

**Announcement of Periodic Review: Moody's announces completion of a periodic review of ratings of Swedbank AB**

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23 Sep 2020

Stockholm, September 23, 2020 -- Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of Swedbank AB and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Credit ratings and outlook/review status cannot be changed in a portfolio review and hence are not impacted by this announcement. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.

Key rating considerations are summarized below.

Swedbank AB's (Swedbank) baa1 Baseline Credit Assessment (BCA) reflects the bank's focus on Swedish retail mortgages, which results in strong credit quality, its solid capital ratios, and strong profitability. These strengths are counterbalanced by the bank's high reliance on market funding, in line with other large Nordic banks as well as the past governance and risk management deficiencies, which result in a negative notch for corporate behavior.

Swedbank's Aa3 long-term (LT) deposit and senior unsecured debt ratings reflect the bank's baa1 BCA, three notches of rating uplift from the application of Moody's forward-looking advanced loss given failure (LGF) analysis, and one notch of rating uplift reflecting government support.

This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Banks Methodology published in November 2019. Please see the Rating Methodologies page on [www.moody's.com](http://www.moody's.com) for a copy of this methodology.

This announcement applies only to EU rated and EU endorsed ratings. Non EU rated and non EU endorsed ratings may be referenced above to the extent necessary, if they are part of the same analytical unit.

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