

1 July 2023

Preliminary SREP 2023 decision

The Swedish Financial Supervisory Authority (“SFSA”) has informed the Bank of its preliminary decision on the Supervisory Review and Evaluation Process (“SREP”) 2023.

The total effect of the preliminary decision implies small changes to the nominal capital requirement compared to the previous year.

The preliminary decision means that the Pillar 2 requirement (“P2R”) increases by 0.3 percentage points for CET1 and by 0.4 percentage points for total capital compared to last year’s decision.

The change is mainly driven by an add-on related to the on-going review of IRB models, which will be partly offset by a decrease of the risk exposure amount (“REA”) voluntarily held by the bank in line with Article 3 in the Capital Requirements Regulations. Meanwhile, the risk weight floor for commercial real estate is transferred from P2R to REA in Pillar 1. In total, REA is expected to increase slightly.

The proposed Pillar 2 guidance for risk-weighted assets decreases by 0.5 percentage points.

The proposed Pillar 2 guidance for leverage ratio increases by 0.05 percentage points due to an updated method for the SFSA’s stress test.

No changes have been made in requirements or guidance for liquidity ratios.

Swedbank will provide its comments to the SFSA after which the authority will make its final decision, effective as of 30 September 2023.

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This information constitutes inside information that Swedbank is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person set out above, on 1 July 2023, at 10:30 CEST.

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