Press Release

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Swedbank's decision to take an extra dividend from its Estonian sub-group generates increased tax cost

Swedbank has decided to take an extra dividend from its Estonian sub-group. In addition, changes have been made in Swedbank's US operations. This will generate one-off tax effects, which will have a negative effect totalling SEK 447m on Swedbank's result for the second quarter.

The European capital regulatory requirements (CRR/CRD IV) have been clarified, which makes it possible to further optimise Swedbank Group's capital structure. Swedbank's Estonian sub-group is today very well capitalised following a long period of solid profitability, with a common equity Tier 1 capital ratio of 47.3 per cent as of 31 March. Swedbank has therefore decided to take an extra dividend from its Estonian sub-group of SEK 3 695m (based on the currency exchange rate as of 30 June). Since profit in Estonia is taxed upon distribution this will result in a current tax expense of SEK 929m.

Structural changes have been made in the US operations which affect Ektornet and the New York branch office. This makes it possible to tax the net result of Swedbank's total US operations. In addition, a change of methodology has been made concerning deductible costs. This generates a total positive tax effect in the US operations of SEK 482m.

Swedbank's second quarter results will be published on Thursday 16 July 2015 at 07:00 (CET).

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