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Ratings

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Swedish Export Credit Corp.

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Swedish Export Credit Corp.

SACP	a-	+	Support	+5	+	Additional Factors	0

Anchor	a-	
Business Position	Moderate	-1
Capital and Earnings	Very Strong	+2
Risk Position	Moderate	-1
Funding	Average	0
Liquidity	Adequate	

ALAC Support	0
GRE Support	+5
Group Support	0
Sovereign Support	0

Issuer Credit Rating
AA+/Stable/A-1+

Major Rating Factors

Strengths:	Weaknesses:
• Extremely high likelihood of government support. • Very good loan asset quality and high-quality guarantees. • Robust capitalization well above international average.	• Heavy reliance on foreign wholesale funding, including structured funding. • Concentration on large individual loan exposures. • Relatively low profitability.

Outlook: Stable

The stable outlook on Swedish Export Credit Corp. (SEK) reflects S&P Global Ratings' view that there is an extremely high likelihood of timely support to SEK from the Swedish government, if needed, over the next two years. The outlook also reflects our expectation that the company's asset quality will remain strong and its liquidity and capitalization robust. Given the level of extraordinary support and our 'AAA' rating on Sweden, we could revise our assessment of SEK's stand-alone credit profile (SACP) downward by four notches without it affecting the rating.

While presently unlikely, we could consider a negative rating action if we saw that SEK's role or link with the Swedish government were weakening. Given SEK's current SACP, we could lower the ratings by one notch if in our view, the likelihood of support had reduced to very high from extremely high, due a change in the role or link with the government.

We consider a positive rating action unlikely at this stage. However, we could raise the ratings if the Swedish government provided a timely guarantee for SEK's liabilities, in line with our criteria.

We expect that the Swedish krona (SEK) 125 billion (€12 billion) back-up credit line for the Commercial Interest Reference Rate (CIRR) portfolio will be renewed as part of the ongoing support we factor into our analysis of SEK's SACP, and more specifically, its funding and liquidity.

Rationale

The 'AA+' long-term rating on SEK reflects our expectation that SEK will remain very tightly linked to its sole owner Sweden (AAA/Stable/A-1+), while playing a central part in the delivery of its national export strategy, leading us to factor five notches of uplift into our long-term rating on SEK.

Our assessment of SEK's 'a-' SACP reflects our view of the Swedish banking industry as a whole, and the institution's somewhat narrow focus on lending to borrowers with a connection to Swedish exports. It also rests on our expectation that SEK will continue to show capitalization levels comparing very strongly with international peers, balancing its unsecured concentration risk to some large Swedish corporates and international financial institutions, as well as the complex nature of its funding structure. Furthermore, we expect SEK to maintain its sound underwriting standards reflected in its very good asset quality and exceptional loan loss track record. The company's funding and liquidity position, characterized by a wholesale funding profile, is further supported by the Swedish government in the form of access to a SEK125 billion credit facility at the Swedish National Debt Office.

Anchor: Blended economic risk reflects SEK's net exposure after guarantees

The anchor we assign to SEK is 'a-', reflecting its domicile in Sweden and its net credit exposure after guarantees to different markets worldwide. As a result, our blended economic risk score for SEK is somewhat higher than for banks operating only in Sweden, due to SEK's external exposures to Swedish exporters' customers. However, the difference is not large enough to lower the anchor.

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 high property valuations, along with high and increasing household and private-sector debt, have contributed to material economic imbalances. Sweden now mandates amortization on new residential mortgages, and Swedish regulators are proposing further amortization for high debt-to-income levels. Combined with significant increases in the supply of housing in the last two years and, in the pipeline for the next few years, we now anticipate that house prices will recalibrate, contracting by 7%-10% from August 2017 highs, similar to the result of external shocks in 2008-2009 and 2011-2012. In addition, projected increases of around 100 basis points in the sale and repurchase (repo) rate through 2019 should combine with a high share of variable-rate loans to subdue further growth of existing imbalances in Sweden over the coming years, in our view. 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 banks' credit losses and nonperforming loans (NPLs) will remain low in the low-interest-rate environment.

In our view, Sweden's high share of net external debt is a key risk factor for the banking sector. However, core customer deposits are increasing due to high savings rates in the private sector. Banks are filling the resulting funding gap largely with 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

Swedish Export Credit Corp. Key Figures

	--Year-ended Dec. 31--				
(Mil. SEK)	**2017**	**2016**	**2015**	**2014**	**2013**
Adjusted assets	264,326.0	299,341.0	280,303.0	325,031.0	306,435.3
Customer loans (gross)	182,391.0	194,385.0	189,149.0	202,844.0	187,280.3
Adjusted common equity	17,292.0	16,507.0	15,998.0	15,047.0	14,643.1
Operating revenues	1,553.0	1,608.0	2,056.0	2,078.0	1,958.1
Noninterest expenses	597.0	590.0	557.0	522.0	511.3
Core earnings	772.0	780.0	1,187.0	1,260.0	1,090.1

SEK--SEK-Swedish krona. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Business position: Important export lending role, but with narrow revenue breadth

We base our assessment of SEK's business position on the company's low-margin operating environment and its relatively narrow role of supporting Swedish export companies, particularly through loans at the CIRR under the rules of the Organization for Economic Cooperation and Development (OECD) and for the EU.

SEK's business derives from its mandate by the Swedish government to support the country's export sector, which contributes some 46% to Sweden's GDP, with either direct or end-client long-term financing. SEK is an important pillar of Swedish exporters' success: it has strong relationships with Sweden's largest exporters and more recently has started promoting midsize corporations' expansion to new markets. The bank works together with the Swedish government and commercial banks to offer corporate lending for the benefit of the Swedish export sector and end-customer financing, arranged for the buyers of Swedish goods and services. As of June 30, 2018, SEK had total assets of SEK293.8 billion (€28 billion) of which outstanding loans amounted to SEK210 billion. Nearly half of its lending is guaranteed by the Swedish government via the Swedish Export Credits Guarantee Board (EKN). However, SEK is able to take direct unguaranteed credit risk when compliant with its underwriting principles or in connection with other guaranteed lending.

We understand that the government considers SEK as an important tool to manage its incentives and to support the Swedish economy, in particular in distressed times. Indeed, SEK played a key role during the difficult market conditions in late 2008 and at other times when traditional bank financing was scarce. In September 2015, the Swedish government published a revised export strategy in which SEK and EKN are expected to take on a more prominent role in providing export finance to midsize Swedish exporters and to jointly lead (with the Swedish Banking Association) an effort to improve access to financing for Swedish exporters and their end-customers. This will contribute to growth in SEK's lending volumes but could slightly shift the risk profile in the medium term.

SEK depends on a number of large Swedish exporters for a significant part of its revenues. SEK's lending is mainly conducted bilaterally in the form of loans or corporate bonds classified as lending or arranged in conjunction with commercial banks within long-term export financing with SEK playing the role of co-arranger or financier. In such transactions, SEK is generally willing to lend at longer terms, and with more capital-intensive tranches than private commercial banks, to create long-term financing solutions for the export sector. SEK's revenues are primarily fees for arranging financing and net interest income from its lending activities. It also has some profit and loss volatility due to unrealized gains and losses associated with its liquidity holdings and the value of its own debt, but these are mitigated over time by holding short-dated liquidity instruments until maturity.

Table 2

Swedish Export Credit Corp. Business Position

	--Year-ended Dec. 31--				
(%)	**2017**	**2016**	**2015**	**2014**	**2013**
Total revenues from business line (mil. SEK)	1,553.0	1,608.0	2,056.0	2,078.0	1,958.1
Commercial & retail banking/total revenues from business line	106.6	106.8	80.5	75.6	113.3
Other revenues/total revenues from business line	(6.6)	(6.8)	19.5	24.4	(13.3)
Return on average common equity (%)	4.4	4.6	7.2	8.1	7.4

N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Capital and earnings: Very strong capital ratios, supported by ample use of guarantees, reduce balance-sheet risk

We consider SEK's capital and earnings to be very strong, mainly driven by our projection that its risk-adjusted capitalization will be in the range of 16%-17% in the next two years. SEK's risk-adjusted capital (RAC) ratio at year-end 2017 was 17.2%. Its elevated capital ratios reflect its high-quality loan book and associated guarantees, highly rated exposures in its liquidity portfolio, and superior capital base consisting solely of core capital. SEK's extensive use of sovereign and bank guarantees reduces its corporate exposure and lowers the risk weights in our assessment.

We anticipate an average annual growth in lending of around 4%-5% over the next two years as part of the large commitment under the Saab/Brazil deal is disbursed and as SEK increases lending to end customers and corporate entities as part of Sweden's export strategy. We expect SEK's business to benefit from continuous demand for Swedish goods and services as shown by SEK27 billion of new lending in first-half 2018, leading to total credits of SEK273 billion as of June 2018 (outstanding and undisbursed).

The net interest income in the first half of 2018 has been under pressure due to the intense competition, higher funding costs, and the higher contribution to the resolution fund (which will decrease in 2019) but we project the revenues will hover around SEK1.6 billion-SEK1.7 billion over the forecast period of 2018-2020. Given SEK's narrow lending focus, its earnings composition is dominated by interest income on loans, arrangement fees, interest-bearing securities, and other debt instruments held as liquidity. Margins in SEK's business are relatively low at a stable level, reflecting the low-risk high-guarantee nature of its lending and competition from commercial banks for high-quality counterparties and projects. We believe that SEK's cost-efficiency (reported cost-to-income ratio of 36% in 2017) is likely to improve over the next two years as projects aiming to improve SEK's internal information technology (IT) and risk-measurement systems have now been completed.

We expect SEK will post relatively stable but modest annual net return on equity of around 4.5% in the coming two years, below the institution's long-term target of 6%. We anticipate that the company will continue to pay out approximately 30% of net profits as dividends. In our view, SEK's strong capital buffers will support its business growth and we do not incorporate any additional capital measures in our forecast.

Given its large liquidity and derivatives portfolio and use of the option to fair value its own debt, SEK's net financial unrealized gains and losses were substantial in some years. For example, a change in the fair value of assets and hedge accounting resulted in an accounting loss of SEK102 million in 2017 and of SEK110 million in 2016. However, these fluctuations have little impact on our capital forecast, because SEK's asset and liabilities at fair value are largely held to maturity and, over time, should have a neutral effect on earnings and capital.

We note that SEK meets the regulatory capital requirements with a comfortable buffer. As of June 2018, SEK's regulatory common equity tier 1 (CET1) ratio stood at 20.2% and remains well above the regulatory requirements of 11.3% for CET1 ratio and 16.2% for total capital ratio set by the Swedish Financial Supervisory Authority as of second-quarter 2018.

Table 3

Swedish Export Credit Corp. Capital And Earnings

	--Year-ended Dec. 31--				
(%)	**2017**	**2016**	**2015**	**2014**	**2013**
Tier 1 capital ratio	20.6	22.1	21.6	16.9	19.5
S&P RAC ratio before diversification	17.2	18.0	18.2	16.9	17.1
S&P RAC ratio after diversification	14.4	16.0	16.7	15.5	16.6
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	108.4	108.6	80.8	75.9	79.4
Fee income/operating revenues	(1.8)	(1.8)	(0.3)	(0.3)	(0.3)
Market-sensitive income/operating revenues	(6.6)	(6.8)	19.5	24.4	20.9
Noninterest expenses/operating revenues	38.4	36.7	27.1	25.1	26.1
Preprovision operating income/average assets	0.3	0.4	0.5	0.5	0.5
Core earnings/average managed assets	0.3	0.3	0.4	0.4	0.4

N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Table 4

Swedish Export Credit Corp. Risk-Adjusted Capital Framework Data					
(Mil. SEK)	**Exposure***	**Basel III RWA**	**Average Basel III RW (%)**	**S&P Global RWA**	**Average S&P Global RW (%)**
Credit risk					
Government and central banks	161,428	9,338	6	6,458	4
Of which regional governments and local authorities	11,436	600	5	412	4
Institutions and CCPs	38,164	12,688	33	10,041	26
Corporate	105,946	55,075	52	77,232	73
Retail	--	--	--	--	--
Of which mortgage	--	--	--	--	--
Securitization§	--	--	--	--	--
Other assets†	121	150	124	120	99
Total credit risk	305,659	77,250	25	93,850	31
Credit valuation adjustment					
Total credit valuation adjustment	--	1,988	--	--	--
Market risk					
Equity in the banking book	--	--	--	--	--
Trading book market risk	--	1,338	--	2,006	--
Total market risk	--	1,338	--	2,006	--
Operational risk					
Total operational risk	--	3,288	--	4,571	--
(Mil. SEK)		**Basel III RWA**		**S&P Global RWA**	**% of S&P Global RWA**
Diversification adjustments					
RWA before diversification		83,863		100,427	100
Total Diversification/Concentration Adjustments		--		19,561	19
RWA after diversification		83,863		119,988	119
(Mil. SEK)		**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		17,236	20.6	17,292	17.2
Capital ratio after adjustments‡		17,236	20.6	17,292	14.4

*Exposure at default. §Securitisation exposure includes the securitisation tranches deducted from capital in the regulatory framework. †Other assets includes Deferred Tax Assets (DTAs) not deducted from ACE. ‡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, 2017, S&P Global.

Risk position: Moderate, due to concentration and complexity

Our assessment of SEK's risk position reflects the company's concentration risk, arising from largely unguaranteed corporate exposures, bond investments that we consider constitute lending, and SEK's complex operational structure, which results from substantial activity in the structured funding market. However, the company's loss history is exceptionally strong, with loan loss reversal reported in 2017, and we expect that its asset quality will remain robust.

In our view, SEK has concentrations in unguaranteed corporate exposures to large Swedish export companies, primarily in the form of bond investments to some of Sweden's largest corporations. We also believe SEK faces further concentration risk from guarantees provided by government export credit agencies--of which Swedish EKN is the largest--and financial institutions. However, we note mitigation of double-default risk, in that both the guarantor and the underlying guaranteed corporation have to default for a loss to materialize on SEK's guaranteed loan book. We consider that the counterparty exposures in its derivative transactions present an element of concentration that is not captured in our RAC framework. In addition, most losses SEK has faced have been due to bank failures and investments in collateralized debt obligations in its liquidity portfolio. SEK has exited all of its securitization positions and its liquidity portfolio comprises financial instruments rated 'A-' or higher, with only a few exceptions.

SEK's use of structured funding adds materially to its operational complexity, in our view. SEK relies on the extensive use of complex and fairly illiquid derivatives, which in some circumstances can be difficult to value and renew if necessary. As of June 30, 2018, SEK had SEK47 billion in level 3 (marked to model) liabilities, of which SEK42.2 billion were classified as senior secured funding. We believe that the company has strengthened its resources and IT systems significantly over the past few years with respect to management and valuation of remaining risks.

SEK's loss experience remains exceptional, with virtually no nonperforming assets (0.01% in 2017) and loan loss reversal reported in 2017 and the first half of 2018. It had almost no losses until 2008, when it wrote down two collateralized debt obligations and a loss from its exposure to Icelandic banks in its liquidity portfolio. SEK has indicated its intention to increase its participation in syndicated loans, which we expect will lead to more direct corporate credit risk. These transactions could be end-client financing for large international clients of Swedish exporters or lending directly to Swedish counterparties. However, we believe that these risks are captured within our RAC framework and note SEK's history of strong underwriting of unsecured risks. We expect credit losses will remain low in the next two years, given the guaranteed nature of the business that SEK underwrites, and overall improvements in asset quality of the liquidity portfolio since SEK manages regulatory liquidity coverage ratio requirements in euros, U.S. dollars, and all currencies imposed by the Swedish regulator.

Table 5

Swedish Export Credit Corp. Risk Position

	--Year-ended Dec. 31--				
(%)	**2017**	**2016**	**2015**	**2014**	**2013**
Growth in customer loans	(6.2)	2.8	(6.8)	8.3	7.6
Total diversification adjustment / S&P RWA before diversification	19.5	12.3	8.7	9.1	2.9
Total managed assets/adjusted common equity (x)	15.3	18.1	17.5	21.6	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)	(0.0)	0.0
Gross nonperforming assets/customer loans + other real estate owned	0.0	0.0	0.2	0.0	0.0
Loan loss reserves/gross nonperforming assets	1,550.0	577.3	65.9	4,218.2	N.M.

N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Funding and liquidity: Supported by SEK's link to the government, which mitigates the wholesale profile, and by its substantial liquidity portfolio

Our assessment of SEK's funding is underpinned by its close link with the Swedish government and the back-up facility provided by the Swedish National Debt Office (SNDO) in support of the company's CIRR lending. We expect the company will remain fully wholesale funded and continue to rely on nondomestic capital markets.

SEK funds itself internationally, primarily in euros, U.S. dollar, and Japanese yen, while maintaining nearly 27% of its long-term funding in relatively complex funding structures with early-redemption clauses at end-June 2018, both factors we consider to be weaknesses. Conversely, we see the link to the Swedish government and the diversity of SEK's funding sources as supportive factors, which have worked effectively in difficult markets historically, largely due to the strength of the sovereign. SEK's stable funding ratio of 76% as of June 30, 2018, is below the Swedish banking system average. Although SEK shows relatively poor S&P Global Ratings' funding and liquidity metrics, we use our qualitative analysis of the company's policy of effectively matching assets and liability redemptions in our assessment of its funding.

In line with the mandate from the state, SEK has funded the SEK65 billion loan portfolio related to CIRR loans (with an average duration of seven years), which it administrates on behalf of the government, with short-term borrowings that have maximum tenors of one year. Although profitable for the government, the structure gives rise to a duration mismatch and refinancing risk, which is mitigated by a SEK125 billion credit facility provided by the SNDO that is renewed annually. This facility is treated as contingent financing and has never been used, but it reduces the pre-financing risks for SEK57 billion (as of June 2018) in commitments for the CIRR program.

SEK's ratio of broad liquid assets to less than one-year wholesale funding was 0.5x on June 30, 2018, which compares poorly with the industry average of about 1x. We note that due to its off-balance-sheet nature we exclude the SNDO's facility in our funding and liquidity ratios, but incorporate the government-provided credit facility and the ongoing support from its owners in our liquidity assessment.

As of June 30, 2018, SEK had a regulatory liquidity coverage ratio of about 680%; as well as a regulatory net stable funding ratio of 140%, both strong for the Swedish banking sector.

Table 6

Swedish Export Credit Corp. Funding And Liquidity

	--Year-ended Dec. 31--				
(%)	**2017**	**2016**	**2015**	**2014**	**2013**
Core deposits/funding base	0.0	0.0	0.0	0.0	0.0
Long term funding ratio	68.5	64.3	66.4	64.9	66.8
Stable funding ratio	77.2	77.0	76.0	80.5	84.9
Short-term wholesale funding/funding base	33.9	38.1	36.0	37.1	35.0
Broad liquid assets/short-term wholesale funding (x)	0.6	0.6	0.6	0.6	0.7
Short-term wholesale funding/total wholesale funding	33.9	38.1	36.0	37.1	35.0
Narrow liquid assets/3-month wholesale funding (x)	1.4	1.2	1.7	1.5	2.5

N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

External support: Five notches of uplift, owing to SEK's government-related entity status

We regard SEK as a government-related entity (GRE) in Sweden. The long-term rating on SEK is five notches above the SACP, reflecting our view that there is an extremely high likelihood that the Swedish government would provide timely and sufficient support to SEK, if needed. Our long-term rating on SEK consequently incorporates five notches of uplift above our SACP assessment. Specifically, we consider that SEK:

- Plays a very important role for the Swedish government in providing financing to the export sector, which generates about 46% of Sweden's GDP. We also note that SEK's role as a key financier to export-related credits was confirmed in Sweden's 2015 revision to its export strategy and by SEK's role in Sweden's defense agreement with Brazil; and
- Has an integral link with the Swedish government, reflecting its 100% ownership of SEK, its supportive stance toward the company, and its mandate for SEK to act as the country's sole provider of CIRR export loans to Swedish exporters. We also note that in December 2015 the Swedish parliament voted to remove the government's option to reduce its ownership share to no less than 34%, which had been in place since 1996 but never significantly considered.

We do not believe that the February 2016 implementation of the Bank Recovery and Resolution Directive in Sweden affects the Swedish government's willingness or ability to provide support to SEK before bailing in senior unsecured debtholders. That said, we continue to monitor the development of the resolution strategy for SEK and how the minimum requirement for own funds and eligible liabilities (MREL) and specifically the subordination requirement will be fulfilled in practice.

Additional rating factors: None

No additional factors affect the ratings.

Related Criteria

- Criteria - Financial Institutions - General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- 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
- 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: 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

Related Research

- Banking Industry Country Risk Assessment: September 2018, Sept. 21, 2018
- Sweden 'AAA/A-1+' Ratings Affirmed; Outlook Stable, Aug. 31, 2018
- Nordic Bank Ratings Continue To Stand Tall, Aug. 16, 2018
- Banking Industry Country Risk Assessment: Sweden, Nov. 24, 2017

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 October 17, 2018)		
Swedish Export Credit Corp.		
Issuer Credit Rating		AA+/Stable/A-1+
Commercial Paper		
Foreign Currency		A-1+
Senior Unsecured		A-1+
Senior Unsecured		AA+
Senior Unsecured		AA+/A-1+
Short-Term Debt		A-1+
Subordinated		BBB
Issuer Credit Ratings History		
04-Sep-2009	*Foreign Currency*	AA+/Stable/A-1+
06-Jul-2009		AA+/Watch Neg/A-1+
06-Jun-2003		AA+/Stable/A-1+
04-Sep-2009	*Local Currency*	AA+/Stable/A-1+
06-Jul-2009		AA+/Watch Neg/A-1+
06-Jun-2003		AA+/Stable/A-1+
Sovereign Rating		
Sweden		AAA/Stable/A-1+

Ratings Detail (As Of October 17, 2018) (cont.)

*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.