

RatingsDirect®

Swedbank AB

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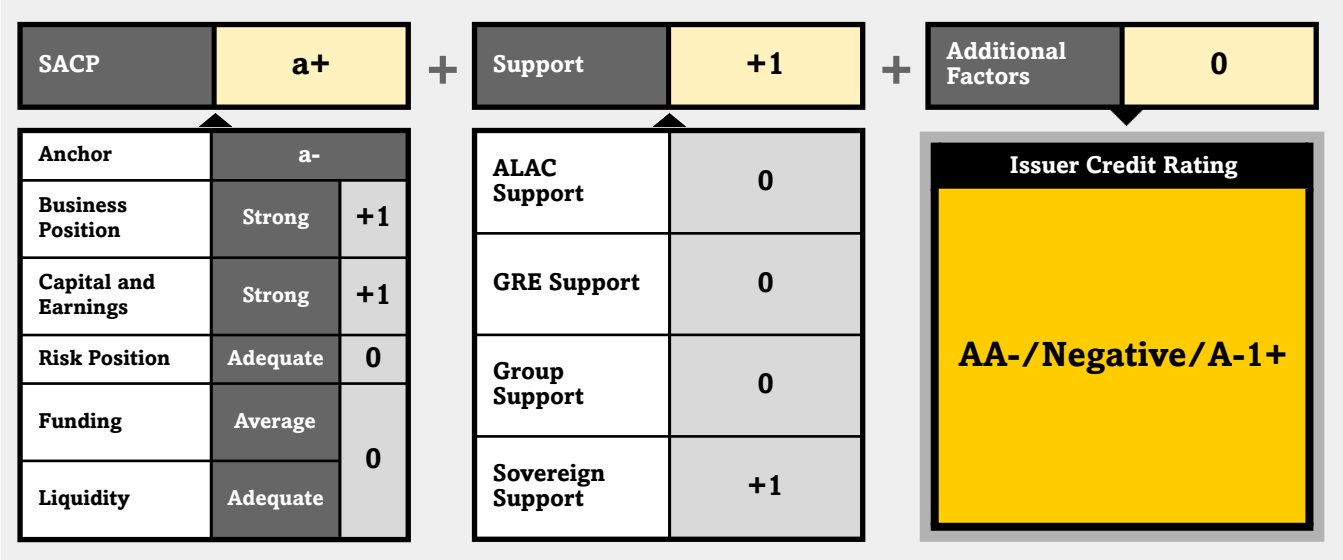
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Swedbank AB



Major Rating Factors

Strengths:	Weaknesses:
<ul style="list-style-type: none"> • Retail banking market leader in Sweden, with a large customer base and wide distribution network. • Strong risk-adjusted capital levels, reflecting the low risk profile of domestic operations. • Strong earnings capacity. 	<ul style="list-style-type: none"> • More concentrated exposure to its domestic market than peers. • Greater reliance on wholesale funding than international peers.

Outlook: Negative

The negative outlook on Swedbank reflects S&P Global Ratings' view of heightened economic risks associated with growing economic imbalances in Sweden.

We could lower the ratings in the next 24 months if the negative trends we see for Swedish economic risk lead us to revise down our anchor for banks operating in Sweden, including Swedbank, to 'bbb+' from 'a-'. Additionally, we could revise Swedbank's stand-alone credit profile (SACP) downward if, contrary to our current expectation, the bank is unable to maintain an S&P Global Ratings-adjusted risk-adjusted capital (RAC) ratio sustainably above 10%, our threshold for a strong capital and earnings assessment.

We could revise the outlook to stable if we consider that the trend for economic risk affecting the Swedish banking sector had stabilized, particularly risks stemming from high house price appreciation and increases in private sector indebtedness.

Rationale

We base our ratings on Swedbank on the 'a-' anchor. In our view, the bank has a strong business position, given its market-leading retail position, strong revenue performance, and efficiency, as well as prudent management and strategy. We assess its capital and earnings as strong, reflecting the bank's strong earnings capacity and our projection that it will maintain a RAC ratio before diversification adjustments comfortably above 10% over the next 18-24 months. The bank's adequate risk position reflects its extensive market coverage and representative risk profile in each of its four primary banking markets. Our assessment of Swedbank's funding as average reflects our view that the bank's long-term assets are largely supported by appropriate long-term funding, while our assessment of its liquidity as adequate reflects that the bank maintains liquidity buffers in line with its short-term wholesale funding.

Anchor: 'a-', reflecting the bank's focus on Sweden and its Baltic core markets

Our bank criteria use our Banking Industry Country Risk Assessment's (BICRA) economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating. Our anchor for Swedbank is 'a-', reflecting the bank's regulatory base in Sweden and its combination of credit exposure to Sweden, other Nordic countries, and the Baltic states of Estonia, Latvia, and Lithuania. The anchor is derived from a weighted economic risk score of '2' and an industry risk score of '3', reflecting the high share of Swedish exposures.

We view the Swedish economy as highly diverse and competitive, with considerable and demonstrated monetary and fiscal flexibility, given a historical focus on prudent management of public finances. We believe that the developments in commercial and retail property valuations since 2014 are not fully explained by fundamental factors and, in connection with Sweden's high and growing household and private-sector debt, are exacerbating existing imbalances. Sweden has now mandated amortization on new residential mortgages; however, low interest rates, tax incentives for debt, and a structural shortage of housing continue to support our view that the existing imbalances in Sweden could have a negative impact on the Swedish economy, if not contained. Household incomes are high and households' net financial assets and high savings remain supporting factors for our assessment of economic risks. In addition, we expect credit losses and nonperforming loans will remain low in a low interest rate environment.

In our view, the high share of net external debt is a key risk factor for the banking sector. Core customer deposits saw a slight increase in 2016 as both corporate and retail depositors are continuing to build cash buffers. For households this is evidenced by maintaining a high savings rate. The banks fill the resulting funding gap with largely domestic covered bonds and international senior debt. We view the regulatory environment in Sweden as in line with that of other EU countries, despite comparatively high capital buffers and a history of capital and liquidity support to the sector. We also view the stability of the banking sector and absence of significant complexity as sector strengths.

Table 1

Swedbank AB Key Figures					
	--Year-ended Dec. 31--				
(Mil. SEK)	2017*	2016	2015	2014	2013
Adjusted assets	2,306,025	1,979,810	1,981,723	1,963,659	1,687,701
Customer loans (gross)	1,461,237	1,462,142	1,373,931	1,328,605	1,218,726
Adjusted common equity	94,137	100,540	97,716	90,546	87,104

Table 1

Swedbank AB Key Figures (cont.)					
	--Year-ended Dec. 31--				
(Mil. SEK)	2017*	2016	2015	2014	2013
Operating revenues	10,651	41,178	37,582	39,304	36,938
Noninterest expenses	4,005	16,163	16,405	17,858	17,341
Core earnings	5,126	19,520	15,966	16,672	14,874

*Data as of March 31. SEK--Swedish krona.

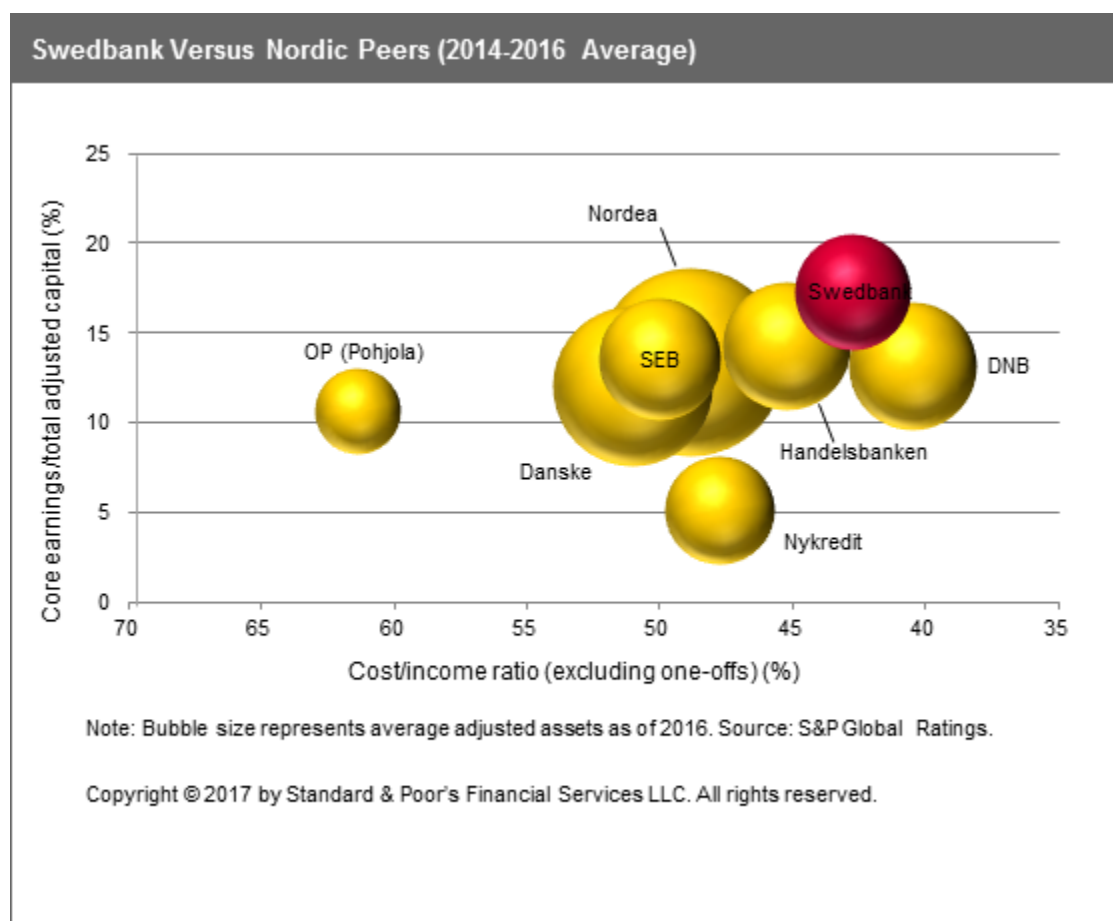
Business position: Sweden's incumbent retail and SME lender, with a strong and stable profitability

We view Swedbank's business position as strong, reflecting the stability of its retail franchise, high steady revenues, and efficiency. The bank's somewhat narrow geographic focus, compared to large domestic and international peers, partly offsets these strengths.

Swedbank has a market-leading position among Swedish households and SMEs, and it dominates the Baltic banking sector. We estimate that the bank's domestic market shares for mortgage lending (25%), SME lending (26%), and total deposits (19%) were the highest in Sweden at year-end 2016. We estimate that the bank also maintains sizable shares of Swedish corporate lending (19%) and deposits (18%). In addition, Swedbank considers the three Baltic countries as core markets and holds private lending and deposit market shares of nearly 30% in the region (16%-18% for corporate lending) and around 50% in Estonia in particular (34% corporate lending). The bank is also a market leader in mutual funds and payment processing, generating a stable stream of low risk commission income in its core markets.

Since 2013, Swedbank has had the highest core capital generation among its Nordic peers and similar banks across Europe (chart 1). Swedbank has a three-year average of core earnings to adjusted assets at 0.9% as a result of its large and stable retail-focused core earnings base, high efficiency metrics, and low loss provisions. Swedbank is a top-three bank (the other two being Nordic peers) in its peer group in terms of efficiency, with an average cost-to-income ratio of 43% over the past three years (38% at the end of the first quarter of 2017).

Chart 1



Diversification of revenues is slightly lower than that of the bank's larger European and Nordic peers and a majority of Swedbank's operating revenues come from its Swedish corporate and retail clients, 77% of the 2016 total. The significant exposure to the Swedish market makes Swedbank more dependent on general domestic economic developments, which we consider a weakness relative to other similarly rated peers.

The bank is also a market leader in retail mutual funds and payment processing, generating a stable stream of low-risk commission income in its core markets. Swedbank's earnings volatility has historically remained at around 3% (as measured by the average deviation to the mean), and the swing in fees and commissions has been small compared with those of peers with significant markets and investment banking operations. Moreover, volatile corporate sectors such as shipping & offshore, hotel and restaurants, retail, and transportation only account for 11% of total loans.

Swedbank's senior management team has in 2016 seen significant changes. (See "Swedbank 'AA-/A-1+' Ratings Affirmed Following CEO's Unexpected Departure; Outlook Remains Negative," published Feb. 17, 2016, on RatingsDirect). In addition to the CEO's departure, the CFO resigned and the mandate for chairman of the board was not renewed at the annual general meeting. Although we believe that these events and ensuing negative media coverage have not favored the bank, we note that the focus has shifted and we continue to anticipate that any long-term significant impact will be limited.

We believe Swedbank is advanced in adopting a digitalization strategy, which is a supportive element to its overall profitability. The bank is investing substantially to develop a fully digitalized product offering and full vertical integration of IT systems. Its "labs" employ over 200 people who focus on building the banking products and structure to gather data to enhance customer segmentation and targeted offers. We believe the strategy has already benefitted the bank in terms of driving mobile application usage and lowering the costs of serving its broad customer base by reducing manual processes. We view the bank as one of the most efficient in Europe.

Additionally, Swedbank undertook its first direct investment in the fintech industry in April this year--in the Swedish personal finance management app Mina Tjänster.

Table 2

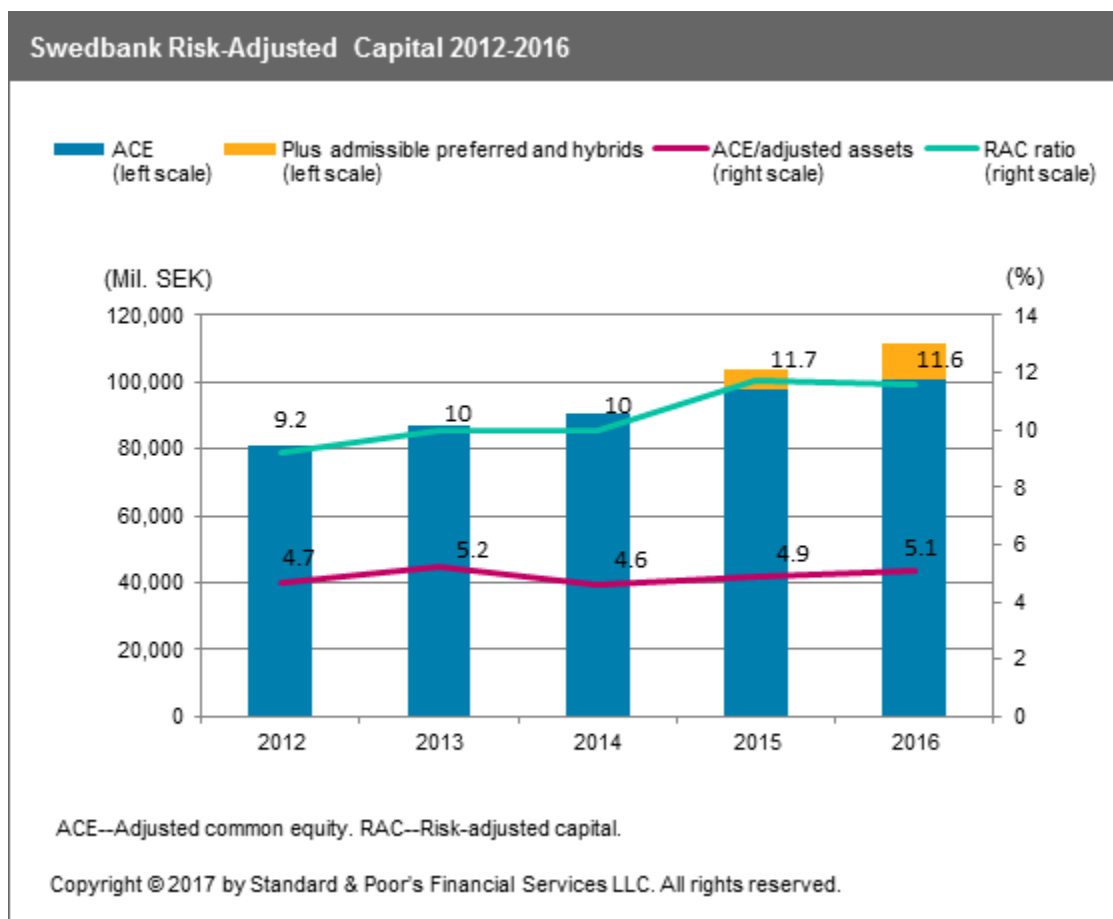
Swedbank AB Business Position					
	--Year-ended Dec. 31--				
(%)	2017*	2016	2015	2014	2013
Loan market share in country of domicile	N/A	23.0	23.0	21.5	21.3
Deposit market share in country of domicile	N/A	21.0	21.0	18.5	18.6
Total revenues from business line (mil. SEK)	10,651	41,635	37,624	39,304	36,938
Commercial banking/total revenues from business line	17.7	18.8	19.9	19.7	20.3
Retail banking/total revenues from business line	60.7	56.3	59.9	57.9	58.8
Other revenues/total revenues from business line	5.5	8.6	3.4	6.8	5.7
Return on equity	16.5	15.5	13.1	14.5	12.0

*Data as of March 31. SEK--Swedish krona. N/A--Not applicable.

Capital and earnings: Strong assessment of capital and earnings

We view Swedbank's capital and earnings as strong, given our projection that the RAC ratio will remain substantially above 10% over the next 18-24 months. The ratio stood at 11.6% at year-end 2016, an increase from the 10.7% we projected in June 2016. We expect the RAC to increase further toward 11.8% in the next 18-24 months, underpinned primarily by retained earnings. Our forecast incorporates Swedbank's 75% dividend policy, based on our expectation of a net profit base of Swedish krona (SEK) 18 billion-SEK19 billion (approximately €1.9 billion-€2.0 billion), which currently would add 10 basis points (bps) annually to the adjusted RAC ratio. In our view, the bank's high dividends could provide about SEK13 billion of additional equity capital flexibility (about 13% of total adjusted capital) in adverse conditions. We also include in our assumptions an increase of SEK183 million in resolution fees to be paid by the bank from 2017.

Chart 2



Swedbank's regulatory common equity tier 1 ratio stood at 24.2% at March 31, 2017, against a requirement of 21.7%. The Basel committee is currently revising or finalizing new requirements for various risks that banks should hold capital against, which could increase requirements further. However, we believe the current capital, dividend flexibility, and the bank's capital generation are likely sufficient to cover future regulatory capital needs in the coming years.

Swedbank's income and returns have been strong in recent years, with net income before extraordinary items growing on average by 16% annually since 2013 and return on equity on average at 14.3% over the same period. We expect earnings to remain strong. Improvements will be supported by a continued focus on cost efficiency (target of maintaining costs below SEK15.8 billion in 2017), low but increasing loss provisions, and some benefit to net interest income from continued lending growth and mortgage repricing of the back-book. We calculate the bank's earnings buffer, which measures the capacity of its earnings to cover modeled normalized losses (28bps based on Swedbank's own credit exposures), at nearly 192bps over the next two years, which compares favorably with most of the bank's Nordic and top-50 European peers.

Table 3

Swedbank AB Capital And Earnings					
	--Year-ended Dec. 31--				
(%)	2017*	2016	2015	2014	2013
Tier 1 capital ratio	27.5	28.7	26.9	22.4	19.6
S&P RAC ratio before diversification	N.M.	11.6	11.7	10.0	10.0
S&P RAC ratio after diversification	N.M.	11.7	12.0	10.0	10.5
Adjusted common equity/total adjusted capital	89.5	90.0	94.0	100.0	100.0
Double leverage	N/A	68.7	76.8	79.4	87.5
Net interest income/operating revenues	56.1	57.5	61.2	57.6	59.6
Fee income/operating revenues	26.5	27.5	29.8	28.5	27.4
Market-sensitive income/operating revenues	4.6	4.3	1.5	5.1	4.0
Noninterest expenses/operating revenues	37.6	39.3	43.7	45.4	46.9
Preprovision operating income/average assets	1.1	1.2	1.0	1.1	1.1
Core earnings/average managed assets	0.9	0.9	0.7	0.8	0.8

*Data as of March 31. RAC--Risk-adjusted capital. N/A--Not applicable. N.M.--Not meaningful.

Table 4

Swedbank AB RACF [Risk-Adjusted Capital Framework] Data					
(SEK 000s)	Exposure*	Basel II RWA	Average Basel II RW (%)	S&P Global Ratings' RWA	Average S&P Global Ratings' RW (%)
Credit risk					
Government and central banks	273,893,545	772,494	0	12,923,981	5
Institutions	87,958,543	13,418,005	15	14,455,451	16
Corporate	523,010,885	179,930,380	34	377,523,777	72
Retail	1,073,414,757	90,993,522	8	324,217,130	30
Of which mortgage	972,636,169	56,010,057	6	250,199,667	26
Securitization§	0	0	0	0	0
Other assets	18,511,983	13,790,405	74	22,911,499	124
Total credit risk	1,976,789,713	298,904,806	15	752,031,838	38
Market risk					
Equity in the banking book†	7,319,000	19,405,585	412	71,573,520	978
Trading book market risk	--	9,150,000	--	13,725,000	--
Total market risk	--	28,555,585	--	85,298,520	--
Insurance risk					
Total insurance risk	--	--	--	38,312,500	--
Operational risk					
Total operational risk	--	62,150,000	--	84,678,480	--
(SEK 000s)		Basel II RWA		S&P Global Ratings' RWA	% of S&P Global Ratings' RWA
Diversification adjustments					
RWA before diversification		395,446,436.0		960,321,337.0	100.0

Table 4

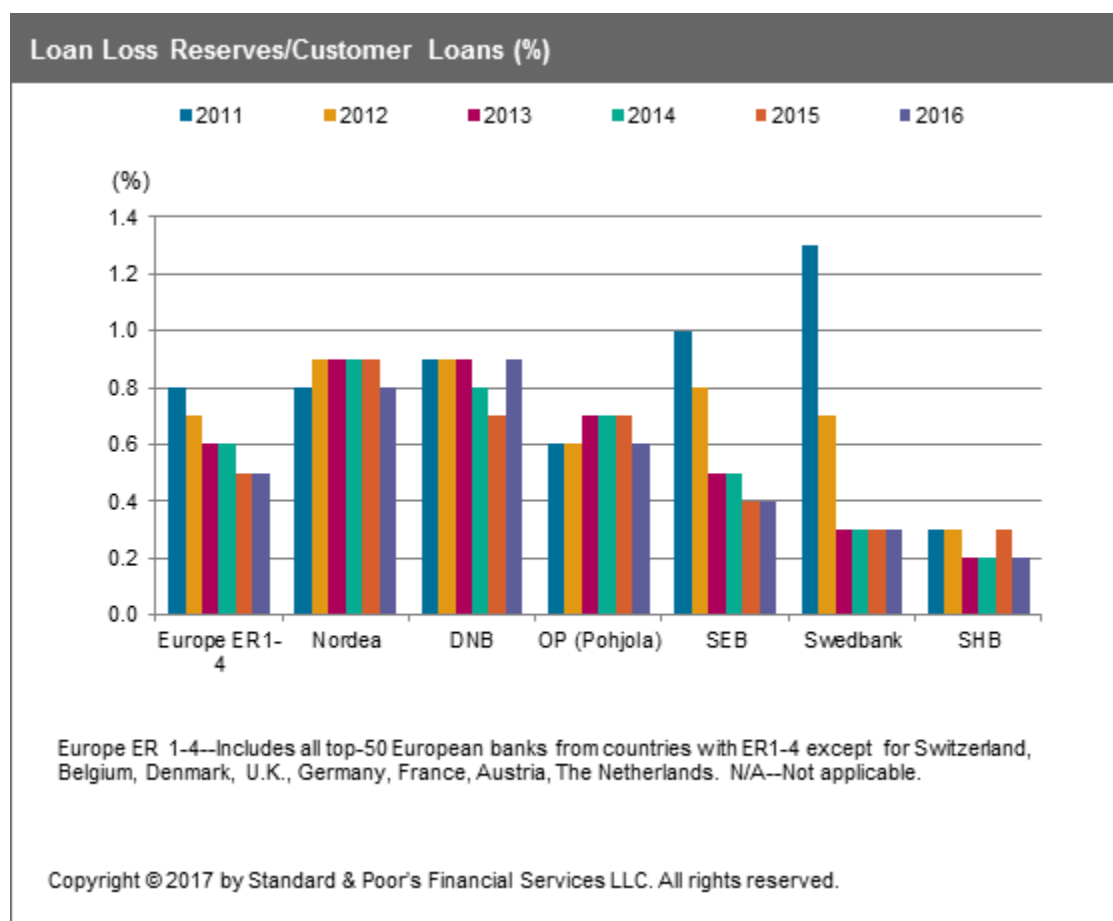
Swedbank AB RACF [Risk-Adjusted Capital Framework] Data (cont.)				
Total Diversification/Concentration Adjustments	--		(6,264,373.0)	(1.0)
RWA after diversification (SEK 000s)	395,446,436.0		954,056,965.0	99.0
	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	0	0	111,759,000	11.6
Capital ratio after adjustments†	0	0	111,759,000	11.7

*Exposure at default. §Securitisation Exposure includes the securitisation tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. SEK--Sweden Krona. Sources: Company data as of Dec. 31, 2016, S&P Global Ratings.

Risk position: Adequate, based on market-leading lending customer coverage

We view Swedbank's risk position as adequate, primarily based on our belief that our capital assumptions accurately reflect the bank's overall risk profile in its primary lending activities. Swedbank's domestic portfolio covers a broader geographic spectrum of Swedish retail customers than its domestic peers, which provides diversification, but also exposes the bank to less attractive housing markets in non-urban areas with less predictable collateral. At the group level, nonperforming loans started to decrease again at SEK7.9 billion as of March 2017, from SEK8 billion at December 2016 and up from SEK6 billion a year earlier. The March level still represents only 50bps of the loan portfolio. Swedbank's level of loss reserves continues to compare favorably with Nordic and European peers in more benign economic risk categories (chart 3).

Chart 3



The bank has made material improvements in its approach to risk management and risk appetite in the Baltic countries in recent years. We consider that its provisioning for these portfolios remains adequate or even overstated given the steady flow of recoveries and the region's ongoing economic recovery, spurring the pace of amortization and recovery of impaired loans. New loan loss provisions remained very low at 10bps in 2016 and 9bps in the first quarter of 2017, driven by recoveries in the Baltic, while collective loan-loss provisioning increased to oil-related exposures. In 2017-2018, we expect the loan loss provision to increase above the 10bps of 2016 as oil price pressure remains. Swedbank's exposure to the shipping & offshore sector included SEK28.1 billion of loans at year-end 2016, of which SEK1.2 billion or 4.2% was provisioned. Within this group, the bank has identified a group of oil-related vulnerable clients, including counterparts with prolonged restructuring, with a total exposure of SEK28 billion (SEK7.5 billion of committed loans). As of March 2017, Swedbank's shipping & offshore exposures had reduced by 6% to SEK26.9 billion, of which SEK1.5 billion was provisioned (or 5.6%).

We currently see persistent economic risks in Sweden given the continued appreciation in asset prices, spurred by the low interest rate environment. Despite a slowdown in house price growth in 2016, recent house price appreciation remains a concern and there has been continued growth in private-sector credit. Swedish banks and the authorities have responded with stricter underwriting standards with stressed interest rates at 7%-8%, caps on loan-to-value of

85%, and, as of June 1, 2016, a law governing amortization requirements. We believe that household borrowing will continue to increase as long as incentives favoring debt over savings remain in place, helping to finance the resurgence in tenant-owned property development. We believe a potential correction in the housing market would not have a meaningful impact on the bank's mortgage asset quality, but indirectly affect consumption and the related industries. We expect this to be true especially for small and mid-sized companies that tend to have lower resilience to adverse conditions than larger counterparts. Swedbank's SME exposure is limited (SEK171 billion at year-end 2016 or 9% of total reported exposure at default) but we expect losses could increase substantially in this client base in the event of a correction.

Table 5

Swedbank AB Risk Position					
	--Year-ended Dec. 31--				
(%)	2017*	2016	2015	2014	2013
Growth in customer loans	(0.2)	6.4	3.4	9.0	2.2
Total diversification adjustment / S&P RWA before diversification	N.M.	(0.7)	(2.7)	(0.1)	(4.6)
Total managed assets/adjusted common equity (x)	26.4	21.4	22.0	23.4	20.9
New loan loss provisions/average customer loans	0.0	0.0	0.0	0.0	0.0
Net charge-offs/average customer loans	0.0	0.0	0.0	0.1	0.2
Gross nonperforming assets/customer loans + other real estate owned	0.6	0.6	0.4	0.5	0.6
Loan loss reserves/gross nonperforming assets	48.9	45.3	54.9	47.3	54.0

*Data as of March 31. RWA--Risk-weighted assets. N.M.--Not meaningful.

Funding and liquidity: Wholesale funding reliance mitigated by resilience of Swedish covered bond market

We consider Swedbank's funding to be average and liquidity to be adequate, given strong structural support for the high proportion of wholesale funding in the Swedish market. We regard Swedbank as slightly ahead of its domestic peers in terms of balancing its short- and long-term assets and liabilities with a regulatory net stable funding ratio of 109% at the end of the first quarter of 2017 and a stable funding ratio of 96% as of year-end 2016.

The bank's funding profile has stabilized after a number of years of reshuffling to improve the balance sheet supporting its now stronger ratios. Recently the bank has issued significant amounts (above what has been required for upcoming maturities) of long-term funding and decreased its presence in the short-term market. The average maturity of its wholesale funding has stabilized at about three years for covered bonds and senior unsecured funding and the bank is expected to buy back its large Swedish krona-denominated benchmark covered bonds as they approach maturity, to stabilize its funding maturity profile.

The dependence of Swedbank and its domestic peers on wholesale funding stems from structural factors in the mortgage market and large pension funds needing to invest. While short-term reliance has decreased, annual refinancing needs are still high (SEK166 billion maturing in 2016). Consequently, we believe the Swedish government would be willing and able to provide ongoing liquidity support to banks and support the functioning of the covered bond market if a new funding crisis were to emerge.

Due to the important role of the Swedish covered bonds market in Swedbank's funding, the bank has a high degree of

asset encumbrance, even compared with its larger domestic and Nordic peers. In our view, Swedbank has a higher share of covered bonds as a proportion of wholesale funding due in part to the greater share of eligible residential mortgages in its loan book and its preference for low-cost funding at somewhat longer maturities.

Swedbank manages liquidity internally using a cash flow survival horizon, and it closely monitors the sensitivity of its covered pool to Swedish housing price declines. The bank's one-year liquidity ratio (comparing broad liquid assets with short-term wholesale funding) was 0.98x at end-2016, up from an average of 0.95x in the past three years--nearly complete coverage at year-end 2016 for the historically high level of maturities expected in 2017.

Table 6

Swedbank AB Funding And Liquidity					
	--Year-ended Dec. 31--				
(%)	2017*	2016	2015	2014	2013
Core deposits/funding base	43.6	45.5	42.5	38.2	40
Customer loans (net)/customer deposits	162.3	186.5	184.2	200.5	202.9
Long term funding ratio	76.2	80.7	79.8	71.9	77.2
Stable funding ratio	104.8	95.8	101.4	91.3	94
Short-term wholesale funding/funding base	25.2	20.7	21.5	29.8	24.3
Broad liquid assets/short-term wholesale funding (x)	1.3	1	1.2	0.8	0.9
Net broad liquid assets/short-term customer deposits	16.2	-0.8	8.2	-16.1	-6.1
Short-term wholesale funding/total wholesale funding	44.2	37.6	37.2	48.2	40.5
Narrow liquid assets/3-month wholesale funding (x)	1.8	1.7	1.6	1.1	1.3

*Data as of March 31.

Support: One notch of government support due to high systemic importance

The long-term rating on Swedbank is one notch higher than the bank's SACP. This reflects our opinion that Swedbank has high systemic importance in Sweden and that the Swedish government is supportive of the country's banking sector.

Despite the introduction of bail-in powers through the implementation of the EU directive on Banking Recovery and Resolution as of Feb. 1, 2016, we continue to consider the government in Sweden supportive toward the domestic banking sector following our review in December 2015 (see "Various Rating Actions Taken On Swedish Banks On Continued Government Support And Heightened Economic Risks", published Dec. 2, 2015, on RatingsDirect).

However, if we saw government support as unlikely, we could consider including one notch for additional loss-absorbing capacity (ALAC). Aside from our view that Sweden now has an effective resolution regime, we also note that a minimum eligible liabilities (MREL) requirement is successfully being introduced and will be formalized over 2017-2018. As of year-end 2016, we estimate MREL eligible instruments that would qualify for our ALAC measure would represent about 1.8% of our risk-weighted assets. Once the structure of senior resolution, or tier 3, notes is finalized in Sweden, we would expect the bank to ramp up MREL issuance in 2019-2020, led by some modest progress beforehand. As a result, we anticipate that Swedbank will exceed our 5% threshold for ALAC uplift by late 2018 or during 2019.

Related ratings: Swedbank Mortgage

We rate Swedbank's covered bond issuing subsidiary, Swedbank Mortgage, in line with the rating on the parent given its core status and vital role in the bank's overall funding strategy, in particular in relation to Swedish household mortgages.

Related Criteria And Research

Related Criteria

- Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- Group Rating Methodology, Nov. 19, 2013
- Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Revised Market Risk Charges For Banks In Our Risk-Adjusted Capital Framework, June 22, 2012
- Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Bank Capital Methodology And Assumptions, Dec. 6, 2010
- Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Financial Institutions - Banks: Commercial Paper I: Banks, March 23, 2004
- Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015

Related Research

- Banking Industry Country Risk Assessment: Sweden, Mar. 29, 2017
- The Future Of Banking: Nordic Banks Looking Svelte In The Fintech Race, June 14, 2016
- Nordic Banks' Capital Growth Tapers Off, Aug. 2, 2016
- Various Rating Actions Taken On Swedish Banks On Continued Government Support And Heightened Economic Risks, Dec. 2, 2015

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 June 20, 2017)

Swedbank AB

Counterparty Credit Rating	AA-/Negative/A-1+
Certificate Of Deposit	A-1+
Commercial Paper	A-1+
Junior Subordinated	BBB
Senior Unsecured	A-
Senior Unsecured	AA-
Short-Term Debt	A-1+
Subordinated	A-

Counterparty Credit Ratings History

02-Dec-2015	AA-/Negative/A-1+
25-Jun-2015	A+/Stable/A-1
29-Apr-2014	A+/Negative/A-1
19-Jul-2013	A+/Stable/A-1
20-Nov-2012	A+/Negative/A-1

Sovereign Rating

Sweden (Kingdom of)	AAA/Stable/A-1+
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Related Entities**Swedbank Mortgage AB**

Issuer Credit Rating	AA-/Negative/A-1+
Commercial Paper	
<i>Local Currency</i>	A-1+
Senior Secured	AAA/Stable
Short-Term Secured Debt	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.

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