

Swedish banks likely to hike dividend

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Sweden's Financial Markets Minister Peter Norman has given go-ahead for the country's banks to raise dividend payments after building up surplus capital that more than fulfills the nation's regulatory requirements, Bloomberg said, adding that the banks are "swimming in capital".

In 2011, Sweden told its banks to set aside bigger capital buffers than those required elsewhere and in November said stricter risk weights will apply to their mortgage assets.

"Going into fourth-quarter results, we think the focus of Swedish banks should be on dividends and capital returns," Masih Yazdi and Carla Antunes-Silva, analysts at Credit Suisse, said in a note to clients, according to Bloomberg.

"We see scope for positive surprises on the proposed dividends for 2012 as well as signals of changed dividend policies for the coming years."

The news-bureau said the country's four biggest banks -- Svenska Handelsbanken, Swedbank, SEB

and

Nordea Bank

-- already hold more than the 10 percent core Tier 1 equity relative to their risk-weighted assets that they're required to set aside this year.