S&P Global
Ratings

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SBAB Bank AB (publ)

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SBAB Bank AB (publ)

SACP	a-		+	Support	+1	+	Additional Factors	0
Anchor	a-			ALAC Support	0		Issuer Credit Rating	
Business Position	Moderate	-1		GRE Support	+1		A/Stable/A-1	
Capital and Earnings	Strong	+1		Group Support	0			
Risk Position	Adequate	0		Sovereign Support	0			
Funding	Average	0						
Liquidity	Adequate							

Major Rating Factors

Strengths:	Weaknesses:
• Strong asset quality. • Sound capitalization levels. • Efficient business model.	• Highly concentrated on the Swedish property market. • Limited product offering and business diversification compared with peers.

Outlook: Stable

The stable outlook on SBAB Bank AB (publ) reflects S&P Global Ratings' expectation that the bank will maintain robust capitalization over the next two years, with its risk-adjusted capital (RAC) ratio in the range of about 12%-13% and loan losses remaining low, despite a higher-than-peers loan volumes target. The outlook also incorporates our assessment that a change in ownership is unlikely in the short to medium term and the Swedish government would likely provide timely support to the bank if needed.

We could raise the rating if we believed that the bank would be subject to a well-defined resolution strategy that would likely ensure full and timely payment on all of the bank's senior preferred obligations, and if the bank has issued sufficient bail-in-able debt instruments to merit two notches of ALAC uplift above its 'a-' stand-alone credit profile. At the same time, an upgrade would also hinge on our opinion that an 'A+' rating was merited compared with similarly highly rated peers in Europe and beyond.

We could take a negative rating action if we observed changes in the bank's risk appetite or operating conditions that might weaken asset quality, or if the RAC ratio were to fall below 10%.

Rationale

Our ratings on SBAB reflect the bank's solid capitalization, sound asset quality, and streamlined business model. However, we also take in account the bank's low revenue diversification and large exposure to Swedish residential real estate market. In addition, we consider that SBAB will maintain its strong capital base and sustained profit generation. The ratings also incorporate SBAB's improved risk profile, supported by its highly collateralized loan book and low share of nonperforming assets. Lastly, we regard the bank's funding and liquidity positions as in line with peers.

Furthermore, we include a one-notch uplift in our rating on SBAB to weigh in that the Swedish government is the bank's sole owner, in addition to the bank's limited policy role as a profit-seeking entity active in residential mortgage lending. As a result, we regard SBAB as a government-related entity (GRE) and therefore consider that some support from the Swedish state is likely if the bank were to experiences financial distress.

Anchor: 'a-' for Swedish banks

We consider that Swedish banks will continue to benefit from a stable and low-risk operating environment. We view the Swedish economy as highly diverse and competitive, with high household incomes and net financial assets, but believe that high property valuations, in tandem with increasing household debt, have created material economic imbalances. Nevertheless, we think that with increased housing supply, rising central bank policy rate, and the requirement for amortization of new residential mortgage loans, in particular on high debt-to-income levels, imbalances will likely moderate over 2019-2021. We project banks' credit losses and nonperforming loans will remain manageable in the still-low interest rate environment.

We view the banking sector's stability and absence of distortion and complexity as strengths. We consider Swedish banks well placed to benefit from sound margins and high efficiency rates, in part thanks to advanced digitization, as reflected in an average cost-to-income ratio of 46% between 2015 and 2018. This, combined with low credit losses in the prevailing operating environment, leads to sound profitability and high capital levels despite elevated dividend payout ratios. However, Sweden's banks rely on a large share of foreign wholesale funding relative to customer deposits, a key risk factor for the confidence-sensitive sector. That said, Sweden's private-sector debt capital markets and the government's willingness to ensure a well-functioning domestic covered bond market mitigate this risk, in our view. We consider the regulatory environment in Sweden to be in line with that in other EU countries, despite comparatively higher capital buffer requirements and a history of capital and liquidity support to the sector.

Table 1

SBAB Bank AB (publ) Key Figures					
	--Year-ended Dec. 31--				
(Mil. SEK)	2018	2017	2016	2015	2014
Adjusted assets	448,121	416,608	375,004	374,496	338,933
Customer loans (gross)	364,346	335,320	296,257	297,234	261,687
Adjusted common equity	14,138	13,259	12,340	11,528	10,370
Operating revenues	3,280	3,163	2,918	2,341	2,622
Noninterest expenses	1,049	959	889	789	830

Table 1

SBAB Bank AB (publ) Key Figures (cont.)

	--Year-ended Dec. 31--				
(Mil. SEK)	2018	2017	2016	2015	2014
Core earnings	1,726	1,709	1,570	1,178	1,392

SEK--Swedish krona.

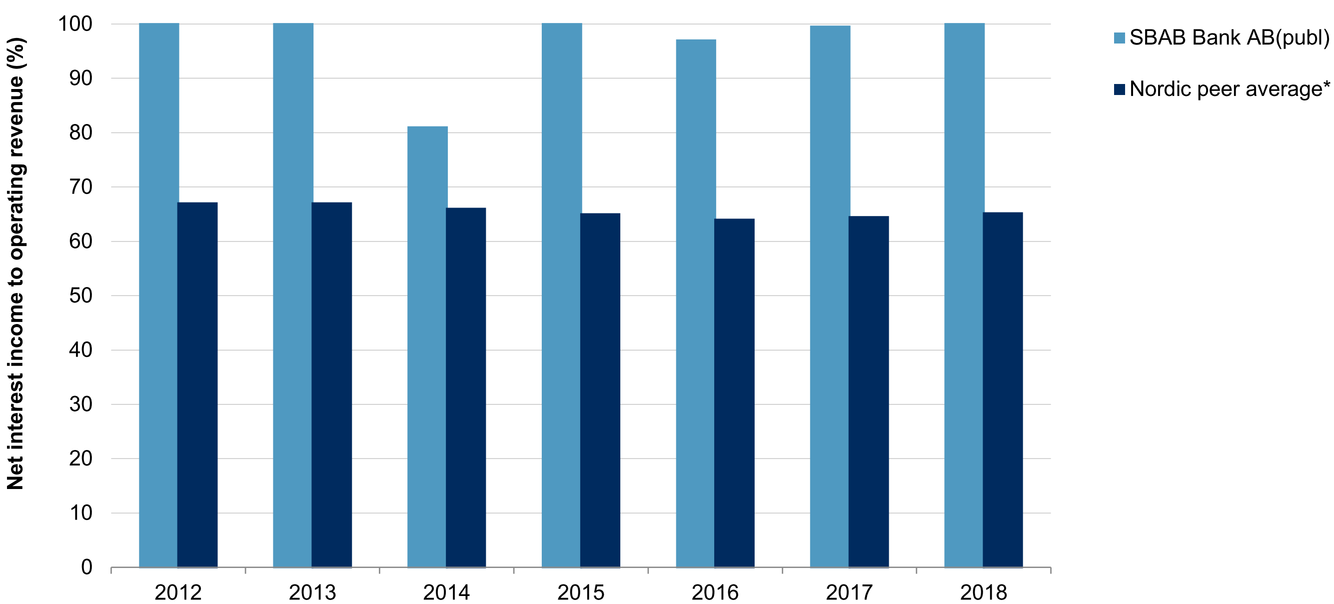
Business position: Business lines are limited to the Swedish property market

We take into account SBAB's narrower business mix, both from a product and geographic perspective, compared with other Nordic peers. SBAB is Sweden's fifth-largest bank, with about Swedish krona (SEK) 470 billion (€44 billion) in assets on its balance sheet as of March 31, 2019, mostly related to retail mortgages (75% loan book). The bank has increased its residential mortgage market share to about 8.4% as of December 2018 from about 7.2% in December 2016, in an operating climate that shows still sustained domestic mortgage lending to private individual and tenant-owned associations.

SBAB's lending growth has focused primarily in large cities in Sweden and in urban areas where demand has increased in the past few years, as urbanization and immigration affect the country.

Chart 1

SBAB's Mortgage Lending Focus Translates To Revenue Concentration



*Includes Nordea Bank Abp, Svenska Handelsbanken AB, Skandinaviska Enskilda Banken AB, Swedbank AB, and Lansforsakringar Bank AB.

SBAB maintains a leaner and more variable operating cost structure than many other banks because it serves retail clients only by phone and internet. Consequently, the bank boasts a cost-to-income ratio of about 30%, which compares favorably with both Nordic and European peers'. This supports our view that SBAB's earnings capacity will remain stable over the next few years.

Management remains committed to offering a cost-efficient platform, which supports the current strategy of delivering transparent mortgage loans and underpins SBAB's robust net profit performance. The board of directors includes one member that represents the government's 100% stake. However, the board is generally considered independent and supportive of management in order to allow for autonomous business decisions.

Table 2

SBAB Bank AB (publ) Business Position

	--Year-ended Dec. 31--				
(%)	2018	2017	2016	2015	2014
Loan market share in country of domicile	8.4	8.0	7.2	7.9	7.3
Deposit market share in country of domicile	4.7	4.3	4.1	3.8	3.5
Total revenues from business line (mil. SEK)	3,280.0	3,163.0	2,918.0	2,341.0	2,622.0
Commercial banking/total revenues from business line	24.4	23.2	21.0	22.2	22.2
Retail banking/total revenues from business line	78.3	77.7	77.5	76.6	53.5
Commercial & retail banking/total revenues from business line	102.7	100.9	98.5	98.8	75.7
Other revenues/total revenues from business line	(2.7)	(0.9)	1.5	1.2	24.3
Return on equity	11.5	12.2	12.3	10.2	12.2

SEK--Swedish krona.

Capital and earnings: Resilient earnings generation supports capitalization

We consider SBAB's capital levels to be a rating strength, offsetting potential risks. Specifically, we expect SBAB's RAC ratio--our measure of the bank's capital--will remain at 12.25%-12.75% over the next 18-24 months, mainly on the back of sustained earnings generation.

As of December 2018, SBAB's RAC ratio slipped to 12.3% from 12.4% as loan growth continues at a steady pace (sustained at an average 11% over the past two years). Loan growth will largely be balanced by solid earnings, which we expect will continue, still driven by retail mortgage lending. However, we note that while we anticipate that SBAB's capital will continue to compare favorably with peers', the bank's average earnings buffer has neared 1.05%, versus 1.16% as of December 2017 (an earnings buffer of 1.0% indicates adequate earnings capacity).

Our RAC ratio includes SEK3 billion (€0.3 million) of additional Tier 1 (AT1) hybrid capital instruments. We include them in our total adjusted capital (TAC) measure, representing approximately 20% of TAC, and expect the total amount of hybrid capital to remain stable. We view SBAB as having average quality of capital, given that many European peers have higher quality of capital because they have greater shares of core capital, as measured by adjusted common equity.

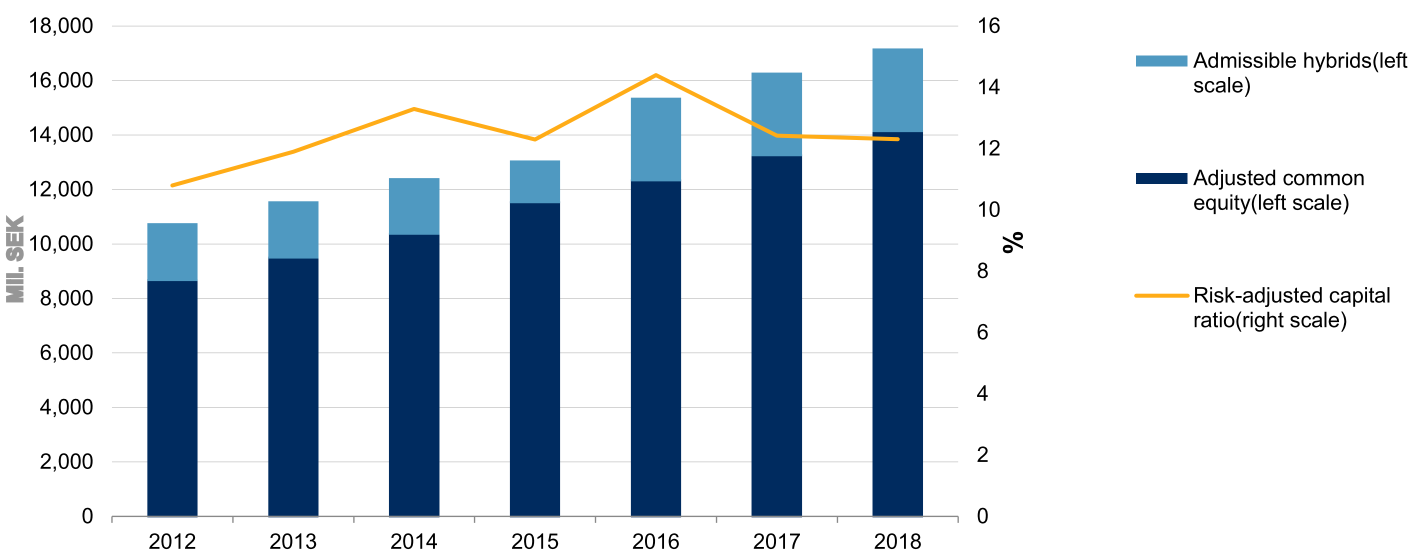
The common equity tier I (CET1) ratio is now closely aligned to our RAC, as the former declined sharply to 12.4% as of March 2019 from 32% as of December 2017. However, the decline stems from the Swedish FSA amended method for applying risk-weighted floor to residential mortgages. This change does not meaningfully affect SBAB's capital in nominal terms, while the CET1 remains above 10.3% regulatory requirement.

Although sustained lending volumes continue to bolster net interest income, in 2018 SBAB produced a pre-tax profit growth of about 0.6%--more modest than previous years. This was mainly due to higher personnel costs, insourcing of some back-office activities, IT investments and other negative one-off items (e.g. termination cost linked to reduction of mortgage brokers). In the next two years, although we expect costs to grow slightly faster than revenues, the pre-tax earnings should grow at higher speed, approximately 3% on average. As a result, we consider that the bank will achieve its return on equity (ROE) target of 10% or better. As of first-quarter 2019, the bank had posted ROE of 12.5%, which is lower than for larger Swedish commercial banks but it is commensurate with the relative low-risk lending portfolio.

In line with previous years and current guidance, SBAB should maintain a dividend payout ratio of 40% over the next few years, in line with the dividend target set by its owner, the Swedish state.

Chart 2

SBAB's Risk-Adjusted Capital Will Remain A Rating Strength On Sustained Earnings



SEK--Swedish krona.

Table 3

SBAB Bank AB (publ) Capital And Earnings

(%)	2018	2017	2016	2015	2014
	--Year-ended Dec. 31--				
Criteria reflected in RAC ratios	2017 RAC Criteria	2017 RAC Criteria	2017 RAC Criteria	2010 RAC Criteria	2010 RAC Criteria
Tier 1 capital ratio	15.10	39.30	40.10	35.10	36.80
S&P Global Ratings' RAC ratio before diversification	12.31	12.42	14.40	12.30	13.30
S&P Global Ratings' RAC ratio after diversification	8.28	8.33	9.40	9.30	9.40
Adjusted common equity/total adjusted capital	82.49	81.55	80.44	88.49	83.72
Net interest income/operating revenues	102.50	99.56	96.95	104.31	80.51
Fee income/operating revenues	(1.49)	(0.16)	0.24	(4.36)	(4.20)
Market-sensitive income/operating revenues	(1.98)	(0.38)	1.64	0.04	23.65
Noninterest expenses/operating revenues	31.98	30.32	30.47	33.70	31.66
Preprovision operating income/average assets	0.52	0.56	0.54	0.44	0.53
Core earnings/average managed assets	0.40	0.43	0.42	0.33	0.41

RAC--Risk-adjusted capital.

Table 4

SBAB Bank AB (publ) Risk-Adjusted Capital Framework Data

(Mil. SEK)	EAD	Basel III RWA	Average Basel III RW (%)	S&P Global Ratings' RWA	Average S&P Global Ratings' RW (%)
Credit risk					
Government and central banks	37,348.0	0.0	0.0	1,117.5	3.0
Of which regional governments and local authorities	12,082.0	0.0	0.0	435.0	360.0
Institutions and CCPs	47,890.4	7,375.0	15.4	6,773.0	14.1
Corporate	42,429.0	12,128.0	28.6	43,979.0	103.7
Retail	335,032.0	14,332.0	4.3	79,307.8	23.7
Of which mortgage	331,258.0	12,096.0	3.7	76,818.7	23.2
Securitization*	0.0	0.0	0.0	0.0	0.0
Other assets§	390.0	237.5	60.9	385.8	98.9
Of which deferred tax assets	0	--	--	0	0
Of which amount of over (-) or under (+) capitalization of insurance subsidiaries	0	--	--	0	0
Total credit valuation adjustment	--	2,887.5	--	0.0	--
Equity in the banking book	89.0	1,112.5	1,250.0	778.8	875.0
Trading book market risk	--	1,000.0	--	1,500.0	--
Total market risk	--	2,112.5	--	2,278.8	--
Total operational risk	--	4,337.5	--	5,392.9	--
RWA before diversification	--	114,129.0	--	139,234.7	100.0
Single name(on corporate portfolio)†	--	--	--	16,295.1	37.1
Sector(on corporate portfolio)	--	--	--	4,219.2	7.0
Geographic	--	--	--	23,632.4	15.5

Table 4

SBAB Bank AB (publ) Risk-Adjusted Capital Framework Data (cont.)					
Business and risk type	--	--	--	23,515.3	12.8
Total diversification/ concentration adjustments	--	--	--	67,662.1	48.6
RWA after diversification	--	114,129.0	--	206,896.8	148.6
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings' RAC ratio (%)**
Capital ratio before adjustments	--	17,263.0	15.1	17,137.8	12.3
Capital ratio after adjustments‡	--	17,263.0	15.1	17,137.8	8.3

*Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. §Other assets inlcudes Deferred Tax Assets (DTAs) not deducted from ACE. †For public-sector funding agencies, the single name adjustment is calculated on the regional government and local authorities portfolio. ‡For Tier 1 ratio, adjustments are additional regulatory requirements (e.g. transitional floor or pillar 2 add-ons). EAD--Exposure at default. RWA--Risk-weighted assets.

Risk position: Low risk business and prudent underwriting support future asset quality

Our risk profile assessment reflects SBAB's dominant exposure to residential real estate and its loss history, which is in line with overall Swedish banking industry risk. Over the next two years, as the bank pursues above-market lending growth of about 8%, we think SBAB will maintain strict lending guidelines for new growth. We note that the bank's new growth has typically been with established homeowners with lower average loan-to-value and debt-to-income ratios who have decided to remortgage from other banks with SBAB.

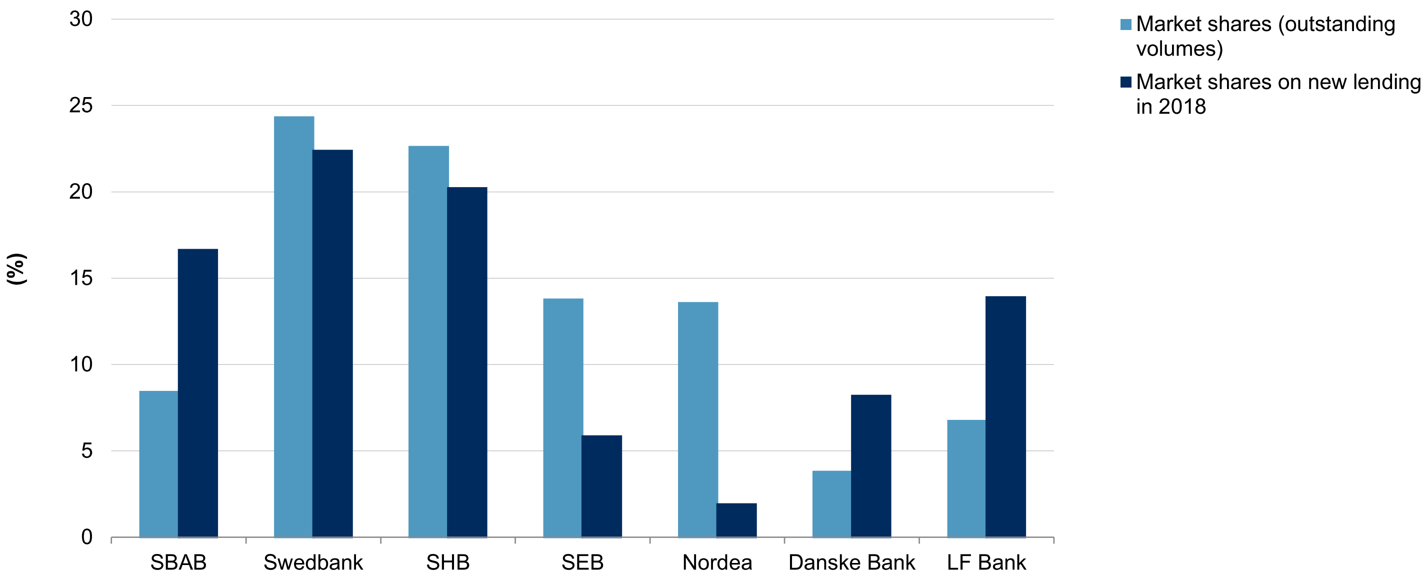
As of first-quarter 2019, residential retail mortgage lending represents about 75% of SBAB's loan book, with the remaining 25% split between tenant-owner associations (15%) and corporates (10%).

In addition to this, SBAB has also significantly reduced its exposure to the commercial real estate market, which we think would be more severely affected if Sweden faced a recession, to about 1% of lending. Noncore lending, such as unsecured consumer and secondary-housing loans, are also a small portion of SBAB's loan portfolio, and exposure to construction loans are capped at 6% of total credit.

As of Dec. 31, 2018, SBAB's ratio of gross nonperforming assets to customer loans remained marginal at 0.07%. Generally, we believe that SBAB's asset quality should continue to be supported by the bank's focus on residential retail mortgage, which creates a naturally well-collateralized loan book. Furthermore, prudent risk-management practices will likely continue to result in minimal new loan loss provisions, with net charge-offs remaining at or near 0% of gross lending, given the bank's reversal recorded over the past two years and average of 0.01% over the past decade.

Chart 3

SBAB Pursues Annual Above-Market Lending Growth



Source: Statistics Sweden.

Table 5

SBAB Bank AB (publl) Risk Position					
	--Year-ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Growth in customer loans	8.7	13.2	(0.3)	13.6	1.0
Total diversification adjustment/ S&P Global Ratings' RWA before diversification	48.6	49.0	52.1	32.8	41.2
Total managed assets/adjusted common equity (x)	31.7	31.4	30.4	32.5	32.7
New loan loss provisions/average customer loans	0	0	0	0	0
Net charge-offs/average customer loans	0	0	0	0	0
Gross nonperforming assets/customer loans + other real estate owned	0.1	0.1	0.1	0.1	0.1
Loan loss reserves/gross nonperforming assets	49.1	69.4	86.7	74.4	65.4

*Data as of Sept. 30. RWA--Risk-weighted assets. N/A--Not applicable.

Funding and liquidity: Increased deposit funding is underpinned by government ownership

Over the past several years, SBAB has been focused on attracting depositors (both retail and corporate) and lengthening its funding profile. Although the bank is still predominately funded by wholesale debt, its funding metrics are now more in line with levels seen at Nordic peers. Our calculation of the funding ratio remained stable at 102% as of December 2018.

In first-quarter 2019, SBAB's deposits totaled SEK126 billion, up 9.4% year-on-year and representing 34% of its loan book. Deposits (two-thirds of retail customers) reached a market share of about 4% in Sweden, compared with virtually none in 2011. Although the Swedish deposit guarantee covers about 60% of the deposit base, we think growth has also been supported by the government's 100% ownership of the bank. SBAB's loan growth over the coming years will likely be funded by a mix of deposits, covered bonds, and senior bonds. As such, we anticipate that the bank's funding metrics will remain balanced.

The covered bonds issued via SBAB's covered bond subsidiary, SCBC, make up 75% of outstanding issuance and almost 60% of the total funding base. Issuances denominated in Swedish krona dominate the bank's balance sheet, with euro- or U.S. dollar-denominated issuances representing a quarter. This is to minimize cross currency basis swap usage, which has created earnings volatility in the past.

We consider SBAB's liquidity to be adequate. The bank's liquidity portfolio now stands at about SEK74 billion (approximately €7.0 billion), having increased by SEK40 billion (about €4 billion) over the past five years. Despite an increase in short-term wholesale funding, SBAB's ratio of broad liquid assets to short-term wholesale funding reduced to 1.1x in December 2018, and we expect it to remain above 1.0x in 2019. However, we also note that asset encumbrance remains high at about 53% as of December 2018. It has been stable around this level over recent years and is broadly in line with most Nordic peers. We note that SBAB reported that its regulatory liquidity coverage ratio was 303%--well above the 100% minimum.

Table 6

SBAB Bank AB (publ) Funding And Liquidity

	--Year-ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Core deposits/funding base	29.34	28.29	27.39	21.75	19.24
Customer loans (net)/customer deposits	291.54	299.49	305.91	387.51	431.36
Long term funding ratio	84.69	84.54	88.11	82.55	79.65
Stable funding ratio	102.2	102.82	108.56	99.82	98.31
Short-term wholesale funding/funding base	15.98	16.13	12.45	18.1	21.19
Broad liquid assets/short-term wholesale funding (x)	1.08	1.15	1.59	1.05	0.97
Net broad liquid assets/short-term customer deposits	4.34	8.67	26.9	3.81	-3.12
Short-term wholesale funding/total wholesale funding	22.39	22.25	16.95	23.01	26.03
Narrow liquid assets/3-month wholesale funding (x)	1.82	1.12	1.56	1.42	N/A

N/A--Not applicable.

External support: A one-notch uplift reflects a moderate likelihood of government support

Although we consider extraordinary government support for banks in Sweden to be generally uncertain, we think the Swedish government, SBAB's sole owner, would likely provide timely support to the bank if needed. This is due to the bank's strong link to Sweden, which has a track record of stepping in with financial aid when needed. The uplift is limited to one notch from SBAB's stand-alone credit profile (SACP), because we also factor in the currently limited importance of the bank's public policy role. SBAB is a profit-seeking entity and currently provides a service that we think a private-sector entity could undertake.

Like many of its government-related entity peers in the EU, SBAB is within the scope of the EU's Bank Resolution and

Recovery Directive, which includes restrictions on government support. However, we currently see no material impediment on timely support for SBAB from the Swedish government.

We note that, in 2018, the Swedish resolution authority (the National Debt Office) established a minimum requirement for own funds and eligible liabilities (MREL) for Swedish banks, including SBAB. Authorities recently clarified that MREL will need to be met with subordinated liabilities. SBAB might build up a material buffer of subordinated bail-in-able liabilities that protect senior unsecured creditors, also by issuing in the order of SEK20 billion by end-2021. This has potential to render a bail-in resolution, versus requiring government support. However, prior to such a scenario, the bank's ability to tap the wholesale market as planned should become more apparent, as well as greater visibility on the resolution processes ("Ratings On Various Swedish Mid-Size Banks Affirmed On MREL Requirements; Some AT1 Hybrids On Watch Negative," published Nov. 27, 2018).

Ratings on hybrid instruments

We rate SBAB's hybrids instruments by notching down from our assessment of the bank's SACP. This is because we believe government support would not apply to this form of debt.

We rate SBAB's AT1 instruments (BB+/Watch Neg) with a going-concern. We deduct four notches from the SACP to reflect:

- One notch for contractual subordination;
- Two notches for the instruments' status as Tier 1 regulatory capital; and
- One notch because the instruments allow for the full or partial temporary write-down of the principal amount.

We placed the issue ratings on CreditWatch following changes in the Swedish Financial Supervisory Authority's (FSA) methodology for calculating regulatory capital ratios and the potentially heightened risk of a partial payment on the banks' AT1 instruments. Specifically, the CreditWatch reflects our review of the buffer between the banks' regulatory common equity tier 1 ratio and the mandatory going-concern trigger. If we concluded that the buffer might fall below 700 basis points over the next 12-24 months, we could widen the notching on the affected instruments due to increased risk of nonpayment, write-down, or conversion.

Starting from Dec. 31, 2018, the Swedish FSA applies risk weights to domestic mortgage exposures by establishing a hard Pillar 1 requirement under the Basel framework for banks using internal rating-based models, instead of the current institute-specific Pillar 2 requirements. Although this is a technical change and it does not directly affect the regulatory capital requirements in nominal terms, or our measure of risk-adjusted capital, it reduces the regulatory capital ratios and, in turn, the distance to AT1 mandatory going-concern triggers, set at 7%.

Additional rating factors: None

No additional factors affect this rating.

Related Criteria

- General Criteria: S&P Global Ratings' National And Regional Scale Mapping Tables, Aug. 14, 2017

- Criteria - Financial Institutions - General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria - Financial Institutions - Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria - Financial Institutions - Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- General Criteria: National And Regional Scale Credit Ratings, Sept. 22, 2014
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Financial Institutions - Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Financial Institutions - Banks: Commercial Paper I: Banks, March 23, 2004

Related Research

- CreditWatch On SBAB And Landshypotek's AT1 Instruments Maintained On Regulatory Capital Evolution, March 22, 2019
- Banking Industry Country Risk Assessment: Sweden, April 11, 2019
- Banking Industry Country Risk Assessment Update: February 2019, Feb. 22, 2019
- Ratings On Various Swedish Mid-Size Banks Affirmed On MREL Requirements; Some AT1 Hybrids On Watch Negative, Nov. 27, 2018
- Nordic Banks Sport Strong Capital--And It's Not Likely To Soften, Oct. 17, 2018
- Nordic Bank Ratings Continue To Stand Tall, Aug. 16, 2018
- 24 European Banking Groups Assigned Resolution Counterparty Ratings, June 29, 2018

Anchor Matrix

Industry Risk	Economic Risk									
	1	**2**	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	**a-**	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of May 16, 2019)*

SBAB Bank AB (publ)		
Issuer Credit Rating		A/Stable/A-1
Nordic Regional Scale		--/--/K-1
Commercial Paper		A-1
Nordic Regional Scale		K-1
Junior Subordinated		BB+/Watch Neg
Senior Unsecured		A
Short-Term Debt		A-1
Subordinated		BBB
Issuer Credit Ratings History		
24-Nov-2017	*Foreign Currency*	A/Stable/A-1
25-Sep-2013		A/Negative/A-1
19-Jul-2013		A/Watch Neg/A-1
24-Nov-2017	*Local Currency*	A/Stable/A-1
25-Sep-2013		A/Negative/A-1
19-Jul-2013		A/Watch Neg/A-1
22-Jun-2004	*Nordic Regional Scale*	--/--/K-1
Sovereign Rating		
Sweden		AAA/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.