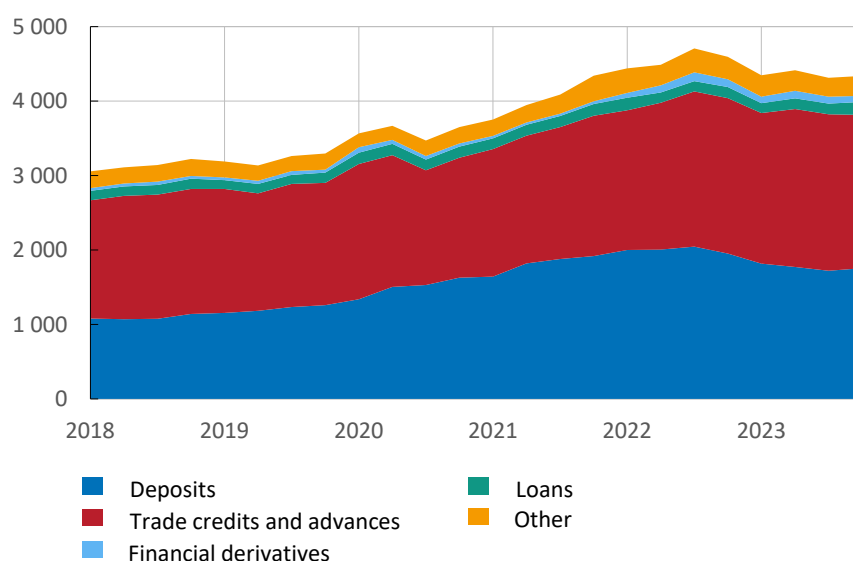


Figure 8. Financial assets of non-financial companies

SEK billion



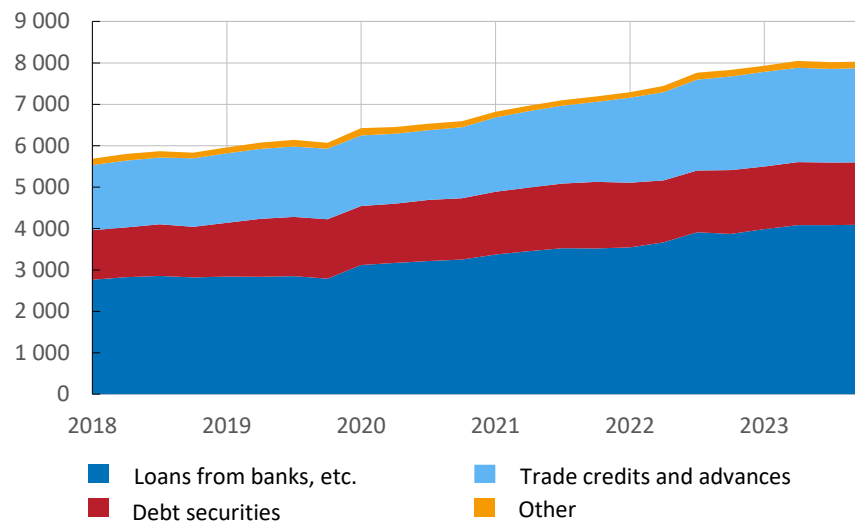
Note. Refers to Swedish non-financial companies, including tenant-owner housing associations. "Loans" include net group loans. Excluding equity capital.

Source: Statistics Sweden.

Companies need financing to make investments and run their operations. The type of financing on which they have to pay interest is called interest-bearing debt and amounted to just over SEK 5,500 billion at the end of 2023. This is equivalent to just under Sweden's annual GDP. Of this, SEK 4,000 billion were loans from banks and other lenders and SEK 1,500 billion were issued debt securities, see Figure 9.

Figure 9. Non-financial companies' debts

SEK billion

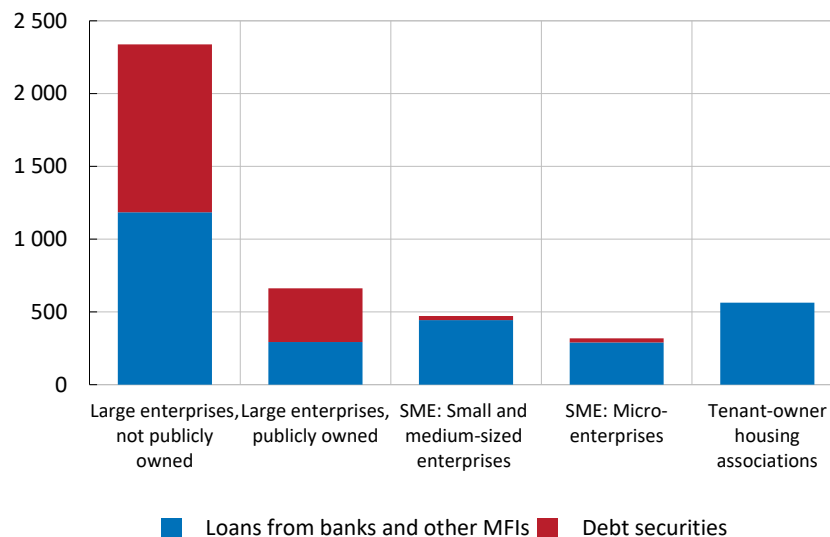


Note. Refers to Swedish non-financial companies, including tenant-owner housing associations. "Loans from banks and others" includes net group loans. Excluding equity capital.

Source: Statistics Sweden.

Figure 10. Non-financial companies' borrowing, by size

SEK billion



Note. Amount outstanding as at 31 December 2023. Loans and securities issues in all currencies to Swedish non-financial companies, nominal value. The size classification is based on the European Commission Recommendation (2003/361/EC), where the combination of number of employees, turnover and assets affects the size classification.

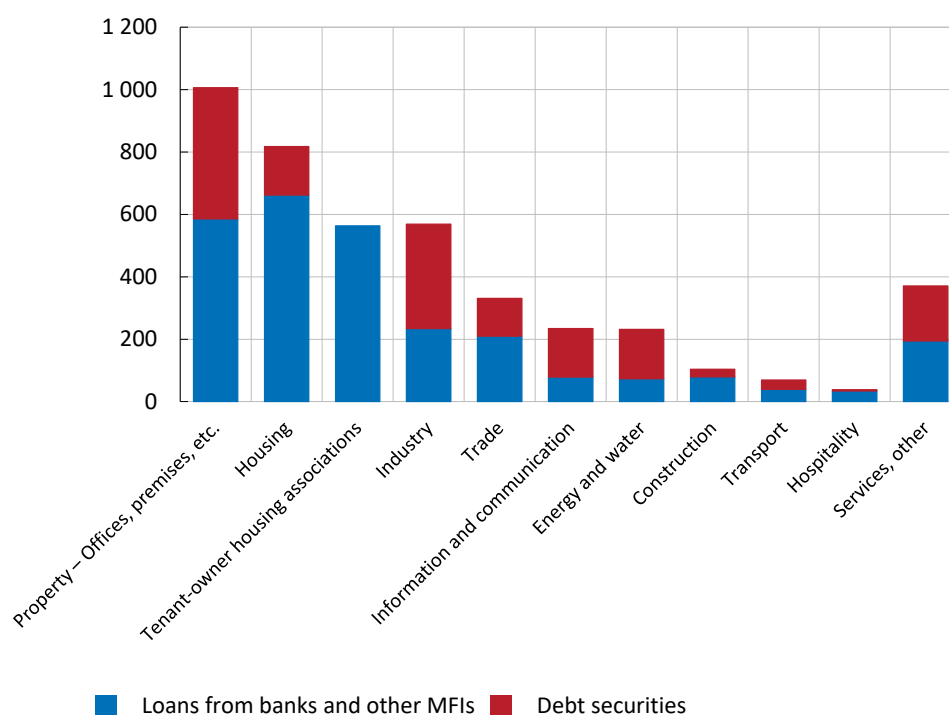
Source: Statistics Sweden and the Riksbank.

The ways in which companies finance their activities differ depending on their size and the sector in which they operate. Large companies borrow from banks and other

lenders about as much as they obtain financing by issuing debt securities, while medium-sized and small companies mainly borrow, see Figure 10. The highest share of securities borrowing is for companies active in energy and water supply, certain industrial and property operations and certain service industries, see Figure 11. In terms of volume, property companies dominate securities borrowing. Companies in construction, trade, hotels and tourism mainly take out loans to finance their activities.

Figure 11. Non-financial companies' borrowing, by sector

SEK billion



Note. Amount outstanding as at 31 December 2023. Loans and securities issues in all currencies to Swedish non-financial companies, nominal value.

Source: Statistics Sweden and the Riksbank.

Companies' loans mostly come from financial corporations, mainly banks, which account for more than 70 percent of the loan volume, but other financial companies also contribute to some extent. In addition, loans come mainly from municipalities and regions and from foreign lenders.²³

The debt securities issued by companies are mainly corporate bonds, but also commercial papers to some extent. Commercial papers have shorter maturities, up to one year, and bonds have longer maturities. Large, investment-grade Swedish companies account for most of the issue volumes on the corporate bond market. In recent years, however, more and more companies have chosen to issue bonds, including smaller, companies with a high yield credit rating. As a consequence, the share of issuance by

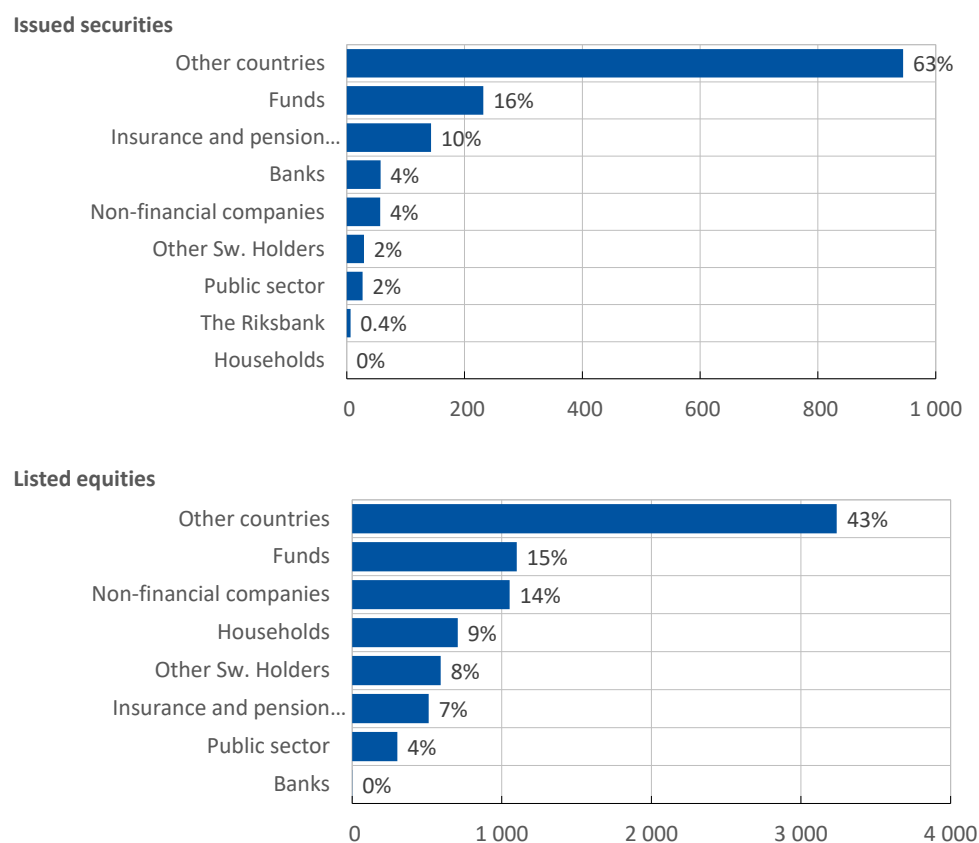
²³ Banks here refer to monetary financial institutions (MFIs) operating in Sweden, such as banks and credit market companies. Loans from municipalities and regions refer, for example, to loans to municipally or state-owned limited companies.

unrated companies has also increased significantly. One contributing factor may be the low interest rates that followed the financial crisis, which lowered absolute returns and increased investor demand for riskier assets, as well as making the price of securities financing more favourable compared with the price of bank loans.

It is mainly foreign actors who invest in the debt securities issued by companies, followed by Swedish funds and Swedish insurance and pension companies, see Figure 12. The Riksbank owned 0.4 percent of the securities at the end of 2023, having purchased corporate bonds and commercial papers between September 2020 and December 2022 to mitigate the effects of the coronavirus pandemic on the Swedish economy.^{24,25}

Figure 12. Holders of issued corporate debt securities and listed equities

SEK billion and percent



Note. Refers to the position as at 31 December 2023 for Swedish non-financial companies. "Banks" refer to monetary financial institutions (MFIs) operating in Sweden, which include banks and credit market companies.

Source: Statistics Sweden and the Riksbank.

²⁴ Read more about the Riksbank's purchases of corporate bonds at [Corporate bonds | Sveriges Riksbank](#) and in [FACT BOX - The Riksbank's role in the financial system](#).

²⁵ Read more about the development of corporate bond holders in [Investor behaviour in Swedish bond markets \(riksbank.se\)](#)

Companies also use equity capital to finance themselves. At the end of 2023, the market value of companies' outstanding equities amounted to just over SEK 21,000 billion, equivalent to around 340 percent of GDP. Of this, just over a third were listed equities and the rest unlisted.²⁶ Foreign investors account for the largest share of investment in listed equities. This is followed by Swedish funds, non-financial companies and households, see Figure 12. There are also venture capital companies that invest in companies' equity capital, but this is mainly in unlisted companies. Read more in the section [Private equity firms](#).

Companies are linked to different actors in more ways than through their savings and financing. They also enter into various types of derivative contract with banks to hedge against changes in, for example, commodity prices, exchange rates or interest rates, see Figure 4 above for an overview of the links. They are also linked to different actors by making recurrent payments and in the context of different payment services, as described in more detail in the section [Financial infrastructures enable payments](#).

1.3 Public sector

Central government and municipalities fund themselves by issuing debt securities

In addition to raising money through various taxes, the public sector uses the capital market to obtain funding. It does this by issuing debt securities. These include different types of bonds such as government and municipal bonds, which have longer maturities, and treasury bills and certificates, which have shorter maturities. In Sweden, the Swedish National Debt Office manages government borrowing and issues government bonds and treasury bills. At the end of 2023, the outstanding stock of issued public sector securities amounted to almost SEK 1,200 billion, see Figure 13. The majority of this consisted of government bonds, but some, around SEK 250 billion, also consisted of municipal bonds issued by municipalities and regions. For municipalities and regions, the credit market company Kommuninvest, an economic association owned and governed by its members, which are municipalities and regions, also borrows approximately SEK 250 billion.²⁷ Some funding, around SEK 100 billion, also comes from borrowing from banks and intergovernmental organisations.²⁸

At the end of 2023, Sweden's central government debt was just under 20 percent of GDP, see Figure 14. In the 2000s, central government debt fell sharply from the level

²⁶ As the value of an equity depends on the company's performance and the market's expectations of future performance, this figure differs from the value of the equity capital the company raised at the beginning, so a direct comparison of the size of the interest-bearing debt is not entirely accurate.

²⁷ Source: [www.kommuninvest.se/download/18.e6f1d6318fa4a7c94d1fd4e/1716973996911/Kommuninvest Annual Report 2023 \(xhtml\).xhtml](https://www.kommuninvest.se/download/18.e6f1d6318fa4a7c94d1fd4e/1716973996911/Kommuninvest+Annual+Report+2023+(xhtml).xhtml)

²⁸ Source: <https://kommuninvest.se/wp-content/uploads/2023/10/Den-kommunala-laneskulden-2023.pdf> (In Swedish only)