

CREDIT OPINION

23 November 2023

Update



Send Your Feedback

RATINGS

Skandiabanken AB

| | |
|-------------------|--|
| Domicile | Sweden |
| Long Term CRR | A1 |
| Type | LT Counterparty Risk Rating - Fgn Curr |
| Outlook | Not Assigned |
| Long Term Debt | Not Assigned |
| Long Term Deposit | A2 |
| Type | LT Bank Deposits - Fgn Curr |
| Outlook | Stable |

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Niclas Boheman +46.8.5179.1281
VP-Sr Credit Officer
niclas.boheman@moodys.com

Jonathan Stenbaek +46.851.791.297
Ratings Associate
jonathan.stenbaek@moodys.com

Simon James Robin +44 207 772 5347
Ainsworth
Associate Managing Director
simon.ainsworth@moodys.com

Skandiabanken AB

Update following affirmation of ratings

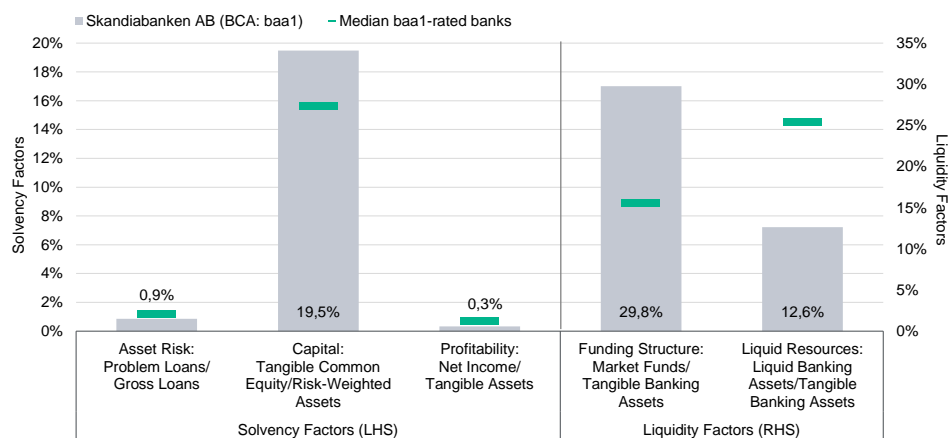
Summary

[Skandiabanken AB](#) (Skandiabanken) A2 long-term deposit ratings, with a stable outlook, reflect the bank's baa1 Baseline Credit Assessment (BCA), a one-notch rating uplift based on our very high assumption of affiliate support from the bank's parent, [Livförsäkringsbolaget Skandia, ömsesidigt](#) (Skandia Liv, A2 stable), and a one-notch of rating uplift as a result of the application of our Advanced Loss Given Failure (LGF) analysis, which follows our view that the bank's junior depositors face a low unexpected Loss Given Failure.

Skandiabanken's baa1 BCA reflects the bank's very low asset risk as a Swedish mortgage lender, strong capitalisation and healthy funding structure focusing on retail deposits. These strengths are balanced against Skandiabanken's historically growth rate in mortgage lending that exceeds the market's average, as well as the bank's low efficiency and weak profitability.

Exhibit 1

Rating Scorecard — Key financial ratios



These are our [Banks Methodology](#) scorecard ratios. The bank's problem loan and profitability ratios are the weaker of the average of the latest three year-end ratios and the latest reported ratio. The bank's capital ratio is the latest reported figure. The bank's funding structure and liquid resources ratios are the latest year-end figures.

Source: Moody's Investors Service

Credit strengths

- » Very strong asset quality
- » Strong capitalisation
- » Very high support from Skandia group

Credit challenges

- » Historically high lending growth
- » Lower-than-peer efficiency and weak profitability, albeit gradually improving

Outlook

The outlook on Skandiabanken's deposit ratings is stable, in line with the outlook of the parent, Skandia Liv.

Factors that could lead to an upgrade

An upgrade to the rating of Skandia Liv could result in higher ratings on the bank. Furthermore, if the volumes of loss absorbing liabilities offering protection to senior creditors increases significantly, the deposit and issuer ratings could be upgraded.

Factors that could lead to a downgrade

A downgrade to Skandia Liv's ratings leading to a reduced level of affiliate support uplift, or a change in our assessment of the probability of parental support would result in a lower Adjusted BCA.

Although we consider this less likely, a significant deterioration in the bank's fundamentals, including asset quality and capitalization, could lead to a downgrade of the BCA but not the Adjusted BCA.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Skandiabanken AB (Consolidated Financials) [1]

| | 09-23 ² | 12-22 ² | 12-21 ² | 12-20 ² | 12-19 ² | CAGR/Avg. ³ |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| Total Assets (SEK Million) | 115,623.0 | 108,647.0 | 97,074.0 | 89,934.0 | 81,707.0 | 9.7 ⁴ |
| Total Assets (USD Million) | 10,642.6 | 10,427.3 | 10,730.0 | 10,950.8 | 8,728.4 | 5.4 ⁴ |
| Tangible Common Equity (SEK Million) | 5,707.0 | 5,323.0 | 4,691.0 | 4,403.0 | 4,150.0 | 8.9 ⁴ |
| Tangible Common Equity (USD Million) | 525.3 | 510.9 | 518.5 | 536.1 | 443.3 | 4.6 ⁴ |
| Problem Loans / Gross Loans (%) | 0.9 | 0.5 | 0.5 | 0.2 | 0.1 | 0.4 ⁵ |
| Tangible Common Equity / Risk Weighted Assets (%) | 19.5 | 18.9 | 18.9 | 19.6 | 19.7 | 19.3 ⁶ |
| Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%) | 14.9 | 9.6 | 8.3 | 3.3 | 1.4 | 7.5 ⁵ |
| Net Interest Margin (%) | 1.1 | 1.0 | 0.9 | 1.0 | 1.0 | 1.0 ⁵ |
| PPI / Average RWA (%) | 2.3 | 1.7 | 1.2 | 1.3 | 0.5 | 1.4 ⁶ |
| Net Income / Tangible Assets (%) | 0.4 | 0.3 | 0.3 | 0.3 | 0.2 | 0.3 ⁵ |
| Cost / Income Ratio (%) | 54.9 | 62.7 | 72.8 | 71.9 | 87.7 | 70.0 ⁵ |
| Market Funds / Tangible Banking Assets (%) | 27.6 | 29.7 | 27.1 | 26.0 | 25.8 | 27.2 ⁵ |
| Liquid Banking Assets / Tangible Banking Assets (%) | 13.4 | 12.6 | 12.5 | 14.7 | 12.4 | 13.1 ⁵ |
| Gross Loans / Due to Customers (%) | 196.8 | 209.9 | 187.9 | 174.8 | 175.3 | 189.0 ⁵ |

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Investors Service and company filings

Profile

Skandiabanken is a bank based in Stockholm that provides retail banking products and services, as well as mutual funds, and equity trading in Sweden. The bank does not have any branches of its own, but offers its banking services through the branch network of the wider Skandia Group. As of September 2023, Skandiabanken held a consolidated asset base of SEK115.6 billion (€10.0 billion) and a market share of almost 3% in the Swedish mortgage market.

Detailed credit considerations

A limited standalone franchise with growing importance in the wider Skandia Group

On 30 September 2020, Skandiabanken's ownership was transferred to the ultimate parent in the group, Skandia Liv, a leading Swedish life insurer, from Skandia Insurance Company Ltd (SICL).

Skandiabanken focuses on mortgage lending and aims to grow its fees and commissions by increasing the volume of customer transactions, both savings and payments. The bank sells its products on the internet, by phone and through the branch network of the wider Skandia insurance group. We consider it a monoline business focused on mortgages, with earnings being highly dependent on interest income from its retail segment, which represented around 87% of its operating income in Q3 2023. This structural dependence results in a one-notch qualitative downward adjustment to the bank's BCA for (the lack of) Business Diversification, an adjustment shared with most Swedish mortgage lenders.

Starting in 2018, the bank started targeting Skandia group's customers offering rebates for occupational insurance clients. This strategy gathered significant interest and Skandiabanken's lending increased significantly in the past few years (with the exception when loan growth slowed to 5.4% in 2020). As of September 2023 Skandiabanken reached SEK100.1 billion in mortgages, which provides better conditions for the bank to improve its economies of scale, thus improving efficiency.

Strong asset quality reflecting low risk mortgage lending

Steeply rising mortgage interest rates will raise debt service costs for borrowers going forward¹. However, we expect the deterioration to be manageable and that Skandiabanken's asset quality will be broadly resilient.

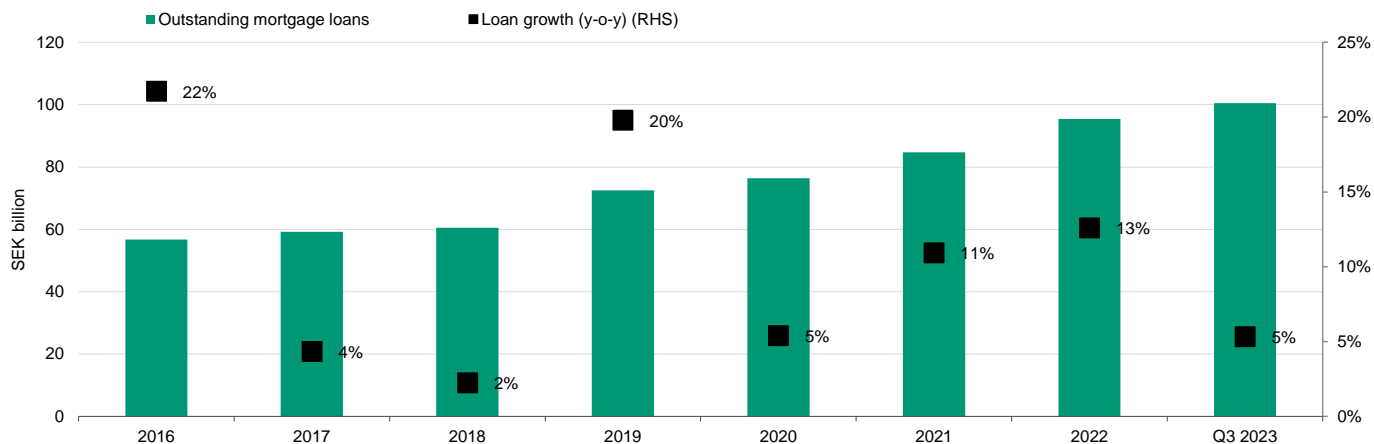
Our a1 Asset Risk score reflects Skandiabanken's low problem loan ratio, largely in line with that of its Swedish mortgage lenders peer group, balanced against its significant lending growth over the last few years, resulting from the strategic plan to increase the bank's market share and size.

Skandiabanken's mortgage loan book grew to SEK100.1 billion as of September 2023, from SEK95.0 billion at year-end 2022, equivalent to a 5.4% increase, because of efforts to increase visibility, shorten processing times and answering calls more diligently. Skandiabanken aims to sustain its mortgage lending growth by offering its customers a transparent pricing model and rates that are among the lowest in the market. By increasing cross-selling to Skandia group's clients with low LTVs, the bank is able to grow while maintaining prudent asset quality metrics.

Exhibit 3

Skandiabanken's mortgage loan growth was 5% year over year as of September 2023

Outstanding mortgage loans

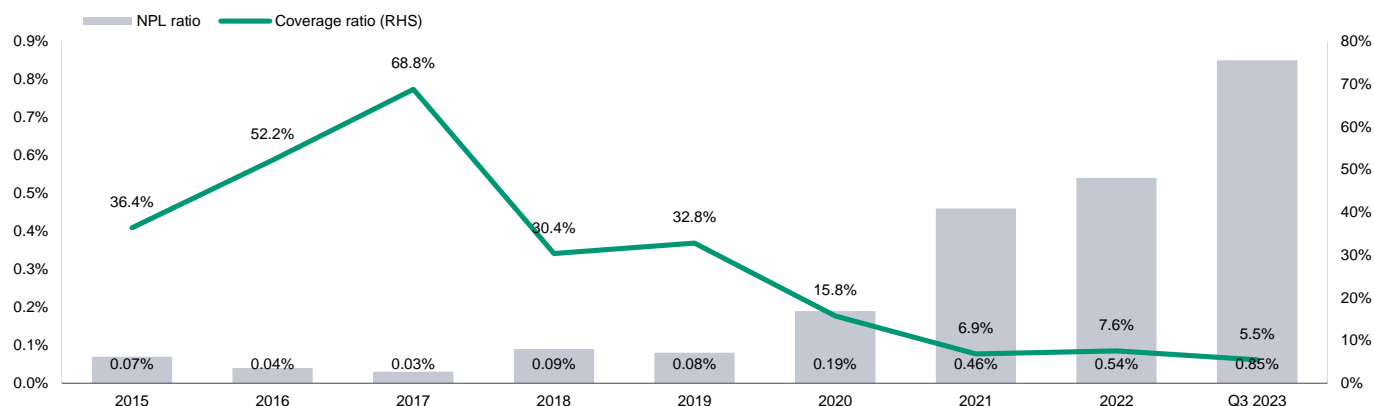


Source: Moody's Investors Service

Skandiabanken's problem loan ratio was 0.85% as of September 2023, having risen steadily since year end 2020 when it was at 0.19%. After 1 September 2021, when the temporary amortisation relief introduced by Swedish FSA during the pandemic ended, a number of Skandiabanken's customers were granted extensions of the temporary repayment exemption. These customers are classified as stage 3, although Skandiabanken expects them to continue servicing their mortgages according to plan. Skandiabanken's level of problem loans is now moderately higher than domestic mortgage lenders, but considerably lower than most European peers. The bank updated its definition of probability of default in fourth quarter 2020, which resulted in an increase in the number of loans in stage 3. Skandiabanken considers that these additional loans have sound collateral and hence a low need for provisions, leading to a reduction in the reserve ratio for stage 3. Skandiabanken's loan book consists almost entirely of mortgages, 99.7% of total lending as of September 2023. Skandiabanken's loan loss provisions/gross loans remained low at 0.02% as of September 2023 compared with 0.02% as of year-end 2022.

Exhibit 4

Asset quality evolution



Sources: Bank's disclosures, Moody's Investors Service

The LTV ratio of the bank's mortgage portfolio (exposure-weighted) stood at a low around 54% as of September 2023. The bank implemented stricter underwriting standards by introducing caps on the debt-to-income ratio in 2016 and higher stressed interest rates in its loan approval process in 2017. The bank's current underwriting standards are aligned with those of its peers.

High capitalisation, benefitting from affiliate support from its insurance parent

We view Skandiabanken's capitalisation as strong, given its business model, which is focused on low risk mortgage lending. Our aa3 assigned Capital score reflects the bank's strong capitalisation, but also the high leverage. The relatively weak internal capital generation is partly mitigated by the parent having a history of supporting Skandiabanken through direct capital injections (2014, 2015 and 2022). In June 2022, the bank received a shareholder contribution from the parent of SEK250 million to support future growth in mortgage lending.

As of March 2018, Skandiabanken received approval from the SFSA to apply the internal ratings-based (IRB) approach for exposures with collateral in real estate. The bank's Common Equity Tier 1 (CET) capital includes the 25% mortgage risk weight floor in Pillar I. As of September 2023, the bank reported a CET1 capital ratio of 18.8%, up from 18.6% as of year-end 2022, due to strong earnings generation. Skandiabanken's tangible common equity/total tangible assets was 4.9% as of September 2023, and we therefore apply a negative adjustment due to the leverage ratio being below 5%.

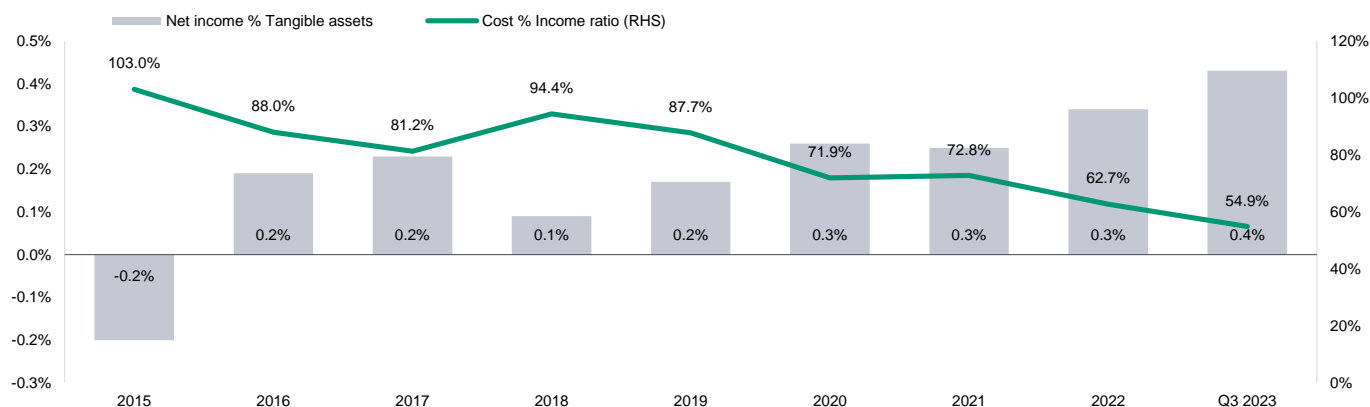
Gradual improvement in profitability due to cost efficiency measures and increased business volumes

The ba2 Profitability score reflects Skandiabanken's weaker-than-peer profitability, with net income to tangible assets of 0.3% as of September 2023, resulting primarily from higher net interest income and growing business volumes. We expect profitability to be slightly higher over the next 12-18 months due to the higher for longer interest rate environment, and continued cost control efforts. At the same time, we acknowledge that Skandiabanken follows a more aggressive pricing strategy in an intense competitive landscape for Swedish mortgage lenders and has relatively low efficiency. We expect profitability to gradually improve over the next 12-18 months due to continued growing business volumes.

Skandiabanken's profitability increased substantially during the third quarter of 2023 with Moody's adjusted net income reaching SEK371 million compared to SEK252 million for the same period in 2022. The improvement was mainly related to an increase in net interest income, because of higher mortgage volumes and higher rates. In the same periods, the bank's other income streams remained broadly stable and costs increased moderately by 8%.

As a result, the bank's cost efficiency improved in the first nine months of 2023 with a cost to income ratio of 55% (see Exhibit 5), from very weak historical levels compared to most Swedish peers, who report a weighted average cost-to-income ratio below 45%. We expect Skandiabanken to maintain its internal cost-to-income ratio target of 60% through higher lending volumes leading to better economies of scale.

Exhibit 5

Skandiabanken is gradually improving its efficiency**Evolution of profitability metrics**

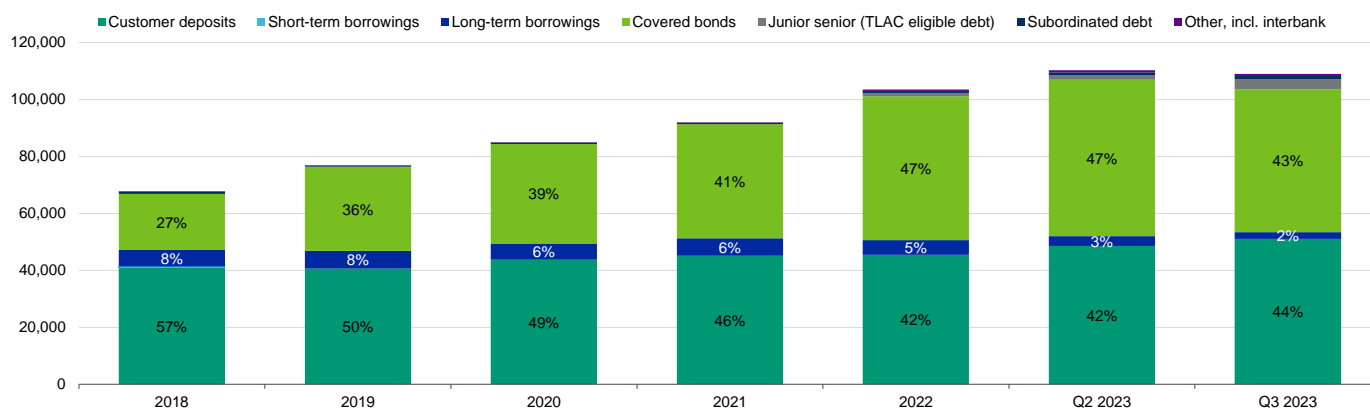
Sources: Bank's disclosures, Moody's Investors Service

A retail-based funding profile and adequate liquidity

The a3 Funding Structure score captures Skandiabanken's high proportion of retail deposits and our expectation of an increase in the bank's reliance on wholesale funding to support balance-sheet growth. This reliance is, however, mitigated by the fact that most of the issuance will be in SEK denominated covered bonds, which we consider more resilient than most other covered bonds as they benefit from a large domestic investor base. We reflect this feature by making an additional positive adjustment for covered bonds denominated in local currency for all Swedish banks.

The bank's retail deposits were SEK51 billion as of September 2023, or 44% of total funding. Most of these retail deposits are internet based because the bank does not have its own branch network and we consider these to be more price and confidence sensitive than deposits sourced through branches. Skandiabanken's loan-to-deposit ratio was 197% as of September 2023, compared with 210% as of year-end 2022. Skandiabanken's funding as of end of September 2023 included issued debt securities of SEK50.2 billion in covered bonds, SEK4.0 billion of senior unsecured funding and SEK2.0 billion senior non-preferred (SNP) debt as well as internally issued to the parent SEK0.5 billion SNP debt and SEK0.5 billion of subordinated debt.

Exhibit 6

Total funding breakdown

Sources: Bank's disclosures, Moody's Investors Service

On 31 December 2019, Skandiabanken took a SEK500 million subordinated loan from its owner, Skandia Liv. This loan is eligible for bail-in and can therefore be counted towards fulfilling the bank's minimum requirements for own funds and eligible liabilities (MREL). The bank intends to continue to issue senior non-preferred debt to fulfil its subordination requirements ahead of the deadline on 1 January 2024. The updated MREL decisions based on the EU Bank Recovery and Resolution Directive (BRRD2), were announced in

December 2021², and the updated subordination requirement resulted in lower senior nonpreferred (SNP) needs compared to the previous Swedish requirements.

The bank's liquid resources/tangible banking assets was 13.4% as of September 2023, and its reported liquidity reserves were SEK15.0 billion. The portfolio consists mainly of cash and balances with central banks, and highly rated government securities and secured and unsecured debt issued by financial institutions, mostly in the Nordics. Skandiabanken reported a liquidity coverage ratio of 242% as of September 2023. Skandiabanken's liquidity is adequate as captured by our ba1 assigned Liquid Resources score.

Source of facts and figures cited in this report

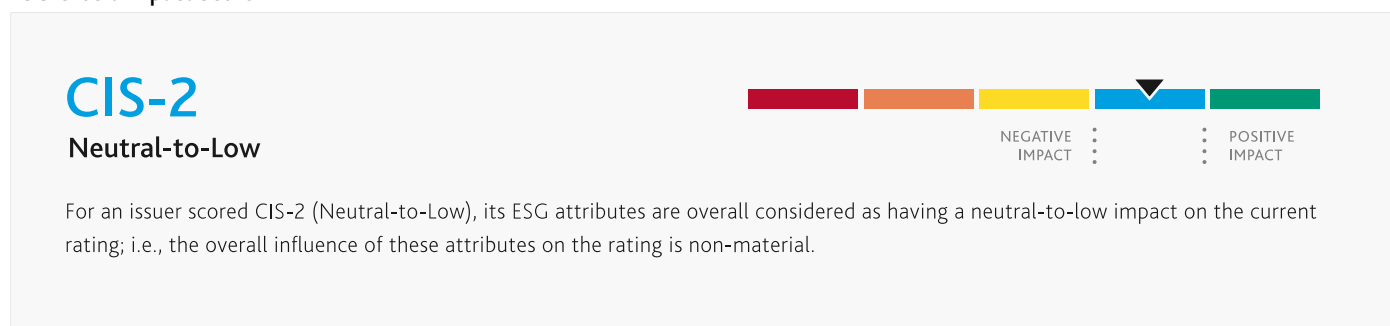
Bank-specific figures originate from the banks' reports and Moody's Banking Financial Metrics. All figures are based on our own chart of accounts and may be adjusted for analytical purposes. Please refer to the document [Financial Statement Adjustments in the Analysis of Financial Institutions](#), published on 9 August 2018.

ESG considerations

Skandiabanken AB's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 7

ESG Credit Impact Score

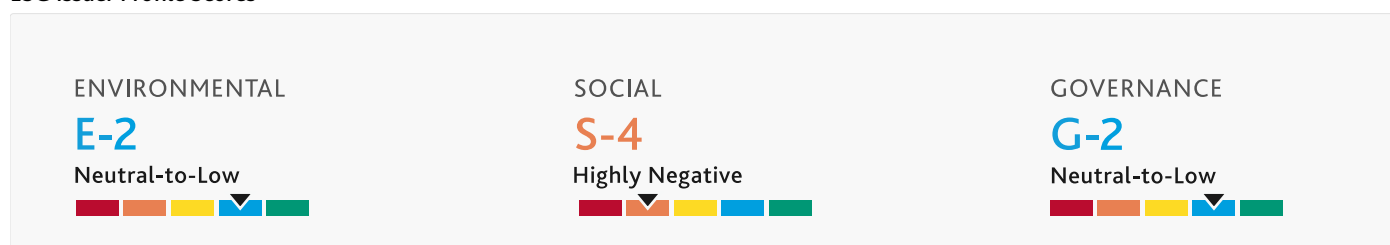


Source: Moody's Investors Service

Skandiabanken's CIS-2 indicates that ESG considerations have limited impact on the ratings.

Exhibit 8

ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental

Skandiabanken faces low environmental risks, specifically in relation to carbon transition risks. This is because of the structure of its loan book, which is almost exclusively composed of mortgages.

Social

As a retail bank with focus on servicing private individuals, Skandiabanken faces high industrywide social risks particularly related to customer relations risk and associated regulatory and litigation risks, requiring high compliance standards. These risks are mitigated by the bank's developed policies and procedures. High cyber and personal data risks are mitigated by the bank's IT framework.

As a Swedish retail bank, Skandiabanken has high exposure to customer relations risks. Data security and customer privacy are critical for retail banks because they access large amounts of personal data. Fines and reputational damage as a result of product mis-selling, misrepresentation and other types of misconduct are also key social risks. Continued investments in technology and the company's track record of handling sensitive customer data, as well as appropriate culture and governance and compliance functions that ensure adherence to regulatory standards, help to manage the associated credit risk.

Governance

Skandiabanken is wholly owned by the mutual insurance company Skandia, and the low risk of governance failures reflects the strong governance within the group. Corporate governance remains a key credit consideration and requires ongoing monitoring, but we currently do not have any governance related concerns for Skandiabanken.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

The a3 Adjusted BCA incorporates our assessment of a very high probability of support from the bank's parent Skandia Liv, in the event of need. We use A3 as an anchor rating for Skandia Liv, which is one notch below its Insurance Financial Strength Rating of A2, because any potential support to its subsidiaries will be subordinated to the claims of its own policyholders. The Skandia insurance group has a history of supporting Skandiabanken through direct capital injections, with SEK250 million in 2022, SEK1.7 billion in 2015 and SEK981 million in 2014.

Loss Given Failure (LGF) analysis

We apply our Advanced LGF analysis to Skandiabanken as the bank is subject to the EU BRRD, which we consider an operational resolution regime. For this analysis, we assume that equity and losses are 3% and 8%, respectively, of tangible banking assets in a failure scenario. We also assume a 25% runoff in junior wholesale deposits and a 5% runoff in preferred deposits. Moreover, we assign a 25% probability to junior deposits being preferred to senior unsecured debt. These are in line with our standard assumptions. Given the bank's focus on retail deposits, we assume the bank's junior deposits to account for 10% of total deposits, in line with other retail mortgage banks.

The buffer of outstanding junior deposits and senior unsecured debt provides a loss-absorption buffer in case of failure, and our Advanced LGF Analysis indicates a low loss rate given failure for the bank's junior deposits, resulting in a one-notch uplift from the bank's a3 Adjusted BCA.

Skandiabanken is subject to MREL requirements, and we expect Skandiabanken to issue junior senior debt in order to meet its subordination requirements. We include this additional loss absorbing capacity in our LGF analysis of Skandiabanken.

Government support considerations

Because of the relatively small size of its retail operations, we assume a low probability of government support for Skandiabanken's long-term deposit ratings.

Counterparty Risk (CR) Assessment

Skandiabanken's CR Assessment is Aa3(cr)/P-1(cr)

Skandiabanken's CR Assessment is positioned at Aa3(cr)/P-1(cr), based on the buffer against default provided by junior deposits, senior unsecured and subordinated debt, and does not benefit from any government support, in line with the deposit debt ratings.

Counterparty Risk Ratings (CRRs)

Skandiabanken's CRR is A1/P-1

The CRRs are positioned two notches above Skandiabanken's Adjusted BCA of a3, reflecting very low loss given failure from the high volume of instruments that are subordinated to CRR liabilities.

Rating methodology and scorecard factors

Exhibit 9

Skandiabanken AB

| Macro Factors | | | | | | | |
|---|-----------------------|-------------------------------|-----------------------|---------------------------------|----------------------|----------------------|--|
| Weighted Macro Profile | | Strong + | 100% | | | | |
| Factor | Historic Ratio | Initial Score | Expected Trend | Assigned Score | Key driver #1 | Key driver #2 | |
| Solvency | | | | | | | |
| Asset Risk | | | | | | | |
| Problem Loans / Gross Loans | 0,9% | aa2 | ↔ | a1 | | | |
| Capital | | | | | | | |
| Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in) | 19,5% | aa2 | ↔ | aa3 | | | |
| Profitability | | | | | | | |
| Net Income / Tangible Assets | 0,3% | ba2 | ↔ | ba1 | | | |
| Combined Solvency Score | | a1 | | a2 | | | |
| Liquidity | | | | | | | |
| Funding Structure | | | | | | | |
| Market Funds / Tangible Banking Assets | 29,7% | baa2 | ↔ | a3 | | | |
| Liquid Resources | | | | | | | |
| Liquid Banking Assets / Tangible Banking Assets | 12,6% | ba1 | ↔ | ba1 | | | |
| Combined Liquidity Score | | baa3 | | baa2 | | | |
| Financial Profile | | | | | | | |
| | | | | a3 | | | |
| Qualitative Adjustments | | | | Adjustment | | | |
| Business Diversification | | | | -1 | | | |
| Opacity and Complexity | | | | 0 | | | |
| Corporate Behavior | | | | 0 | | | |
| Total Qualitative Adjustments | | | | -1 | | | |
| Sovereign or Affiliate constraint | | | | Aaa | | | |
| BCA Scorecard-indicated Outcome - Range | | | | a3 - baa2 | | | |
| Assigned BCA | | | | baa1 | | | |
| Affiliate Support notching | | | | - | | | |
| Adjusted BCA | | | | a3 | | | |
| Balance Sheet | | | | | | | |
| | | in-scope (SEK Million) | % in-scope | at-failure (SEK Million) | % at-failure | | |
| Other liabilities | | 54 640 | 47,3% | 58 213 | 50,4% | | |
| Deposits | | 51 040 | 44,2% | 47 467 | 41,1% | | |
| Preferred deposits | | 45 936 | 39,7% | 43 639 | 37,8% | | |
| Junior deposits | | 5 104 | 4,4% | 3 828 | 3,3% | | |
| Senior unsecured bank debt | | 3 950 | 3,4% | 3 950 | 3,4% | | |
| Junior senior unsecured bank debt | | 2 000 | 1,7% | 2 000 | 1,7% | | |
| Dated subordinated bank debt | | 500 | 0,4% | 500 | 0,4% | | |
| Equity | | 3 468 | 3,0% | 3 468 | 3,0% | | |
| Total Tangible Banking Assets | | 115 598 | 100,0% | 115 598 | 100,0% | | |

| Debt Class | De Jure waterfall | | De Facto waterfall | | Notching | | LGF Notching Guidance vs. Adjusted BCA | Assigned LGF notching | Additional Notching | Preliminary Rating Assessment |
|------------------------------|-----------------------------------|----------------|-----------------------------------|----------------|----------|----------|--|-----------------------|---------------------|-------------------------------|
| | Instrument volume + subordination | Sub-ordination | Instrument volume + subordination | Sub-ordination | De Jure | De Facto | | | | |
| Counterparty Risk Rating | 11,9% | 11,9% | 11,9% | 11,9% | 2 | 2 | 2 | 2 | 0 | a1 |
| Counterparty Risk Assessment | 11,9% | 11,9% | 11,9% | 11,9% | 3 | 3 | 3 | 3 | 0 | aa3 (cr) |
| Deposits | 11,9% | 5,2% | 11,9% | 8,6% | 1 | 1 | 1 | 1 | 0 | a2 |
| Senior unsecured bank debt | 11,9% | 5,2% | 8,6% | 5,2% | 1 | 0 | 1 | 1 | 0 | a2 |

| Instrument Class | Loss Given Failure notching | Additional notching | Preliminary Rating Assessment | Government Support notching | Local Currency Rating | Foreign Currency Rating |
|------------------------------|-----------------------------|---------------------|-------------------------------|-----------------------------|-----------------------|-------------------------|
| | | | | | | |
| Counterparty Risk Assessment | 3 | 0 | aa3 (cr) | 0 | Aa3(cr) | |
| Deposits | 1 | 0 | a2 | 0 | A2 | A2 |
| Senior unsecured bank debt | 1 | 0 | a2 | 0 | A2 | A2 |

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Investors Service

Ratings

Exhibit 10

| Category | Moody's Rating |
|---|-----------------|
| SKANDIABANKEN AB | |
| Outlook | Stable |
| Counterparty Risk Rating | A1/P-1 |
| Bank Deposits | A2/P-1 |
| Baseline Credit Assessment | baa1 |
| Adjusted Baseline Credit Assessment | a3 |
| Counterparty Risk Assessment | Aa3(cr)/P-1(cr) |
| Issuer Rating | A2 |
| PARENT: SKANDIA INSURANCE COMPANY LTD. | |
| Outlook | Stable |
| Insurance Financial Strength | A2 |

Source: Moody's Investors Service

Endnotes

1 See [Higher central bank rates are credit positive for banks, but asset risks are building](#), published 22 September 2022

2 [Decisions on resolution plans and MREL, Swedish National Debt Office](#)

© 2023 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations — Corporate Governance — Charter Documents - Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJJK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJJK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJJK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJJK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJJK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJJK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY100,000 to approximately JPY550,000,000.

MJJK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER 1383724