Sector report | 23 October 2026

Nordic Banks Weekly Wrap

The Swedish labour market tightened due to a declining labour force in September, but **aggregate employment declined**. This seems a little at odds with the other signs we are getting from the Swedish labour market, and we take it as noise in the LFS survey.

Next week is very busy on the reporting side, with all the Norwegian and Icelandic banks under our coverage releasing results and in addition a few Finnish and Danish banks (see overview on the next page). **Norwegian retail investors continued to put money into AuM products** in September, with the monthly inflow amounting to +0.3% of AuM though adverse market developments meant the aggregate AuM declined 0.3% m/m. Meanwhile, average Q3 AuM was more than 5% above the level from Q2 and should thus imply a solid tailwind to fee income for particularly DNB and SBNOR though seasonality is typically a headwind on fees in Q3. **DNB's (MW) Q3 results also showed that the asset management franchise is benefitting**, with fee income from AuM rising 6% q/q. DNB generally delivered a solid Q3 report, in our view, albeit with a deterioration in asset quality – see our post results note *here*.

After SEB was imposed a higher IRB model capital add-on last week, uncertainty about whether there was read-across to other banks arose, but as we highlighted in our note on the subject (see *here*), we did not see any 1:1 read-across and **Handelsbanken's (UW) Q3 report more or less put all uncertainty about its IRB models to rest**, but the market seemed to put more weight on the lower-than-expected NII print. We see the result as credit neutral. Following the release of its Q3 results, **Handelsbanken brought a 4y EUR750m SP to the market** with IPT of MS+70-75, which ended up pricing at MS+47, with orders of EUR1.4bn – see our new issue comment *here*. We see scope for covered bonds to replace part of maturing SP for Handelsbanken going forward. Handelsbanken has a substantial MREL buffer, presumably because the senior-covered spread has been quite compressed in recent years, and a meaningful difference has re-emerged – see chart on page 2 and our post results note *here*. **SEB (UW) released a credit-neutral Q3 report**, in our view, with the main focus being on the pause of share buybacks though the market had more or less been factoring this in since last week due to the above-mentioned IRB deficiencies. Besides the capital focus, SEB's Q3 results fell slightly short of consensus expectations both on the core income lines as well as trading income whereas loan losses and asset quality were strong. See our full post results note *here*. **Swedbank (UW) delivered a slightly credit-positive Q3 report**, with core earnings in line with expectations while the NPL sale from the legacy Entercard portfolio led to sizeable reversals but also adjusted for the one-off, loan losses and asset quality remain very strong. Swedbank also stated that it will face higher capital requirements due to IRB model updates though the scope for now seems markedly lower than for SEB. See our note *here*.

In light of last month's sell-off in, **we published a report taking stock of recent price dynamics in the AT1 space**. We conclude that the scope for renewed performance has improved after the recent sell-off – see the full note *here*.

Key points

	Level	1w chg	Duration*
Main	67	3	5.1
Xover	331	14	5.1
iTraxx SrFin	77	5	5.1
iTraxx SubFin	131	10	5.1
IG (OAS to swap)	74	0	4.6
HY (OAS to swap)	342	1	3.2
Nordic banks			
PS	49	1	3.4
SNP	56	2	3.5
T2	109	11	3.5
AT1	273	26	4.1
European banks			
PS	53	3	3.1
SNP	86	10	4.1
T2	131	15	3.4
AT1	319	30	4.7

* Yrs to maturity for CDS indices. Yrs to workout for Nordic bank bonds. Modified duration for IG/HY

Source: Bloomberg, Danske Bank Credit Research

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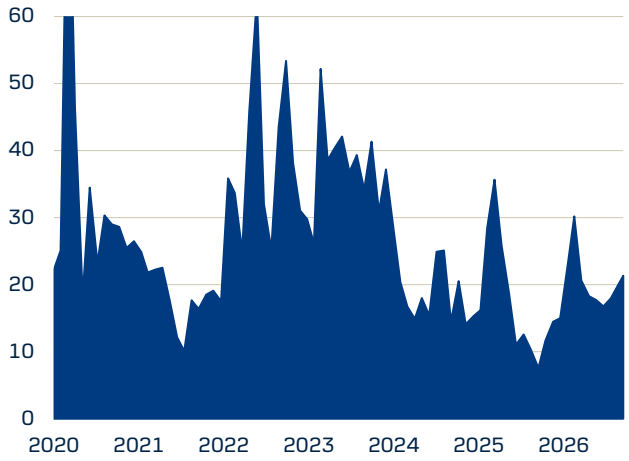
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Chart 1. Next week's Q3 results releases

		26-Oct	27-Oct	28-Oct	29-Oct	30-Oct
DK	Danske Bank				x	
	Jyske Bank			x		
	DLR Kredit				x	
FI	OP Corporate Bank		x			
	Aktia Bank					x
IS	Landsbankinn				x	
	Islandsbanki				x	
	Arion Banki			x		
NO	SpareBank 1 Sør-Norge				x	
	Sparebanken Norge				x	
	SpareBank 1 SMN				x	
	SpareBank 1 Nord Norge				x	
	Sparebanken More				x	
	Sparebanken Ost			x		
	Sparebanken Norge				x	

Source: Bloomberg, Danske Bank Credit Research

Chart 2. Handelsbanken senior preferred-covered spread (interpolated 4y), bp



Source: Bloomberg, Danske Bank Credit Research

Table 1. Recent Nordic EUR BM transactions

Date	Ticker	Payment rank	Tenor	Currency	Amount (m)	IPT	Final spread*	IPT -> Final	Over-subscription	Current spread	Performance (bp)
05-May	LANBNN	Sr Preferred	5y	EUR	300	143	110	33	5.5x	111	1
06-May	SBNOR	Sr Preferred	5y	EUR	500	83	58	25	1.7x	57	-1
07-May	OPBANK	Sr Preferred	5y	EUR	500	75	50	25	2.5x	54	4
07-May	ARION	Sr Preferred	3.5y	EUR	300	123	88	35	8x	80	-8
21-May	SYDBDC	Sr Non Preferred	5NC4	EUR	500	105	80	25	1.4x	77	-3
21-May	DNBNO	Sr Non Preferred	6NC5	EUR	750	95	70	25	1.7x	76	6
26-May	SEB	Jr Subordinated	PerpNC8	USD	600	7.31	6.86	56	5.8x	325	40
09-Jun	NDAFH	Subordinated	10NC5	EUR	500	125	98	27	3.8x	125	27
09-Jun	DNBNO	Sr Preferred	5NC4	EUR	750	73	47	26	2.3x	51	4
10-Jun	MINGNO	Sr Preferred	5y	EUR	500	83	57	26	2x	61	4
17-Jun	NYKRE	Sr Non Preferred	7.25y	EUR	750	125	100	25	2.7x	99	-1
11-Aug	SEB	Subordinated	11NC6	EUR	500	130	100	30	3x	122	22
12-Aug	SWEDA	Sr Preferred	5y	EUR	1000	75	47	28	2.3x	46	-1
17-Aug	NDAFH	Sr Preferred	7y	EUR	750	80	55	25	1.6x	54	-1
18-Aug	SRBANK	Sr Preferred	5y	EUR	500	78	50	28	1.8x	59	9
07-Sep	OPBANK	Sr Preferred	7y	EUR	500	85	62	23	1.5x	71	9
08-Sep	NYKRE	Sr Non Preferred	4y	EUR	500	98	68	30	3.8x	70	2
17-Sep	DANBNK	Sr Non Preferred	5NC4	EUR	750	95	65	30	2x	66	1
22-Sep	SWEDA	Subordinated	10NC5	EUR	500	135	108	27	2.2x	119	11
23-Sep	DNBNO	Subordinated	10.3NC5	EUR	500	133	105	28	2.6x	112	7
15-Oct	JYBC	Sr Preferred	6NC5	EUR	500	105	75	30	5.8x	71	-4
21-Oct	SHBASS	Sr Preferred	4y	EUR	750	73	47	26	1.9x	44	0

** Yield for AT1s. Source: Company data, Danske Bank Credit Research*

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