

Bank expert: Learn from Scandinavian model

Written by Johan Nylander

Monday, 11 November 2013 03:55 - Last Updated Monday, 11 November 2013 04:06



- [Swedish mortgage lenders take lessons from Ikea](#)
- [Swedish 'Taliban' bank takes wisdom from H&M](#)

John Rogers, chief executive officer at the Chartered Financial Analyst Institute, said banks everywhere should study Scandinavia's response to its 1990s crisis to see how a near collapse was used to create one of the world's best-functioning financial industries.

"The world potentially has got some things to learn from the experience from the Nordic financial crisis of the early 1990s," Rogers told Bloomberg. "We're not paying enough attention to those lessons."

Two decades ago, Sweden responded to a real estate bust and ensuing bank turmoil with swift nationalization and instant separation of good assets from bad. Rogers says the approach should serve as a model for the future of banking. Stockholm-based Nordea Bank, Scandinavia's biggest lender, Norway's DNB and Sweden's Svenska Handelsbanken all avoided the worst of the fallout from Europe's debt crisis and the U.S. subprime collapse.

Nordic banks "have had the opportunity to prepare and think differently about finance and about their role," Rogers told the newswire. "We get a little bit of a preview of the future of finance here."

In a separate news, Swedish Finance Minister Anders Borg told Bloomberg he wants banks in the largest Nordic economy to rely more on traditional deposits than on wholesale debt markets to finance their mortgage lending.

"In the long-term, I think we can find financing models for mortgages that focus more on deposits and less on expensive funding," Borg said in a Nov. 8 interview. "That way Sweden should end up with lower costs for mortgage funding in the long-term in the same way that we're

Bank expert: Learn from Scandinavian model

Written by Johan Nylander

Monday, 11 November 2013 03:55 - Last Updated Monday, 11 November 2013 04:06

seeing in our neighboring countries.”