS CAPITAL FORMATION	-0.70	-0.69	1.01	2.23	0.47	4.33	2.53
EXTERNAL DEMAND							
EXPORTS	6.81	9.81	5.18	2.72	1.83	8.01	3.10
IMPORTS	9.59	6.61	7.12	14.63	13.80	11.54	2.70
INFLATION (YoY)							
CPI	2.87	3.50	4.63	3.80	5.80	4.64	3.28
LABOUR MARKET							
UNEMPLOYMENT (rate)	5.10	4.20	3.40	3.30	3.30	2.82	2.80
EMPLOYMENT (YoY)	2.70	3.84	4.10	4.67	3.32	3.03	0.60

Source: Statistisk sentralbyrå (Statistics Norway). Projections from the OECD June 2022.

- ▶ During 2Q22, Norway's economic growth increased slightly despite the recent constraints due to price increases, with a year-on-year GDP rate of 3.89%.
- ▶ Private consumption has been the most important growth driver, although it increased more slowly, probably as a result of lower real wage growth. However, government consumption and gross capital formation declined significantly down to 0.26% and 0.47% respectively.
- ▶ Concerning CPI, in contrast to the previous quarter, it increased significantly due to higher prices for food and other imported goods, commodity and energy prices.
- ▶ When it comes to the labor market, the unemployment rate remained at its previous quarter's level. However, the employment year-over-year growth decreased significantly compared to the previous quarter down to 3.32%.
- ▶ Regarding exports, labour shortages continued hampering exportations growth as there were still some complications with crossing borders.
- ▶ During 2Q22, the Norwegian krone depreciated against the dollar, increasing by 0.7 NOK/\$, from the exchange rate recorded in the previous quarter, standing at an average rate of 9.42 NOK/\$.





Source: Statistisk sentralbyrå (Statistics Norway). Projections from the OECD June 2022

Source: Investing.

Source: Norges Bank.

Sweden macroeconomic view

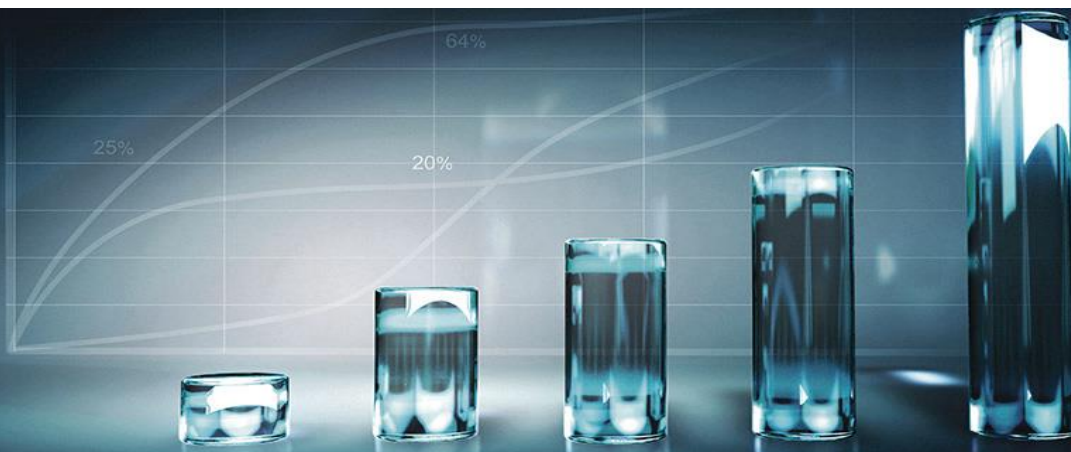
In Sweden, economic growth during this quarter was not affected by the rise in inflation and benefited from the increase in domestic demand. The level of exports and imports increased. With respect to the labor market, unemployment increased, and employment decreased.

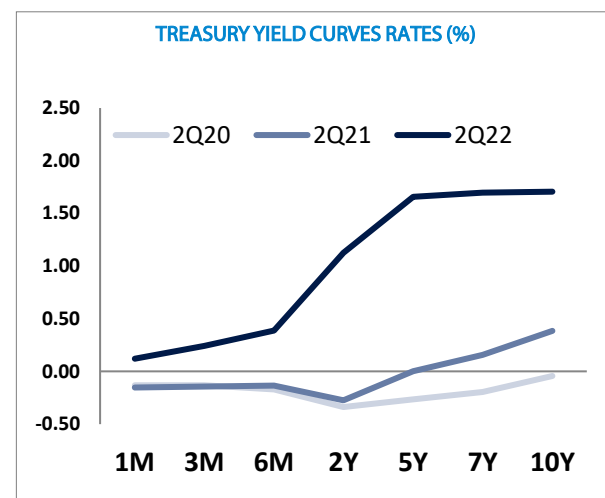
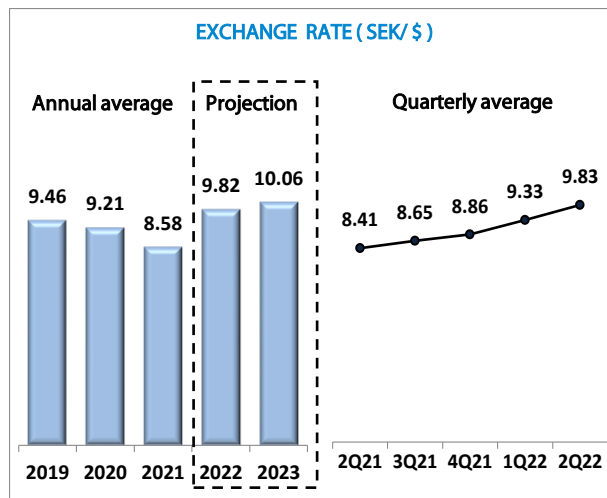
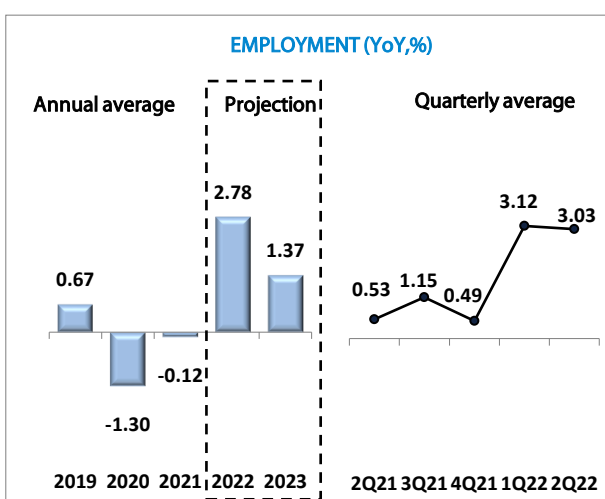
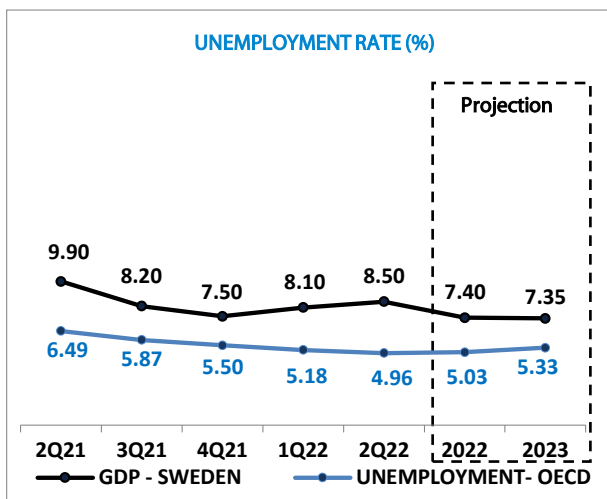
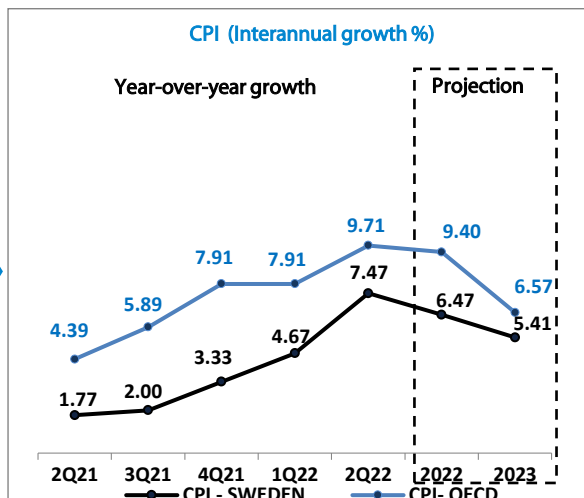
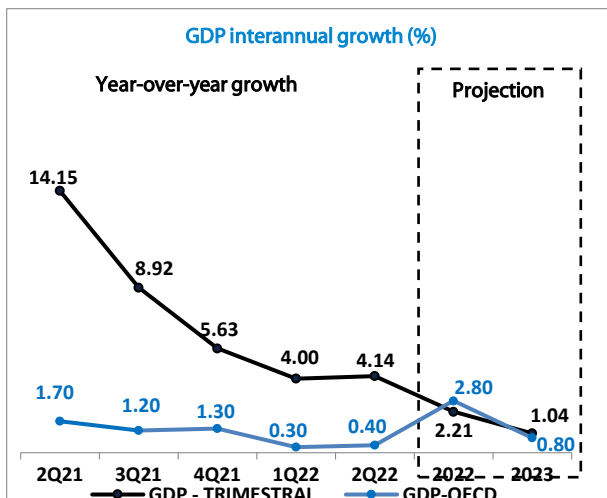
MAIN MACROECONOMICS INDICATORS (%)

INDICATOR (YoY)	2Q21	3Q21	4Q21	1Q22	2Q22	2022	2023
GDP	14.15	8.92	5.63	4.00	4.14	2.21	1.04
DOMESTIC DEMAND	12.61	9.98	9.95	3.06	4.06	3.79	1.67
PRIVATE CONSUMPTION	12.86	11.02	12.04	6.13	5.91	3.22	0.47
GOVERNMENT CONSUMPTION	7.83	5.74	5.08	0.96	0.64	1.64	1.58
GROSS CAPITAL FORMATION	17.46	12.69	11.51	5.08	6.30	5.56	1.95
EXTERNAL DEMAND							
EXPORTS	25.00	10.68	7.94	4.64	6.38	4.61	3.49
IMPORTS	21.40	13.90	10.58	8.62	10.10	5.57	3.81
INFLATION (YoY)							
CPI	1.77	2.00	3.33	4.67	7.47	6.47	5.41
LABOUR MARKET							
UNEMPLOYMENT (rate)	9.90	8.20	7.50	8.10	8.50	7.40	7.35
EMPLOYMENT (YoY)	0.53	1.15	0.49	3.12	3.03	2.78	1.37

Source: Statistics Sweden. Projections from the OECD June 2021.

- ▶ The Swedish economy increased up to 4.14% during this quarter, although it did not recover from the previous quarter's decline. Domestic demand grew up to 4.06% during this quarter, as gross capital formation increased.
- ▶ Household consumption still went down in 2Q22 and consumer confidence as plummeted, reaching the lowest level since 2008 again. Supply chain issues continue to affect the economy as there have been several successive disruptions. First, the pandemic had a negative effect through rising global freight rates and commodity costs. Now, the conflict in Ukraine has pushed energy and commodity prices up again, which is dampening households' purchasing power, therefore lowering private consumption.
- ▶ When it comes to the labour market, situation worsened during 2Q22 due to an unemployment rate increase up to 8.50% whereas the employment interannual growth decreased to 3.03%. Regarding the predictions of the OECD, unemployment rate is expected to slightly decrease in 2022, reaching an 7.40% rate, followed by a decline the following year, falling to a 7.35% rate. The OECD predicts an employment YOY growth in 2022, with an annual growth rate of 2.78%, and a further slowdown in 2023, declining to a 1.37% rate.
- ▶ Concerning prices, inflation continues its rising pattern with a significant increase up to 7.47%, oversetting hence central bank target at 2.00%.
- ▶ During 2Q22, the Swedish krona depreciated against the dollar, increasing by 0.5 SEK/\$ from the exchange rate recorded in the previous quarter, standing at an average rate of 9.83 SEK/\$.





Source: Statistics Sweden. Projections from OECD June 2022.

Source: Riksbank.

Source: Norges Bank.

Finland macroeconomic view

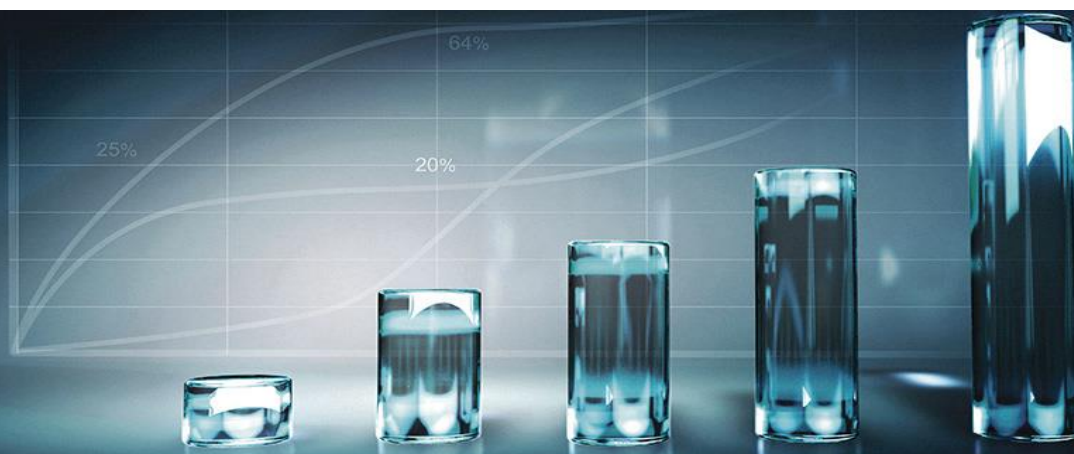
In 2Q22 the Finnish economy declined down to 3.20% affected by the increase in inflation up to 6.83%. Exports decreased while imports increased slightly. Regarding the labor market, both unemployment and employment decreased.

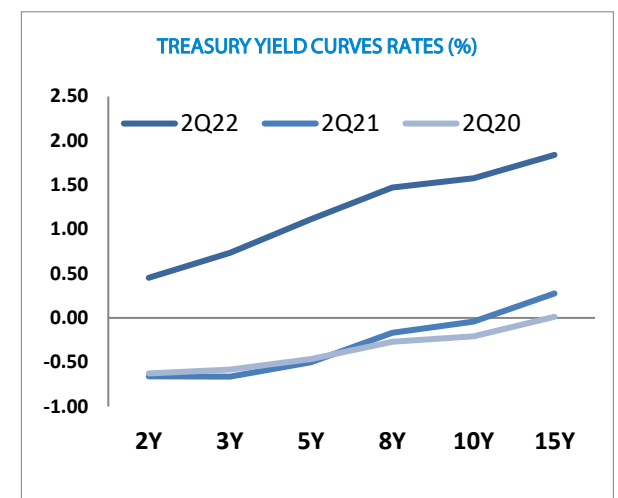
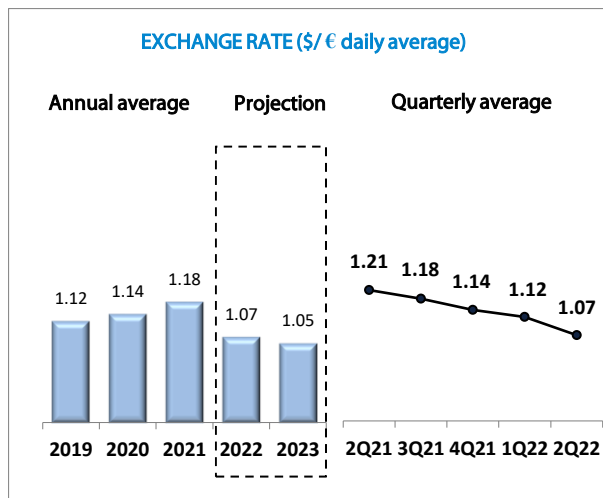
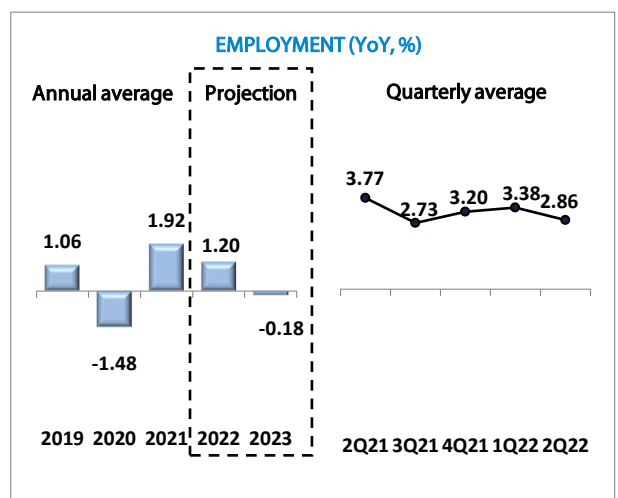
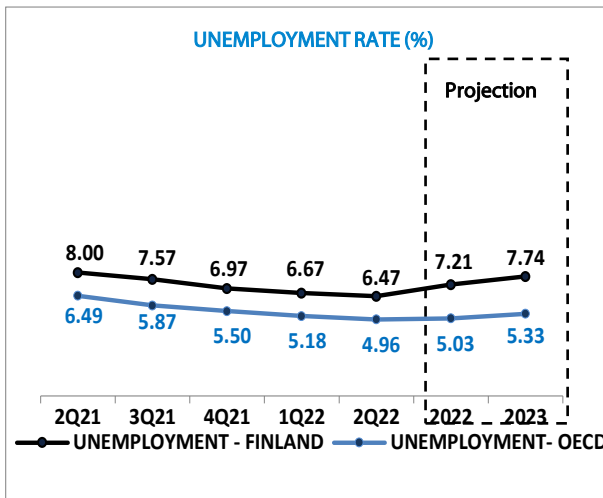
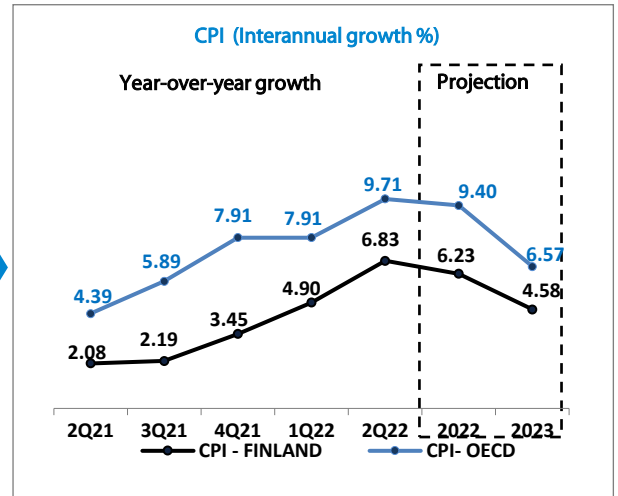
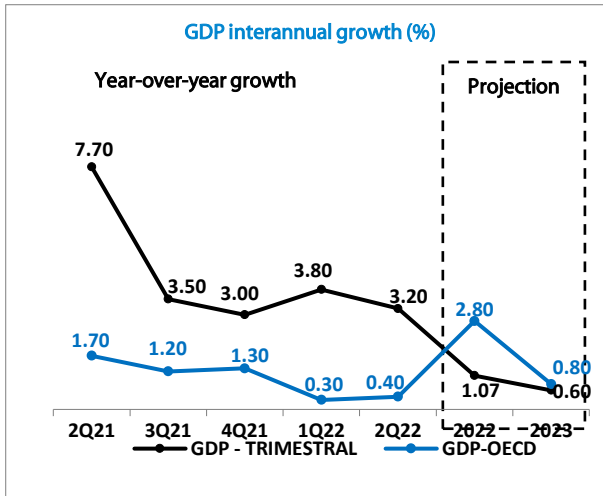
MAIN MACROECONOMICS INDICATORS (%)

INDICATOR (YoY)	2Q21	3Q21	4Q21	1Q22	2Q22	2022	2023
GDP	7.70	3.50	3.00	3.80	3.20	1.07	0.60
DOMESTIC DEMAND	6.80	4.70	3.30	7.80	7.70	3.55	2.61
PRIVATE CONSUMPTION	9.80	3.00	3.90	3.20	4.30	0.78	-0.17
GOVERNMENT CONSUMPTION	3.90	3.20	0.40	2.30	4.20	1.41	-0.83
GROSS CAPITAL FORMATION	3.20	9.10	4.70	23.60	18.20	2.81	3.64
EXTERNAL DEMAND							
EXPORTS	8.80	10.60	3.10	4.50	3.50	3.06	6.06
IMPORTS	9.00	7.20	11.70	13.10	13.40	2.56	4.98
INFLATION (YoY)							
CPI	2.08	2.19	3.45	4.90	6.83	6.23	4.58
LABOUR MARKET							
UNEMPLOYMENT	8.00	7.57	6.97	6.67	6.47	7.21	7.74
EMPLOYMENT	3.77	2.73	3.20	3.38	2.86	1.20	-0.18

Source: Statistics Finland. Projections from OECD June 2022

- ▶ The Finnish economy reversed the recovery shown during 1Q22 with a decline to 3.20% due to global inflation rises. Global disruptions in supply chains and in component availability, combined with high raw material prices are blunting growth in the economy and driving inflation in Finland, as elsewhere.
- ▶ Within domestic demand, the private consumption component increased to a rate of 4.30% and government consumption to 4.20%. On the other hand, as regards external demand, exports decreased but the value of imports rose registering an increase to a value of 13.40%.
- ▶ On the labor market, the unemployment rate continued its downward trend for the fourth consecutive quarter, down to a 6.47% rate, 0.20 p.p. lower compared with the previous quarter. Regarding employment growth, during 2Q22 it experienced a significant reduction compared to 1Q22 down to 2.86%
- ▶ Concerning inflation, CPI growth increased substantially up to 6.83%. In Finland, prices have risen due to the consequences of the international environment and the supply chain shutdown. The rise in energy prices has also been widespread and substantial in the wake of the Ukraine crisis.
- ▶ In the second quarter of the year, the euro appreciated against the dollar when compared to the previous quarter, decreasing by 0.05 p.p. and recording a quarterly average exchange rate of 1.07 \$/€.





Source: Bank of Finland (Suomen Pankki). Projections from OECD June 2022

Source: Bank of Finland (Suomen Pankki).

Source: ECB



2. International overview

LatAm, OECD and China

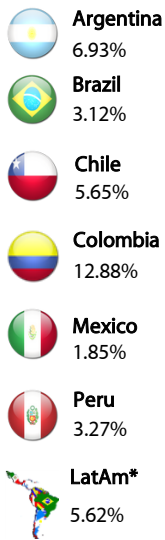
The upward inflationary trend has determined the monetary policies of major global banks and the stagnation of economic growth during 2Q22.

Macroeconomic outlook

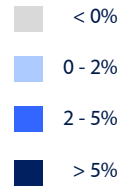
- ▶ During the quarter, the global economic recovery continued after the most acute phase of the pandemic, albeit in a very uncertain environment. The main constraints on economic developments were the unfolding war in Ukraine, the slowdown in China and the intensification of inflationary pressures in the short term, which affected the conduct of monetary policies at the global level. All this dampened households' purchasing power and increased firms' production costs.
- ▶ In this context, the Economic Commission for Latin America and the Caribbean (ECLAC) has revised in October its forecast for the Latin American economy for 2022, raising the region's growth by 3.2% and cutting it to 1.4% for 2023. World trade dynamics are expected to be negatively affected by the war, which would lead to a decrease in Latin America's external demand. For its part, the European Commission has acknowledged a slower than expected economic recovery, affected by the outbreak of the war in Ukraine. Likewise, the Fed modified its previous projections for the US, predicting a lower GDP growth of 2.3% in 2022 and 1% in 2023.
- ▶ During the second quarter of 2022, the labour market continued to recover from the economic consequences of the pandemic to near pre-pandemic levels. Most countries recorded declines in their unemployment rate compared to 1Q22. Mexico ranked as the country with the lowest unemployment rate (3.27%) while Colombia had the highest rate (11.03%) for Latam. Moreover, Spain reached a 12.48% unemployment rate during this quarter.
- ▶ In 2Q22, inflation increased in all the economies analysed with respect to 2Q21, with the highest rates in Argentina (60.13%), Brazil (9.72%), the United Kingdom (9.16%) and Spain (9.07%). The EMU registered an increase of 6.70 p.p. compared to 2Q21, reaching a rate of 8.60%. The average for Latam was 16.52%. China registered the smallest year-on-year increase, with inflation of 2.23%. Inflation grew at a very high rate due to the energy component. On the other hand, all economies contracted their labour markets, except Canada and China, which recorded slight year-on-year increases.
- ▶ Foreign trade in the G20 countries continued to grow in monetary terms on the back of higher commodity prices and inflation. Exports of the group of the world's 20 largest economies increased by 2.1 % from the previous quarter, while imports rose by 2.6 %. Exports of the European Union as a whole rose by 2 %, Latin America by 2.8 % and North America by 1.5 % in the quarter.

Financial sector

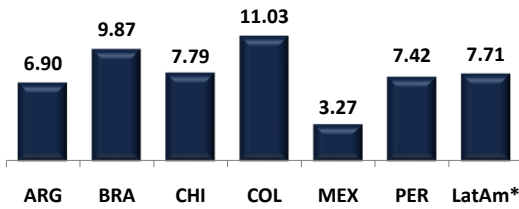
- ▶ In response to rising inflation, central banks' monetary policy became more restrictive and most central banks have raised interest rates significantly, reaching levels like those observed in 2017.
- ▶ On the fiscal side, public debt levels remained high in many countries. In a context of high demands for public spending, measures were required to strengthen fiscal sustainability and expand fiscal space by strengthening public revenues.
- ▶ In terms of their ratings, all OECD, China and Latin American countries kept their ratings constant in the second quarter of the year, except for Chile, which moved from a Moody's rating of A1 to A2, and Mexico, which moved from a Moody's rating of Baa1 to Baa2 during this period.



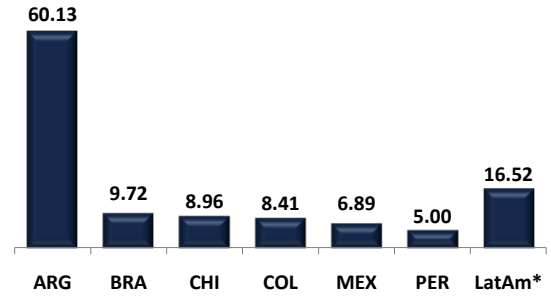
GDP 2Q22 (% year-on-year growth rate)



UNEMPLOYMENT RATE 2Q22 (%)

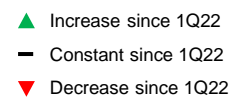


INFLATION RATE 2Q22 (%)

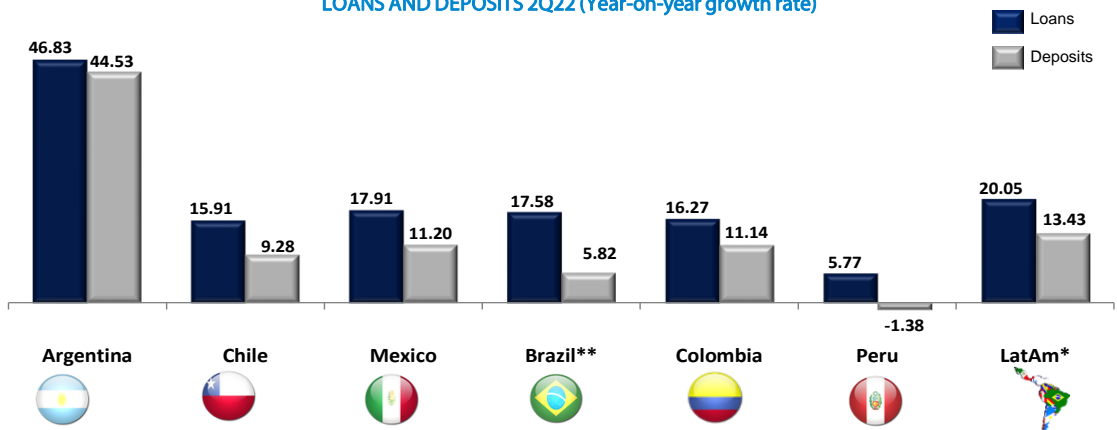


LONG TERM RATES 2Q22

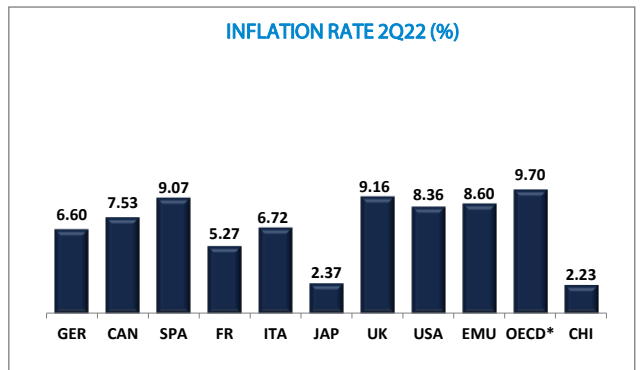
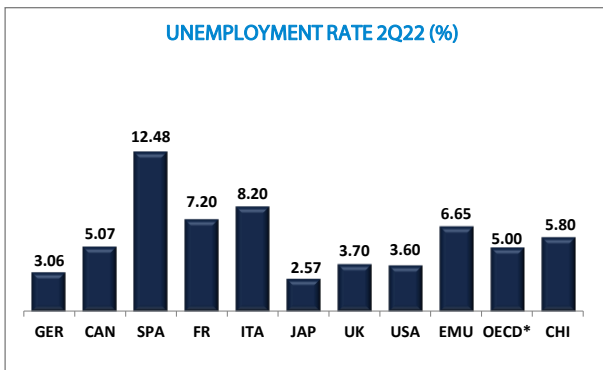
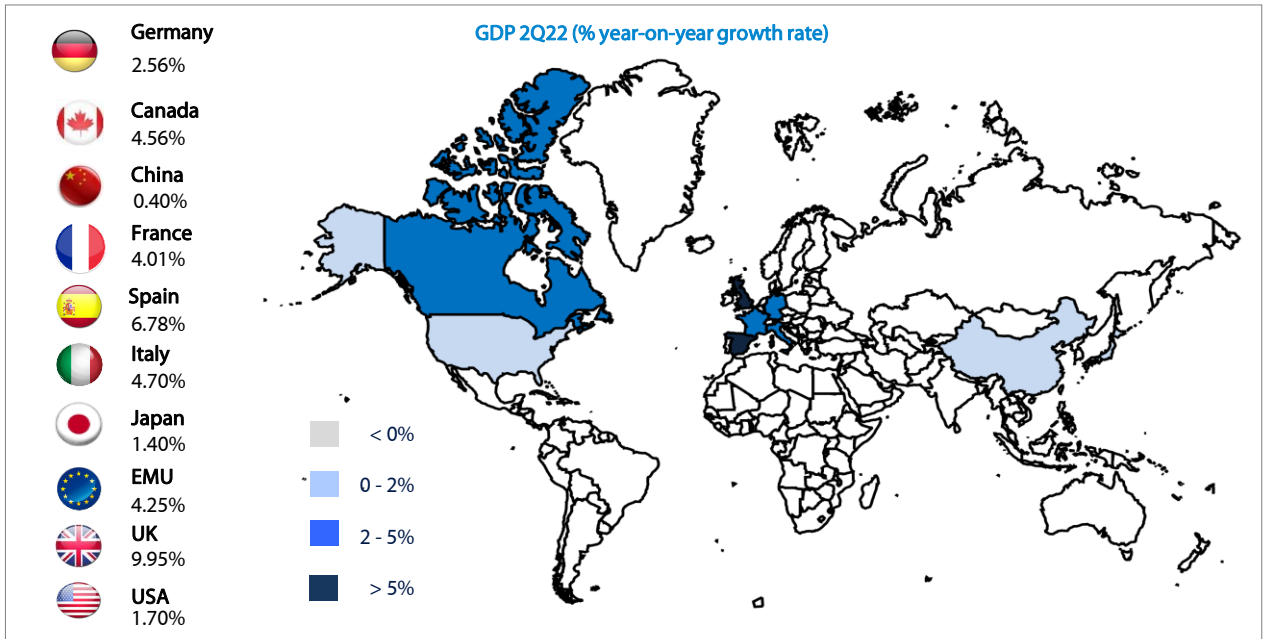
	MOODY'S		S&P		FITCH	
Argentina	Ca	—	CCC+	—	CCC	—
Brazil	Ba2	—	BB-	—	BB-	—
Chile	A2	▲	A	—	A-	—
Colombia	Baa2	—	BB+	—	BB+	—
Mexico	Baa2	▲	BBB	—	BBB-	—
Peru	Baa1	—	BBB	—	BBB	—



LOANS AND DEPOSITS 2Q22 (Year-on-year growth rate)



*Latin America figures calculated as an average including Argentina, Brazil, Chile, Colombia, Mexico and Peru.
 **Most updated figures available at the date of the release correspond to 2Q22, except for Brazil's deposits (1Q22)



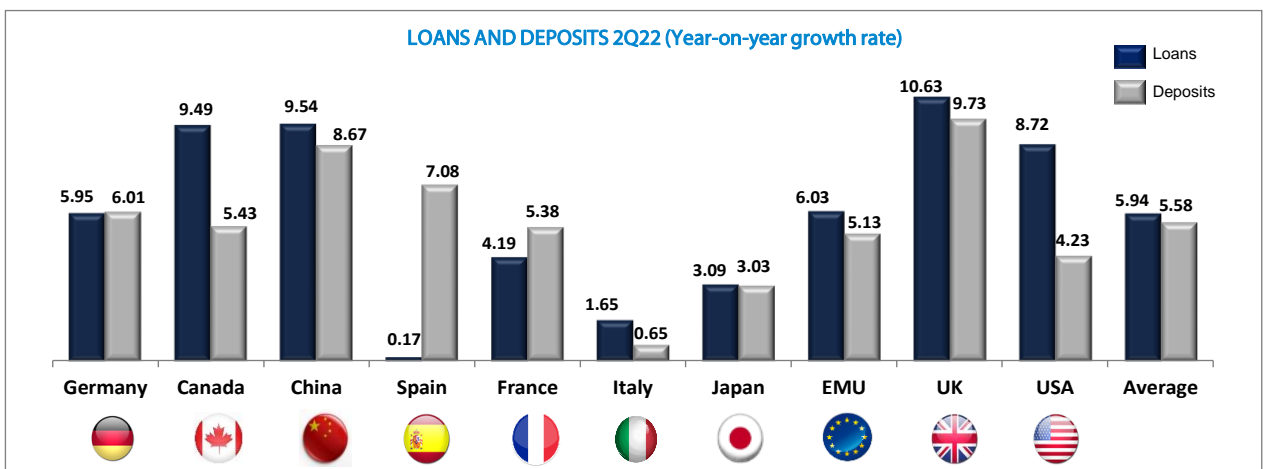
LONG TERM RATES 2Q22

	MOODY'S	S&P	Fitch	
Germany	Aaa	AAA	AAA	-
Canada	Aaa	AAA	AA+	-
China	A1	A+	A+	-
Spain	Baa1	A	A-	-
France	Aa2	AA	AA	-
Italy	Baa3	BBB	BBB	-
Japan	A1	A+	A	-
UK	Aa3	AA	AA-	-
USA	Aaa	AA+	AAA	-

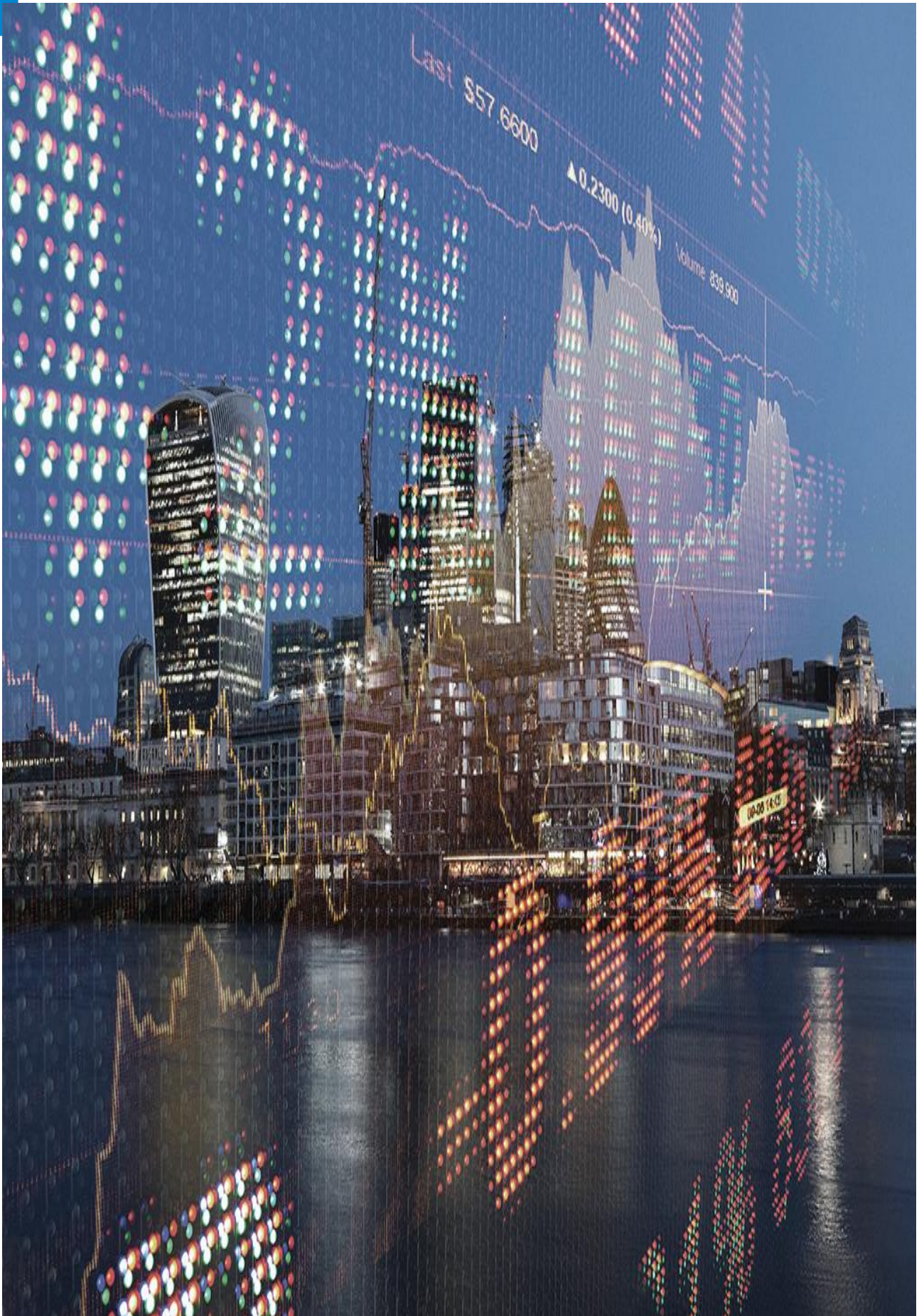
▲ Increase since 1Q22

— Constant since 1Q22

▼ Decrease since 1Q22



OECD aggregate data, updated as of publication date for 2Q22.

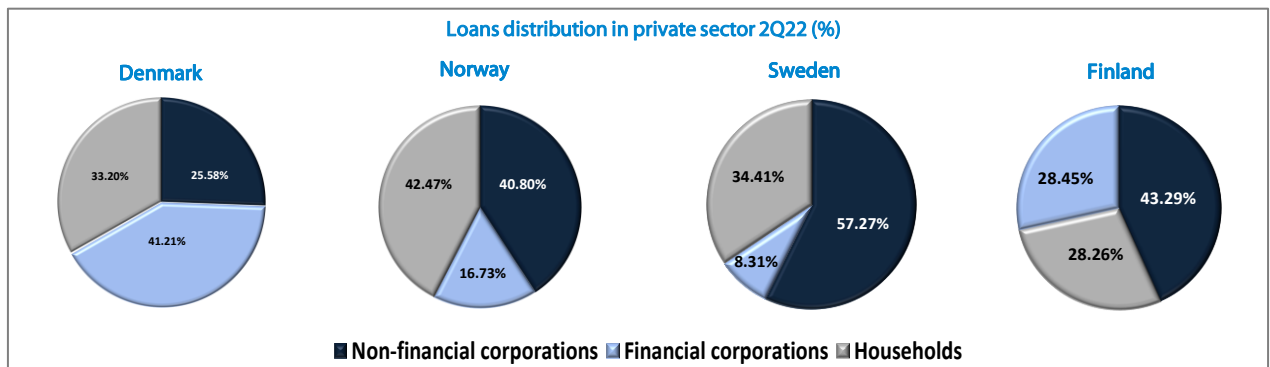


3. Banking sector: general overview

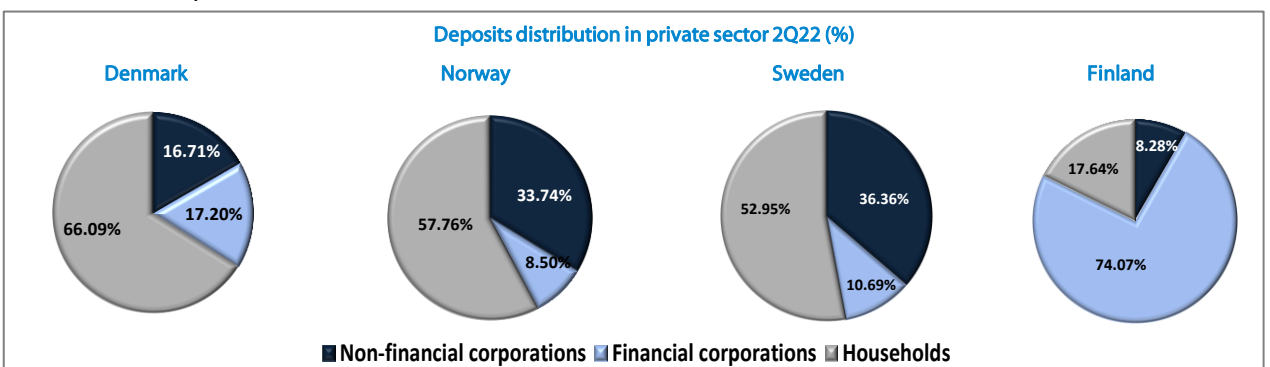
During 2Q22 total loans increased compared with 1Q22 for Denmark and Sweden while it decreased in Norway and Finland compared to the previous quarter, while total deposits increased compared to the previous quarter for Denmark and Norway and decreased in Sweden and Finland.

Nordics banking sector

- ▶ During 2Q22, total loans increased compared with 1Q22 for Denmark and Sweden while it decreased in Norway and Finland.
- ▶ In Denmark, non-financial corporation loans reached 17.17%, financial corporation loans 17.04% -still far from recovering from the 1Q22 fall- and household loans continued their growth trend reaching 2.38%. In Sweden, the increase in total loans was due to the rise in non-financial corporations and financial corporations, although the latter remains negative value.
- ▶ The decline in Norway's total loans was mainly due to the significant drop in financial corporation loans down to 14.22%, despite the rise in non-financial corporation. Finnish loans experienced a slight decrease, largely justified by the decrease in other loans.

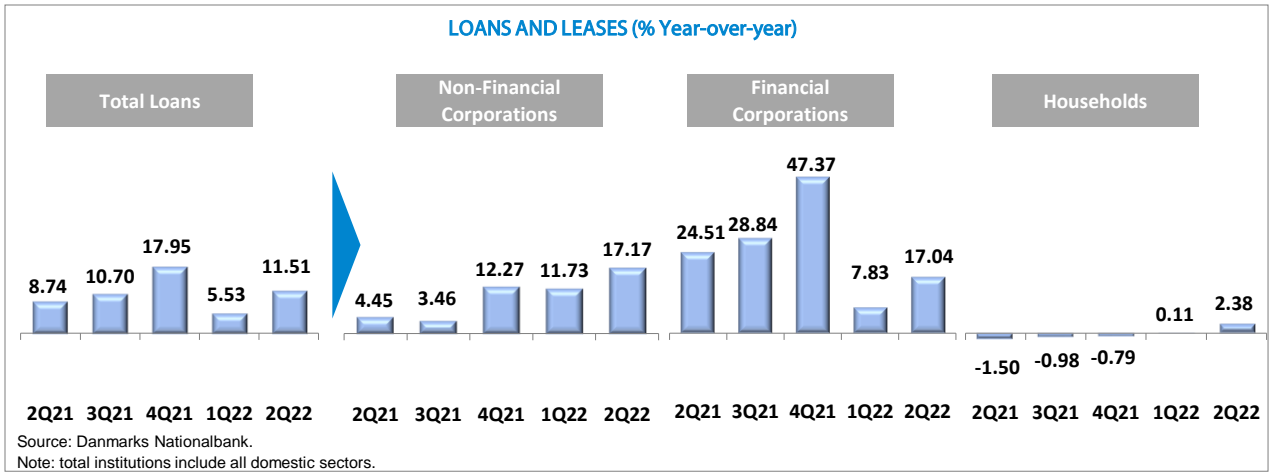


- ▶ During 2Q22, total deposits increased compared to the previous quarter for Denmark and Norway while decreasing in Sweden and Finland.
- ▶ In Denmark, although non-financial corporation deposits decreased, financial corporation loans and household deposits increased up to -1.47% and 2.87%. In Norway, the increase in total deposits was due to the rise in household deposits, although non-financial and financial corporation deposits decreased.
- ▶ The decline in Sweden total deposits was mainly due to the significant drop in non-financial corporation deposits down to 9.08% and financial corporations down to -3.61%, despite the rise in household deposits. Finnish deposits experienced a slight decrease, largely justified by the decrease in financial corporations and household deposits.

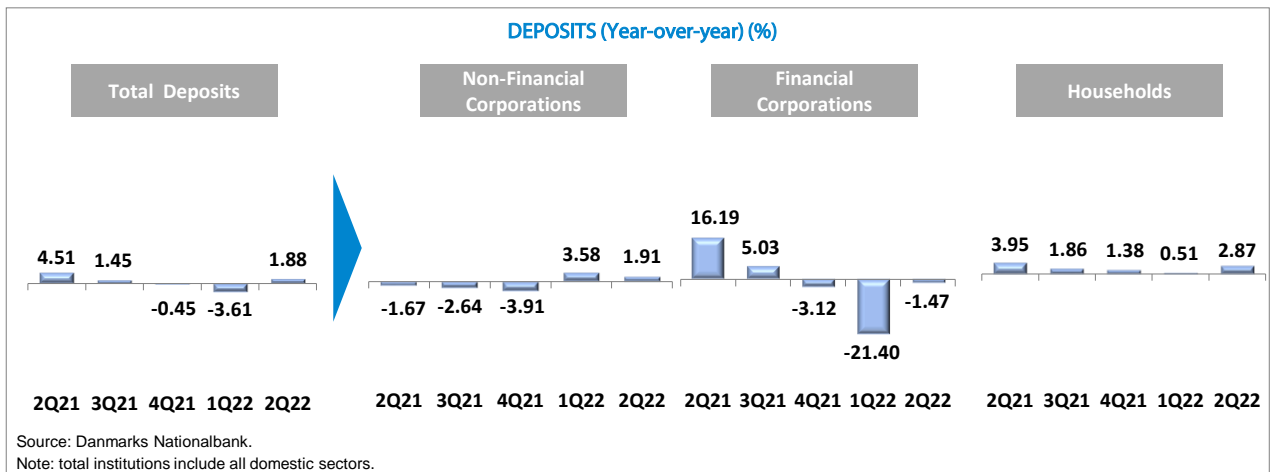


Loans

Denmark

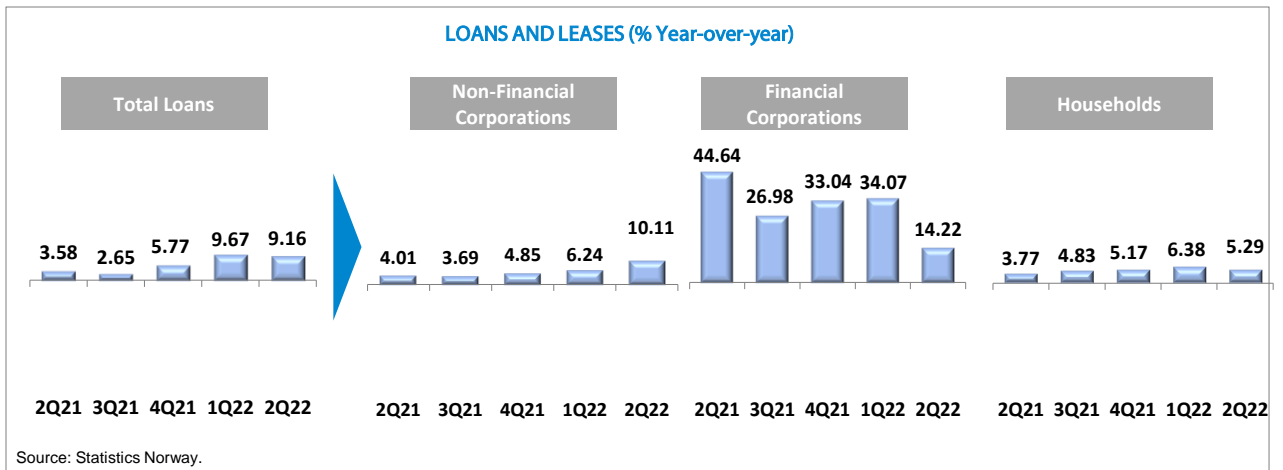


Deposits

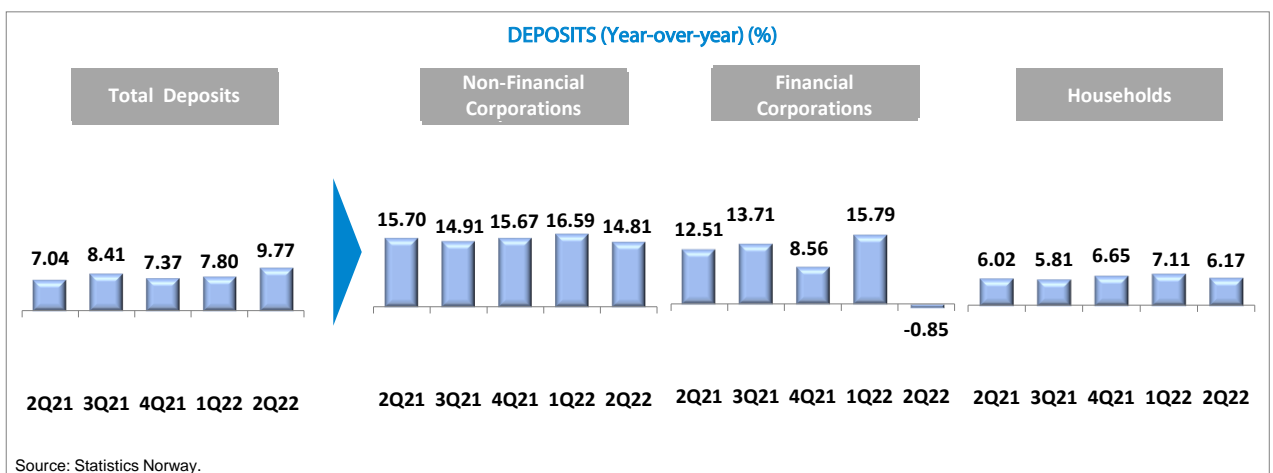


Loans

Norway

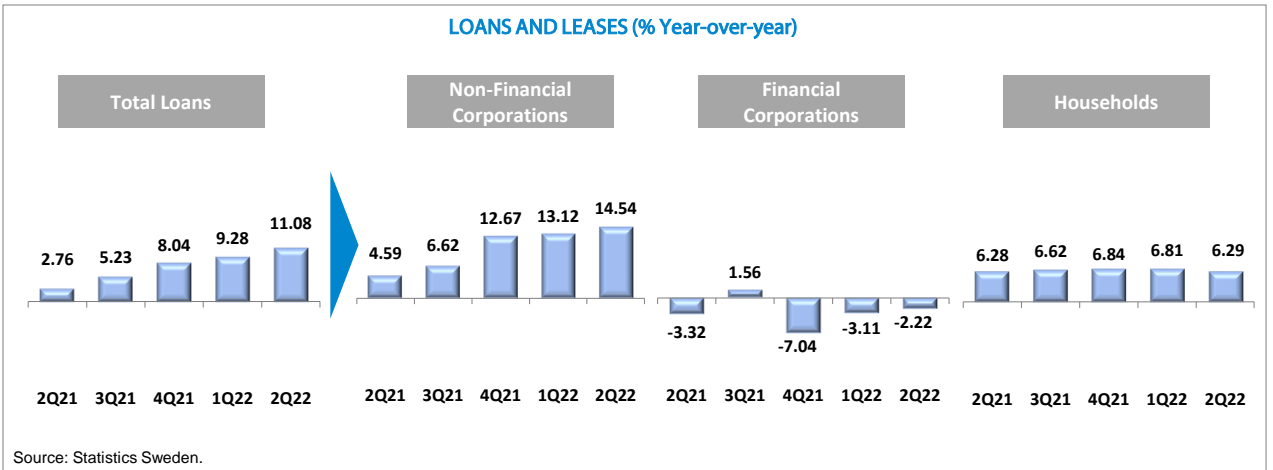


Deposits

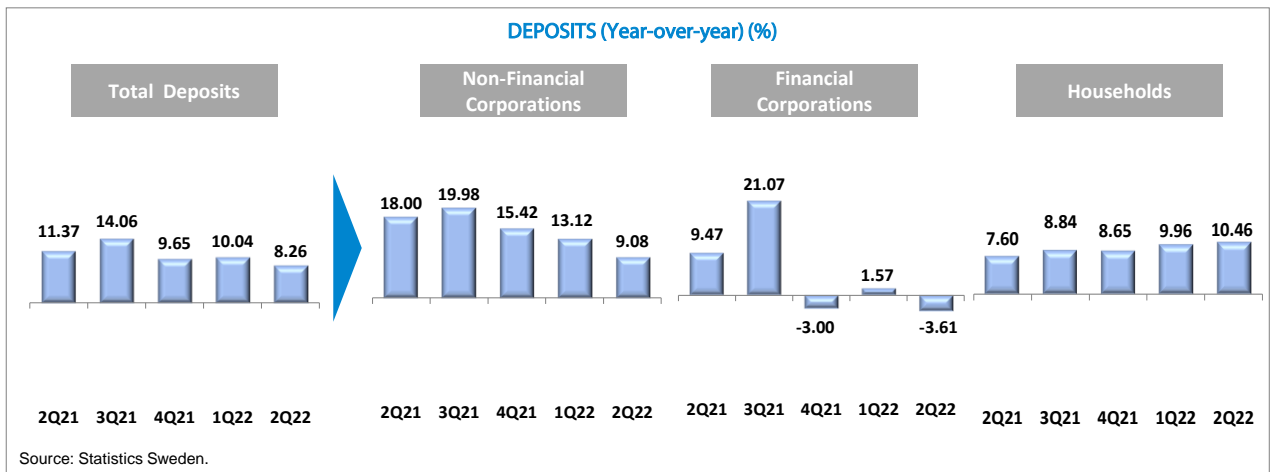


Loans

Sweden

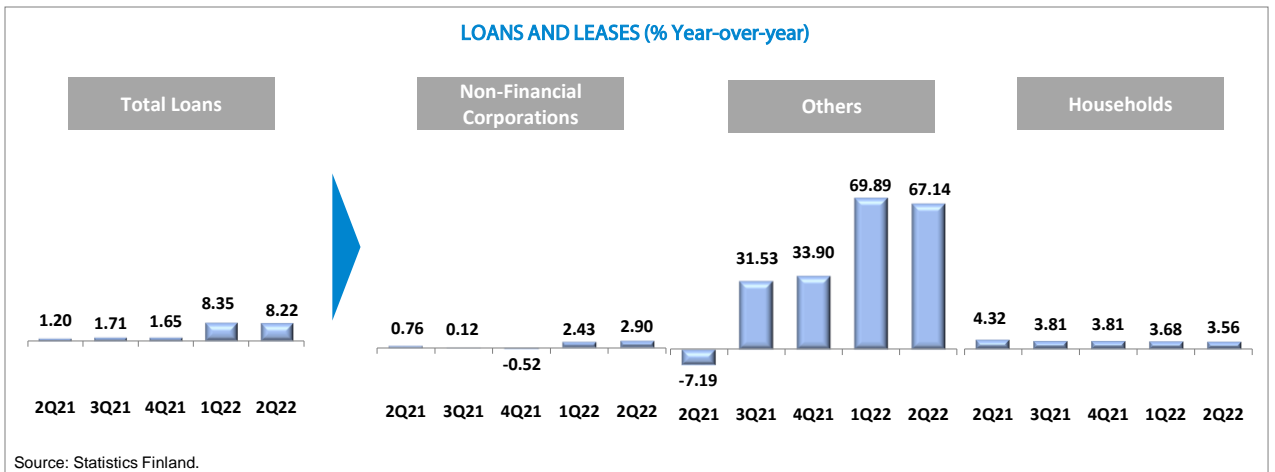


Deposits

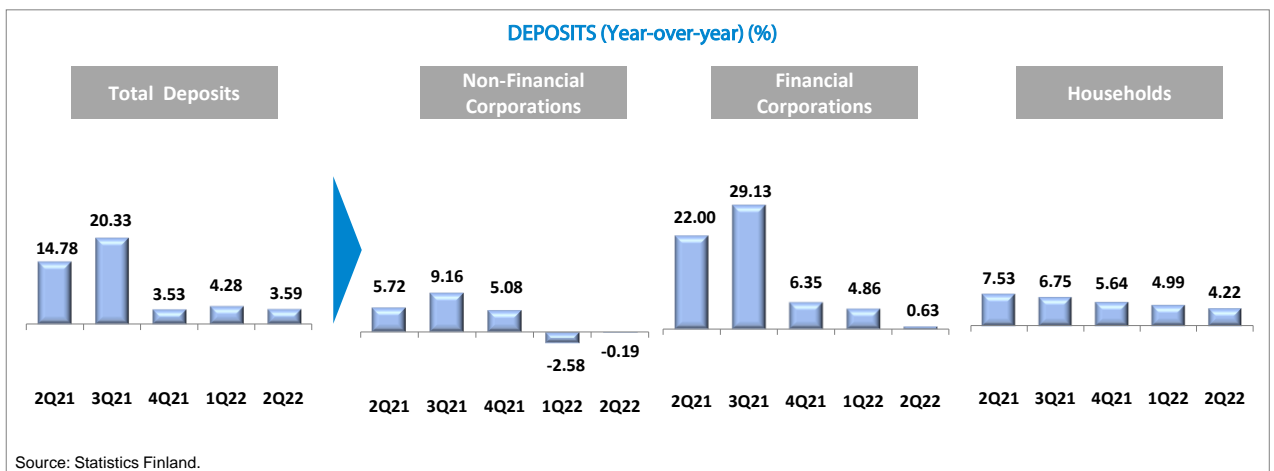


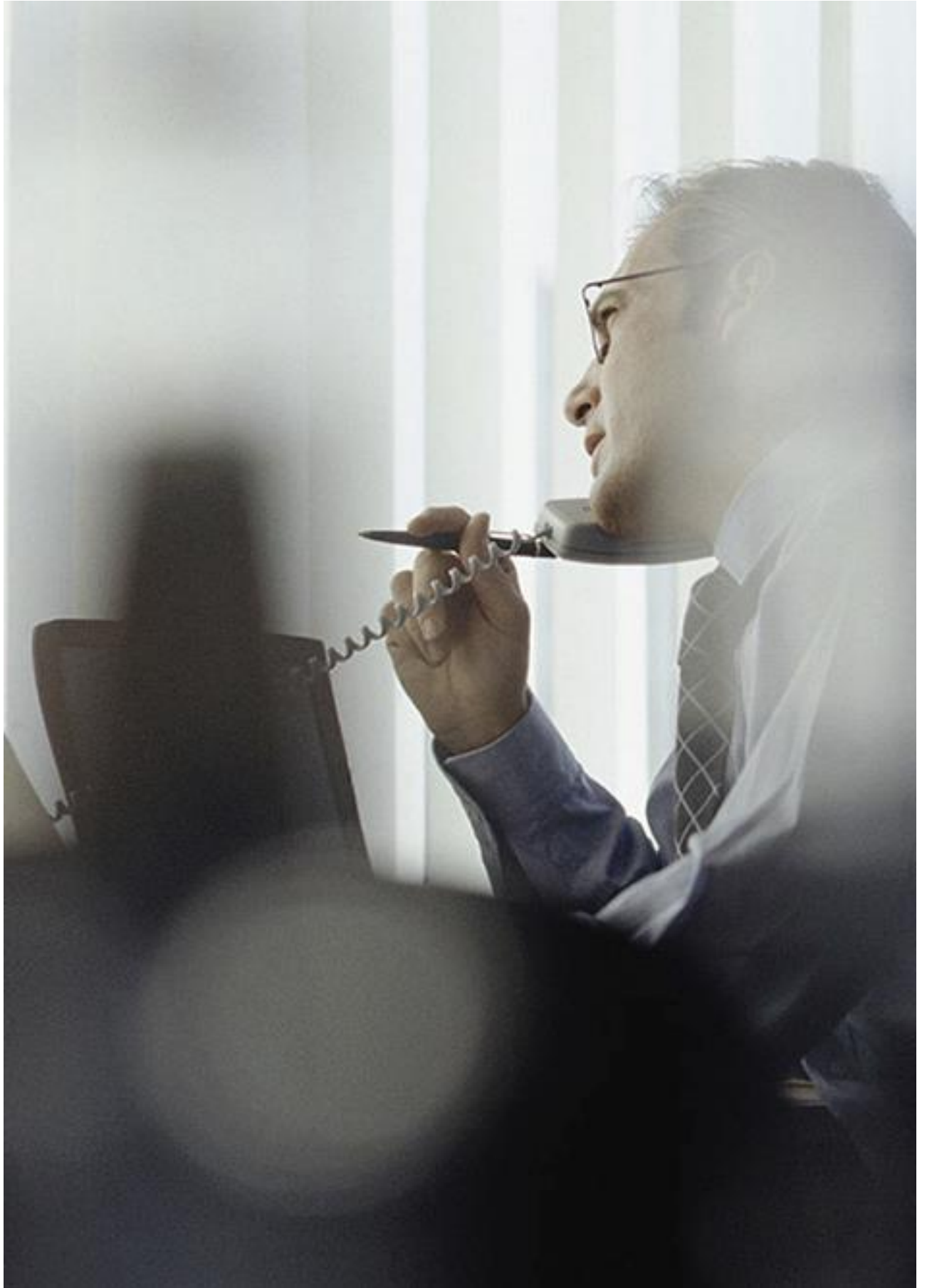
Loans

Finland



Deposits





4. Appendix

SOURCES

MACROECONOMIC OVERVIEW

- ▶ BBVA Research:
<http://www.bbva.com/KETD/ketd/esp/index.jsp>
- ▶ Danmarks Nationalbank:
<http://www.nationalbanken.dk/>
- ▶ European Central Bank:
<http://www.ecb.int/ecb/html/index.es.html>
- ▶ International Monetary Fund (IMF):
<http://www.imf.org>
- ▶ Organisation for Economic Co-operation and Development, OECD:
<http://www.oecd.org/home/>
- ▶ World Bank: www.worldbank.org
- ▶ Statistics Denmark:
<http://www.statbank.dk/>
- ▶ Statistics Finland:
<http://www.stat.fi/>
- ▶ Statistisk Sentralbyrå:
<http://www.ssb.no/>
- ▶ Statistics Sweden:
<http://www.scb.se/>
- ▶ Sveriges Riksbank:
<http://www.riksbank.se/>

FINANCIAL SECTOR

- ▶ Aktia:
<http://www.Aktia.fi/>
- ▶ Danske Bank:
<http://www.danskebank.dk/>
- ▶ DNB:
www.dnb.no/
- ▶ Eika:
eika.no
- ▶ Handelsbanken:
www.handelsbanken.se/
- ▶ Jyske Bank:
<http://jyskebank.com/>
- ▶ Nordea:
<http://www.nordea.com/>
- ▶ Nykredit:
<http://www.nykredit.com/>
- ▶ OP Financial Group:
www.pohjola.fi/
- ▶ Riksbank:
<http://www.riksbank.se/>
- ▶ SEB:
<http://seb.se/>
- ▶ Sparebank:
www.sparebank1.no/
- ▶ Statistiska Centralbyrån:
<http://www.statistikdatabasen.scb.se/>
- ▶ Statistics Finland's PX-Web databases:
<http://pxnet2.stat.fi/>
- ▶ Storebrand:
www.storebrand.no
- ▶ Swedbank:
www.swedbank.se/
- ▶ Sydbank:
<http://www.sydbank.dk/>

GLOSSARY

- ▶ **CAI:** Comprehensive Agreement on Investment between the People's Republic of China and the European Union.
- ▶ **CET 1:** Common Equity Tier 1 capital is the highest quality of regulatory capital, as it absorbs losses immediately when they occur.
- ▶ **CPI:** Consumer Price Index measures the evolution of the average cost of the basket of goods and services representative of household final consumption.
- ▶ **Efficiency Ratio:** (Non-interest expense - amortization of intangible assets) / (net interest income + non-interest income).
- ▶ **EMU:** The Economic and Monetary Union.
- ▶ **GDP:** Gross Domestic Product is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.
- ▶ **Gross Margin:** Net interest income + non-interest income.
- ▶ **IMF:** International Monetary Fund.
- ▶ **LTD ratio:** Loans to deposits is a ratio used to assess the liquidity of a bank by comparing its total loans to its total deposits over a given period of time.
- ▶ **Non-Performing Loans Ratio:** Non-performing loans / net loans and assets.
- ▶ **Non-Performing Loans Coverage Ratio:** Loan loss allowance / non-performing loans.
- ▶ **OECD:** Organisation for Economic Co-operation and Development.
- ▶ **Operating Expense:** Total non-interest expense.
- ▶ **PEPP:** The ECB's pandemic emergency purchase programme (PEPP) is a non-standard monetary policy measure initiated in March 2020 to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the coronavirus (Covid-19) outbreak.
- ▶ **p.p.:** percentage points.
- ▶ **Return On Equity (ROE):** Net Income / equity.
- ▶ **Return On Assets (ROA):** Net income / average total assets.
- ▶ **Tier 1 Common Ratio:** (Tier 1 capital - qualifying subordinate debt and redeemable preferred stock - qualifying non-controlling interests in consolidated subsidiaries) / Total risk-weighted assets.



Our goal is to exceed client expectations, becoming their trusted partners

Management Solutions is an international consultancy firm focusing on providing business, risk, financial, organizational, and process-related advice, both in respect of functional components and in the implementation of related technologies.

With a cross-functional team of 3,200 professionals from the business, technical, mathematical, and other areas, Management Solutions operates through 36 offices across Europe (17), the Americas (16), Asia (1), and Africa (1)

Within the financial industry, Management Solutions provides services to all types of institutions (banks, insurance companies, investment companies, financing companies, etc.) operating at both the global and the local level, and to public bodies.

Fermín Javier Egea García

Socio de Management Solutions

fermin.egea@managementsolutions.com

Manuel Ángel Guzmán Caba

Socio de Management Solutions

manuel.guzman@managementsolutions.com

Management Solutions

GMS Management Solutions Norge AS

Company registration number: 921 800 436

Pilestredet 33, 0166 Oslo, Norway

GMS Management Solutions Danmark ApS

Gammel Kongevej 1, 1610 København V

Danmark

CVR number: 41164808

Management Solutions, Professional Consulting Services

Management Solutions is an international consulting firm whose core mission is to deliver business, risk, financial, organisation, technology and process-related advisory services.

For further information please visit www.managementsolutions.com

Follow us at: 

© Management Solutions. 2022
All rights reserved

www.managementsolutions.com

Madrid Barcelona Bilbao Coruña London Frankfurt Düsseldorf Paris Amsterdam Copenhagen Oslo Warszawa Zürich
Milano Roma Lisboa Beijing İstanbul Johannesburgo Toronto New York New Jersey Boston Pittsburgh Atlanta Birmingham
Houston San Juan de Puerto Rico San José Ciudad de México Medellín Bogotá Quito São Paulo Lima Santiago de Chile Buenos Aires