

Press Release

13 February 2015

Swedbank's issuance of Additional Tier 1 Capital confirms the bank's strong position

Swedbank issues Additional Tier 1 Capital to optimize its capital structure. The instrument size amounts to USD 750 million and has a coupon of 5.5 per cent. The loan is perpetual with a call option after 5 years. The issuance is in the form of debt instruments that convert into ordinary shares if the regulatory capital of the bank decreases to a certain level. The instrument fulfils the new European capital regulations that aim to avoid tax payers having to support the banks in stressed situations. As a result of the transaction, Swedbank's Tier 1 capital ratio is strengthened by 1.5 percentage points to 24 percent, as per 31 December 2014.

"We are very satisfied with the transaction. Despite a turbulent market we successfully achieved a price at the same level as the lowest in the market for equivalent instruments. This demonstrates Swedbank's strong position and high confidence in the investor community", says Göran Bronner, Chief Financial Officer.

The issuance has been targeted to institutional investors mainly in Europe and will be listed on the Global Exchange Market regulated by the Irish Stock Exchange.

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