M E M O R A N D U M

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CEBS stress test on the Swedish banks

Finansinspektionen (FI) is the national supervisory authority for financial institutions based in Sweden. Stress testing is one of many tools that FI uses in its supervision of banks. FI regularly conducts stress tests to assess banks' ability to manage different negative scenarios, and are an important element of the annual supervisory review and evaluation process. FI published stress test results in our report "Risks in the financial system" in November 2009.

This CEBS stress test has been commissioned by the EU finance ministers (ECOFIN) and coordinated by CEBS, the ECB, national supervisors and the EU-commission. The purpose of the stress test is to gauge the stability of the EU banking sector and its resilience to additional losses from credit, market and sovereign risks.

The exercise includes 91 banks from 20 EU countries. They amount represent 65% of the EU banking sector and at least 50 % of the consolidated assets in each country's respective banking sector. The exercise uses a common macroeconomic scenario with specific assumptions for GDP, interest rates, stock markets, real-estate prices, etc. on a country-by-country basis. More information about the scenario and the results of all participating banks can be found on CEBS website: http://stress-test.c-ebs.org/results.htm (active first after 18.30 CEST).

Summary

The four major Swedish banks – Nordea, SEB, Svenska Handelsbanken and Swedbank – all pass the CEBS stress test with a comfortable margin. The stress test gauges the resilience of the banks in a hypothetical scenario over 2010-2011. The scenario assumes a weak economic development, higher interest rates, falling stock markets and substantial losses on holdings of government debt. The Swedish banks show a tier-1 ratio in the range 8.9-10.3 % at the end of the stress test scenario, well above the regulatory minimum level of 4%.

The CEBS stress test does not change FI:s previous assessment that the major Swedish banks are well capitalised. According to FI, the major banks have enough capital to weather even more severe scenarios than what was assumed in

this stress test. Thus, there is currently no need for any of the major banks to strengthen their capitalisation, from a regulatory perspective. However, in extreme scenarios the market may require even higher capital ratios, which requires the banks to have capital contingency plans even for highly unlikely scenarios. A capital contingency plan describes concrete and realistic measures that can be taken to strengthen capital within a relatively short time-frame. It is FI's assessment that Swedish banks today have such contingency plans readily available.

Method

CEBS stress test consists of two scenarios: Benchmark and Adverse. In the benchmark scenario, the assumptions are more or less in line with market expectations macroeconomic developments, except on two specific accounts where it is slightly more conservative: first, a mild adjustment of equity prices at the start of the scenario; and second, an assumption of zero-growth of the banks' assets. The only purpose of the benchmark scenario is to provide a reference point for the assessment of the outcome in the adverse scenario.

In principle, there are three parts to the CEBS stress test: (1) a macroeconomic scenario for 2010-2011: (2) an instantaneous shock to asset prices in the beginning of the period: and (3) an additional sovereign shock which leads to falling prices on government bonds and higher interest rates generally. More information about the assumptions can be found in the appendix.

For the first two parts, the Swedish banks have internally assessed the impact of the scenario on their income and balance sheet. FI has also provided additional guidance where the macro assumptions were incomplete, for example for the development in the Baltic countries. In addition, FI has reviewed and discussed the outcome with the banks to ensure that each bank has interpreted the scenario correctly. However, the third part of the exercise has been conducted top-down by CEBS and thus contains no assessment by the banks.

Thus, the CEBS stress test uses a mixed bottom-up and top-down approach. This differs significantly from the method applied in the stress tests performed on Swedish banks by both FI and the Riksbank in recent years. These stress tests are based on public information and does not differentiate between the banks regarding e.g. credit quality or income stability. The authorities simply assume a certain drop in income and a certain increase in credit losses in different markets and then test what effect this will have on the financial position of the banks. The advantage of such a standardised method is that it allows for comparison between the banks. The disadvantage is of course that a standardised test does not contain any specific information about e.g. the credit quality of an individual bank's portfolio.

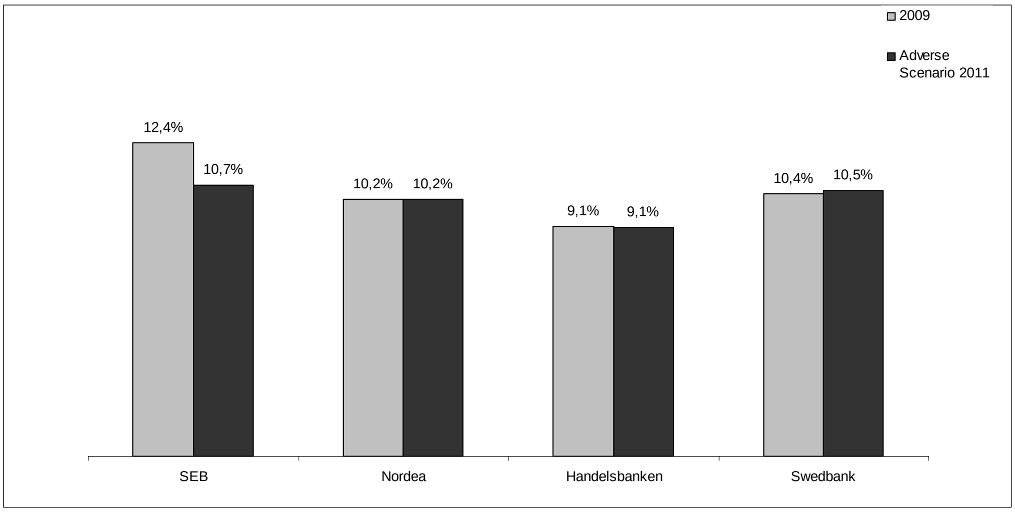
In contrast, a test based on internal assessments contains potentially much more rich information about the individual bank's resilience in a given scenario. But the drawback is instead that it is difficult to compare the outcome between the banks. Although the banks have used the same macroeconomic scenario and market price shock but an internal assessment still requires a large number of assumptions and subjective judgments about how different customer segments income items will develop. These internal assumptions will inevitably often differ between the banks.

To sum up, this means that any comparison between the banks must be done with great caution. Differences in the presented results are due to a combination of real differences and differences in assumptions and methods.

Result of the adverse scenario

All Swedish banks pass the CEBS stress test with a comfortable margin and have a tier-1 ratio exceeding 9 % at the end of the stress test (see chart 1).

Chart 1: Tier-1 ratio (%) in the Adverse scenario



Pre-impairment income compared to 2009 levels differ significantly between banks. One explanation for this is that net interest income is expected to be lower than it was during 2009 for some of the banks, which has been confirmed in recent quarterly reports. In addition, the sensitivity to the lower business activity implied in the scenario differ between the banks. Generally, there is still a positive effect on net interest income due to higher (than currently expected) levels of interest rates, which benefit deposit margins and return on free funds. Fee income is negatively impacted by the equity price drop and reduced economic activity and is unchanged or falling depending on the bank. Net trading is positive for all banks and at the same or slightly lower level than in 2009.

Impairments on financial assets in the banking book increase for Nordea and SHB compared to 2009, while they remain stable for SEB and decrease for Swedbank. The difference in the direction of impairments is because Nordea and SHB had much lower impairments in 2009 than SEB and Swedbank. Generally, the banks have assessed that the scenario would result in somewhat higher losses in the Nordic countries, particularly on lending to companies and real estate companies. However, losses on the Baltic market are assessed to be lower than in 2009, albeit still at a higher relative level than in the Nordic countries.

Impairments on the trading book are losses derived from the instantaneous shock to asset prices, credit spreads and volatilities in the beginning of the period. The result is marginally positive for SHB and Swedbank, slightly negative for SEB and more clearly negative for Nordea. The negligible to small impact is due to Swedish banks having very limited proprietary trading. Although sizable, trading operations are almost entirely directed toward trading with clients. The difference in outcome between the banks is due both to the composition of the banks' trading book, how the trading book is defined and differences in positions held at the time of the stress, i.e. end of December 2009.

Risk-weighted assets (RWA) increase for Nordea (11.5 %), SEB (6.0 %) and SHB (14.1 %) and decreases slightly for Swedbank (-2.3 %). Generally, the differences between the banks depend on different assumptions about the amount of migrations in the credit portfolio that will result from the scenario[1].

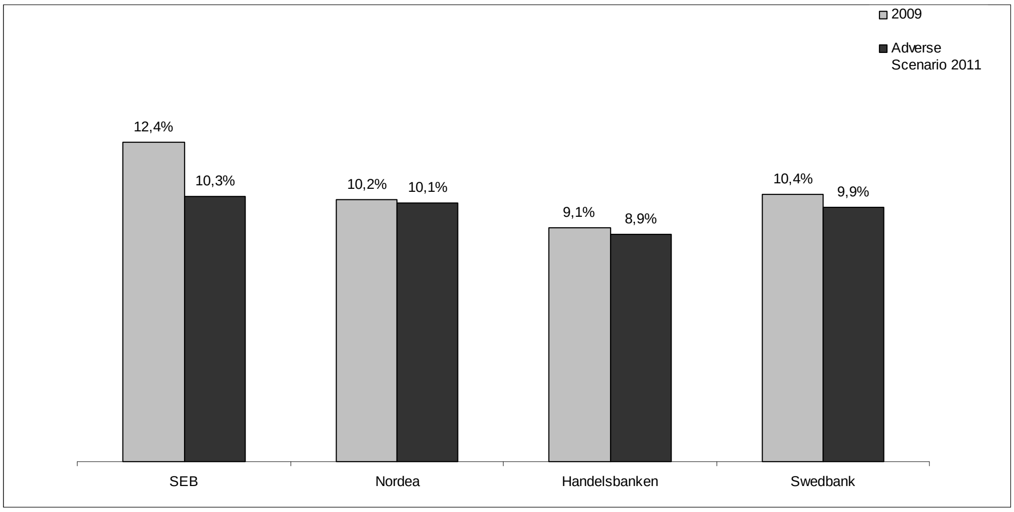
Result of the adverse scenario after additional sovereign shock

In this more severe version of the adverse scenario, CEBS has assumed that the conditions on the markets for EU government bonds deteriorates and lead to falling prices and generally higher interest rates. This results in additional losses both on government bonds in trading books and lending to households and companies (which suffer from the higher interest rates). For this version of the adverse scenario, the ECB has provided the additional assumptions: first, "hair-cuts" on the debt of each EU member state; second, estimates of how much losses on household and company loans would increase in each country in such a scenario. CEBS has then added these losses top-down on all banks.

Also in this more severe version of the Adverse scenario, the Swedish banks pass the test with a comfortable margin with no tier-1 ratio dropping below 8.9 % at the end of the scenario (see chart 2).

[1] Migration refers to the when borrowers are moved up or down in the bank's internal ratings system. Somewhat simplified, one could say that Nordea and SHB tend to have more migration than SEB and Swedbank due to differences in the calibration of their internal models.

Chart 2: Tier-1 ratio (%) in the Adverse scenario after sovereign shock



Additional impairment losses on the banking book – in addition to the impairments that the banks have assessed internally that they would have in the Adverse scenario – amount to another 12-22 basis points relative to the exposure at the end of 2009. These additional impairments hit the banks relatively evenly and are in proportion to each bank's exposures to different markets.

Additional losses on sovereign exposures in the trading book amount to approximately 1 025 EUR million. These losses are estimated on the basis of gross exposures and impact the banks differently depending on the size of their exposures to different EU-sovereigns at the time of the stress as well as on how much of this exposure was accounted for as trading book and banking book, respectively. Since the stress only tests for a price fall (and not a default) on sovereign debt, only assets included in the trading book are impacted.

Important aspects when interpreting the results

Definition of RWA

CEBS stress test uses a simplified definition of RWA:s, which does not provide a fair measure for the Swedish banks. The stress test applies the transititonal rules which state that, during 2010-2011, RWA:s cannot fall below 80 % of RWA:s according to the old rules (Basel I). All Swedish banks report RWA:s which are lower than 80 % of RWA:s according to Basel I. Therefore, Swedish banks have an add-on to their calculated RWA:s. This add-on varies depending on how far below the "floor" actual RWA:s are. For example, when actual RWA:s rise due to migrations in a weakening economic environment, the gap to the floor shrinks and so does the required add-on. The stress test assumes, however, that this add-on is constant as a proportion to actual RWA:s. This means that the reported RWA:s in the Adverse scenario for three of the Swedish banks (Nordea, SEB and SHB) are higher than they would have been in reality.

Calculation of additional losses on government bonds in the trading book

This calculation is based on the gross exposure before any collateral, hedges and short positions. Thus, this definition corresponds to the exposure to a given counterparty as it is accounted for on the asset side of the balance sheet, but excludes any short positions on the same counterparty that are accounted for on the liability side. To define exposures gross of collateral and hedges can sometimes be relevant when the aim is to assess the worst possible outcome, but to exclude short positions does not provide a fair measure of the exposure as these positions would increase in value if the price of the asset were to fall. The effect of this simplification is limited if short positions are small. However, Swedish banks constantly roll large short positions in Swedish government debt, which makes this effect considerable. This is due to the organisation of the Swedish market for government debt, which allows the banks as "market markers" to borrow bonds from the National Debt Office, which they then sell to their clients. Thus, this definition results in a substantial overestimation of the banks' exposures to (Swedish) government debt. In some cases, the actual net position has been short, but since the gross position has been positive this has still been stressed. Based on the actual or real exposure, the losses would have been much smaller, and in some cases would instead have been profits.

Appendix

For additional information on macroeconomic assumptions for individual countries, assumptions of the trading book shock and the additional sovereign shock, see CEBS website: **http://stress-test.c-ebs.org/results.htm** (active first after 18.30 CEST).

- Result per bank
- Exposures to central and local governments
- Macroeconomic scenario for Sweden

Nordea

Template for bank specific publication of the stress test outputs

Name of bank: **Nordea**

Actual results

At December 31, 2009	[Mn] EUR
Total Tier 1 capital	19 577
Total regulatory capital	22 926
Total risk weighted assets	191 858
Pre-impairment income (including operating expenses)	4 513
Impairment losses on financial assets in the banking book	-1 486
1 yr Loss rate on Corporate exposures (%)[1]	0,78%
1 yr Loss rate on Retail exposures (%)[1]	0,20%
Tier 1 ratio (%)	10,2%

Outcomes of stress test scenarios

The stress test was carried out under a number of key common simplifying assumptions (e.g. constant balance sheet, uniform treatment of securitisation exposures). Therefore, the information relative to the benchmark scenarios is provided only for comparison purposes. Neither the benchmark scenario nor the adverse scenario should in any way be construed as a forecast.

Benchmark scenario at December 31, 2011[2]	[Mn] EUR
Total Tier 1 capital after the benchmark scenario	22 091
Total regulatory capital after the benchmark scenario	22 687
Total risk weighted assets after the benchmark scenario	195 961
Tier 1 ratio (%) after the benchmark scenario	11,3%

Adverse scenario at December 31, 2011[2]	[Mn] EUR
Total Tier 1 capital after the adverse scenario	21 749
Total regulatory capital after the adverse scenario	22 345
Total risk weighted assets after the adverse scenario	214 005
2 yr cumulative pre-impairment income after the adverse scenario (including operating expenses)[2]	9 153
2 yr cumulative impairment losses on financial assets in the banking book after the adverse scenario[2]	-4 945
2 yr cumulative losses on the trading book after the adverse scenario[2]	-634
2 yr Loss rate on Corporate exposures (%) after the adverse scenario[1, 2]	2,51%
2 yr Loss rate on Retail exposures (%) after the adverse scenario[1, 2]	0,67%
Tier 1 ratio (%) after the adverse scenario	10,2%

Additional sovereign shock on the adverse scenario at December 31, 2011	[Mn] EUR
Additional impairment losses on the banking book after the sovereign shock[2]	-438
Additional losses on sovereign exposures in the trading book after the sovereign shock[2]	-233
2 yr Loss rate on Corporate exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	2,65%
2 yr Loss rate on Retail exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	0,84%
Tier 1 ratio (%) after the adverse scenario and sovereign shock	10,1%
Additional capital needed to reach a 6 % Tier 1 ratio under the adverse scenario + additional sovereign shock, at the end of 2011	0

1. Impairment losses as a % of corporate/retail exposures in AFS, HTM, and loans and receivables portfolios
2. Cumulative for 2010 and 2011
3. On the basis of losses estimated under both the adverse scenario and the additional sovereign shock

SEB

Template for bank specific publication of the stress test outputs

Name of bank: **SEB**

Actual results

At December 31, 2009	[Mn] EUR
Total Tier 1 capital	10 025
Total regulatory capital	10 699
Total risk weighted assets	80 585
Pre-impairment income (including operating expenses)	2 001
Impairment losses on financial assets in the banking book	-1 214
1 yr Loss rate on Corporate exposures (%)[1]	1,35%
1 yr Loss rate on Retail exposures (%)[1]	0,49%
Tier 1 ratio (%)	12,4%

Outcomes of stress test scenarios

The stress test was carried out under a number of key common simplifying assumptions (e.g. constant balance sheet, uniform treatment of securitisation exposures). Therefore, the information relative to the benchmark scenarios is provided only for comparison purposes. Neither the benchmark scenario nor the adverse scenario should in any way be construed as a forecast.

Benchmark scenario at December 31, 2011[2]	[Mn] EUR
Total Tier 1 capital after the benchmark scenario	9 758
Total regulatory capital after the benchmark scenario	10 310
Total risk weighted assets after the benchmark scenario	82 373
Tier 1 ratio (%) after the benchmark scenario	11,8%

Adverse scenario at December 31, 2011[2]	[Mn] EUR
Total Tier 1 capital after the adverse scenario	9 166
Total regulatory capital after the adverse scenario	9 719
Total risk weighted assets after the adverse scenario	85 444
2 yr cumulative pre-impairment income after the adverse scenario (including operating expenses)[2]	2 668
2 yr cumulative impairment losses on financial assets in the banking book after the adverse scenario[2]	-2 635
2 yr cumulative losses on the trading book after the adverse scenario[2]	-25
2 yr Loss rate on Corporate exposures (%) after the adverse scenario[1, 2]	2,37%
2 yr Loss rate on Retail exposures (%) after the adverse scenario[1, 2]	1,36%
Tier 1 ratio (%) after the adverse scenario	10,7%

Additional sovereign shock on the adverse scenario at December 31, 2011	[Mn] EUR
Additional impairment losses on the banking book after the sovereign shock[2]	-168
Additional losses on sovereign exposures in the trading book after the sovereign shock[2]	-161
2 yr Loss rate on Corporate exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	2,51%
2 yr Loss rate on Retail exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	1,50%
Tier 1 ratio (%) after the adverse scenario and sovereign shock	10,3%
Additional capital needed to reach a 6 % Tier 1 ratio under the adverse scenario + additional sovereign shock, at the end of 2011	0

1. Impairment losses as a % of corporate/retail exposures in AFS, HTM, and loans and receivables portfolios
2. Cumulative for 2010 and 2011
3. On the basis of losses estimated under both the adverse scenario and the additional sovereign shock

Svenska Handelsbanken

Template for bank specific publication of the stress test outputs

Name of bank: **Svenska Handelsbanken**

Actual results

At December 31, 2009	[Mn] EUR
Total Tier 1 capital	8 604
Total regulatory capital	12 241
Total risk weighted assets	94 617
Pre-impairment income (including operating expenses)	1 715
Impairment losses on financial assets in the banking book	-341
1 yr Loss rate on Corporate exposures (%)[1]	0,23%
1 yr Loss rate on Retail exposures (%)[1]	0,08%
Tier 1 ratio (%)	9,1%

Outcomes of stress test scenarios

The stress test was carried out under a number of key common simplifying assumptions (e.g. constant balance sheet, uniform treatment of securitisation exposures). Therefore, the information relative to the benchmark scenarios is provided only for comparison purposes. Neither the benchmark scenario nor the adverse scenario should in any way be construed as a forecast.

Benchmark scenario at December 31, 2011[2]	[Mn] EUR
Total Tier 1 capital after the benchmark scenario	10 016
Total regulatory capital after the benchmark scenario	11 884
Total risk weighted assets after the benchmark scenario	97 983
Tier 1 ratio (%) after the benchmark scenario	10,2%

Adverse scenario at December 31, 2011[2]	[Mn] EUR
Total Tier 1 capital after the adverse scenario	9 805
Total regulatory capital after the adverse scenario	11 672
Total risk weighted assets after the adverse scenario	107 946
2 yr cumulative pre-impairment income after the adverse scenario (including operating expenses)[2]	4 043
2 yr cumulative impairment losses on financial assets in the banking book after the adverse scenario[2]	-1 338
2 yr cumulative losses on the trading book after the adverse scenario[2]	11
2 yr Loss rate on Corporate exposures (%) after the adverse scenario[1, 2]	0,86%
2 yr Loss rate on Retail exposures (%) after the adverse scenario[1, 2]	0,23%
Tier 1 ratio (%) after the adverse scenario	9,1%

Additional sovereign shock on the adverse scenario at December 31, 2011	[Mn] EUR
Additional impairment losses on the banking book after the sovereign shock[2]	-255
Additional losses on sovereign exposures in the trading book after the sovereign shock[2]	-303
2 yr Loss rate on Corporate exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	0,98%
2 yr Loss rate on Retail exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	0,38%
Tier 1 ratio (%) after the adverse scenario and sovereign shock	8,9%
Additional capital needed to reach a 6 % Tier 1 ratio under the adverse scenario + additional sovereign shock, at the end of 2011	0

1. Impairment losses as a % of corporate/retail exposures in AFS, HTM, and loans and receivables portfolios
2. Cumulative for 2010 and 2011
3. On the basis of losses estimated under both the adverse scenario and the additional sovereign shock

Swedbank

Template for bank specific publication of the stress test outputs

Name of bank: **Swedbank**

Actual results

At December 31, 2009	**[Mn] EUR**
Total Tier 1 capital	7 968
Total regulatory capital	10 318
Total risk weighted assets	76 518
Pre-impairment income (including operating expenses)	1 784
Impairment losses on financial assets in the banking book	-2 436
1 yr Loss rate on Corporate exposures (%)[1]	3,82%
1 yr Loss rate on Retail exposures (%)[1]	0,60%
Tier 1 ratio (%)	10,4%

Outcomes of stress test scenarios

The stress test was carried out under a number of key common simplifying assumptions (e.g. constant balance sheet, uniform treatment of securitisation exposures). Therefore, the information relative to the benchmark scenarios is provided only for comparison purposes. Neither the benchmark scenario nor the adverse scenario should in any way be construed as a forecast.

Benchmark scenario at December 31, 2011[2]	**[Mn] EUR**
Total Tier 1 capital after the benchmark scenario	8 226
Total regulatory capital after the benchmark scenario	9 451
Total risk weighted assets after the benchmark scenario	76 543
Tier 1 ratio (%) after the benchmark scenario	10,7%

Adverse scenario at December 31, 2011[2]	**[Mn] EUR**
Total Tier 1 capital after the adverse scenario	7 878
Total regulatory capital after the adverse scenario	9 104
Total risk weighted assets after the adverse scenario	74 779
2 yr cumulative pre-impairment income after the adverse scenario (including operating expenses)[2]	2 720
2 yr cumulative impairment losses on financial assets in the banking book after the adverse scenario[2]	-1 930
2 yr cumulative losses on the trading book after the adverse scenario[2]	22
2 yr Loss rate on Corporate exposures (%) after the adverse scenario[1, 2]	2,93%
2 yr Loss rate on Retail exposures (%) after the adverse scenario[1, 2]	0,61%
Tier 1 ratio (%) after the adverse scenario	10,5%

Additional sovereign shock on the adverse scenario at December 31, 2011	**[Mn] EUR**
Additional impairment losses on the banking book after the sovereign shock[2]	-223
Additional losses on sovereign exposures in the trading book after the sovereign shock[2]	-328
2 yr Loss rate on Corporate exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	3,06%
2 yr Loss rate on Retail exposures (%) after the adverse scenario and sovereign shock[1, 2, 3]	0,84%
Tier 1 ratio (%) after the adverse scenario and sovereign shock	9,9%
Additional capital needed to reach a 6 % Tier 1 ratio under the adverse scenario + additional sovereign shock, at the end of 2011	0

1. Impairment losses as a % of corporate/retail exposures in AFS, HTM, and loans and receivables portfolios
2. Cumulative for 2010 and 2011
3. On the basis of losses estimated under both the adverse scenario and the additional sovereign shock

Exposures to central and local governments

Nordea

Exposures to central and local governments

Banking group's exposure on a consolidated basis
Amount in million reporting currency

Name of bank	Nordea
Reporting date	31-12-2009

	Gross exposures (net of impairment)*	of which Banking book	of which Trading book	Net exposures (net of impairment)**
Austria	50	0	50	-3
Belgium	463	264	199	463
Bulgaria	0	0	0	0
Cyprus	0	0	0	0
Czech Republic	0	0	0	0
Denmark	4 622	4 428	194	3 958
Estonia	114	114	0	114
Finland	3 718	3 403	315	3 718
France	0	0	0	-44
Germany	1 911	979	932	809
Greece	249	249	0	249
Hungary	10	0	10	10
Iceland	0	0	0	0
Ireland	0	0	0	0
Italy	709	393	316	709
Latvia	270	268	2	270
Liechtenstein	0	0	0	0
Lithuania	51	51	0	51
Luxembourg	0	0	0	0
Malta	0	0	0	0
Netherlands	188	0	188	188
Norway	6 630	4 769	1 861	6 630
Poland	193	173	20	193
Portugal	0	0	0	0
Romania	0	0	0	0
Slovakia	0	0	0	0
Slovenia	0	0	0	0
Spain	37	37	0	37
Sweden	4 760	4 760	0	3 094
United Kingdom	2	0	2	2

***** *"Gross Exposures" are provided on the basis of their accounting value, net of impairment but gross of Collateral and Hedging*
****** *"Net Exposures" are the "Gross Exposures" net of credit risk mitigants, as defined in the CRD. They can also include short selling positions in futures*

SEB

Exposures to central and local governments

Banking group's exposure on a consolidated basis
Amount in million EUR

Name of bank	SEB
Reporting date	den 31 mars 2010

	Gross exposures (net of impairment)*	of which Banking book	of which Trading book	Net exposures (net of impairment)**
Austria	57	57		57
Belgium				
Bulgaria				
Cyprus				
Czech Republic				
Denmark	498		498	498
Estonia	181	181		181
Finland	252	123	129	252
France				
Germany	8 505	7 975	531	8 505
Greece	151	151		151
Hungary				
Iceland				
Ireland				
Italy	146	146		146
Latvia	46	46		46
Liechtenstein				
Lithuania	717	717		717
Luxembourg				
Malta				
Netherlands				
Norway	617		617	617
Poland				
Portugal	76	76		76
Romania				
Slovakia				
Slovenia				
Spain	152	152		152
Sweden	2 242	1 254	988	2 289
United Kingdom				

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Svenska Handelsbanken

Exposures to central and local governments

Banking group's exposure on a consolidated basis
Amount in million reporting currency

Name of bank	Svenska Handelsbanken
Reporting date	den 31 mars 2010

	Gross exposures (net of impairment)*	of which Banking book	of which Trading book	Net exposures (net of impairment)**
Austria	0	0	0	0
Belgium	0	0	0	0
Bulgaria	0	0	0	0
Cyprus	0	0	0	0
Czech Republic	0	0	0	0
Denmark	116	81	35	116
Estonia	7	7	0	7
Finland	412	325	88	412
France	0	0	0	0
Germany	313	0	313	313
Greece	0	0	0	0
Hungary	0	0	0	0
Iceland	0	0	0	0
Ireland	0	0	0	0
Italy	0	0	0	0
Latvia	0	0	0	0
Liechtenstein	0	0	0	0
Lithuania	0	0	0	0
Luxembourg	0	0	0	0
Malta	0	0	0	0
Netherlands	0	0	0	0
Norway	171	34	137	171
Poland	1	1	0	1
Portugal	0	0	0	0
Romania	18	18	0	18
Slovakia	0	0	0	0
Slovenia	0	0	0	0
Spain	0	0	0	0
Sweden	6 053	2 005	4 047	5 921
United Kingdom	1	0	1	1

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Swedbank

Exposures to central and local governments

Banking group's exposure on a consolidated basis
Amount in million reporting currency

Name of bank	Swedbank
Reporting date	den 31 mars 2010

	Gross exposures (net of impairment)*			**Net exposures (net of impairment)****
		of which Banking book	of which Trading book	
Austria				
Belgium	236	0	236	236
Bulgaria				
Cyprus				
Czech Republic				
Denmark				
Estonia	144	144		144
Finland				
France	309	26	283	283
Germany	283	160	123	123
Greece				
Hungary				
Iceland				
Ireland				
Italy				
Latvia	35	35	0	0
Liechtenstein				
Lithuania	301	169	132	132
Luxembourg	37	37	0	0
Malta				
Netherlands	194	0	194	194
Norway	419	7	412	270
Poland				
Portugal				
Romania				
Slovakia				
Slovenia				
Spain				
Sweden	5 519	1 960	3 558	-1 048
United Kingdom				

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****** *"Net Exposures" are the "Gross Exposures" net of credit risk mitigants, as defined in the CRD. They can also include short selling positions in futures*

Macroeconomic scenario for Sweden

	Sweden	
Benchmark Scenario	**2010**	**2011**
GDP at constant prices (annual percent change (y-o-y)),	1,4	2,1
Unemployment (as % of the labour force at year-end),	10,2	10,1
Short-term interest rate (Short term interest rates (3M) at year-end - Euribor or Libor depending on the country),	1,4	2,8
Long term interest rates (Long term interest rates (10Y) at year-end - Treasuries),	3,6	3,9
Commercial Property Prices (% change from previous year (y-o-y)),	0,0	-2,5
Residential Property Prices (% change from previous year (y-o-y).	5,0	0,0
Adverse Scenario	**2010**	**2011**
GDP at constant prices (annual percent change (y-o-y)),	0,9	0,9
Unemployment (as % of the labour force at year-end),	10,2	10,3
Short-term interest rate (Short term interest rates (3M) at year-end - Euribor or Libor depending on the country),	2,4	4,1
Long term interest rates (Long term interest rates (10Y) at year-end - Treasuries),	4,1	4,6
Commercial Property Prices (% change from previous year (y-o-y)),	-12,5	-15,0
Residential Property Prices (% change from previous year (y-o-y).	-7,5	-12,5
Additional Sovereign shock on the Adverse Scenario	**2010**	**2011**
Long-term interest rates (5y) yearly average - Treasury bonds[1]	3,3	4,0

[1] including the widening of spreads relative to German government debt