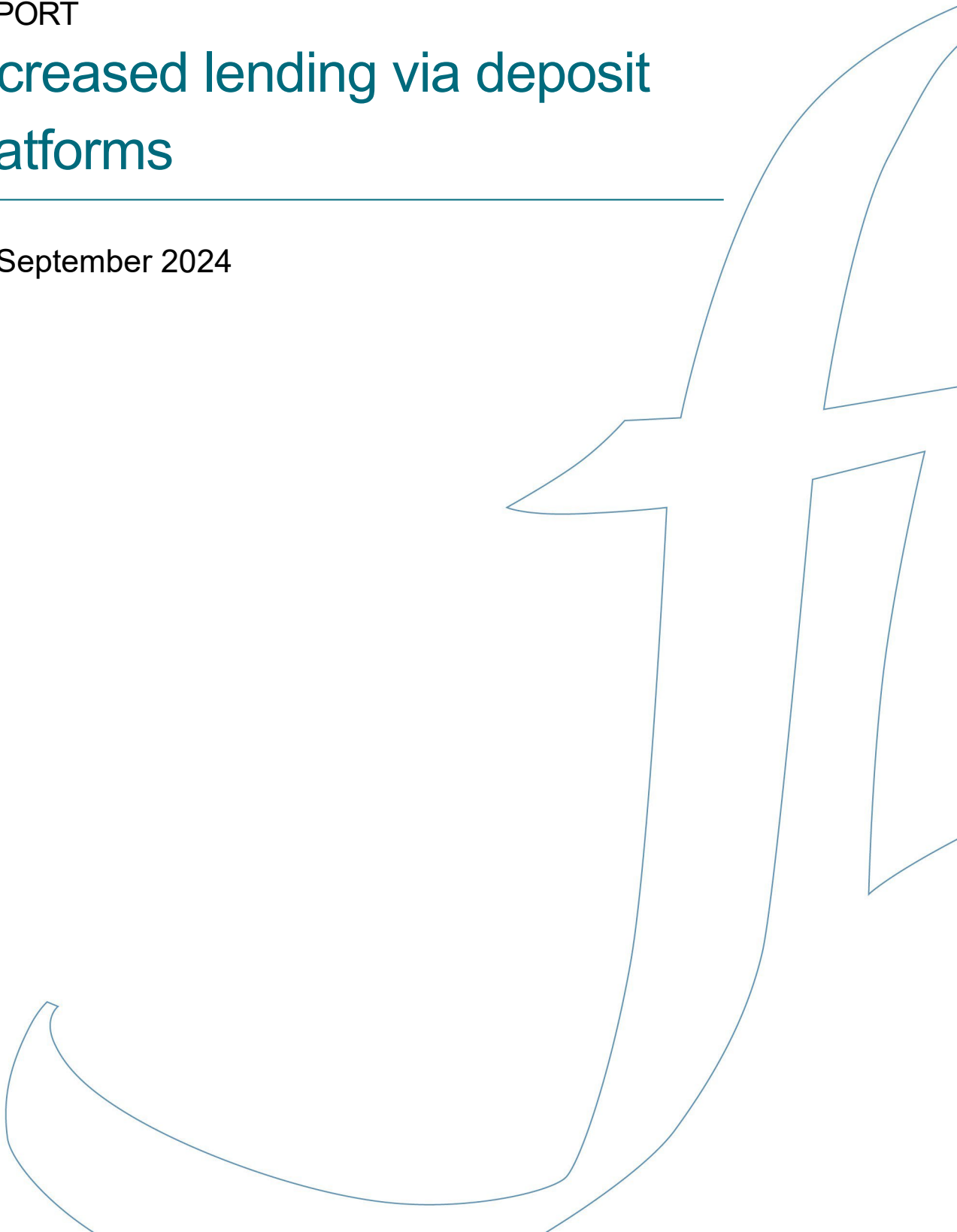




REPORT

Increased lending via deposit platforms

30 September 2024



Summary

Deposits via deposit platforms have increased in recent years. This is the conclusion of an analysis conducted by Finansinspektionen (FI). As a result, the risk of deposit outflows has increased. FI has therefore specified in a legal position that this should be reflected in how institutions calculate their liquidity requirements.

Deposit platforms are digital bank services – in apps or on websites – that make it possible for customers to compare deposit terms at different credit institutions and quickly move deposits. Sixteen institutions currently offer deposits via deposit platforms. At the end of 2023, these deposits amounted to SEK 170 billion. FI's analysis of overnight deposit volumes shows that deposits originating from deposit platforms vary significantly over time. The largest negative monthly change in volume in overnight deposits on average has amounted to 24 per cent.

Regulatory requirements, such as the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR), are in place to strengthen resilience to short-term liquidity shocks. These requirements aim to ensure that the institutions are holding liquidity buffers that are of adequate size and quality and have sufficiently stable funding for their needs. When calculating the requirements, deposits have a varying impact on the calculation depending on how stable they are considered to be.

In the analysis, we have observed that the institutions offering platform deposits apply the rules differently when calculating the liquidity requirements. The institutions, to varying extents, currently allow for the volatility in platform deposits. In FI's legal position (2024:2), the authority clarifies that firms providing digital deposit platforms are considered to be deposit brokers, which means that deposits from these platforms should be assigned a stricter weight when calculating LCR and NSFR. The legal position should entail that institutions going forward will be better at considering the flightiness of deposits originating from deposit platforms