

Sweden's top four banks downgraded by S&P

Written by Johan Nylander

Tuesday, 20 November 2012 13:27 - Last Updated Tuesday, 20 November 2012 13:36



The outlook for Sweden's four biggest banks -- Nordea, Handelsbanken, SEB and Swedbank -- were downgraded to negative from stable by Standard & Poor's on Tuesday due to rising economic risks as part of a wider action on the financial sector.

"We forecast higher economic risks for the Swedish banking industry, based on indications of a sharper economic slowdown than we previously expected," a statement said.

A total of eight Swedish banks, including state owned lender SBAB, were downgraded by the rating house.

"The revision was based on indications of a sharper economic slowdown in Sweden than previously expected, leading S&P to conclude that economic risks for the Swedish banking industry are increasing", SBAB said.

The country's Riksbank last month signaled it was prepared to cut the repo rate again in December to support growth as Europe's debt crisis hurts exports and pushes up unemployment.