

SBAB Bank AB (publ)

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SBAB Bank AB (publ)

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

Credit Highlights

Overview

Key strengths

Resilient asset quality owing to highly collateralized lending focus.
 Very efficient business model with a cost-income ratio near 31%.
 Meaningful capital and loss-absorption buffers.

Key risks

Swedish property market concentration.
 Limited product diversification compared with peers.

Online mortgage growth will continue to lead revenue growth for SBAB. Formed as a government-owned bank more than 36 years ago, SBAB has advanced its role as a challenger bank in mortgage lending to become Sweden's fifth largest bank. The bank's product offering focuses on providing no-fuss mortgage loans to retail and corporate customers, such as tenant-owner associations and property companies, via its website or over the phone. As a result, SBAB boasts a better cost-income ratio than most European banks. However, this also leads to revenue concentration.

We expect robust capital levels due to stable earnings. As of Dec. 31, 2020, SBAB's risk-adjusted capital (RAC) was 13.0%. We expect SBAB to pursue annual lending growth of about 6%-8% under its own brand. We think this growth, coupled with an annual pre-tax profit of about Swedish krona (SEK) 2 billion, will result in RAC of about 12.5%-13.5% over 2021-2023. This assumes the Swedish Financial Supervisory Authority will fully lift dividend restrictions and SBAB will pay about 40% of net profits.

We anticipate SBAB will report low levels of loan losses. Residential retail mortgage lending represents about 73% of SBAB's loan book as of Q1 2021; the remaining 27% is to tenant-owner associations and corporate real estate. We anticipate COVID-19 pandemic-related support measures and increased growth will support asset quality for the coming two years.

Wholesale funding, including increased senior nonpreferred issuance, will remain the bank's primary source of funding. SBAB relies on slightly more than 70% market-based wholesale funding to meet its funding needs and we do not foresee a change in the bank's funding mix. Ongoing funding to meet SBAB's minimum requirement for own funds and eligible liabilities (MREL) should meet the 2024 deadline, supporting our view that the bank's additional loss-absorbing

capacity (ALAC) will remain above 6% over the medium term.

Outlook: Stable

The stable outlook on SBAB reflects our expectation that the bank will continue building ALAC substantially above our adjusted threshold of 6% over the next two years, while maintaining robust capitalization. We also expect that the bank will remain highly concentrated in the Swedish retail mortgage market, with higher-than-peer loan volumes targeted in this segment, but that its loan losses will remain low.

Downside scenario

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

Upside scenario

An upgrade appears remote at this point. Although we expect the bank's ALAC to exceed 10% by year-end 2021, which could warrant a second notch of ALAC support, SBAB's concentration in domestic retail mortgages and high leverage is likely to constrain our view of the bank's overall creditworthiness compared with more diversified international peers at the 'A+' rating level.

Key Metrics

SBAB Bank AB (publ)--Key Ratios And Forecasts

	--Fiscal year ended Dec. 31 --				
	2019a	2020a	2021f	2022f	2023f
Growth in customer loans (%)	5.4	10.2	3.5-4.5	7.0-8.0	7.0-8.0
Net interest income/average earning assets (%)	0.8	0.8	0.7-0.8	0.7-0.8	0.7-0.8
Cost to income ratio (%)	33.7	35.8	37-39	37-39	37-39
Return on equity (%)	10.6	9.6	8.5-9.5	8.5-9.5	8.5-9.5
Gross nonperforming assets/customer loans (%)	0.1	0.1	0.1-0.1	0.1-0.1	0.0-0.1
Net charge-offs/average customer loans (%)	0.0	0.0	0.0-0.0	0.0-0.0	0.0-0.0
Risk-adjusted capital ratio (%)	13.2	13.0	13.3-14.0	13.1-13.8	12.9-13.5

All figures adjusted by S&P Global Ratings. a--Actual. f--Forecast.

Anchor:'a-' For A Purely Domestic Swedish Bank

We use our Banking Industry Country Risk Assessment's economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating, which in Sweden is 'a-'. Trends for both scores are currently stable.

Our assessment of low economic risk ('2') in Sweden balances the recession amid the COVID-19 pandemic and elevated private-sector debt (compared to international peers) with our view of the Swedish economy as highly diverse and competitive, with demonstrated monetary and fiscal flexibility, and a historical focus on prudent management of

public finances.

Wide-ranging fiscal, monetary, and regulatory support measures have helped mitigate a sharp shock to the Swedish economy, and as such we think the effect on banks is manageable, given the cushion from household wealth and widespread social welfare schemes. The support measures, demand related to working from home, and a structural lack of affordable housing, helped sustain unexpected house price growth of about 5.9% in real terms over 2020. Household debt has also increased as a result and remains a key risk for Sweden over the medium term. If leverage and coverage were to weaken, increased debt could also affect the commercial real estate sector, although it is currently manageable given support measures and the longer-term nature of rental contracts. In the corporate sector, we think overall balance sheet strength among corporates will continue to support credit quality within the system.

Our assessment of industry risk ('3') for Swedish banks incorporates our view of a proactive banking regulation, a stable competitive environment with strong profitability, and robust capitalization of the banking sector. We note the Swedish banking sector is operating from a position of strength in terms of profitability, asset quality, and capital levels compared to the European average, and we therefore expect it will continue to weather the effects of the pandemic.

Sweden's banks continue to rely on foreign wholesale funding to a large extent relative to customer deposits, which we think remains a key risk factor. That said, Sweden's deep debt capital markets and the government's willingness to ensure liquidity and a well-functioning domestic covered bond market mitigate this risk, in our view.

Business Position: Digital Lender Focused On Swedish Residential Loans

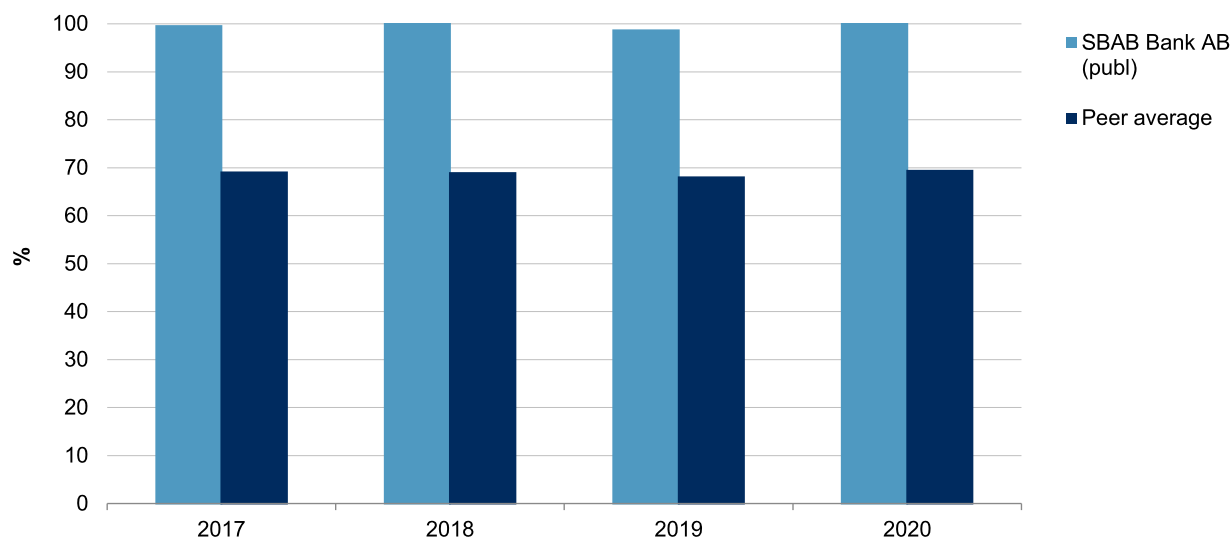
As a result of lending growth above the market average, SBAB has about SEK518 billion (€50.6 billion) in assets on its balance sheet as of March 31, 2021 and now has about a 8.5% market share of mortgages. SBAB's lending growth has focused primarily on large cities and economic hubs in Sweden, where urbanization and immigration have resulted in higher demand.

SBAB maintains a leaner and more variable operating cost structure than many other banks because it serves retail clients only by phone and internet. Consequently, the bank boasts a cost-to-income ratio of about 31% at Q1 2021, which compares favorably with both Nordic and European peers. Combined with support measures, the online nature of SBAB's business has bolstered the bank's resilience to the pandemic. Although revenue concentration in interest income from property income financing in Sweden is prevalent (see chart 1), we think SBAB's earnings capacity will remain stable over the next few years.

We consider SBAB's management to be prudent and committed to the bank's robust capitalization, offering a cost-efficient platform. The board of directors includes one member that represents the government's 100% stake. However, we consider the board to be generally independent and supportive of management, allowing for autonomous business decisions.

Chart 1**Revenue Concentration Relative To Nordic Peers**

Net interest income/operating revenue



*Nordic peer average includes Handelsbanken, LF Bank, Nordea, Swedbank, SEB. Source: S&P Global Ratings.

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Capital And Earnings: Resilient Earnings Generation Supports Capitalization

We expect SBAB's RAC ratio--our measure of the bank's capital--to remain at 12%-13% over the next two years (13% as of year-end 2020), supported by resilient net income. As such, we expect SBAB's RAC will remain a strength for the bank.

Our forecast assumptions are based on continued above-market annual lending growth of 7%-8% over 2021-2023 (expected market growth of about 4%-5% per year). As a result of full retention of dividends for 2019 and 2020 profits, SBAB's risk-weighted asset (RWA) growth was somewhat mitigated and only led to a slight decline of 8 basis points compared to end-2020. We expect SBAB's need for new provisions will remain lower than the overall market average and forecast that its annual net profits will be about SEK1.8 billion (€178 million). As such, we anticipate that SBAB's RAC will continue to compare favorably with peers' (see chart 2). However, the bank's regulatory leverage ratio--4.1% as of March 31, 2021--remains just below the European average, since the bank is mostly exposed to assets with low regulatory risk weights, such as retail mortgages.

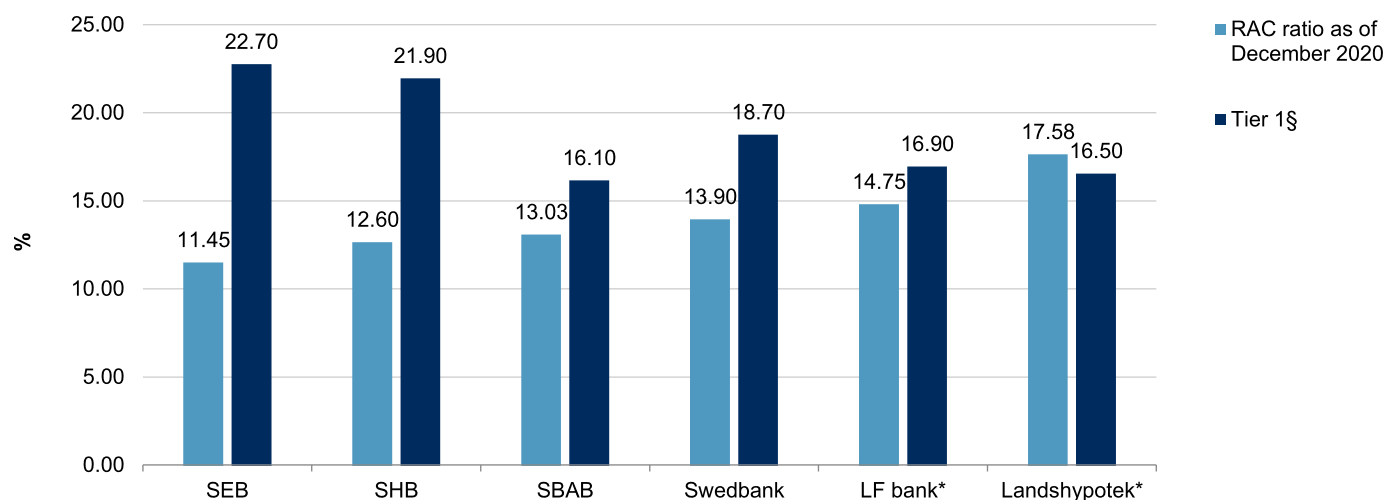
We include approximately SEK4.3 billion (€43 million) of additional Tier 1 (AT1) hybrid capital instruments in our RAC forecast due to new issuances. This represents nearly 19% of our total adjusted capital measure. Overall, we view SBAB as having average quality of capital, given that many European peers have greater shares of core capital, as

measured by adjusted common equity.

Chart 2

Solid Capital Position In Line With Nordic Peers

S&P Global Ratings risk-adjusted capital versus Tier 1 ratios



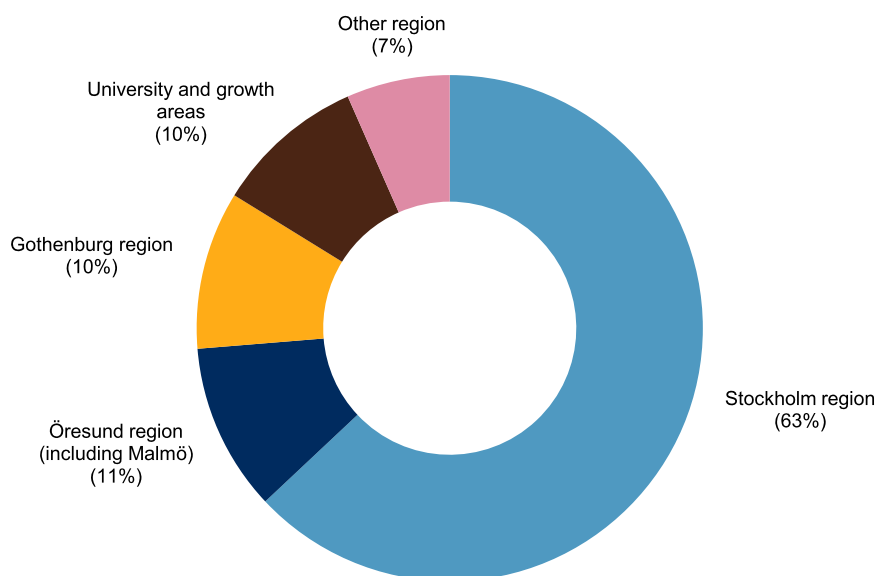
*As of June 2020. \$As of Dec. 31, 2021. RAC--Risk-adjusted capital. Source: S&P Global Ratings. Copyright © 2021 by Standard & Poor's Financial Services LLC. All rights reserved.

Risk Position: Low-Risk Business And Prudent Underwriting Support Future Asset Quality In An Uncertain Economic Environment

We see SBAB's lending book and general risk profile to be in line with our overall assessment of Swedish banking industry risk. Over the next two years, as the bank pursues lending growth of about 7%-8% in the expanding urban areas of Sweden (see chart 3)--a growth rate that is slightly above the overall mortgage market--we think SBAB will maintain strict lending guidelines for new growth. Its average loan-to-value ratio for new lending was 68% and debt to income was 3.9x as of March 31, 2021.

Chart 3**SBAB Is Geographically Focused On Growth Regions In Sweden**

Geographical distribution of mortgage loan book (74% of lending)



Sources: AR 2020, S&P Global Ratings.

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Due to its property financing niche, the bank has no direct exposure to hotel and leisure or transportation. Therefore, it has been generally insulated from sectors hit by the pandemic. Furthermore, the bank has significantly reduced its exposure to the commercial real estate market, which the pandemic could also affect, to about 0.7% of the lending book. Noncore lending, such as unsecured consumer and secondary-housing loans, are also a small portion of SBAB's loan portfolio, and exposure to construction loans is capped at 6% of total credit.

As of March 31, 2021, SBAB's ratio of gross nonperforming assets to customer loans remains marginal at 6 basis points. We expect the bank's focus on residential retail mortgages, which creates a naturally well-collateralized loan book, will continue to support SBAB's asset quality. Furthermore, we expect the Swedish social safety net to act as an effective stabilizer in this recession. Overall, we expect SBAB's provision needs should remain below 6 basis points of loans in 2021, well below our overall market expectations. We also expect annual net charge offs to remain marginal this year.

Funding And Liquidity: SBAB's Funding Mix Shows A High Reliance On The Covered Bond Market

Over the past few years, SBAB has focused on attracting depositors--both retail and corporate--and lengthening its

funding profile. Although the bank is still predominantly wholesale funded (70%), its funding metrics are now closer to the levels seen at Nordic peers. The covered bonds issued via SBAB's covered bond subsidiary, SCBC, make up 75% of outstanding issuance and about 55% of the total funding base, which points to a higher degree of asset encumbrance relative to Nordic peers. Our calculation of the funding ratio remained stable at 99% as of year-end 2020, a level we expect the bank to maintain through 2021.

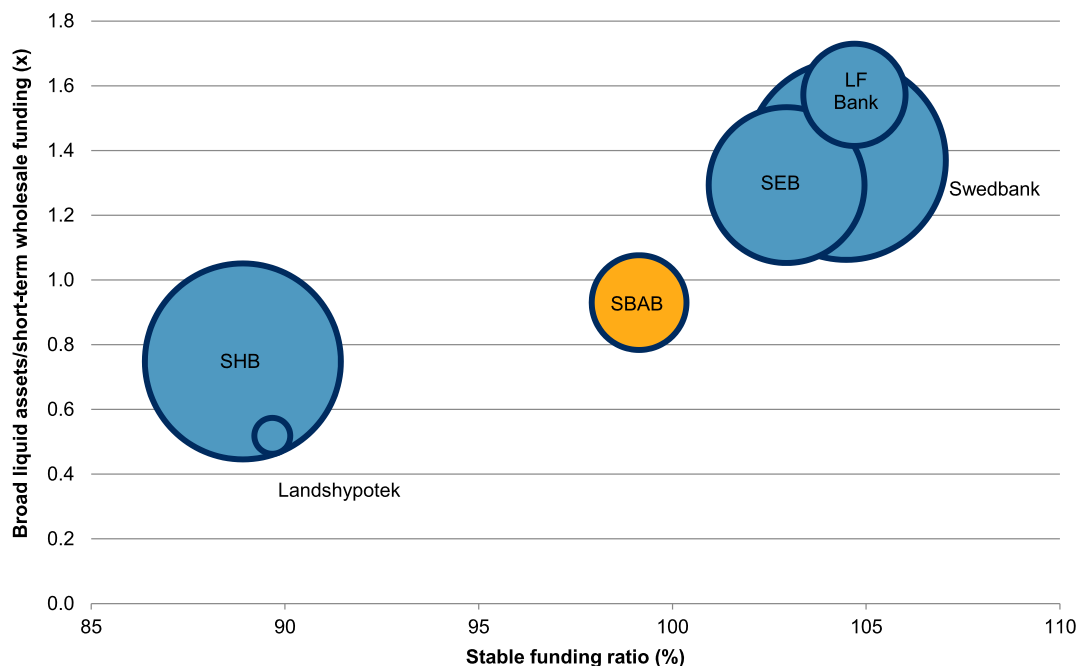
In Q1 2021, SBAB's deposits totaled SEK137 billion (€13.6 billion), or about 32% of its loan book. Retail deposits--which accounted for 70% of total deposits from the public--increased given the overall trend of households being restricted in consumption patterns. However, from a market share perspective, SBAB saw a slight decline of 4.4% in retail deposits (see chart 4). This denotes an improvement from 2011 when the bank had almost no depositors. SBAB will likely fund its loan growth over the coming years with a mix of deposits, covered bonds, and senior bonds. As such, we anticipate that the bank's funding metrics will remain balanced. This is also underpinned by regulations on SBAB's stable funding ratio and liquidity coverage.

SBAB's adequate liquidity position is a result of a SEK67 billion (€6.6 billion) liquidity portfolio as of Q1 2021. SBAB's ratio of broad liquid assets to short-term wholesale funding was 0.93x in December 2020. However, we expect it to return to above 1.0x in 2021. We note that SBAB's reported regulatory liquidity coverage ratio was 226%, well above the 100% minimum.

Chart 4

SBAB's Retail Market Share Leads To Higher Use Of Covered Bond Funding

Funding and liquidity profile as of Dec. 31, 2020



Bubble size represents market share of retail deposits (by volume). Source: S&P Global Ratings, Statistics Sweden.

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Support: One Notch Of ALAC Support Instead Of Government Support

SBAB is among the midsize banks considered by the Swedish National Debt Office as critical to the domestic financial system. SBAB must therefore fulfill a substantial MREL of just above 5% of total liabilities and own funds as of Q1 2021. SBAB will fund some of these requirements--about SEK13 billion as of March 2021--with subordinated liabilities by end-2023.

As of Dec. 31, 2021, SBAB's ALAC buffer represented 7.1% of RWAs, exceeding our adjusted 6% threshold required to receive an additional notch of support. Although we do not rule out extraordinary support from the Swedish government as the bank's owner, we assume SBAB would likely be subject to bail-in-led resolution if it failed. We therefore choose ALAC support as our base-case assumption, which is why the bank has a resolution counterparty rating (RCR) (see "Various Rating Actions On Swedish Midsize Banks As Resolution Regime Gains Effectiveness," published Feb. 28, 2020).

Environmental, Social, And Governance

We consider ESG credit factors for SBAB to be broadly in line with industry and country peers.

Through its mortgage focus, SBAB is expanding its franchise in green lending and funding. The bank currently offers three different green lending products: Green mortgages to energy efficient customers, green consumer loans for sustainable investments in homes, and green investment loans, targeting tenant-owners' associations and property companies. Their combined volume represented about 6.4% of total lending at year-end 2020. Green mortgages represent the majority and have grown quickly since their launch in 2018, reaching about SEK26.5 billion at year-end 2020, or about 8.6% of the mortgage book.

This increased focus on green lending supports SBAB as it expands its own use of green capital market funding, totaling SEK18.05 billion at year-end 2020, or about 3.7% of the total funding base. The bank was the first in Sweden to issue a green bond in 2016, and the first to issue a green covered bond backed by residential mortgages and property loans in 2019.

The bank is increasingly incorporating climate aspects in its overall risk management framework. In 2019, the bank leveraged on recommendations from the Task Force on Climate Related Financial Disclosures to conduct stress tests for climate-related risk on its residential mortgage portfolio. These tests showed limited sensitivities to flooding and rising sea levels, for example.

The bank is also committed to delivering strong customer service, as demonstrated by the highest share of satisfied customers in 2020 for both residential mortgages and corporate property loans, according to the Swedish Quality Index.

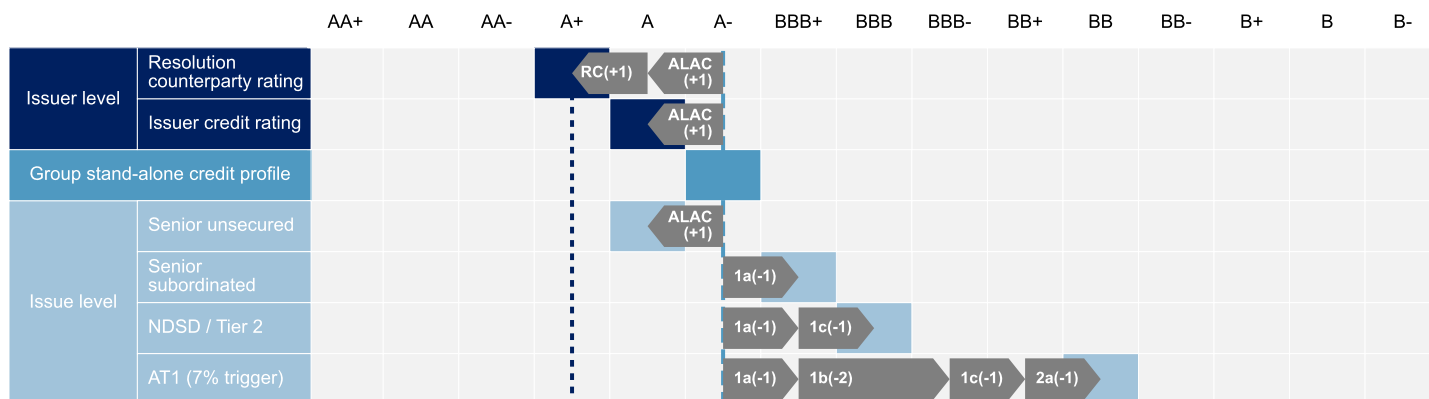
We consider the bank's governance standards to be consistent with industry norms in Sweden overall, but view the Swedish government's 100% stake as a supportive factor.

Rated Hybrids

We rate SBAB's hybrid debt instruments according to their respective features (see chart 5).

Chart 5

SBAB Bank AB: Notching



Key to notching

- Group stand-alone credit profile
- Issuer credit rating
- RC Resolution counterparty liabilities (senior secured debt)
- ALAC Additional loss-absorbing capacity buffer
- 1a Contractual subordination
- 1b Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital
- 1c Mandatory contingent capital clause or equivalent
- 2a Mandatory going-concern, regulatory capital-based trigger (either statutory or contractual)

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 3 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on July 1, 2019. AT1--Additional Tier 1. NDS--Non-deferrable subordinated debt.

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Resolution Counterparty Ratings (RCRs)

The 'A+/A-1' resolution counterparty ratings (RCR) reflect our RCR jurisdiction assessment on Sweden, and our review of its relevance for SBAB. An RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an effective bail-in resolution process for the issuing financial institution.

Key Statistics

Table 1

SBAB Bank AB (publ)--Key Figures					
--Year ended Dec. 31--					
(Mil. SEK)	2020	2019	2018	2017	2016
Adjusted assets	511,029.0	475,221.0	448,121.0	416,608.0	375,004.0
Customer loans (gross)	422,986.0	383,939.0	364,346.0	335,320.0	296,257.0
Adjusted common equity	17,464.0	15,792.0	14,137.8	13,259.3	12,339.9
Operating revenues	3,728.0	3,521.0	3,280.0	3,163.0	2,918.0
Noninterest expenses	1,335.0	1,187.0	1,049.0	959.0	889.0
Core earnings	1,839.0	1,788.0	1,726.0	1,709.0	1,570.0

SEK--Swedish krona.

Table 2

SBAB Bank AB (publ)--Business Position					
--Year ended Dec. 31--					
(%)	2020	2019	2018	2017	2016
Loan market share in country of domicile	8.5	8.5	8.4	8.0	7.2
Deposit market share in country of domicile	4.4	4.7	4.7	4.3	4.1
Total revenues from business line (currency in millions)	3,728.0	3,521.0	3,280.0	3,163.0	2,918.0
Commercial banking/total revenues from business line	22.9	23.5	24.4	23.2	21.0
Retail banking/total revenues from business line	77.1	76.4	78.3	77.7	77.5
Commercial & retail banking/total revenues from business line	100.0	99.9	102.7	100.9	98.5
Other revenues/total revenues from business line	0.0	0.1	(2.7)	(0.9)	1.5
Return on average common equity	9.6	10.6	11.5	12.2	12.3

Table 3

SBAB Bank AB (publ)--Capital And Earnings					
--Year ended Dec. 31--					
(%)	2020	2019	2018	2017	2016
Tier 1 capital ratio	16.1	17.3	15.1	39.3	40.1
S&P Global Ratings' RAC ratio before diversification	13.0	13.2	12.3	12.4	14.4
S&P Global Ratings' RAC ratio after diversification	8.6	8.5	8.3	8.3	9.4
Adjusted common equity/total adjusted capital	83.3	81.9	82.5	81.5	80.4
Net interest income/operating revenues	100.5	98.6	102.5	99.6	96.9
Fee income/operating revenues	(0.6)	(0.4)	(1.5)	(0.2)	0.2
Market-sensitive income/operating revenues	(1.0)	0.7	(2.0)	(0.4)	1.6
Cost to income ratio	35.8	33.7	32.0	30.3	30.5
Preprovision operating income/average assets	0.5	0.5	0.5	0.6	0.5
Core earnings/average managed assets	0.4	0.4	0.4	0.4	0.4

RAC--Risk adjusted capital.

Table 4

SBAB Bank AB (publ)--Risk-Adjusted Capital Framework Data					
(Mil. SEK)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government & central banks	38,971.7	0.0	0.0	1,169.1	3.0
Of which regional governments and local authorities	15,685.4	0.0	0.0	470.6	3.0
Institutions and CCPs	46,958.9	7,790.2	16.6	5,928.4	12.6
Corporate	62,379.0	16,575.0	26.6	57,321.2	91.9
Retail	378,805.0	14,800.0	3.9	89,334.7	23.6
Of which mortgage	375,321.0	12,187.5	3.2	87,036.9	23.2
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	585.0	337.5	57.7	578.7	98.9
Total credit risk	527,699.5	39,502.7	7.5	154,332.2	29.2
Credit valuation adjustment					
Total credit valuation adjustment	--	1,504.9	--	0.0	--
Market Risk					
Equity in the banking book	101.0	1,262.5	1,250.0	883.8	875.0
Trading book market risk	--	0.0	--	0.0	--
Total market risk	--	1,262.5	--	883.8	--
Operational risk					
Total operational risk	--	5,212.5	--	5,712.1	--
	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	130,267.0	--	160,928.1	100.0
Total diversification/concentration adjustments	--	--	--	82,772.2	51.4
RWA after diversification	--	130,267.0	--	243,700.3	151.4
		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio					
Capital ratio before adjustments		20,992.0	16.1	20,964.0	13.0
Capital ratio after adjustments‡		20,992.0	16.1	20,964.0	8.6

*Exposure at default. §Securitization Exposure includes the securitization 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 2020, S&P Global Ratings.

Table 5

(%)	--Year ended Dec. 31--				
	2020	2019	2018	2017	2016
Growth in customer loans	10.2	5.4	8.7	13.2	(0.3)

Table 5

SBAB Bank AB (publ)--Risk Position (cont.)					
(%)	--Year ended Dec. 31--				
	2020	2019	2018	2017	2016
Total diversification adjustment/S&P Global Ratings' RWA before diversification	51.4	53.9	48.6	49.0	52.1
Total managed assets/adjusted common equity (x)	29.3	30.1	31.7	31.4	30.4
Gross nonperforming assets/customer loans + other real estate owned	0.1	0.1	0.1	0.1	0.1
Loan loss reserves/gross nonperforming assets	62.7	47.0	49.1	69.4	86.7

RWA--Risk weighted assets.

Table 6

SBAB Bank AB (publ)--Funding And Liquidity					
(%)	--Year ended Dec. 31--				
	2020	2019	2018	2017	2016
Core deposits/funding base	28.2	29.0	29.3	28.3	27.4
Customer loans (net)/customer deposits	311.7	294.0	291.5	299.5	305.9
Long-term funding ratio	84.0	83.2	84.7	84.5	88.1
Stable funding ratio	99.1	100.9	102.2	102.8	108.6
Short-term wholesale funding/funding base	16.8	17.6	16.0	16.1	12.4
Broad liquid assets/short-term wholesale funding (x)	0.9	1.0	1.1	1.2	1.6
Net broad liquid assets/short-term customer deposits	(4.2)	(2.0)	4.3	8.7	26.9
Short-term wholesale funding/total wholesale funding	23.1	24.5	22.4	22.3	16.9
Narrow liquid assets/3-month wholesale funding (x)	1.2	1.7	1.8	1.1	1.6

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- 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
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
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- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
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- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011

- ARCHIVE | General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Leading Nordic Banks Keep Calm And Carry On Despite COVID-19 Stress, Feb. 23, 2021
- Nordic Banks: Strong Fundamentals And Digital Preparedness Shield Against COVID-19 Stress, Feb. 18, 2021
- Banking Industry Country Risk Assessment: Sweden, Sept. 14, 2020
- Various Rating Actions On Swedish Midsize Banks As Resolution Regime Gains Effectiveness, Feb. 28, 2020

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 21, 2021)*

SBAB Bank AB (publ)

Issuer Credit Rating A/Stable/A-1

Nordic Regional Scale --/--/K-1

Resolution Counterparty Rating A+/--/A-1

Commercial Paper A-1

Nordic Regional Scale K-1

Junior Subordinated BB

Senior Subordinated BBB+

Senior Unsecured A

Short-Term Debt A-1

Subordinated BBB

Issuer Credit Ratings History

24-Nov-2017 *Foreign Currency* A/Stable/A-1

25-Sep-2013 A/Negative/A-1

19-Jul-2013 A/Watch Neg/A-1

24-Nov-2017 *Local Currency* A/Stable/A-1

25-Sep-2013 A/Negative/A-1

Ratings Detail (As Of June 21, 2021)*(cont.)

19-Jul-2013		A/Watch Neg/A-1
22-Jun-2004	<i>Nordic Regional Scale</i>	--/--/K-1

Sovereign Rating

Sweden		AAA/Stable/A-1+
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*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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