

# Press release

17 July 2019

## Swedbank has set new financial targets

**Swedbank AB's Board of Directors has decided to change the dividend policy from 75 to 50 percent of the annual profit in order to further strengthen the bank's capital position.**

“Swedbank will continue to be a well-capitalised, low risk bank. The new financial targets will give us even better possibilities to continue to contribute positively to societies where we have operations,” says Göran Persson, Swedbank's Chair of the Board.

Swedbank's capitalisation will ensure that the bank can withstand changes in economic conditions and maintain a good margin to the regulator's requirements. Against the backdrop of a higher counter-cyclical buffer in Sweden, a defined benefit pension obligation impacted by market rates, continued loan volume growth and the uncertainty regarding the bank's work on anti-money laundering, Swedbank has therefore set the following new financial targets:

### **Dividend policy**

Swedbank's dividend will correspond to 50 percent of the annual profit attributable to shareholders. The dividend will be decided annually, with respect to the bank's capital target and the outlook for profitable growth in our home markets.

### **Capital target**

Swedbank's Common Equity Tier 1 capital ratio will exceed the Swedish FSA's requirement by 100-300bps.

The targets of having market leading cost efficiency and a Return on Equity of at least 15 per cent remain.

As of the end of the second quarter this year, Swedbank's Common Equity Tier 1 capital ratio was 16.1 percent, which is 150bps higher than the Swedish FSA's requirement.

“This change will ensure that Swedbank remains one of the strongest banks financially in Europe while continuing to support our customers' growth,” says Anders Karlsson, acting President and CEO.

### **Contacts:**

Gregori Karamouzis, Head of Investor Relations, +46 727406338  
Unni Jerndal, Press Officer, +46 730921180

### **This announcement involves the disclosure of inside information**

Swedbank AB (publ) is required to disclose this information pursuant to Regulation (EU) No 596/2014 on market abuse, the Swedish Securities Markets Act (2007:528), the Swedish Financial Instruments Trading Act (1991:980) and the regulatory framework of Nasdaq Stockholm. This information was sent to be published on 17 July 2019 at 07.00 CET.