

By continuing to use this site you consent to the use of cookies on your device as described in our [Cookie Policy](#) unless you have disabled them. You can change your [Cookie Settings](#) at any time but parts of our site will not function correctly without them.

## Latest on Banks

---

Latvia's scandals show limits of EU bank rules

HSBC warns on \$1.5bn penalty as Gulliver bows out

HSBC's Gulliver bows out, Mumbai bank fraud and CommonBond

[Banks](#)

[Add to myFT](#)

# Swedbank pulls out of aid programme

				Save
--	--	--	--	------

Andrew Ward in Stockholm APRIL 9, 2010

---

**Swedbank has withdrawn from the Swedish government's bank support programme in a sign of recovery from heavy losses in the crisis-hit Baltic countries.**

The Stockholm-based lender was the main beneficiary of government guarantees offered to help banks secure funding after interbank lending seized during the financial crisis.

Swedbank's withdrawal from the scheme will increase confidence that the Swedish banking sector has weathered the storm after months of mounting bad loans in Latvia, Lithuania and Estonia.

---

Advertisement

---

The bank was the worst hit of several Nordic lenders with heavy exposure to the Baltic states, which suffered the deepest recessions in the European Union last year after a long period of credit-fuelled growth.

Swedbank received 90 per cent of the loan guarantees provided by the Swedish government since the scheme was set up in October 2008 but has not used the facility since last July.

It was the only big bank still signed up to the scheme, which is due to end in June, after SEB pulled out last October.

Michael Wolf, Swedbank chief executive, said the bank no longer needed government help to secure funding after strengthening its balance sheet with a \$2.1bn rights issue last summer – its second in less than a year.

In addition to increased liquidity, Swedbank has also been helped by signs of improvement in the Baltic economies, with Moody's, the credit rating agency, last week upgrading its outlook for the trio from negative to stable.

About 15 per cent of Swedbank's lending is in the Baltic states, making it the biggest bank in the region.

The bank lost SKr9.5bn in 2009 as defaults soared but it expects to return to profit this year as the Swedish economy recovers from recession.

Even after leaving the guarantee scheme, Swedbank will continue to face costly repayments of its government-backed loans, which involve harsher terms than those secured in the market. But Mr Wolf said the bank intended to buy back the longest dated debt if market conditions allowed.


“To achieve independent funding was one of the main goals behind Swedbank’s rights issue in August 2009,” said Mr Wolf. “Leaving the state guarantee program is one more step in this direction.”

[Copyright](#) The Financial Times Limited 2018. All rights reserved.

Print this page

Send this article

## Latest on Banks



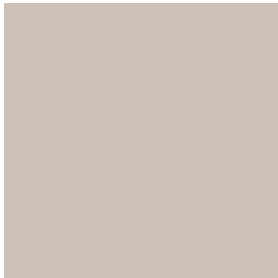
**FT View**  
Latvia’s scandals show limits of EU bank rules

● NEW 3 HOURS AGO

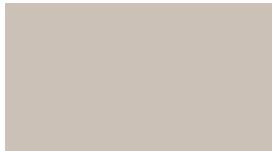


**Banks**  
HSBC warns on \$1.5bn penalty as Gulliver bows out

3 HOURS AGO




**Banking Weekly podcast**  
HSBC's Gulliver bows out, Mumbai bank fraud and CommonBond



**fastFT**  
RBS report reveals ‘widespread inappropriate’ dealings



**fastFT**  
EU Commission calls for ‘swift’ response to Latvia money laundering claims



Le  
H  
ov  
hu

## Follow the topics in this article

European Union

[Add to myFT](#)

Nordic AS

[Add to myFT](#)

Estonia

[Add to myFT](#)

Share Rights Issues

[Add to myFT](#)

European banks

[Add to myFT](#)

Comments have not been enabled for this article.

Support	Legal & Privacy	Services		Tools
<a href="#">View Site Tips</a>	<a href="#">Terms &amp; Conditions</a>	<a href="#">FT Live</a>	<a href="#">Analysts Research</a>	<a href="#">Portfolio</a>
<a href="#">Feedback</a>	<a href="#">Privacy</a>	<a href="#">...</a>	<a href="#">Executive Job Search</a>	<a href="#">...</a>
<a href="#">Help Centre</a>	<a href="#">Cookies</a>	<a href="#">...</a>	<a href="#">Advertise with the FT</a>	<a href="#">Alerts Hu</a>
<a href="#">About Us</a>	<a href="#">Copyright</a>	<a href="#">Group Subscriptions</a>	<a href="#">...</a>	<a href="#">Lexicon</a>
<a href="#">Accessibility</a>	<a href="#">...</a>	<a href="#">Republishing</a>	<a href="#">FT Transact</a>	<a href="#">MBA Ran</a>
		<a href="#">Contracts &amp; Tenders</a>	<a href="#">...</a>	

---

## More from the FT Group

---

Markets data delayed by at least 15 minutes. © THE FINANCIAL TIMES LTD 2018. [FT](#) and 'Financial Times' are trademarks of The Financial Times Ltd.

The Financial Times and its journalism are subject to a self-regulation regime under the [FT Editorial Code of Practice](#).