

## Swedbank AB

## Full Rating Report

## Ratings

## Foreign Currency

Long-Term IDR	AA-
Short-Term IDR	F1+

Viability Rating	aa-
Derivative Counterparty Rating	AA-(dcr)

Support Rating	5
Support Rating Floor	NF

## Sovereign Risk

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA

## Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

## Financial Data

## Swedbank AB

	30 Sep 18	31 Dec 17
Total assets (USDm)	277,925	268,778
Total assets (SEKm)	2,461,664	2,212,636
Total equity (SEKm)	133,890	133,572
Operating profit (SEKm)	20,498	23,862
Net income (SEKm)	16,584	19,364
Operating profit/risk-weighted assets (%)	6.4	5.8
Operating ROAE (%)	21.1	18.8
Fitch Core Capital/risk-weighted assets (%)	27.1	28.4
Common equity Tier 1 ratio (fully loaded) (%)	24.3	24.6
Tangible equity/tangible assets (%)	4.8	5.3
Impaired loans/gross loans (%)	0.7	0.6

Fitch Ratings, Fitch Solutions

## Related Research

[Swedbank AB - Ratings Navigator \(November 2018\)](#)

[Fitch Affirms Swedbank AB at 'AA-'; Outlook Stable \(November 2018\)](#)

[Peer Review: Major Nordic Banks \(June 2018\)](#)

## Analysts

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## Key Rating Drivers

**Strong Execution:** Swedbank AB's ratings reflect the solid execution of the bank's low-risk strategy, which we expect will continue to result in strong and resilient financial metrics. The bank has stable revenue generation, best-in-class cost-efficiency and strong asset quality.

**Leading Franchise in Home Markets:** Swedbank's Swedish retail franchise is strong, but the bank has high geographical concentration with domestic loans accounting for around 85% of the group's lending. Some diversification is achieved through activities in the Baltics, where Swedbank is a market leader. Maintaining its close customer relationships is crucial for the bank to win a greater share of additional services, given it is a predominantly retail bank.

**Strong Asset Quality:** Asset quality is expected to remain solid. This is supported by good underwriting standards, a large, low-risk domestic mortgage lending portfolio and a benign operating environment. Significant property management exposure is mostly made up of large corporate clients with sound cash flows and access to the debt and capital markets. Corporate lending outside of property management is smaller at Swedbank than at its domestic peers.

**Robust Profitability:** Swedbank has healthy and resilient profitability, helped by its position in the Swedish retail mortgage lending market. Attracting a large share of additional services is important for the bank to keep a high level of operating efficiency, given the bank's retail focus. Fitch Ratings expects loan impairment charges to remain low.

**Solid Capitalisation:** Swedbank's capitalisation is strong and risk-weighted capital ratios in particular compare well with similarly rated peers. The bank's Fitch Core Capital ratio was 27.1% at end-September 2018. Its fully loaded leverage ratio of 4.8% was more in line with that of peers. The move of the Swedish risk-weight floor on mortgage loans from Pillar 2 to Pillar 1 will reduce risk-weighted capital ratios in Q418. However, they will remain strong for Swedbank on a comparative basis and its absolute capital level and regulatory buffer will be unchanged.

**Wholesale Funding Reliance:** Swedbank is reliant on wholesale funding, as are its Nordic peers, due to a structural shortage of deposits in Sweden. Risks are mitigated by prudent liquidity management and a strong focus on covered bonds, with a large portion placed with a domestic captive investor base consisting of Swedish insurance companies and pension funds.

## Rating Sensitivities

**Stable Outlook:** The Stable Outlook reflects Fitch's view that Swedbank will maintain its robust capitalisation, strong asset quality and a healthy liquidity profile. Fitch expects Swedbank's financial metrics to continue to outperform peer average, and offset the bank's reliance on its domestic market and its smaller equity base than similarly rated global peers.

**Domestic Economic Shock:** Swedbank's ratings are sensitive to a severe downturn in Sweden, particularly if this leads to a significant correction in house prices and wider losses in Swedbank's mortgage lending and corporate portfolios, including its property management exposure. This is not Fitch's central scenario.

**Sensitive to Investor Perception:** A downgrade of Swedbank's ratings could also result from a prolonged inability to competitively access the debt capital markets or from renewed uncertainty in its Baltic portfolio. However, neither scenario is expected by Fitch.

**Upgrade Unlikely:** An upgrade is unlikely given Swedbank's high ratings.

## Operating Environment

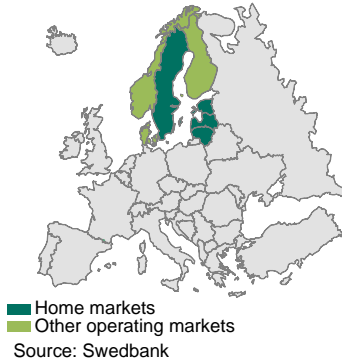
### Wealthy and Strong Economy; Concentrated Banking Market

Swedbank primarily operates in Sweden (AAA/Stable), which has been one of the strongest performing 'AAA' countries in recent years, with a five-year average annual real GDP growth of 3.1%. The country scores highly on GDP/capita and Ease of Doing Business indicators and its rating also reflects persistent budget surpluses and declining public debt, strong governance and human development indicators and a record of sound economic policy. The local banking sector is dominated by three domestic banking groups, comprising Swedbank, Svenska Handelsbanken AB (AA/Stable/aa) and Skandinaviska Enskilda Banken AB (SEB; AA-/Stable/aa-), as well as the Swedish branch of Nordea Bank Abp (AA-/Stable/aa-), which recently relocated its headquarter from Sweden to Finland. Their combined market share is around 70%.

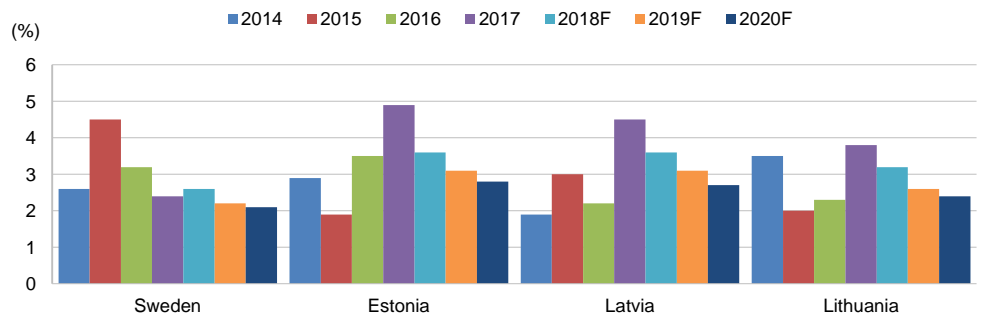
Swedish house prices have risen sharply in the last decade and have recorded double-digit annual growth from 2014-2016. This has been driven by several factors, including the aforementioned strong economic growth, housing shortages, high savings rates but also low interest rates. The latter poses a risk to banks, with most mortgage lending done at short-term floating rates. A correction is ongoing, with growth decelerating sharply during 2017 and broadly flat year to date. Fitch does not expect a severe correction given a continued structural shortage of affordable housing and the ongoing low interest-rate environment.

Swedbank is also present in the Baltic countries, Latvia (A-/Stable), Lithuania (A-/Positive) and Estonia (AA-/Stable), where it is a market leader in retail banking. Estonia's rating is based on a record of prudent fiscal management, with low public debt, current account surpluses, a strong net external creditor position and high competitiveness. The ratings of Lithuania and Latvia reflect stable public finances and prudent economic frameworks that have come through eurozone membership.

### Swedbank



### Real GDP Growth



Source: Fitch Ratings - September 2018

### Strong Regulator

The Swedish banking authorities have been at the forefront of advocating tougher requirements for banks, including capital and liquidity buffers, as well as more frequent and transparent reporting. This is partially driven by the banking sector's highly concentrated nature and reliance on wholesale funding markets, with material interconnection between the banks. This means faltering investor confidence could spread to the whole sector. The depth and sophistication of the domestic debt capital markets are important mitigating factors for the wholesale-funded banking system.

The regulator has been historically proactive in trying to curb overheating in the housing market, and in March 2018 introduced mandatory amortisation of an additional 1% a year for new loans where the borrower's debt/income ratio is more than 450%. This is in addition to existing mandatory amortisation of 2% (1%) a year, where the loan/value (LTV) is more than 70% (between 50%-70%).

### Related Criteria

Bank Rating Criteria (October 2018)

### *Change in Risk-Weight Approach*

The Swedish Financial Services Authority has decided to move its mortgage risk-weight floor (25% for Swedish mortgage loans) from Pillar 2 to Pillar 1 of the banks' capital requirements. This was done following Nordea's announcement of its move to Finland, now completed, and to ensure greater comparability amongst Nordic peers. This will come into force in 4Q18 and risk-weighted capital ratios, as well as corresponding minimum required ratios, for Swedish banks will decline as a result. However, we expect them to remain strong in an international context. The bank's absolute levels of capitalisation and capital requirements remain unchanged.

## **Company Profile**

### **Strong and Diverse Domestic Franchise**

Swedbank is largely a Swedish retail and SME bank, with market shares of over 20% in mortgage lending and retail deposit taking. It also has substantial market shares in corporate banking and its mutual funds business is the largest in Sweden. The bank is the market leader in Baltic retail banking (market shares ranging from 30%-55% in loans and deposits) and considers this region a home market.

### **Swedish and Baltic Universal Bank**

Swedbank was created through the merger of various cooperative and savings banks and has agreements with most Swedish savings banks. The bank has strengthened its home market franchise in recent years via acquisitions. These include Sparebanken Oresund in 2014 and Danske Bank AS's retail operations in Lithuania and Latvia in 2016.

The bank focuses on traditional commercial banking (about two-thirds of revenue consist of net interest income (NII) and about 30% fees and commissions). Its business model is based on building close customer relationships and on cross-selling ancillary business, such as asset management products.

Swedbank has three business segments. Swedish Banking, by far the largest profit contributor, serves domestic households and smaller business; Large Corporates & Institutions, which provides lending and financing solutions advice, mainly to mid-sized companies with sales of over SEK2 billion, and Baltic Banking.

## **Management and Strategy**

### **Credible Management, Strong Execution**

Swedbank's management team is competent and experienced, with a high degree of credibility, and stabilised following changes to senior positions in 2016. The bank has successfully been reshaped into a low-risk operation with reduced performance volatility. We expect strategic objectives to remain consistent, focusing on retail and commercial banking in home markets, and we believe the bank's 15% return on equity target is sustainable over time. Management has a strong record of delivering on objectives.

Internal control processes appear adequate and transparency is good. Swedbank is listed on the Swedish stock exchange and the largest shareholder held 10.46% at end-September 2018, with no other shareholder holding more than 7%. The board comprises seven external directors and two staff representatives, with all but one of the directors being independent.

## **Risk Appetite**

### **Highly Conservative**

Swedbank has a conservative risk appetite, focused on a low-risk retail-weighted portfolio and driven by stringent underwriting standards. The risk control framework appears robust. Credit risk is the largest risk that the bank faces, which is in line with its traditional commercial banking business model, and totalled 74% of risk-weighted assets at end-September 2018. The bank has little appetite for other types of risk.

Underwriting standards are strict and primarily focused on debt serviceability, with collateral acting as additional risk mitigation. Swedbank has strict lending criteria for mortgage lending, including a 7% interest-rate affordability stress. The bank's lending criteria also takes into account debt at the housing association where applicable. The bank requires amortisation on mortgage loans to be at least in line with rules introduced by the Swedish Financial Services Authority. At end-September 2018, 99% of new mortgage loans and 97% of outstanding mortgage loans in Sweden with an LTV of more than 70% were amortising. We expect loan growth to remain modest (3.6% in 2017, rising to 4.4% in 9M18).

### Limited Market Risk

Swedbank looks to limit market risk, only taking positions when required to facilitate funding, meet customer needs or hedge group risks. Interest-rate risk is the largest market risk the bank faces. The annualised effect at end-September 2018 on NII from a 100bp parallel increase in interest rates was SEK6 billion, or 24% of 2017 NII. Downside effect is limited given the already low rate environment.

The bank monitors its market risk using value at risk (VaR) calculations. In 9M18, the maximum VaR based on a 99% confidence interval and a one-day holding period was a modest SEK78 million. Insurance products are mainly unit-linked, meaning investment risk is borne by policyholders.

### Non-Resident Baltic Lending

Fitch is not aware of any investigation by authorities, or systemic failures at Swedbank, regarding non-resident activity in the bank's Baltic operations. While we cannot rule out evidence of egregious transactions emerging, Fitch's base case is that it will not be material for Swedbank.

## Financial Profile

### Asset Quality

#### *Strong Asset Quality*

Swedbank's asset quality is very strong and compares well with domestic and international peers, reflecting a well-performing residential mortgage loan book and resilient corporate lending. Over 90% of loans in Sweden, and 77% of loans overall, were backed by collateral at end-September 2018. Impaired loans, using the IFRS 9 Stage 3 definition, were a low 72bp of gross loans (end-2017: 57bp under IAS39). Performing forbore loans declined to 81bp of gross loans at end-2017 (end-2016: 111bp), mostly comprising restructured loans in the offshore and shipping portfolios.

Swedbank's securities portfolio is modest, at 7% of assets at end-September 2018. It is mostly invested in Swedish sovereign and public sector issues, as well as highly rated Nordic banks' securities and covered bonds. Derivative counterparties are mainly highly rated large banks.

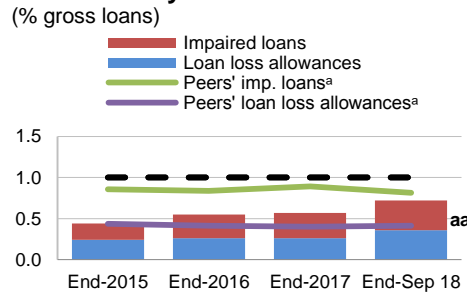
#### *High-Quality Residential Mortgage Loan Portfolio*

Household lending is dominated by high-quality Swedish mortgage loans (including loans to tenant owner associations), which make up over 85% of household loans. Stage 3 loans in the household portfolio amounted to 23bp of gross loans at end-September 2018, 52% of which were in the Baltics. The average LTV for mortgage loans was a low 56% in Sweden, and ranged from 46% to 74% in the Baltics. In Sweden, households' sensitivity to rising interest rates and unemployment has risen given high indebtedness and property price increases. However, Fitch believes debt serviceability is supported by strong household wealth accumulation, a generous welfare system and strict bankruptcy laws that create significant incentives for borrowers not to default on mortgage loans.

### Notes on Charts

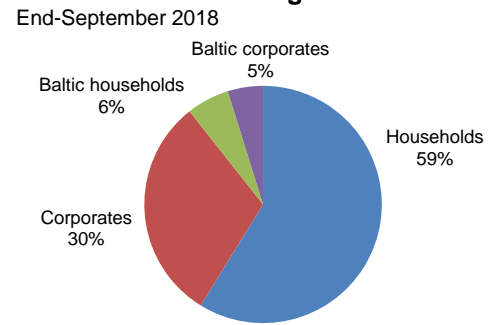
Blacked dashed lines in the Asset Quality chart and further in the report represent indicative quantitative ranges and corresponding implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category.

**Asset Quality**



<sup>a</sup> Peer average includes Swedbank (VR: 'aa-'), Handelsbanken (aa), SEB (aa-) and Nordea (aa-)  
Source: Fitch Ratings, Banks

**Breakdown of Lending**



Source: Swedbank, adjusted by Fitch Ratings

**Significant Property Management Lending – Good Quality**

Property management lending (88% was domestic), including lending to tenant owner associations, formed 22% of Swedbank’s loan book at end-September 2018. The quality of the portfolio is strong, underpinned by prudent LTV ratios, high levels of pre-lets and low vacancy rates. Lending to tenant-owner associations, only granted in Sweden, has a similar low-risk profile as mortgage lending. Residential property management operates under rent control in Sweden. The domestic commercial real-estate market is dominated by a few large, strong companies with solid balance sheets and good access to debt and capital markets. Stage 3 loans in property management lending were 25bp at end-September 2018.

**Shipping and Offshore – Challenged, Reducing**

Exposure to shipping and offshore totalled less than 2% of Swedbank’s gross loans at end-September 2018, but made up 47% of Stage 3 loans. Around 65% of the book has been affected by lower oil prices according to the bank, mainly Norwegian exposures in drilling or exploration, supply and oil services. There could be further impairments but Fitch believes that the risk is limited given the small overall size of the portfolio. Lending to the segment was part of a legacy strategy driven by a historic acquisition, and the bank has now moved from an asset-based to a relationship-based approach to lending in this industry. It does not intend to grow the loan book, but rather generate more fees through debt capital markets and corporate finance activities.

**Baltics – Improved Credit Quality**

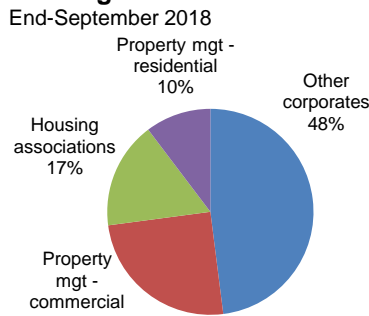
The quality of the Baltic exposures has improved since the financial crisis, aided by positive financial development in the countries. We expect this trend to continue. Stage 3 loans still make up around 20% of the bank’s total, compared with around 10% of gross loans. Household lending makes up over half of the Baltic portfolio. Commercial real estate lending is focused on cash flow-generating properties, unlike in the past when the bank financed land or buy-to-let investments.

**Earnings and Profitability**

**Profitable Swedish Mortgage Lending**

Swedbank’s profitability is strong and compares well with domestic and international peers, aided by a highly profitable domestic retail offering. The net interest margin has proven solid, despite the introduction of negative policy rates in Sweden since 2015, largely owing to improved mortgage pricing. We expect competition to pressure margins. Net fee and commission income has steadily improved, driven by asset management and card activity. Fitch expects net fee and commission to continue to grow given the bank’s focus on increased cross-selling.

**Breakdown of Corporate Lending**



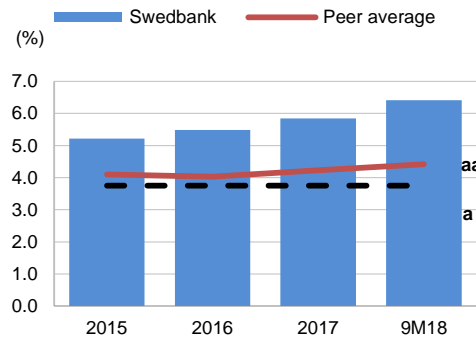
Source: Swedbank, adjusted by Fitch Ratings

**Operating Profit by Division**

(SEKm)	9M18	2017
Swedish banking	12,451	15,708
Large corporates & institutions	3,813	3,385
Baltic banking	4,068	4,826
Group functions	561	623
<b>Total</b>	<b>20,893</b>	<b>24,542</b>

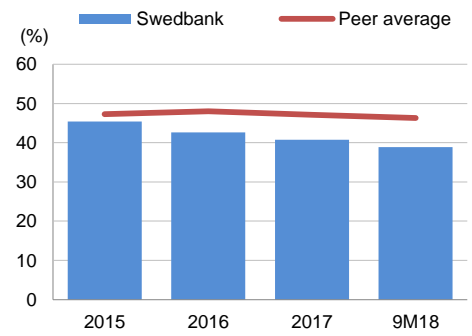
Source: Fitch Ratings, Swedbank

**Operating Profit/RWAs**



Source: Fitch Ratings, Banks

**Cost Efficiency**



Source: Fitch Ratings, Banks

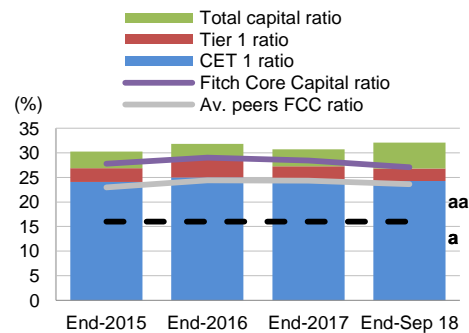
Cost-efficiency is excellent and at the top end of peer average, with a cost/income ratio of below 40% in 9M18. Fitch believes there is room for further improvement in the medium term, but, like peers, it is likely the bank will need to continually invest in IT and automation. Loan impairment charges have averaged below 5% of pre-impairment profit since 2014, and we expect them to remain low. However, net recoveries from Baltic operations are likely to decrease.

Swedish retail banking is expected to remain the core of Swedbank's business. It is a highly profitable operation and has consistently generated returns on allocated capital of between 20% and 30% since 2010.

**Capitalisation and Leverage**

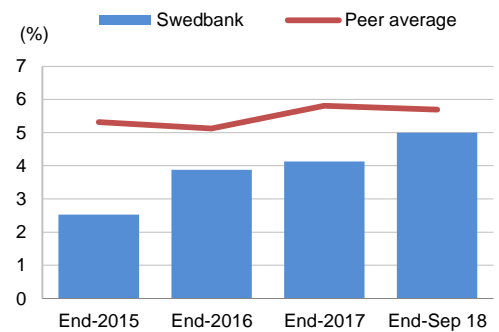
*Solid Capitalisation*

**Risk-Weighted Capital Ratios**



Source: Fitch Ratings, Banks

**Net Impaired Loans/Fitch Core Capital**



Source: Fitch Ratings, Banks

Swedbank's risk-weighted capital ratios are strong and compare well with international peers'. This is the case even when taking into account upcoming changes to Swedish mortgage risk-weight floors, which are moving from Pillar 2 to Pillar 1. The bank reported a common equity Tier 1 ratio of 24.3% at end-September 2018 against a requirement of 21.5%, and indicated a common equity Tier 1 ratio under the new regime of 16.4% against a requirement of 14.6%. Its fully loaded Basel III leverage ratio was a solid 4.8% at end-September 2018 (end-2017: 5.2%).

Fitch expects that the absolute amount of capital buffer will essentially remain the same under the new capital regime, and that Swedbank will continue to target a conservative management buffer. This is particularly important given Swedbank's wholesale funding reliance, and the need to maintain investor confidence.

Funding and Liquidity

*Significant Covered Bond Funding*

Swedbank, like other Nordic banks, is reliant on wholesale markets as an important source of funding. Fitch believes that this funding is stable for Nordic banks, but is not without its risks, and strong funding and liquidity management is an important rating driver. Customer deposits fund around 60% of the loan book, with the remainder mostly funded by covered bonds. The latter benefits from a domestic captive institutional investor base. Swedbank's access to debt markets is further supported by strong liquidity.

Asset encumbrance, mostly through covered bond issuance, is acceptable at 23% of total assets at end-September 2018.

Short-term funding consists of commercial paper and certificate of deposit programmes, and is not used to fund the loan book but is mainly deposited with central banks. Funding in the Baltics is well balanced, with loans to deposits ratios in the three local subsidiaries below 100% (80% for Baltic banking overall at end-September 2018), compared with over 200% during the financial crisis.

*Conservative Liquidity Management*

Refinancing risk is mitigated by an emphasis on stress-testing and a large buffer of liquid assets. The liquidity buffer was SEK460 billion at end-September 2018, 64% of which was in central banks and the remainder in securities, 95% of which are 'AAA' rated. Fitch expects Swedbank to maintain a large liquidity reserve to minimise maturity gaps and to ensure continuing strong access to the wholesale funding markets.

The bank's reported liquidity coverage ratio (LCR) was 148% at end-September 2018. The LCR in euros and US dollars was 260% and 165%, respectively, and the Swedish krona LCR was below 100%. This is mitigated by Swedbank's access to the Swedish central bank, which could theoretically extend unlimited Swedish krona liquidity, against appropriate collateral. Swedbank's reported net stable funding ratio was 110%.

*Minimum Requirements for Eligible Liabilities Manageable*

Swedbank is required to meet the minimum requirements for eligible liabilities as determined by the Swedish National Debt Office, as it is a domestic systemically important bank. These requirements must be met by 2022 in part by the capital base and existing forms of subordinated debt, and in part by new subordinated instruments. Fitch expects these to be in the form of non-preferred senior (NPS) debt. The Swedish National Debt Office estimates the volume of required NPS debt to be around SEK85 billion, based on end-2016 data. Fitch believes Swedbank will be able to issue the required stock with relative ease, given its good market access. The NPS instruments will be issued over time and will part replace Swedbank's existing stock of senior unsecured debt.

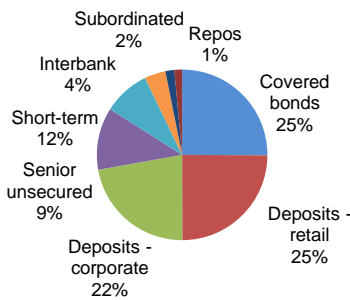
**Support**

**Resolution Legislation the Overriding Factor**

In Fitch's view, legislative, regulatory and policy initiatives – including the implementation of the EU's Bank Recovery and Resolution Directive (BRRD) – have substantially reduced the likelihood of sovereign support for EU commercial banks in general. Sweden has more flexibility to interpret and apply the BRRD than Banking Union member countries, but has passed legislation to allow the Swedish resolution authority to bail in NPS instruments in a resolution scenario. These will become Fitch's reference debt class for setting a bank's Long-Term Issuer Default Rating once the law comes into effect from 29 December 2018 and NPS notes are issued. The Support Rating of '5' and Support Rating Floor of 'No Floor' reflect Fitch's view that senior creditors cannot rely on receiving full extraordinary support from the sovereign in the event that Swedbank becomes non-viable.

**Non-Equity Funding**

End-September 2018



Source: Swedbank, Adjusted by Fitch Ratings

### Debt Ratings

The ratings on the subordinated and additional Tier 1 (AT1) debt issued by Swedbank are notched off the bank's Viability Rating (VR).

In accordance with Fitch's criteria, subordinated (lower Tier 2) debt is rated one notch below Swedbank's VR to reflect the above-average loss severity of this type of debt.

AT1 securities are rated five notches below Swedbank's VR to reflect the higher-than-average loss severity risk of these securities (two notches) and high risk of non-performance (an additional three notches).

The ratings on the subordinated debt and AT1 securities are sensitive to a change in Swedbank's VR. AT1 securities are also sensitive to Fitch changing its assessment of the probability of their non-performance risk relative to the risk captured in Swedbank's VR.



Swedbank AB  
Income Statement

	30 Sep 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	9 Months - Reviewed - Unqualified	3rd Quarter USDm Reviewed - Unqualified	3rd Quarter SEKm Reviewed - Unqualified	Year End SEKm Audited - Unqualified	As % of Earning Assets	Year End SEKm Audited - Unqualified	As % of Earning Assets	Year End SEKm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	2,622.1	23,225.0	1.46	30,022.0	1.52	30,845.0	1.54	33,144.0	1.72
2. Other Interest Income	266.6	2,361.0	0.15	2,509.0	0.13	2,572.0	0.13	2,464.0	0.13
3. Dividend Income	19.1	169.0	0.01	283.0	0.01	67.0	0.00	325.0	0.02
<b>4. Gross Interest and Dividend Income</b>	<b>2,907.8</b>	<b>25,755.0</b>	<b>1.62</b>	<b>32,814.0</b>	<b>1.66</b>	<b>33,484.0</b>	<b>1.67</b>	<b>35,933.0</b>	<b>1.87</b>
5. Interest Expense on Customer Deposits	108.3	959.0	0.06	1,281.0	0.06	1,100.0	0.05	1,256.0	0.07
6. Other Interest Expense	612.4	5,424.0	0.34	6,000.0	0.30	7,310.0	0.37	10,794.0	0.56
<b>7. Total Interest Expense</b>	<b>720.6</b>	<b>6,383.0</b>	<b>0.40</b>	<b>7,281.0</b>	<b>0.37</b>	<b>8,410.0</b>	<b>0.42</b>	<b>12,050.0</b>	<b>0.63</b>
<b>8. Net Interest Income</b>	<b>2,187.1</b>	<b>19,372.0</b>	<b>1.22</b>	<b>25,533.0</b>	<b>1.29</b>	<b>25,074.0</b>	<b>1.25</b>	<b>23,883.0</b>	<b>1.24</b>
9. Net Fees and Commissions	1,089.8	9,653.0	0.61	12,030.0	0.61	11,333.0	0.57	11,199.0	0.58
10. Net Gains (Losses) on Trading and Derivatives	43.7	387.0	0.02	781.0	0.04	842.0	0.04	711.0	0.04
11. Net Gains (Losses) on Assets and Liabilities at FV	22.8	202.0	0.01	215.0	0.01	(478.0)	(0.02)	(1,030.0)	(0.05)
12. Net Gains (Losses) on Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
13. Net Insurance Income	99.5	881.0	0.06	937.0	0.05	754.0	0.04	708.0	0.04
14. Other Operating Income	167.5	1,484.0	0.09	1,291.0	0.07	1,186.0	0.06	1,248.0	0.06
<b>15. Total Non-Interest Operating Income</b>	<b>1,423.3</b>	<b>12,607.0</b>	<b>0.79</b>	<b>15,254.0</b>	<b>0.77</b>	<b>13,637.0</b>	<b>0.68</b>	<b>12,836.0</b>	<b>0.67</b>
<b>16. Total Operating Income</b>	<b>3,610.5</b>	<b>31,979.0</b>	<b>2.01</b>	<b>40,787.0</b>	<b>2.07</b>	<b>38,711.0</b>	<b>1.93</b>	<b>36,719.0</b>	<b>1.91</b>
17. Personnel Expenses	869.6	7,702.0	0.48	9,945.0	0.50	9,376.0	0.47	9,395.0	0.49
18. Other Operating Expenses	533.7	4,727.0	0.30	6,666.0	0.34	7,131.0	0.36	7,264.0	0.38
<b>19. Total Non-Interest Expenses</b>	<b>1,403.2</b>	<b>12,429.0</b>	<b>0.78</b>	<b>16,611.0</b>	<b>0.84</b>	<b>16,507.0</b>	<b>0.82</b>	<b>16,659.0</b>	<b>0.87</b>
20. Equity-accounted Profit/ Loss - Operating	119.3	1,057.0	0.07	971.0	0.05	809.0	0.04	863.0	0.04
<b>21. Pre-Impairment Operating Profit</b>	<b>2,326.6</b>	<b>20,607.0</b>	<b>1.30</b>	<b>25,147.0</b>	<b>1.27</b>	<b>23,013.0</b>	<b>1.15</b>	<b>20,923.0</b>	<b>1.09</b>
22. Loan Impairment Charge	22.2	197.0	0.01	783.0	0.04	1,128.0	0.06	595.0	0.03
23. Securities and Other Credit Impairment Charges	(9.9)	(88.0)	(0.01)	502.0	0.03	239.0	0.01	(1.0)	(0.00)
<b>24. Operating Profit</b>	<b>2,314.2</b>	<b>20,498.0</b>	<b>1.29</b>	<b>23,862.0</b>	<b>1.21</b>	<b>21,646.0</b>	<b>1.08</b>	<b>20,329.0</b>	<b>1.06</b>
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Goodwill Impairment	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Non-recurring Income	76.4	677.0	0.04	680.0	0.03	2,115.0	0.11	42.0	0.00
28. Non-recurring Expense	31.8	282.0	0.02	0.0	0.00	0.0	0.00	0.0	0.00
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
30. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>31. Pre-tax Profit</b>	<b>2,358.8</b>	<b>20,893.0</b>	<b>1.31</b>	<b>24,542.0</b>	<b>1.24</b>	<b>23,761.0</b>	<b>1.19</b>	<b>20,371.0</b>	<b>1.06</b>
32. Tax expense	486.5	4,309.0	0.27	5,178.0	0.26	4,209.0	0.21	4,625.0	0.24
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	(6.0)	(0.00)
<b>34. Net Income</b>	<b>1,872.4</b>	<b>16,584.0</b>	<b>1.04</b>	<b>19,364.0</b>	<b>0.98</b>	<b>19,552.0</b>	<b>0.98</b>	<b>15,740.0</b>	<b>0.82</b>
35. Change in Value of AFS Investments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
36. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Currency Translation Differences	231.2	2,048.0	0.13	1,081.0	0.05	1,641.0	0.08	(1,591.0)	(0.08)
38. Remaining OCI Gains/(losses)	(217.9)	(1,930.0)	(0.12)	(2,189.0)	(0.11)	(3,345.0)	(0.17)	3,912.0	0.20
<b>39. Fitch Comprehensive Income</b>	<b>1,885.7</b>	<b>16,702.0</b>	<b>1.05</b>	<b>18,256.0</b>	<b>0.92</b>	<b>17,848.0</b>	<b>0.89</b>	<b>18,061.0</b>	<b>0.94</b>
40. Memo: Profit Allocation to Non-controlling Interests	1.4	12.0	0.00	14.0	0.00	13.0	0.00	13.0	0.00
41. Memo: Net Income after Allocation to Non-controlling Interests	1,871.0	16,572.0	1.04	19,350.0	0.98	19,539.0	0.98	15,727.0	0.82
42. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	14,515.0	0.74	14,699.0	0.73	11,885.0	0.62
43. Memo: Preferred Dividends and Interest on Hybrid Capital Account for as Equity Related to the Period	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

Exchange rate

USD1 = SEK8.8573

USD1 = SEK8.2322

USD1 = SEK9.0622

USD1 = SEK8.4408

**Swedbank AB**  
**Balance Sheet**

	30 Sep 2018		31 Dec 2017		31 Dec 2016		31 Dec 2015		As % of Assets
	9 Months - 3rd Quarter	9 Months - 3rd Quarter	As % of Assets	Year End SEKm	As % of Assets	Year End SEKm	As % of Assets	Year End SEKm	
	USDm	SEKm							
<b>Assets</b>									
<b>A. Loans</b>									
1. Residential Mortgage Loans	97,825.1	866,466.0	35.20	829,385.0	37.48	783,528.0	36.37	733,382.0	34.13
2. Other Mortgage Loans	12,335.1	109,256.0	4.44	109,221.0	4.94	107,792.0	5.00	101,285.0	4.71
3. Other Consumer/ Retail Loans	5,247.1	46,475.0	1.89	42,818.0	1.94	41,200.0	1.91	35,183.0	1.64
4. Corporate & Commercial Loans	62,980.3	557,835.0	22.66	524,112.0	23.69	524,543.0	24.35	512,807.0	23.86
5. Other Loans	27.0	239.0	0.01	8,501.0	0.38	5,079.0	0.24	0.0	0.00
6. Less: Loan Loss Allowances	637.4	5,646.0	0.23	3,886.0	0.18	3,755.0	0.17	3,367.0	0.16
<b>7. Net Loans</b>	<b>177,777.1</b>	<b>1,574,625.0</b>	<b>63.97</b>	<b>1,510,151.0</b>	<b>68.25</b>	<b>1,458,387.0</b>	<b>67.70</b>	<b>1,379,290.0</b>	<b>64.19</b>
<b>8. Gross Loans</b>	<b>178,414.5</b>	<b>1,580,271.0</b>	<b>64.20</b>	<b>1,514,037.0</b>	<b>68.43</b>	<b>1,462,142.0</b>	<b>67.87</b>	<b>1,382,657.0</b>	<b>64.34</b>
9. Memo: Impaired Loans included above	1,276.9	11,310.0	0.46	8,579.0	0.39	8,095.0	0.38	6,020.0	0.28
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>B. Other Earning Assets</b>									
1. Loans and Advances to Banks	4,289.6	37,994.0	1.54	30,235.0	1.37	31,345.0	1.46	84,679.0	3.94
2. Reverse Repos and Securities Borrowing	8,285.3	73,385.0	2.98	25,558.0	1.16	49,712.0	2.31	36,404.0	1.69
3. Derivatives	6,989.5	61,908.0	2.51	56,469.0	2.55	89,293.0	4.15	87,116.0	4.05
4. Trading Securities and at FV through Income	n.a.	n.a.	-	n.a.	-	116,882.0	5.43	171,781.0	7.99
5. Available for Sale Securities	n.a.	n.a.	-	n.a.	-	17.0	0.00	69.0	0.00
6. Held to Maturity Securities	n.a.	n.a.	-	n.a.	-	89,070.0	4.13	4,386.0	0.20
7. Other Securities	19,291.5	170,871.0	6.94	164,884.0	7.45	n.a.	-	n.a.	-
<b>8. Total Securities</b>	<b>19,291.5</b>	<b>170,871.0</b>	<b>6.94</b>	<b>164,884.0</b>	<b>7.45</b>	<b>205,969.0</b>	<b>9.56</b>	<b>176,236.0</b>	<b>8.20</b>
9. Memo: Government Securities included Above	n.a.	n.a.	-	n.a.	-	106,723.0	4.95	74,607.0	3.47
10. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Equity Investments in Associates	759.6	6,728.0	0.27	6,357.0	0.29	7,319.0	0.34	5,382.0	0.25
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	8.0	0.00
13. Insurance Assets	22,611.2	200,274.0	8.14	180,320.0	8.15	160,114.0	7.43	153,442.0	7.14
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>15. Total Earning Assets</b>	<b>240,003.7</b>	<b>2,125,785.0</b>	<b>86.36</b>	<b>1,973,974.0</b>	<b>89.21</b>	<b>2,002,139.0</b>	<b>92.94</b>	<b>1,922,557.0</b>	<b>89.47</b>
<b>C. Non-Earning Assets</b>									
1. Cash and Due From Banks	33,518.6	296,884.0	12.06	200,371.0	9.06	121,347.0	5.63	186,312.0	8.67
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Foreclosed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Fixed Assets	215.0	1,904.0	0.08	1,955.0	0.09	1,864.0	0.09	1,981.0	0.09
5. Goodwill	1,536.0	13,605.0	0.55	13,100.0	0.59	12,408.0	0.58	12,010.0	0.56
6. Other Intangibles	377.1	3,340.0	0.14	3,229.0	0.15	1,871.0	0.09	1,680.0	0.08
7. Current Tax Assets	177.8	1,575.0	0.06	1,375.0	0.06	1,796.0	0.08	1,662.0	0.08
8. Deferred Tax Assets	19.3	171.0	0.01	173.0	0.01	160.0	0.01	192.0	0.01
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	148.0	0.01
10. Other Assets	2,077.4	18,400.0	0.75	18,459.0	0.83	12,618.0	0.59	22,313.0	1.04
<b>11. Total Assets</b>	<b>277,924.9</b>	<b>2,461,664.0</b>	<b>100.00</b>	<b>2,212,636.0</b>	<b>100.00</b>	<b>2,154,203.0</b>	<b>100.00</b>	<b>2,148,855.0</b>	<b>100.00</b>
<b>Liabilities and Equity</b>									
<b>D. Interest-Bearing Liabilities</b>									
1. Total Customer Deposits	105,215.6	931,926.0	37.86	846,902.0	38.28	782,032.0	36.30	743,988.0	34.62
2. Deposits from Banks	9,129.8	80,865.0	3.28	68,055.0	3.08	71,818.0	3.33	149,677.0	6.97
3. Repos and Securities Lending	3,319.5	29,402.0	1.19	8,707.0	0.39	10,905.0	0.51	5,099.0	0.24
4. Commercial Paper and Short-term Borrowings	26,940.9	238,624.0	9.69	149,974.0	6.78	102,225.0	4.75	107,047.0	4.98
<b>5. Customer Deposits and Short-term Funding</b>	<b>144,605.8</b>	<b>1,280,817.0</b>	<b>52.03</b>	<b>1,073,638.0</b>	<b>48.52</b>	<b>966,980.0</b>	<b>44.89</b>	<b>1,005,811.0</b>	<b>46.81</b>
6. Senior Unsecured Debt	20,279.1	179,618.0	7.30	174,385.0	7.88	181,153.0	8.41	168,819.0	7.86
7. Subordinated Borrowing	2,654.2	23,509.0	0.96	14,458.0	0.65	12,925.0	0.60	12,648.0	0.59
8. Covered Bonds	56,840.8	503,456.0	20.45	519,845.0	23.49	558,295.0	25.92	550,669.0	25.63
9. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>10. Total LT Funding</b>	<b>79,774.1</b>	<b>706,583.0</b>	<b>28.70</b>	<b>708,688.0</b>	<b>32.03</b>	<b>752,373.0</b>	<b>34.93</b>	<b>732,136.0</b>	<b>34.07</b>
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	3,109.9	27,545.0	1.12	14,459.0	0.65	11,614.0	0.54	8,191.0	0.38
<b>13. Total Funding</b>	<b>227,489.8</b>	<b>2,014,945.0</b>	<b>81.85</b>	<b>1,796,785.0</b>	<b>81.21</b>	<b>1,730,967.0</b>	<b>80.35</b>	<b>1,746,138.0</b>	<b>81.26</b>
14. Derivatives	5,773.5	51,138.0	2.08	46,200.0	2.09	85,589.0	3.97	68,681.0	3.20
<b>15. Total Funding and Derivatives</b>	<b>233,263.3</b>	<b>2,066,083.0</b>	<b>83.93</b>	<b>1,842,985.0</b>	<b>83.29</b>	<b>1,816,556.0</b>	<b>84.33</b>	<b>1,814,819.0</b>	<b>84.46</b>
<b>E. Non-Interest Bearing Liabilities</b>									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	441.0	3,906.0	0.16	3,200.0	0.14	1,640.0	0.08	373.0	0.02
4. Current Tax Liabilities	134.9	1,195.0	0.05	1,980.0	0.09	992.0	0.05	105.0	0.00
5. Deferred Tax Liabilities	183.6	1,626.0	0.07	2,182.0	0.10	2,438.0	0.11	3,071.0	0.14
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	14.0	0.00
8. Insurance Liabilities	22,924.1	203,046.0	8.25	182,958.0	8.27	162,871.0	7.56	159,564.0	7.43
9. Other Liabilities	4,646.1	41,152.0	1.67	34,709.0	1.57	25,672.0	1.19	35,602.0	1.66
<b>10. Total Liabilities</b>	<b>261,593.0</b>	<b>2,317,008.0</b>	<b>94.12</b>	<b>2,068,014.0</b>	<b>93.46</b>	<b>2,010,169.0</b>	<b>93.31</b>	<b>2,013,548.0</b>	<b>93.70</b>
<b>F. Hybrid Capital</b>									
1. Pref. Shares and Hybrid Capital accounted for as Debt	1,215.5	10,766.0	0.44	11,050.0	0.50	14,329.0	0.67	11,965.0	0.56
2. Pref. Shares and Hybrid Capital accounted for as Equity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>G. Equity</b>									
1. Common Equity	14,843.7	131,475.0	5.34	131,997.0	5.97	128,585.0	5.97	123,014.0	5.72
2. Non-controlling Interest	23.6	209.0	0.01	200.0	0.01	190.0	0.01	179.0	0.01
3. Securities Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Foreign Exchange Revaluation Reserves	661.0	5,855.0	0.24	3,602.0	0.16	2,601.0	0.12	836.0	0.04
5. Fixed Asset Revaluations and Other Accumulated OCI	(412.0)	(3,649.0)	(0.15)	(2,227.0)	(0.10)	(1,671.0)	(0.08)	(687.0)	(0.03)
<b>6. Total Equity</b>	<b>15,116.3</b>	<b>133,890.0</b>	<b>5.44</b>	<b>133,572.0</b>	<b>6.04</b>	<b>129,705.0</b>	<b>6.02</b>	<b>123,342.0</b>	<b>5.74</b>
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for	15,116.3	133,890.0	5.44	133,572.0	6.04	129,705.0	6.02	123,342.0	5.74
<b>8. Total Liabilities and Equity</b>	<b>277,924.9</b>	<b>2,461,664.0</b>	<b>100.00</b>	<b>2,212,636.0</b>	<b>100.00</b>	<b>2,154,203.0</b>	<b>100.00</b>	<b>2,148,855.0</b>	<b>100.00</b>
9. Memo: Fitch Core Capital	12,781.2	113,207.0	4.60	113,508.0	5.13	111,902.0	5.19	104,910.0	4.88

Exchange rate

USD1 = SEK8.8573

USD1 = SEK8.2322

USD1 = SEK9.0622

USD1 = SEK8.4408

**Swedbank AB**  
**Summary Analytics**

	30 Sep 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
	9 Months - 3rd Quarter	Year End	Year End	Year End
<b>A. Interest Ratios</b>				
1. Interest Income/ Average Earning Assets	1.66	1.63	1.66	1.81
2. Interest Income on Loans/ Average Gross Loans	2.00	2.03	2.17	2.43
3. Interest Expense on Customer Deposits/ Average Customer Depo	0.14	0.15	0.13	0.17
4. Interest Expense/ Average Interest-bearing Liabilities	0.41	0.37	0.42	0.63
5. Net Interest Income/ Average Earning Assets	1.25	1.27	1.24	1.20
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.24	1.23	1.18	1.17
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning A	1.25	1.27	1.24	1.20
<b>B. Other Operating Profitability Ratios</b>				
1. Operating Profit/ Risk Weighted Assets	6.41	5.84	5.49	5.22
2. Non-Interest Expense/ Gross Revenues	38.87	40.73	42.64	45.37
3. Loans and securities impairment charges/ Pre-impairment Op. Pr	0.53	5.11	5.94	2.84
4. Operating Profit/ Average Total Assets	1.12	1.02	0.93	0.91
5. Non-Interest Income/ Gross Revenues	39.42	37.40	35.23	34.96
6. Non-Interest Expense/ Average Total Assets	0.68	0.71	0.71	0.75
7. Pre-impairment Op. Profit/ Average Equity	21.26	19.77	18.48	18.01
8. Pre-impairment Op. Profit/ Average Total Assets	1.13	1.07	0.99	0.94
9. Operating Profit/ Average Equity	21.14	18.76	17.38	17.50
<b>C. Other Profitability Ratios</b>				
1. Net Income/ Average Total Equity	17.11	15.22	15.70	13.55
2. Net Income/ Average Total Assets	0.91	0.82	0.84	0.71
3. Fitch Comprehensive Income/ Average Total Equity	17.23	14.35	14.33	15.55
4. Fitch Comprehensive Income/ Average Total Assets	0.91	0.78	0.77	0.81
5. Taxes/ Pre-tax Profit	20.62	21.10	17.71	22.70
6. Net Income/ Risk Weighted Assets	5.19	4.74	4.96	4.05
<b>D. Capitalization</b>				
1. FCC/ FCC-Adjusted Risk Weighted Assets	27.05	28.42	29.02	27.81
2. Tangible Common Equity/ Tangible Assets	4.78	5.33	5.39	5.14
3. Equity/ Total Assets	5.44	6.04	6.02	5.74
4. Basel Leverage Ratio	4.80	5.20	5.40	5.00
5. Common Equity Tier 1 Capital Ratio	24.30	24.60	25.00	24.10
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	26.80	27.30	28.70	26.90
8. Total Capital Ratio	32.10	30.70	31.80	30.30
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	5.00	4.13	3.88	2.53
10. Impaired Loans less Loan Loss Allowances/ Equity	4.23	3.51	3.35	2.15
11. Cash Dividends Paid & Declared/ Net Income	n.a.	74.96	75.18	75.51
12. Risk Weighted Assets/ Total Assets	17.37	18.46	18.30	18.11
13. Risk Weighted Assets - Standardised/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
14. Risk Weighted Assets - Advanced Method/ Risk Weighted Asset	n.a.	n.a.	n.a.	n.a.
<b>E. Loan Quality</b>				
1. Impaired Loans/ Gross Loans	0.72	0.57	0.55	0.44
2. Growth of Gross Loans	4.37	3.55	5.75	2.79
3. Loan Loss Allowances/ Impaired Loans	49.92	45.30	46.39	55.93
4. Loan Impairment Charges/ Average Gross Loans	0.02	0.05	0.08	0.04
5. Growth of Total Assets	11.25	2.71	0.25	1.30
6. Loan Loss Allowances/ Gross Loans	0.36	0.26	0.26	0.24
7. Net Charge-offs/ Average Gross Loans	n.a.	n.a.	0.07	0.04
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed	0.72	0.57	0.55	0.44
<b>F. Funding and Liquidity</b>				
1. Loans/ Customer Deposits	169.57	178.77	186.97	185.84
2. Liquidity Coverage Ratio	148.00	173.00	156.00	144.00
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybri	46.00	46.85	44.81	42.32
4. Interbank Assets/ Interbank Liabilities	46.98	44.43	43.65	56.57
5. Net Stable Funding Ratio	110.00	110.00	108.00	107.00
6. Growth of Total Customer Deposits	10.04	8.30	5.11	12.57

Swedbank AB  
Reference Data

	30 Sep 2018		31 Dec 2017		31 Dec 2016		31 Dec 2015		
	9 Months - 3rd Quarter USDm	9 Months - 3rd Quarter SEKm	As % of Assets	Year End SEKm	As % of Assets	Year End SEKm	As % of Assets	Year End SEKm	As % of Assets
<b>A. Off-Balance Sheet Items</b>									
1. Managed Securitised Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	5,613.1	49,717.0	2.02	44,057.0	1.99	39,291.0	1.82	33,312.0	1.55
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	3,269.0	0.15	3,174.0	0.15	2,461.0	0.11
5. Committed Credit Lines	32,365.7	286,673.0	11.65	262,921.0	11.88	262,701.0	12.19	235,312.0	10.95
6. Other Contingent Liabilities	n.a.	n.a.	-	349.0	0.02	285.0	0.01	185.0	0.01
7. Other Off-Balance Sheet items	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Assets under Management	157,158.5	1,392,000.0	56.55	1,259,000.0	56.90	1,170,000.0	54.31	1,090,000.0	50.72
<b>B. Average Balance Sheet</b>									
1. Average Loans	175,087.2	1,550,799.5	63.00	1,481,649.8	66.96	1,423,974.0	66.10	1,362,579.6	63.41
2. Average Earning Assets	233,753.9	2,070,428.3	84.11	2,007,723.6	90.74	2,020,845.8	93.81	1,983,147.8	92.29
3. Average Total Assets	276,310.5	2,447,365.0	99.42	2,348,304.0	106.13	2,315,320.8	107.48	2,231,079.2	103.83
4. Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Average Interest-Bearing Liabilities	232,843.0	2,062,360.0	83.78	1,988,748.2	89.88	1,982,053.6	92.01	1,900,470.0	88.44
6. Average Common equity	14,268.0	126,375.8	5.13	126,027.0	5.70	123,724.0	5.74	115,596.4	5.38
7. Average Equity	14,634.3	129,620.5	5.27	127,228.8	5.75	124,546.8	5.78	116,183.0	5.41
8. Average Customer Deposits	104,333.5	924,113.3	37.54	864,995.2	39.09	847,208.2	39.33	733,459.0	34.13
<b>C. Maturities</b>									
<b>Asset Maturities:</b>									
Loans & Advances < 3 months	n.a.	n.a.	-	37,750.0	1.71	44,672.0	2.07	40,112.0	1.87
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	132,879.0	6.01	118,660.0	5.51	118,593.0	5.52
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	327,522.0	14.80	317,166.0	14.72	308,624.0	14.36
Loans & Advances > 5 years	n.a.	n.a.	-	1,012,000.0	45.74	977,889.0	45.39	911,961.0	42.44
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	14,623.0	0.66	21,947.0	1.02	75,187.0	3.50
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	4,794.0	0.22	2,907.0	0.13	3,043.0	0.14
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	9,867.0	0.45	5,349.0	0.25	5,443.0	0.25
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	996.0	0.05	1,142.0	0.05	1,006.0	0.05
<b>Liability Maturities:</b>									
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits < 3 Months	n.a.	n.a.	-	819,940.0	37.06	746,116.0	34.64	711,319.0	33.10
Other Deposits 3 - 12 Months	n.a.	n.a.	-	24,981.0	1.13	33,636.0	1.56	29,560.0	1.38
Other Deposits 1 - 5 Years	n.a.	n.a.	-	1,822.0	0.08	2,088.0	0.10	2,903.0	0.14
Other Deposits > 5 Years	n.a.	n.a.	-	162.0	0.01	192.0	0.01	206.0	0.01
Deposits from Banks < 3 Months	n.a.	n.a.	-	65,130.0	2.94	68,607.0	3.18	139,197.0	6.48
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	2,533.0	0.11	2,938.0	0.14	9,573.0	0.45
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	1,822.0	0.08	267.0	0.01	905.0	0.04
Deposits from Banks > 5 Years	n.a.	n.a.	-	162.0	0.01	6.0	0.00	2.0	0.00
Senior Debt Maturing < 3 months	n.a.	n.a.	-	134,576.0	6.08	117,531.0	5.46	124,435.0	5.79
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	113,316.0	5.12	144,888.0	6.73	90,351.0	4.20
Senior Debt Maturing 1-5 Years	n.a.	n.a.	-	513,122.0	23.19	495,516.0	23.00	506,695.0	23.58
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	83,190.0	3.76	83,738.0	3.89	105,054.0	4.89
<b>Total Senior Debt on Balance Sheet</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-</b>	<b>844,204.0</b>	<b>38.15</b>	<b>841,673.0</b>	<b>39.07</b>	<b>826,535.0</b>	<b>38.46</b>
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing 1-5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	25,508.0	1.15	27,254.0	1.27	12,648.0	0.59
<b>Total Subordinated Debt on Balance Sheet</b>	<b>2,654.2</b>	<b>23,509.0</b>	<b>0.96</b>	<b>14,458.0</b>	<b>0.65</b>	<b>12,925.0</b>	<b>0.60</b>	<b>12,648.0</b>	<b>0.59</b>
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>D. Risk Weighted Assets</b>									
1. Risk Weighted Assets	48,266.5	427,511.0	17.37	408,351.0	18.46	394,135.0	18.30	389,098.0	18.11
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weigh	(1,018.1)	(9,017.5)	(0.37)	(9,017.5)	(0.41)	(8,497.5)	(0.39)	(11,855.0)	(0.55)
<b>3. Fitch Core Capital Adjusted Risk Weighted Assets</b>	<b>47,248.4</b>	<b>418,493.5</b>	<b>17.00</b>	<b>399,333.5</b>	<b>18.05</b>	<b>385,637.5</b>	<b>17.90</b>	<b>377,243.0</b>	<b>17.56</b>
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>5. Fitch Adjusted Risk Weighted Assets</b>	<b>47,248.4</b>	<b>418,493.5</b>	<b>17.00</b>	<b>399,333.5</b>	<b>18.05</b>	<b>385,637.5</b>	<b>17.90</b>	<b>377,243.0</b>	<b>17.56</b>
<b>E. Fitch Core Capital Reconciliation</b>									
1. Total Equity as reported (including non-controlling interests)	15,116.3	133,890.0	5.44	133,572.0	6.04	129,705.0	6.02	123,342.0	5.74
2. Fair-value adjustments relating to own credit risk on debt issued	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	1,536.0	13,605.0	0.55	13,100.0	0.59	12,408.0	0.58	12,010.0	0.56
5. Other intangibles	377.1	3,340.0	0.14	3,229.0	0.15	1,871.0	0.09	1,680.0	0.08
6. Deferred tax assets deduction	14.8	131.0	0.01	128.0	0.01	125.0	0.01	0.0	0.00
7. Net asset value of insurance subsidiaries	407.2	3,607.0	0.15	3,607.0	0.16	3,399.0	0.16	4,742.0	0.22
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fund for general banking risks if not already included and readily convertible	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
<b>10. Fitch Core Capital</b>	<b>12,781.2</b>	<b>113,207.0</b>	<b>4.60</b>	<b>113,508.0</b>	<b>5.13</b>	<b>111,902.0</b>	<b>5.19</b>	<b>104,910.0</b>	<b>4.88</b>

Exchange Rate

USD1 = SEK8.8573

USD1 = SEK8.2322

USD1 = SEK9.0622

USD1 = SEK8.4408

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