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The use of accounts in the four major Swedish banks' accounting narratives

– an impression management tool used as a response to negative media attention?

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ABSTRACT

Title:	The use of accounts in the four major Swedish banks' accounting narratives – an impression management tool used as a response to negative media attention?
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Key words:	Accounting narratives; Accounts; Impression management; Legitimacy; Media
Purpose:	The purpose of this thesis has been to examine whether accounts have been given by the four major Swedish banks - Swedbank, Handelsbanken, Nordea and SEB - in their accounting narratives as a response to negative media attention in the time period 2009 to 2014, and whether those accounts could be seen as an impression management tool.
Methodology:	We have carried out a qualitative study on articles published in Swedish web-based media in the time period 2009 to 2014. We have also carried out a qualitative content analysis of the four major Swedish banks' accounting narratives to identify accounts in the same time period.
Theoretical perspective:	The theoretical framework of this study is based on theories on media as a powerful stakeholder, Legitimacy theory, Impression Management and Accounts.
Empirical foundation:	The empirical data includes 139 web-based articles published by six different Swedish media actors in the time period 2009 to 2014. Those articles express criticism raised against the four major Swedish banks' mortgage margins, dividends, reduced manual cash handling and high levels of remuneration. The empirical data also includes 27 accounts identified in the four major Swedish banks' accounting narratives in the same time period related to the banks' mortgage margins, dividends, reduced manual cash handling and high levels of remuneration. We have studied accounting narratives in corporate annual reports, interim reports, sustainability reports and press releases.
Conclusion:	We have been able to demonstrate that accounts have been given by the four major Swedish banks in their accounting narratives to respond to negative media attention in the time period 2009 to 2014. In Swedbank, we have been able to prove a definite connection between some identified accounts and media attention, and further have found indications that other identified accounts in the other three banks likely are related to negative media attention as well. Overall, Swedbank is highly overrepresented in number of accounts. Most of the identified accounts have been justification accounts. Our findings show that accounts could be seen as an impression management tool the banks can use to handle negative media attention, having the ability to affect accounting narrative readers' perceptions and neutralize a negative picture given by media. This is one possible way for the banks to reduce or close potential legitimacy gaps arisen due to negative media attention. Further, our findings indicate that media is a powerful stakeholder important for the banks to be able to manage.

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1. INTRODUCTION

1.1 Research background

"We communicate the reality: that is the myth; that is what people believe. And, in a sense, we do communicate reality. There is something there: bricks and people and so on. And the organization can, say, be 'doing well', or doing 'badly', in whatever sense you take that to mean. And it is our job to convey it. But what is 'the full picture'? There is no full picture. We make the picture. That is what gives us our power: people think and act on the basis of that picture! Do you see? Are you beginning to see?" (Hines, 1988: 254)

In her article, Hines (1988) emphasizes and questions the role of accountants and preparers of financial reports. Does a financial report give an objective picture of reality? According to Hines (1988), it does not. Further, does a financial report affect readers' perceptions of company-related matters? According to Hines (1988), it does. Thus, besides telling shareholders and other stakeholders about company financial performance, and further being an important tool to use for management accountability purposes, financial reports are something more. They are something that may affect readers' perceptions and the way those readers think about company-related matters. Hence, financial reports can be seen as "tools of management, marketing and communication theory [used] to construct a picture of the organization" (Stanton & Stanton, 2002: 478), i.e. an active communication tool a company uses to tell stories regarding its operations and activities (Hopwood, 1996). In line with Hines' (1988) arguments, there are reasons to believe that those stories cannot be seen as something totally neutral and objective.

Regarding financial reports as a communication tool, researchers have "utilized various tools to identify the ways in which parts of the front half of annual reports are used to convey particular messages" (Stanton & Stanton, 2002: 485). The front half of the annual report is the part which is not consisting of the financial statements. Instead, the front half of the annual report to a high extent consists of *accounting narratives*. Accounting narratives is text, i.e. words and sentences, describing company accomplishments, outcomes etc., complementing the financial numbers. There are a few accounting narratives that are mandatory for companies to include in their financial statements, but most accounting narratives are discretionary, i.e. they are disclosed by companies on a voluntary basis. Further, accounting narratives are not just text in financial reports - text in other types of company *disclosure vehicles* could as well be seen as accounting narratives, although less attention has been drawn to such alternative disclosure vehicles in prior research (Brennan & Merkl-Davies, 2013: 30). Inspired by Brennan and Merkl-Davies (2013), accounting narratives in this thesis is defined as voluntary disclosed text in corporate annual reports, interim reports, sustainability reports and press releases.

Connected to Hines' (1988) arguments, some researchers have focused on accounting narratives' role as a tool a company's management may use for *impression management* purposes, i.e. on how accounting narratives may guide "the reader to a particular interpretation" regarding certain company-related matters (Stanton & Stanton, 2002: 485, inspired by Thomas, 1997). In this thesis, we define impression management as a "conscious or unconscious attempt to control images that are projected in real or imagined social interaction" (Clow & Kenneth, 2005: 93). In particular, researchers in the field have studied and focused on the relationship between a company's financial performance and what its accounting narratives tell about this performance. This prior research shows that accounting narratives both can be and are used for impression management purposes.

Jones (1996) outlined two main problems regarding accounting narratives – the risk of them not being objective, and the risk of them being difficult to read and understand. Adelberg (1979) stated that it was easier to read and understand accounting narratives in financially well-performing companies' than in poor-performing ones. Courtis (1995) found that it is difficult for the average reader to understand accounting narratives in financial reports, and further that managers seem to obfuscate bad news. Clatworthy and Jones (2001) also found evidence of the tendency of obfuscating bad news, finding thematic structures in some companies' chairman's statements that emphasized good news and obfuscated bad news. According to Aerts (1994: 337), accounting narratives are "defensive in nature", i.e. companies seldom admit they are wrong. Aerts (2005) also found a tendency that listed companies are more defensive in their accounting narratives than non-listed ones. Clatworthy and Jones (2006) found evidence of impression management in some chairman's statements. They also found a tendency that profitable companies in their accounting narratives focus more on past performance, while unprofitable companies in their accounting narratives focus more on the future. Smith and Taffler (1992), as well as Clarke (1997), found that companies in their accounting narratives to a higher extent link company success to internal factors, while company failure to a higher extent is linked to external factors. The Pollyanna Effect, i.e. the tendency that poor-performing companies use positive words conversely to explain negative outcome, was observed by Hildebrandt and Snyder (1981). Evidence of the Pollyanna Effect was also found by Rutherford (2003: 373), who however also stated that it can be discussed how effective impression management strategies are, i.e. whether "sophisticated preparers would expect users to respond naively to efforts to manage impressions".

Thomas (1997) addressed how linguistic structures in accounting narratives were used by companies to blur attention in years of poor financial performance. Linguistic structures were also examined by Sandell and Svensson (2012). Sandell and Svensson (2012) found that companies that had failed to meet analysts' expectations regarding their financial performance gave *accounts* in accounting narratives in their interim reports, i.e. words and sentences were used by those companies in a way that could affect the reader's perceptions of why the companies had failed to meet analysts' expectations. In this thesis, accounts are defined as "linguistic devices employed when an outcome, action or decision is assessed by stakeholders of a company" (Sandell and Svensson (2012: 4).

Accounts, *accounting narratives*, *impression management* and *disclosure vehicles* are all central terms in this thesis, and understanding of the relationship between those terms is crucial for the understanding of the thesis. Hence, before we continue, the reader must be aware of that *accounts* are linguistic devices that could be used in companies' *accounting narratives*, affecting readers' perceptions and thus being a possible *impression management* tool. Accounting narratives can be found in different types of company *disclosure vehicles*. The question whether accounts could be seen as an impression management tool is something we will further examine in this thesis.

1.2 Problem discussion

It is only mandatory for a company to have accounting narratives related to the financial statements audited. However, most accounting narratives - and *all* accounting narratives we intend to examine in this thesis - are discretionary. Such accounting narratives' content are not audited by an external party. This fact makes them something whose objectivity in many ways could be questioned, since a company's management could use such accounting narratives for impression management purposes (Brennan & Merkl-Davies, 2013). We argue that this is something accounting narrative readers may not be aware of, and do not critically reflect upon - especially not in reports signed by an auditor. This in turn makes those readers more likely to be affected by impression management techniques. Thus, accounting narrative readers might be guided towards a particular interpretation of a situation given by a company without realizing it, a problem we intend to address in this thesis. Even though accounting narrative readers may be more sceptical towards press releases, and perhaps also towards sustainability reports - at least sustainability reports not signed by an auditor - we argue that those readers might still be guided towards a particular interpretation in accounting narratives in such disclosure vehicles as well.

Further, to make a reader aware of the possible existence of impression management techniques in accounting narratives, we believe it is of importance to also demonstrate possible reasons of *why* the preparer of an accounting narrative would want to affect the reader's perceptions. Regarding this, prior research on accounting narratives has to a high extent focused on accounting narratives as a tool companies use to explain poor financial performance to their shareholders. However, within this research field, less attention has been drawn to the possibility that accounting narratives may also be used by companies to neutralize a negative picture given by mass media. Mass media will in this thesis henceforth be referred to as media. Media attention has instead been examined in other research fields, e.g. within the social and environmental accounting literature (O'Donovan, 2002), where "one factor that has been suggested as being particularly influential in creating legitimacy gaps for an organisation is the news media" (Islam & Deegan, 2010: 133). Hence, we argue that it would be of interest to examine media's role in the accounting narrative research field. We think it is reasonable to believe that companies give accounts in some of their accounting narratives to affect the reader's perceptions regarding a negative picture given by media, and not only to explain poor financial performance to their shareholders. We argue that this possible link between accounts in accounting narratives and media pressure is of particular interest for any reader of an accounting narrative to be aware of, since a reader then would get a deeper understanding of *why* the preparer of an accounting narrative would want to affect the reader's perceptions and possibly engage in impression management techniques.

1.3 The chosen sector of our research - the four major Swedish banks

To demonstrate the existence of accounts in accounting narratives, while at the same time trying to link such accounts to media attention, we have chosen to examine the four major Swedish banks and their accounting narratives. Those banks are Swedbank, Handelsbanken, SEB and Nordea (the Riksbank, 2013). The possible existence of impression management in banks' accounting narratives is in itself interesting, we argue, since most people have some form of relationship with a bank. Further, there is a specific circumstance making those banks suitable for our study. In recent years - our focus will be on the period 2009 to 2014 - those banks have been criticized by several of their stakeholders for their mortgage margins, dividends, high levels of remuneration and reduced manual cash handling - four categories we in this thesis sometimes will refer to as "areas of criticism". The criticism raised by those stakeholders has to a high extent been expressed in Swedish media (e.g. Dagens Industri, 2012; Svenska Dagbladet, 2011). In a study made by Nord and Shehata (2013), it is stated that the four major banks indeed have got a lot of attention in Swedish media after the financial crisis in 2008. Those circumstances make the four major Swedish banks suitable for our study, since we will be able to use the banks to examine whether their accounting narratives to some extent have been used to give accounts regarding the topics media has criticized them for, the banks thus perhaps trying to neutralize media's negative picture. Further, since the banks have been financially well-performing in the selected period, our focus differ from much prior research on accounting narratives, where focus to a high extent has been on accounts in poor-performing companies.

We want to emphasize that the question whether the criticism directed against the banks is justified or not is complex. On one hand, media could be seen as an objective actor reducing information asymmetry between two actors - in our research context the banks and the readers of those banks' accounting narratives (Graber, 2003). On the other hand, media could also be seen as an actor more interested in selling scandalizing stories than being objective and telling the truth (Blumler & Kavanagh, 1999). Hence, it is hard to determine whether the criticism targeted against the banks is justified or not, since there may be arguments for both points of view. However, the focus in this thesis is *not* on whether the banks' behaviour is appropriate or not.

1.4 Purpose of the thesis

The purpose of this thesis is to examine whether accounts have been given by the four major Swedish banks - Swedbank, Handelsbanken, Nordea and SEB - in their accounting narratives as a response to negative media attention in the time period 2009 to 2014, and whether those accounts could be seen as an impression management tool.

1.5 Research questions

To be able to give an answer to the purpose of the thesis, we will use the two following research questions:

1. What concerns has been expressed in Swedish media in the time period 2009 to 2014 regarding the four major Swedish banks' way of handling mortgage margins, dividends, high levels of remuneration and reduced manual cash handling?

2. Are accounts given in the four major Swedish banks' accounting narratives as a response to this criticism?

2. THEORETICAL FRAMEWORK

2.1 Media as a powerful stakeholder

"Which groups are stakeholders deserving or requiring management attention"? (Mitchell et al., 1997: 855). This question is of importance, since there are certain types of stakeholders' which companies are more likely to take into account and respond to. Responses to certain stakeholders is a sign of that those stakeholders are powerful, and that they in one or another way are vital for a company to stay as a going concern (Deegan, 2013). Thus, a company's management will try to identify such important stakeholders to which they have to respond (Woodward & Woodward, 2001). Hybels (1995: 243-244) identified four types of company stakeholders that are critical for a company's "establishment, growth, and survival". The stakeholder groups he identified were the state, the public - which he defined as "consumer groups and other "public interest" groups" - the financial community and media. Although media has no resources a company is in need of, it is according to Hybels (1995) a particular powerful stakeholder. What makes media powerful is the fact that media influences other powerful stakeholders in their decisions. Further, media is a communication channel other stakeholders can use to express their opinion. Those facts can be connected to the four major Swedish banks. It is likely that the banks are affected by media reporting and have to take media reporting into consideration, since media is an important source of information of which other important stakeholders of the banks might take impression when making decisions. Further, media is a communication channel where dissatisfied bank stakeholders has the ability to express their opinion.

Although not much attention has been drawn to media in the research context of accounting narratives and accounts, research has been conducted in many other different types of research fields, where media's role as a powerful actor in society has been demonstrated. We argue this prior research on media's power will demonstrate that it is likely that accounts identified in the banks' accounting narratives regarding topics media has been reporting about is a response to this criticism, even in accounting narratives where the banks do not mention media's role explicitly.

2.1.1 Prior research on media as a powerful stakeholder

Media is a powerful actor since it has the ability to shape public opinion regarding what topics the public considers as important (McCombs & Shaw, 1972), and due to the fact that it can reach so many people with its information (Nanz & Steffek, 2004: 333). A company given more attention in media also gets more public attention (Bansal & Clelland, 2004). It is to a high extent through media people learn about the world (Luhmann, 2000), since "media provide[s] contact with social reality and give[s] people access particularly to those events which they cannot watch with their own eyes" (Schulz, 2004: 91). A picture given by media thus becomes a crucial source of information for people, since media "covers complex topics that do not allow for direct impressions within an individuals surrounding" and hence in such situations becomes "the most important source of information" for people (Brettschneider, 2002: 252). Negative media reporting may cause companies harm (Phillips, 2003).

Ader (1995) studied media's role in shaping public opinion. His conclusion was that media reporting determines what topics the public believes to be important. Especially when it comes to companies of larger size, media plays an important role as a public information provider. Thus, such companies get more media attention, which in turn increase the risk of them being negatively affected if the media attention is negative (Fombrun & Shanley, 1990). Further, media is also not just an actor affecting a company as a whole - media also affects company executives specifically, e.g. the CEO. Media could be seen as a watchdog, reducing CEOs flexibility. If a CEO does something inappropriate and media decides to report on it, this can damage the CEOs reputation. Hence, managing media relationships is important for executives not just for the company's sake, but for their own sake as well (Hamilton & Zeckhauser, 2004). All those facts make it likely that negative attention in media affects the four major Swedish banks and may cause them harm, and gives a likely explanation to why they would find it necessary to respond to media attention, e.g. by giving accounts. We do not claim that media is the only source of information. However, it is likely that the banks' stakeholders are affected by media reporting, and that they might adopt media's point of view.

Further, of particular interest for our study is that Nord and Shehata (2013) state that Swedish banks in their role as important intermediaries in society has attracted people's attention in times of crisis - e.g. during the financial crisis 2008 – and that media plays an important role in giving the banks this attention, since media is a dominant information channel in society. Hence, Nord and Shehata (2013) confirm that media has given the banks attention in the time period 2009 to 2014, and that the banks are affected by this attention. The fact that banks get this attention in particular could also be explained by Meznar and Nigh's (1995: 980) statement that "actors in the general environment are likely to take a greater interest in organizations that directly affect them, or at least in organizations of which they are aware of", which banks can be claimed to be since almost all people have some form of relationship with a bank.

Some research within CSR and sustainability has shown that media attention could lead to an increased amount of voluntary disclosures in companies. Brown and Deegan (1998) examined and found evidence of that an increased level of media attention seems to lead to an increased level of voluntary disclosures. This could be connected to our research, since we are searching for voluntary accounting narratives connected to the topics the banks have been criticized for. If we find such voluntary disclosures, it is hence likely that media is at least partly a reason of their existence. Further, Deegan et al. (2004) studied a company's voluntary disclosures during a certain period of time. They found that the company gave voluntary disclosures regarding the same topics that media recently had been reporting about. Although this company was not specifically the target of criticism as is the case with the four major Swedish banks, those findings is still of interest to our study, since they make it likely that if accounts are identified in the banks' accounting narratives, it is likely that media is at least partly a reason of their existence.

In this thesis, we intend to examine whether criticism in media leads to a situation where the examined banks respond to this criticism by giving accounts in some of their accounting narratives. Thus, we have made an assumption that the examined banks are forced to react on external pressure from e.g. media to maintain *legitimacy* - otherwise, no discretionary accounting narratives responding to the criticism could be expected to be found in any of the banks' disclosure vehicles. Prior research has shown that media indeed is an important source of company legitimacy (Ruef & Scott, 1998), and that negative media attention can damage this legitimacy (Ashforth & Gibbs, 1990; Hybels, 1995; Johnson & Holub, 2003; Palazzo & Scherer, 2006). Media's ability to draw attention to a certain actor makes those actors exposed. Such exposure can both give companies legitimacy, as well as making them lose it, depending on whether the picture given by media is positive or negative (Pollock & Rindova, 2003). Explained differently, media reporting affects people's perceptions regarding whether a company should be seen as legitimate - that is the reason why media is an actor companies must be able to manage (Hoffman & Ocasio, 2001). All those findings show that media is an important source of legitimacy - that is what makes media an important and powerful stakeholder. Hence, to further deepen the reader's understanding of legitimacy, we will now continue with describing legitimacy on a more general level.

2.2 Legitimacy theory

Legitimacy theory is a theory that on a general level can explain what the four major Swedish banks may want to achieve by giving accounts in non-mandatory accounting narratives. In Legitimacy theory, focus is not on the relationship between legitimacy and a certain stakeholder, but rather on the relationship between legitimacy and society at large (Deegan, 2013).

Legitimacy is "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995: 574). Legitimacy theory has been developed and used by researchers to try to explain why companies choose to make voluntary disclosures, especially within CSR and sustainability research (Deegan, 2013). According to Dowling and Pfeffer (1975: 122), companies' quest for legitimacy can be explained by the fact that "organizations seek to establish congruence between the social values associated with or implied by their activities and the norms of acceptable behaviour in the larger social system of which they are a part", since they consider it to be of major importance to be seen as legitimate actors in society. To maintain legitimacy, a company's actions must be congruent with society's expectations (Deegan, 2013). If a company loses legitimacy, there is a major risk it will lose shareholders and customers (Deegan, 2002). Thus, a company can take damage if not perceived as a legitimate actor, since that may affect both the company's profitability and its reputation (Dowling & Pfeffer, 1975). Connecting those facts to our own research context, it is reasonable to believe that it is important for the four major Swedish banks to be seen as legitimate actors in society. If the banks are criticized for their behaviour in one or several ways, their reputation is threatened, as well as their business' profitability. Thus, their business can take damage if they just ignore the criticism. Hence, it is reasonable to believe that the banks have to respond to the criticism targeted against them in media, e.g. by giving accounts in some of their accounting narratives.

Discrepancy between a company's behaviour and society's expectations creates a legitimacy gap. A legitimacy gap can occur in different ways. A gap can occur when a company changes organizational behaviour regarding a certain matter, i.e. when a company handles something in a new manner, not in line with public expectations (Deegan, 2013). A gap can also occur when society becomes aware of organizational behaviour regarding a certain matter it was not aware of before, i.e. the company has secretly acted contrary to public expectations regarding a certain matter (Sethi, 1977). Further, a gap can occur when society norms are changed regarding a certain matter, i.e. something has made society to think in a new different way regarding this certain matter (Sethi, 1978). This last-mentioned reason for a legitimacy gap highlights something important – what is seen as legitimate behaviour is dynamic, and changes over time. Legitimate behaviour depends on public norms, something that can change quickly (Dowling & Pfeffer, 1975: 126). Thus, obeying laws does not automatically make a company legitimate. Changing laws is a slow-moving process, while public norms as stated can change quickly (Deegan, 2013). Those facts regarding legitimacy gaps can help us to demonstrate that if we find discretionary accounting narratives in the examined banks connected to criticism raised in media, there are reasons to believe that some type of legitimacy gap has arisen due to the banks actions and behaviour, i.e. media reporting has made people think the banks behaviour is not appropriate. Further, it is likely that media and media reporting have played a role in creating this legitimacy gap.

If a legitimacy gap has arisen, a company will try to close or reduce it. There are different strategies a company can use to do this. Dowling and Pfeffer (1975) outlined four such different strategies (citations made by van der Laan, 2009: 20, inspired by Dowling & Pfeffer, 1975):

1) a company can "change its output, methods or goals to conform with the expectations of it relevant publics, and then inform these relevant publics of the change"
2) a company can "not change its output, methods or goals, but demonstrate the appropriateness of its output, methods or goals through education and information"
3) a company can "try to alter the perceptions of relevant publics by associating itself with symbols that have a high legitimate status"
4) a company can "try to alter societal expectations by aligning them with the organisation's output, goals or methods"

Those strategies to close legitimacy gaps demonstrate something important - a company can choose to change behaviour if criticized. However, that is not the only way to close a legitimacy gap. A company can also try to affect and change people's perceptions. A matter of fact, Lindblom (1993) states that it is ultimately society's *perceptions* of a company's actions and behaviour that will determine whether the company is seen as legitimate, and not the company's *actual* actions and behaviour. Those insights could be connected to the possible use of impression management in the four major Swedish banks, we argue, since the banks thus can be expected to use accounts in their accounting narratives to change people's perceptions, enabling them to perhaps close a potential legitimacy gap created by media without having to change actual behaviour.

2.3 Impression management - an introduction

Impression management has already been introduced in this thesis' introductory chapter, where impression management was defined as a "conscious or unconscious attempt to control images that are projected in real or imagined social interaction" (Clow & Kenneth, 2005: 93). Impression management can be used by companies to guide "the reader to a particular interpretation" regarding certain company-related matters (Stanton & Stanton, 2002: 485, inspired by Thomas, 1997), where focus in this thesis is on this phenomena in accounting narratives. Since impression management is a central term in the thesis, a more comprehensive description is needed, we argue.

Impression management was originally a term within psychology research, where impression management was defined as "the tendency to protect one's self-image", i.e. a process where individuals attempt to control other peoples' impressions of them (Clow & Kenneth, 2005: 93). Impression management is the study of how "individuals present themselves to others to be perceived favourably by others" (Hooghiemstra, 2000: 60), i.e. an image-protecting strategy. To be able to maintain or improve a desirable image, an individual will try to create an image that as much as possible is associated with positive characteristics, and as little as possible with negative characteristics (Clow & Kenneth, 2005: 93). This could be highlighted with an example. If person number 1 has a negative impression regarding a story or event connected to person number 2, impression management is a technique for person number 2 to respond to this by trying to affect person number 1's perceptions of that negative story or event, person number 2 thus trying to create a more favourable image of the story or event in person number 1's mind.

Research regarding impression management is comprehensive (Brennan et al., 2013). Since the focus in this thesis lies on impression management in the corporate context - more specifically in accounting narratives - a more comprehensive presentation in this context will be made below.

2.3.1 Impression Management in accounting narratives

Impression management is one possible strategy for a company to use to when trying to restore or maintain legitimacy, and thus a strategy a company can use to manage stakeholder relations. Impression management in the corporate context is present when executives in a selective manner choose what information to disclose to their shareholders and stakeholders, and when they present such information in a way that may distort the reader's perception, possibly affecting that reader's opinion regarding a certain company-related matter. Management disclosing more positive and less negative information in their accounting narratives is another way to manipulate the reader's perception (Merkl-Davies et al., 2011). Thus, such disclosures can help companies to get support for their behaviour, and can be used to distract stakeholders whom do not think a certain behaviour is appropriate. This is e.g. highlighted by Gray et al. (1996: 46), whom state that "information […] is a major element that can be employed by the organisation to manage (or manipulate) the stakeholder in order to gain their support and approval, or to distract their opposition or disapproval". In line with Clow and Kenneth (2005: 93), using disclosures for impression management purposes can both be a conscious or unconscious strategy used by the executives. Nonetheless, if the strategy succeeds, it may undermine the quality of financial reporting, and further may lead to a situation where a company gets unjustifiable support from non-financial stakeholders and society at large (Brennan et al., 2009).

The type of impression management we focus on in this thesis is how accounting narratives - i.e. text, words and sentences - in company disclosure vehicles can be used to affect readers' perceptions. Accounting narratives can be found in annual reports, but also in other company disclosure vehicles. As mentioned, in this thesis we have also included interim reports, press releases and sustainability reports. Accounting narratives do not have to be audited, except from the notes in the financial statements. This fact makes them a possible impression management tool, since no third party has to approve their content. Instead, as stated by Brennan et al. (2013: 1) - "at best, other narrative accounting disclosures are merely monitored by external auditors for consistency with the financial statements". Hence, it is easier for managers to manipulate such information, making accounting narratives a tool that may be used for impression management purposes.

Using linguistic structures - i.e. using words and sentences in a certain way - is one strategy a company can use to affect the reader's perceptions regarding a certain act or event. Thomas (1997) addressed how linguistic structures in accounting narratives were used by companies to blur attention in years of poor financial performance. The type of linguistic structures we will focus on in this thesis is accounts, which e.g. have been studied in the corporate context by Sandell and Svensson (2012).

2.4 Accounts

In this thesis, we focus on the possible existence of accounts in the four major Swedish banks' accounting narratives. Thus, what we specifically focus on is how words and sentences - i.e. text - in those banks' accounting narratives might affect the reader's perceptions regarding topics the banks have been criticized for in media. Theory on accounts can describe how words and sentences in written text can affect readers' perceptions - in our research context accounting narrative readers.

An account was originally defined as "a linguistic device employed [by a party] whenever an action is subjected to valuative inquiry" by one or several other parties to "prevent conflicts from arising by bridging the gap between action and expectation" (Scott & Lyman (1968: 46). Accounts can both be used by companies proactively - i.e. if one party believes there is a risk it will be criticized by another party for something - as well as reactively - i.e. if one party already has been criticized by another party (Orbuch, 1997).

Taking accounts into the accounting narrative context, Sandell and Svensson (2012: 4) state that accounts are "linguistic devices employed when an outcome, action or decision is assessed by stakeholders of a company", which is the definition we use in this thesis. Explained differently, accounts are words and sentences formulated in a certain way, which could affect a narrative reader's perceptions, thus guiding the reader "to a particular interpretation" regarding a specific topic in line with Stanton & Stanton (2002: 485), inspired by Thomas (1997). If used successfully, a given account has the ability to close an arisen gap between the criticized party's action and the criticizing party's expectation, i.e. a given account might lead to an accounting narrative reader adopting the criticized party's opinion (Scott & Lyman, 1968). Hence, accounts could be seen as an impression management tool, we argue, since impression management is a "conscious or unconscious attempt to control images that are projected in real or imagined social interactions" (Clow & Kenneth, 2005: 93). This is something we will try to demonstrate in this thesis.

Theory on accounts have been used and developed by researchers in different research fields (e.g., McLaughlin, O'Hair & Cody, 1983; Sandell & Svensson, 2012; Schönbach, 1980; Scott & Lyman, 1968). Out of those researchers, Sandell and Svensson (2012) examined accounts in the accounting narrative context. In their research, Sandell and Svensson (2012) demonstrated the existence of accounts in some examined companies' interim reports. Those were companies that had failed to meet analysts' financial expectations. Sandell and Svensson (2012) demonstrated how words and sentences were used by some of those companies in a way that could affect the interim report readers, thus perhaps making those readers adopting the company's view on why the company had failed to meet analysts' expectations. Those findings are useful for us in our research, since we can conduct our study in a similar way, searching for accounts regarding topics the four major Swedish banks have been criticized for in media.

To be able to identify accounts in the examined banks, we need to clarify the characteristics of the different types of accounts. In total, seven types of accounts have been identified by researchers (McLaughlin et al., 1983; Schönbach, 1980; Sandell & Svensson, 2012; Scott & Lyman, 1968). However, there is no complete consensus among researchers whether some types of accounts represent an own group of accounts, or if they are a subpart of other groups (Sandell & Svensson, 2012). According to us, the most distinct way to distinguish the different types of accounts from each other is made by Sandell and Svensson (2012). Hence, we will use the same categorization as they do. Thus, the different types of accounts the banks may use in their accounting narratives are as follows:

Excuse - An excuse is an account where the criticized party admits to the reader that an act/event is negative and/or inappropriate. However, the criticized party does not admit being responsible for the act/event, at least not to a full extent. Instead, the criticized party blames external circumstances it has no control over, e.g. accidents or actions made by other external parties (Lyman & Scott, 1968).

Justification – A justification is an account where the criticized party does not admit to the reader that the act/event is negative and inappropriate, trying to demonstrate the act/events' positive consequences. It can also be an account where the criticized party realizes that the act/event may not be seen as appropriate, but where its standpoint is that the act/event is of little importance (Scott & Lyman, 1968).

Concession – A concession is an account where the criticized party explicitly admits to the reader the act/event being negative, making clear to the reader that it is aware of that it has not handled in an appropriate manner. Thus, the criticized party takes full responsibility for the consequences of its actions (Schönbach, 1980).

Refusal – A refusal is an account where the criticized party does not admit to the reader that the act/event has taken place. Thus, it completely denies to the reader the existence of the act/event (Schönbach, 1980).

Mystification – A mystification account is where the criticized party's opinion regarding an act/event is not clear to the reader. The criticized party uses words and sentences in a blurry way that makes it hard or even impossible for the reader to understand the criticized party's opinion regarding the act/event (Sandell & Svensson, 2012).

Refocusing – A refocusing account is an account where the criticized party tries to guide the reader away from the act/event it has been criticized for, not giving the reader its opinion regarding that certain event. Instead, the criticized party in the same sentence or at least adjacent to the negative act/event tries to guide the reader's attention towards another, more positive topic related to the company (Schönbach, 1980; Scott & Lyman, 1968).

Silence – A silence account is an account where the criticized party does not mention a negative act/event at all. The criticized party does not mention the negative act/event since it believes that will make the situation worse. This way of handling the situation can be seen as an implicit admittance of guilt (McLaughlin et al., 1983). Due to the fact that a silence account is not about words and sentences, this is a type of account we will not study in our research context

3. RESEARCH METHOD

3.1 How we have carried out our study

The purpose of this thesis has been to examine whether accounts have been given by the four major Swedish banks - Swedbank, Handelsbanken, Nordea and SEB - in their accounting narratives as a response to negative media attention in the time period 2009 to 2014, and whether those accounts could be seen as an impression management tool.

To give an answer to the purpose of the thesis, we have used the two following research questions:

1. What concerns has been expressed in the Swedish media during the period between 2009 and 2014 regarding the four major Swedish banks' way of handling mortgage margins, dividends, high levels of remuneration and reduced manual cash handling?

2. Do accounts exist in the four major Swedish banks accounting narratives as a response to this criticism?

To be able to give an answer to our purpose, we have carried out a qualitative study, which we argue is in line with both our research questions. We found it necessary to conduct a qualitative analysis on articles in Swedish media to be able to present how media has reported regarding the areas of criticism. Further, we needed to interpret the examined banks' accounting narratives to be able to determine whether we could find accounts in those accounting narratives. Thus, a quantitative study would have been to no use.

3.2 Step A - Selecting relevant theory

The first step in our study has been to collect relevant theory derived from prior research in our research field. Our intention with presenting and using those theories has been to deepen the reader's understanding of our selected research field, as well as to place our research in a larger research context. Further, this theory will add relevance to our analysis and conclusions, we argue. The reason of why we have selected those specific theories and believe them to be relevant for our thesis has already been motivated in chapter 2. We do not claim that there are no other theories and authors that could not have been used as well. However, we are convinced we have selected appropriate theory developed by relevant researchers, since we have only selected theory from established researchers. To be certain about this, we have just used articles available at LUB Search and/or Google Scholar. In the few cases where we have referred to books or articles not yet available at LUB Search and Google Scholar, we have made research regarding those authors, where the way of confirming their relevance has been to examine whether those authors have other published articles available at LUB Search and/or Google Scholar, and/or that they are connected to established research institutions.

3.2.1 Definitions

In this thesis, we have defined terms as *accounts*, *accounting narratives* and *impression management* in a certain way. It should be stated that the definitions we have selected are not the only ones that exist. However, we had to make a decision - after all, researchers interpret things in different ways - and since the definitions we use are developed by established researchers, we claim that they are appropriate. Further, there are no major differences between our chosen definitions and other definitions - thus, other definitions would not have affected our thesis' findings in any significant way. However, one thing a reader could argue about is the fact that in our definition of impression management, it is stated that impression management could both be a conscious as well as an unconscious attempt to control people's perceptions. Some researchers would probably disagree with this definition, claiming that impression management is a cynical, deliberate strategy. However, we cannot claim that it is for sure that the banks have chosen to use accounts - which we in this thesis will try to demonstrate could be an impression management tool - deliberately to affect readers' perceptions, even though it is likely that they actually have in some cases. Further, we want to emphasize that we do not claim that is a questionable way of acting by the banks if trying to affect readers' perceptions and convince the readers that the banks' opinions are the correct ones. That is what people in general normally do. We just want to make the reader aware of that this is just the banks' own opinions, and not something that necessarily is true just because those opinions are presented in a disclosure vehicle signed by an auditor.

Another definition of importance for this thesis is the definition of media. In this thesis', we have written about media and media attention as if media is one single actor. In reality, media consist of many different types of actors and communication channels, e.g. TV, radio, newspapers, web-based newspapers etc. Even though we have not included all those types of media actors in our research when collecting our empirical data, the theory on media as a powerful stakeholder includes our selected media actors. Thus, those selected actors are a sample of a population. This sample is enough for us to draw conclusions, we argue, which will be further motivated in Step B. Thus, talking about media as one single actor in the theoretical framework and when talking about media attention has been appropriate, we argue.

3.3 Step B - Collecting empirical data

The second step in our study has been to collect empirical data. The empirics we have collected consist of two different kinds of data.

The first type of empirical data we have collected are *web-based articles in Swedish media* reporting on the four major Swedish banks and their mortgage margins, dividends, high levels of remuneration and reduced manual cash handling – we once again want to emphasize that we sometimes name those categories "areas of criticism". The second type of empirical data we have collected are a*ccounts given in the four major Swedish banks' accounting narratives* in the banks' annual reports, interim reports, sustainability reports and press releases connected to the major Swedish banks and their mortgage margins, dividends, high levels of remuneration and reduced manual cash handling. We have collected empirical data in the period 2009 to 2014. We have found both types of empirical data necessary to examine whether there is a relationship between accounts and media reporting, i.e. whether there is a link between identified accounts in the banks' accounting narratives and the areas of criticism media has been reporting about, indicating that those accounts are a response to a negative picture given by media. All empirical data we have collected are primary data, which make it reliable (May, 2002).

More specifically, the *web-based articles in Swedish media* have been used in our analysis to demonstrate what concerns that have been expressed in Swedish media during the period 2009 to 2014 regarding the four major Swedish banks' way of handling the areas of criticism. We have read through the collected articles and then demonstrated some of the concerns raised regarding the areas of criticism. We have also presented how many articles we have found regarding each area of criticism in the period 2009 to 2014. We have done this to then be able to connect identified accounts in the banks' accounting narratives to media reporting. Even though a huge number of articles in major Swedish media actors' reporting does not prove that identified accounts are connected to this reporting - unless media's role in them is mentioned explicitly - we argue it makes it more likely. It should be mentioned that we in our empirical data have included articles criticizing not just some or all of the four major Swedish banks - we have also included some articles criticizing the Swedish bank sector in general.

We believe this to be appropriate since those articles as well target criticism against the four major Swedish banks.

To find relevant web-based articles, we have used Google as a search engine. Using Google has enabled us to search for articles year by year. The search words we have used are "mortgage margins", "dividends", "remuneration", "reduced manual cash handling", "criticism", "criticized" and "critique", although we have used the Swedish words since the articles are in Swedish. We have also added a searching word consisting of the respective web-based Swedish media actor we have decided to include in our empirical data. Regarding this, we decided to include web-based articles from reliable sources as unbiased and reliable as possible. Hence, we included Dagens Nyheter (DN), Svenska Dagbladet (SvD), Dagens Industri (DI) and Sveriges Television (SVT). However, due to their major size and their position as strong opinion influencers in Sweden, we also decided to include Expressen and Aftonbladet. We will refer to those six actors as "the media actors". Those six actors are all central Swedish media actors.

Our intention has been to find at least six articles per area of criticism and selected media actor in the period 2009 to 2014, i.e. 24 articles in total per media actor. We have not had the intention to find all published articles, since we found it necessary to limit this data collection. We believed that 24 articles per media actor, and 36 per area of criticism, was an appropriate distinction to make. We had hoped to be able to see and present more exact tendencies regarding when media has been reporting more intense on a certain area of criticism in the time period 2009 to 2014, e.g. during a certain month or a certain year, since that perhaps would have enabled us to see more exact tendencies of when the banks responded to the criticism. However, when we collected the data, we realized we would not be able to identify such exact tendencies. Hence, the empirical data gives a general picture of the raised criticism in the time period 2009 and 2014. Nonetheless, the table still enables us to demonstrate the high level of media reporting in the period 2009 to 2014. We realize that there might have been shorter periods of time where reporting regarding some area of criticism has been more intense. However, we still argue that our empirical data helps to demonstrate that media indeed has been reporting about the areas of criticism in the period, which is sufficient for us to be able to discern tendencies.

Regarding the articles, we have also found it necessary to decide how the word negative in the term "negative media attention" should be defined. This is due to the fact that we claim that the media attention we examine is negative for the banks, since we have made an assumption that the banks may give accounts to neutralize the picture given in those articles. Here, we needed to use our own judgment when claiming that an article is contributing to a negative picture of the banks' acting. In line with May (2002), a document cannot be read impartially or dispassionately. However, we have tried to be as neutral and objective as possible. Hence, we are convinced that the articles we have selected indeed are appropriate, since we carefully have considered each article's relevance.

Regarding a*ccounts given in the four major Swedish banks' accounting narratives*, we have collected this empirical data by reading through the banks' accounting narratives in annual reports, interim reports, sustainability reports and press releases. Since this sample is huge, we realize it is possible that we have missed some accounts. To reduce the risk of that happening, we have used PDF-versions of all types of disclosure vehicles, except press releases. Press releases consist of such a little amount of text that we did not find that necessary. We have then used those PDF-versions to search for relevant words in the accounting narratives. The words we have searched for are "mortgage margins", "dividends", "remuneration", "reduced manual cash handling", "criticism" and "media". Even if we have not found all existing accounts, we believe the method to be sufficient since the exact number of accounts is not necessary for us to be able to give an answer to our thesis' purpose. Further, the number of accounts is not something necessarily proving the relation between media pressure and accounting narratives. Rather, we argue that one single account regarding some of the topics media has been reporting about could be interesting enough depending on its content. However, we want to emphasize that we have tried to find as many accounts as possible. When we looked for accounts, we searched for sentences in line with the definition of accounts we selected for this thesis, i.e. for "linguistic devices employed when an outcome, action or decision is assessed by stakeholders of a company" (Sandell & Svensson (2012: 4). Explained differently, we identified such sentences about mortgage margins, dividends, high levels of remuneration and reduced manual cash handling where the banks give an account regarding why they have acted in a certain way, and whether they find their actions and behaviour appropriate. Concerns regarding our interpretation of text, i.e. the accounts, will be further presented in section 3.4.1.

For this thesis, we have chosen to exclude interviews, since we did not believe interviews would help us to examine the link between accounts and media attention. Interviews with media representatives would not have added anything of relevance to our thesis, we argue, since we already have sufficient theory on media's role as a powerful actor. Interviews with bank representatives could be argued to have been of interest. However, such collected data would most likely not be objective and unbiased, since it is likely that the banks and their representatives would want to be put in as good light as possible. Further, it is not even certain whether they at all would publicly talk about strategic considerations. Thus, we are confident in our decision to exclude interviews.

3.3.1 The selected time frame

We have collected empirical data in the time period 2009 to 2014. The reason why we chose this particular period has already been motivated in the introductory chapter - attention has been drawn towards the major Swedish banks in this certain time period, which is e.g. confirmed by Nord and Shehata (2013). We do not claim that media attention has not been drawn towards the four major Swedish banks in other time periods as well. A wider time frame, covering a longer period of time, could have enabled us to discern tendencies of the banks' accounting narratives in a longer time perspective. However, that was not something necessary for us to do to be able to give an answer to the purpose of our thesis.

We have decided to exclude the year 2008, since we expected that possibly given accounts in the four major Swedish banks' accounting narratives this year to a high extent would be related to the financial crisis in particular, and not to our chosen areas of criticism. We realize that much of the criticism targeted against the banks in the period 2009 to 2014 is related to the fact that the financial crisis was a failure for the whole financial sector – the four major Swedish banks included (Nord & Shehata, 2013). However, we argue that accounting narratives and accounts regarding the banks' behaviour during the financial crisis is a topic vast enough for a separate thesis.

3.3.2 The selected media communication channel

We have already motivated our choice of the media actors we have selected when collecting our empirical data. However, it could be questioned why we just have selected web-based articles. We realize that web-based articles are not the only communication channel where criticism is directed against the banks. However, we argue that it is one of the more important ones. Further, other communication channels – e.g. TV and radio - are more difficult to study, and we are convinced that web-based media articles are a relevant and good source of information for our study.

Another concern is that we have just collected empirical data from Swedish media. This is not an illogical choice, since the four banks we study are Swedish. Thus, we have found it reasonable to just examine media criticism in Swedish media. We are aware of that the four major Swedish banks also operate in some other countries, and thus may be targets of criticism in media in those other countries as well. However, we believe criticism in Swedish media is sufficient to study, since the banks have such large parts of their business in Sweden.

3.3.3 The selected bank disclosure vehicles

For this study, we needed to decide which bank disclosure vehicles we wanted to include when collecting empirical data. We found it necessary to just examine disclosure vehicles of which's content the four major Swedish banks have full control. Otherwise, we could not have been sure whether the words actually are the banks' exact words, or if the words have been distorted by a third party. Thus, we have decided to not examine statements published in media derived from e.g. interviews. We realize such statements are an important communication vehicle for companies when they e.g. respond to criticism. However, such statements are not about text - instead they are spoken words that in turn are transcribed into written text by a third party, i.e. media. Hence, those statements are secondary sources making them less reliable (May, 2002). We could not have been sure whether the words actually were the banks' own words. Thus, we believe it was motivated to not include them in our research.

The disclosure vehicles we have decided to examine are annual reports, interim reports, sustainability reports and press releases. All those selected disclosure vehicles are all disclosure vehicles of which's content the banks have full control - those accounting narratives are primary sources, since they consist of the exact words and sentences disclosed by the banks. Thus, they have not been distorted by a third party, which in turn makes them reliable (May, 2002). We found it appropriate to include all those different types of disclosure vehicles in our research, since we could not know if and where we could expect to find accounting narratives connected to our selected areas of criticism - prior research have not been able to give us guidelines regarding this.

We could have chosen to study the banks' webpages. However, it is hard or sometimes even impossible to determine *when* something originally was published on a website. Hence, we decided to exclude websites in our research, since we would not have known when the accounting narratives were originally published.

There is one type of disclosure vehicle that could be seen as illogical by us to include in our research, we argue - the press releases. This is due to the fact that we in this thesis' problem discussion have argued that readers might think of accounting narratives in financial reports as if those have been approved by an auditor, although it is the financial statements that are audited, and not the narratives in the front half of the report. We have claimed that this is the reason of why impression management techniques might be effective tools in such accounting narratives. This argumentation does not fit in that well on press releases. Instead, we think it is realistic to believe that people are more sceptical towards press releases. However, we have chosen to include them in our study, since we argue they are still a disclosure vehicle with the ability to affect people's perceptions. Based on the same arguments, our choice to include sustainability reports could as well be questioned, since sustainability reports do not have to be audited by a third party as well - although many companies choose to have their sustainability reports audited anyway. However, just as the press releases, we still believe that accounting narratives in sustainability reports may affect the reader's perceptions and guide it towards a particular interpretation.

When collecting empirical data from different disclosure vehicles, we realize that a critical reader could argue that it would have been better to just focus on one type of disclosure vehicle due to the fact that we have already chosen to include four different banks and four areas of criticism. Such a reader might argue that the sample might be too vast, and that it will be difficult for us to draw any stringent conclusions if we find e.g. five examples in one type of disclosure vehicle, two examples in another type, none in a third type etc. However, our focus has not been on which type of disclosure vehicle the four major Swedish banks most likely might use when giving accounts, or to what extent accounts in accounting narratives are present *in the respective type* of disclosure vehicle. Instead, our focus has been to demonstrate the possible existence of accounts related to the areas of criticism media has been reporting about in general.

3.4 Step C - Analyse and interpretation of data

The third step in our study has been to analyse and interpret the collected data. This step can be divided into four sub-steps:

1) We have examined to what extent the major Swedish media actors have been reporting about the banks' mortgage margins, dividends, high levels of remuneration and reduced manual cash handling. Those findings are presented in table 1 in chapter 4.1.

2) We have analysed the articles' content to show what concerns that have been expressed in Swedish media during the period between 2009 and 2014 regarding the four major Swedish banks' way of handling mortgage margins, dividends, high levels of remuneration and reduced manual cash handling, making it possible to connect their content to identified accounts in the banks' accounting narratives.

Regarding step 1 and 2, it could be argued by a critical reader whether all articles are directed against all banks, or if they to some extent instead are directed against individual banks. Regarding this, it should be stated that our empirical data collection shows that the media attention directed against the banks have to a large extent been directed to all four banks. There might be slight differences in the amount of critique directed against the respective bank, even if we have not found much evidence supporting that. Further, some banks are mentioned explicitly in some of the articles, while other banks are mentioned explicitly in other articles. However, we argue that our collected empirical data shows sufficient evidence of that it is possible to generalize and claim that the media reporting regarding the areas of criticism include all four major Swedish banks.

3) We have presented what accounts we have found in the banks' accounting narratives connected to media reporting, as well as our interpretation of those accounts. Our interpretation method is further described in section 3.4.1.

4) We have discussed the relationship between the given accounts and the media attention, and connected our findings to relevant theory. This has been done to sum up our empirics and analysis, providing a basis for our conclusions.

3.4.1 Qualitative content analysis and interpretation of text

When we have searched for accounts in the banks' accounting narratives, we have searched for sentences in line with the definition of accounts we have selected for this thesis, i.e. for "linguistic devices employed when an outcome, action or decision is assessed by stakeholders of a company" (Sandell & Svensson, 2012: 4). Explained differently, we have tried to identify sentences about mortgage margins, dividends, high levels of remuneration and reduced manual cash handling where we state that the banks give an account regarding why they have acted in a certain way regarding those areas of criticism, and whether they find their actions and behaviour appropriate. Since it has been necessary to make our own interpretations to identify those accounts, we have conducted a qualitative content analysis in this step. We have read the accounting narratives, interpreted them and have then presented those interpretations to the reader of our thesis (May, 2002).

In line with May (2002), we have divided our content analysis into three steps. First, we have made a problem formulation, where we in this thesis believed that accounts were given in some of the banks' accounting narratives as a response to negative media attention, accounts that possibly could affect the accounting narrative readers' perceptions. After that, we have tried to identify accounts in the banks' accounting narratives connected to the media attention. We have read through the narratives, and picked out excerpts consisting of text where we state the banks in some way give an account regarding mortgage margins, dividends, high levels of remuneration or reduced manual cash handling. Finally, we have analysed and interpreted those excerpts, trying to determine which type of account it is, and what interpretation of a certain situation a reader might make due to that account.

Using a qualitative content method has given us flexibility, a fact we have seen as an advantage. The method has made it possible for us to consider and analyse the ways in which the words and sentences in the four major Swedish banks' accounting narratives were created. On the other hand, since we have made own interpretations, this step could be claimed to be subjective. What we have interpreted as given accounts might be interpreted differently by other people. On the other hand, a document can never be read in a totally impartial way (May, 2002). Further, if a critical reader argues that our interpretations are wrong, that reader has started to think about how words and sentences are used in accounting narratives. That would show that our thesis in this regard has contributed to that reader thinking critically regarding accounting narratives, which is one of the intentions with writing this thesis.

The fact that we have made an assumption that accounts regarding mortgage margins, dividends, high levels of remuneration and reduced manual cash handling perhaps could be found in the banks' accounting narratives is something that could make a reader questioning the objectivity of the thesis, since we have not read through the accounting narratives without preconditions. Instead, we have actively searched for accounts, and finding accounts is something making our thesis more interesting. Further, lifting out text from a larger context may lead to a situation where the text is interpreted differently than if a reader would have read the whole accounting narrative. However, we could not have done this in any other way, we argue - interpreting text is in line with May's argumentation (2002) the only way for us to demonstrate the possible existence of accounts in the accounting narratives. When we have made our interpretations, we have tried to stay as objective as possible, and we are convinced we have not distorted the meaning of the accounts. Instead, being aware of our own limitations strengthens the relevance of our interpretations, we argue. Further, we base our interpretation of the text on relevant theory on impression management and accounts.

4. EMPIRICS AND ANALYSIS

The disposition of our empirics and analysis is as follows:

First, we present to what extent the major Swedish media actors we selected have been reporting about the banks' mortgage margins, dividends, reduced manual cash handling and high levels of remuneration in the period 2009 to 2014. Those findings are presented in a table, where we comment on our findings.

Second, we present the accounts we have found regarding each area of criticism. Each area of criticism begins with at presentation of the concerns raised in the articles regarding the specific area of criticism. The presentation is a summary of the content of the articles we have included in our empirical data. Under each area of criticism, we present what accounts we have found in which banks' accounting narratives, and in which type of disclosure vehicle we have found them. If a certain bank is not represented regarding a certain area of criticism, that means we have not identified any accounts in the bank connected to that area of criticism. After each presented account, we conduct an analysis where we use theory on accounts to determine what type of account we have identified, and present our impressions regarding the accounts.

Third, we sum up our findings and conduct a final analysis where we connect the identified accounts to the media attention, discuss whether the identified accounts could be stated to be a type of impression management, and finally link the thesis' different parts together.

4.1 The extent of media reporting

Below, we present to what extent the major Swedish media actors we have collected empirical data from - i.e. Dagens Nyheter (DN), Svenska Dagbladet (SvD), Dagens Industri (DI), Sveriges Television (SVT), Expressen and Aftonbladet - have been reporting about the four major Swedish banks' way of handling mortgage margins, dividends, reduced manual cash handling and high levels of remuneration in the time period 2009 to 2014. This empirical data should be considered as a general picture of the raised criticism in the time period 2009 to 2014. References to those 139 articles are not given here due to their large scope. They are provided by the authors of this thesis and can be obtained upon request.

Number of articles between 2009 and 2014 in Swedish media

Area of Criticism / Media source	Dagens Industri	Svenska Dagbladet	Dagens Nyheter	Expressen	Aftonbladet	SVT	Total number of articles
Dividends	6	6	6	6	6	6	36
Reduced manual cash handling	3	6	6	6	4	6	31
Levels of Remunerations	6	6	6	6	6	6	36
Mortgage margins	6	6	6	6	6	6	36
							139

Table 1 – The extent of media reporting

Our intention has been to find 6 articles per actor and selected area of criticism in the time period 2009 to 2014, i.e. in total 36 articles per area of criticism. In the table, we can see that we have found 36 articles per area of criticism, except regarding reduced manual cash handling, where we have found 31 articles. We just found 3 articles regarding that area of criticism in Dagens Industri, and 4 articles in Aftonbladet. However, we do not believe that this will affect our conclusions in any significant way. Further, some of the articles included more than one area of criticism, which in turn made them fit into more than one category. In total, we have found 139 articles. Even though our intention was to find 144 articles, we believe us to have found sufficient evidence to state that there indeed has been a significant amount of criticism directed against the four major Swedish banks in Swedish media in the time period 2009 to 2014 regarding the selected areas of criticism.

In the articles, the criticism directed against the banks is to a high extent very general. The articles often refer to the four major Swedish banks as a group. Naturally, in some of the articles just one or a few banks are mentioned. However, overall we state the criticism to be quite general, thus including all the four major Swedish banks - there is no bank that has been much more criticized than any other. However, something we have noticed is that Handelsbanken seldom is explicitly mentioned by name in the articles. Rather, Handelsbanken is more often included just when the articles refer to “the four major Swedish banks”. Further, regarding reduced manual cash handling, we have seen some tendencies that Swedbank and Nordea have been slightly more criticized regarding this area of criticism.

4.2 Accounts - mortgage margins

The four major Swedish banks have been criticised in Swedish media for high mortgage margins. According to the 36 articles (see Table 1) we have collected and studied, the background to this debate is as follows. In the period 2009 to 2014, the banks’ interest expenses - i.e. what they pay to the lend money from the Swedish Riksbank - have fallen significantly. However, the banks’ interest spreads - e.g. mortgage interest spreads - have not decreased to the same extent in the period, although it is claimed in media that this would be the natural thing to do by the banks.

Mortgage interest spreads are a concern for all Swedes having a mortgage loan, which is a significant part of the population. That is a reason of why mortgage interest spreads is a particular concern for many Swedes. According to the criticism in media raised against the banks, it is claimed that the banks make unreasonable high profits on mortgage loans at their customers’ expense, thus having unreasonable high mortgage margins. Further, it has been expressed that the banks are not transparent enough, not presenting how they calculate their mortgage margins.

The banks have stated that they have become more transparent regarding how their mortgage margins are calculated. However, all people do not believe that the banks really disclose their true mortgage margins calculations, as those calculations are complicated to make. This has e.g. been expressed in media by the Swedish interest group Villaägarna - a national organization working to promote and protect the interests of homeowners - which has expressed doubts on how transparent the banks really are. Villaägarna has also raised criticism against the four major Swedish banks in general regarding mortgage margins (Affärsvärlden, 2012a). Another actor who has commented on the bank’s mortgage margins in media is the Swedish Minister of Finance, Anders Borg, who stated that it is it is worrying that the banks give priority to their own profitability rather than to take social responsibility and contribute to stabilization (DI, 2012).

Connecting mortgage margins to theory on accounts, we here have identified two acts/events. The first is the level of mortgage margins, and the second is whether the banks disclose their real mortgage margins. Those two acts/events are what we expect the banks to give account regarding. That is what we state the banks are trying to respond to in one or another way in the excerpts.

4.2.1 Swedbank

Excerpt 1

"The correlation between mortgage rates and the repo rate has decreased due to the higher funding costs banks have faced since the 2008 international financial crisis. Tighter new regulations, which Swedbank has welcomed, further increase the cost of a mortgage for both the bank and for customers. A debate is under way in the media on how banks set their lending rates and how large their margins are on mortgages, for example. A lot of attention has been drawn to the fact that the interest rates customers pay on their mortgages are not always lowered when the Riksbank cuts its repo rate. It has also been said that mortgage rates generally seem higher in relation to both the repo rate and the interbank rate (STIBOR) now than before the financial crisis. Banks' total funding costs have increased more than the repo rate. [...] In its report, the Riksbank confirms that the banks are not funding their lending at a cost that corresponds to the repo rate" (Swedbank annual report 2011, p. 14)

Our interpretation: In excerpt 1, Swedbank gives a justification account regarding their level of mortgage margins. Swedbank confirms that their mortgage margins have increased in recent years, but that this is due to the fact that their own costs also have increased, and that their total funding costs have increased more than the repo rate. Further, Swedbank refers to a Riksbank report, which we argue is a way for them to legitimize their view of the situation, i.e. that their mortgage margins are not too high. It is also notable that Swedbank explicitly mentions media's role in forming public opinion regarding mortgage margins.

Excerpt 2

"Despite Swedbank's financial strength we, like the banking sector in general, face significant challenges, not least in terms of customer satisfaction. The sometimes animated debate on mortgage margins, cash management, pricing and profits can only mean that we have not succeeded in explaining the value to customers of our services. Swedish banks have among the most competitive banking products in the world" (Swedbank annual report 2012, p. 5)

Our interpretation: Excerpt 2 is about level of mortgage margins, but is somewhat problematic to put into a specific group of accounts. It is partly a refocusing account, since Swedbank seems to want the reader to focus less on how much money he or she pays to the bank, and more on the service he or she gets for paying that money, mentioning that "Swedish banks have among the most competitive banking products in the world". At the same time, it is also a justification account, since we get the impression that Swedbank wants to convince the reader that e.g. their mortgage margins are reasonable, since the customers have access to "the most competitive banking products in the world". Of particular interest here, we believe, are the words "can only mean". With those words, Swedbank seems to want to convince the reader that Swedbank's explanation is the correct one. However, there could be other explanations for this debate as well, we argue, e.g. that Swedbank is wrong.

Excerpt 3

"Since the global financial crisis in 2008, mortgage rates have not as closely followed the repo rate due to increased funding costs for banks. Tighter new regulations are also increasing the cost of mortgages for banks and their customers" (Swedbank annual report 2012, p. 188)

Our interpretation: In excerpt 3, Swedbank gives a justification account regarding their level of mortgage margins. We argue that Swedbank in this quote justifies the bank's mortgage margins. The bank states that the mortgage rates repo rates have not followed the repo rate, leading to increased funding costs for the banks, which we argue is a way for them to tell the reader that their mortgage margins are on an appropriate level. To further strengthen this, the bank refers new stricter regulations, although this argumentation is not further developed in this quote.

Excerpt 4

"As a product, mortgages have not been profitable for Swedish banks over long periods of time. This is because the net margin has been negative after factoring in expenses for liquidity, credit impairments, administration and tax. Mortgages have instead been used as a door opener to other types of business with the customer" (Swedbank annual report 2012, p. 189)

Our interpretation: In excerpt 4, Swedbank gives a justification account. In this quote, we as readers get the impression that Swedbank wants to make the reader convinced that mortgage margins is not a profitable business - just a door opener to other types of business. Thus, we as readers get the impression that Swedbank seems to want to convince the reader that their mortgage margins are not too high – instead perhaps too low? Notable is that it is rather unclear what Swedbank exactly means with the term "have not been profitable" - does Swedbank mean that the bank does not earn any money at all on mortgages, or just that other segments are more lucrative?

Excerpt 5

"*We are convinced that improved transparency raises confidence in the banking system. In recent years we have gradually adapted our reporting to what the market, authorities, the media and credit rating agencies require in terms of transparency. One example is that we publish our mortgage margins on a quarterly basis*" (Swedbank interim report Q2 2012, p. 2)

Our interpretation: In excerpt 5, Swedbank gives a justification account regarding whether the bank discloses its real mortgage margins. As readers we get the impression that the bank wants to convince the reader that the bank has become more transparent, and that the bank indeed discloses its real mortgage margins.

Excerpt 6

"Since the first quarter of 2012 Swedbank has published on its website and in its annual report a diagram illustrating the bank's financing costs and gross margins on home loans in order to increase the transparency of the bank's margins on home loans. The diagram is very similar to the one published twice a year in the Riksbank's Financial Stability Report. Confirmation that the Bank's efforts to increase transparency have borne fruit came with the news that Swedbank had won the 2011 Ernst & Young Risk Transparency Award" (Swedbank sustainability report 2012, p. 27)

Our interpretation: In excerpt 6, Swedbank gives a justification account regarding whether the bank discloses its real mortgage margins. In this quote, we get the impression that Swedbank wants to convince the reader that the bank indeed is transparent regarding their mortgage margins. To convince the reader about this, the banks emphasizes that they have won a transparency award in 2011.

4.3 Accounts - dividends

The four major Swedish banks have been criticised in Swedish media for their dividend policies. The criticism has both been about ordinary dividend payments as well as hidden dividend payments, i.e. repurchasing of shares. According to the 36 articles (see Table 1) we have collected and studied, the background to this debate is as follows. In the period 2009 to 2014, the banks' dividend levels have been high, and have continued to increase. For example, in 2013, the four major banks in total made a profit of about 67 billion SEK, where almost 36 billion SEK were paid as dividends to the banks' shareholders. Thus, almost half of the banks' profits that year were paid as dividends to the shareholders (DN, 2013).

It is not a unique thing that companies are criticized for high dividend levels. However, what the main critique has been about regarding the four majors Swedish banks is connected to the financial crisis in 2008. At that time, Swedish banks - as part of the financial sector - were criticized. Swedbank was in severe trouble during the financial crisis. Losses on loans connected to the Baltic countries threatened the bank's status as a going concern. The bank's shareholders were twice forced to inject money in order to save the bank, in total SEK 27 billion SEK. To cover up for Swedbank and minimize the risk for bankruptcy, the Swedish government guaranteed repayments for some of Swedbank's loans (DN, 2013).

In 2008 the Swedish government increased level of payments connected to the state guarantee, i.e. how much money the state pays a person if this person's bank goes bankrupt. In 2008, the level was raised from 100 000 SEK to 500 000 SEK. In 2010, it was once again raised, this time from 500 000 SEK to 100 000 EUR (Riksgälden, 2011). Since dividends make a bank less capitalized, that means that in case of a new financial crisis, Swedish banks are less capitalized than what would have been the case if the banks had been more restrictive regarding dividends in the time period 2009 to 2014. Thus, theoretically there is a risk the state will have to cover up for a bank in case of a new financial crisis, a bank that may not have gone bankrupt if being more restrictive with dividends.

In order to make banks more resistant in case of future financial crises, new international regulations on bank capital requirements have been developed in this field in recent years, requirements including the Swedish banks. The financial crisis 2008 showed that the existing Basel II regulatory framework, regulating banks' capital requirements, did not cover the risks for bankruptcies in a sufficient way. Hence, the Basel Committee started to develop a new comprehensive regulatory framework for banks, Basel III. The overall objective of the new framework is to strengthen the ability of banks to withstand losses and to reduce the likelihood of new financial crisis. Basel III requires banks to hold more liquid capital, and less other types of capital, e.g. deferred tax liabilities and goodwill (the Riksbank, 2011). In extension, this puts pressure on the banks to limit or at least decrease their yearly dividends, and instead increase the capital hold by the bank to enhance the capacity of the banks to withstand a potential future financial crisis.

The four major banks' levels of dividend payments have been criticised in media, e.g. by the Swedish Minister of Finance, Anders Borg. For example, in an interview with Dagens Eko (2011), Borg expressed that he was deeply concerned about the fact that Swedbank wanted to proceed with paying dividends to its shareholders, which he did not see as an appropriate thing to do by the bank. His critique was based on the crisis Swedbank faced during the financial crisis. Borg argued that Swedbank instead of paying dividends should keep profits in the bank, claiming it to be of major importance for all Swedish banks to be well capitalized. Borg explained the same opinion in Privata Affärer (2011), where he stated that his recommendation to Swedbank was to cancel the dividend payment plans.

Borg has also criticized the four major Swedish banks on a more general level. In Affärsvärlden (2012b), he stated that the Swedish government considered to starting a discussion regarding increased capitalisation requirements for Swedish banks if the banks did not start to listen to the raised criticism regarding dividend payments (Affärsvärlden, 2012b). The four major Swedish banks' dividend levels have also been criticized in media by the Swedish Minister for Financial Markets, Peter Norman. In DN (2013), Norman questioned the banks' required rate of return, which is connected to level of dividends. He claimed that it is not reasonable by the banks to expect 15 percent rate of return in times when inflation level is close to zero percent. Further, he - just as Anders Borg - emphasized that the government considered new tighter regulation in the field if the banks did not start to listen (DN, 2013).

Connecting dividends to theory on accounts, we here have identified two acts/events, although they are highly related. The first is whether dividends should be paid at all, and the second is whether dividend levels are on an appropriate level. That is what we state the banks are trying to respond to in one or another way in the excerpts.

4.3.1 Swedbank

Excerpt 7

"*Swedbank comments the past day's discussion on the bank's repurchase of shares [...] Swedbank bought back shares to a value of SEK 3.5 billion during the second quarter. Despite this, Swedbank's core Tier 1 ratio was 14.8 per cent at the end of the second quarter 2011, a level placing the bank as one of the absolutely best capitalized banks in Sweden as well as in Europe"* (Swedbank, 2011a - press release)

Our interpretation: In excerpt 7, Swedbank gives a justification account regarding the fact that the bank has bought back shares, i.e. made a hidden dividend distribution. Swedbank tries to convince the reader that the bank's repurchasing of shares is motivated, since the bank is one of the best capitalized banks in Europe, and that the repurchasing process hence is motivated. Of particular interest in this quote, we argue, is the word "absolutely", according to our interpretation used by Swedbank to further emphasize to the reader that the repurchasing is justified.

Excerpt 8

"Given the intensified financial anxiety in Europe, the bank's management has suggested to the Board that further repurchases are being halted for the time being. [...] We see today no altered risk in our portfolio, but the perception of our buyback program is not supporting Swedbank's brand in the current market situation" (Swedbank, 2011b - press release)

Our interpretation: In excerpt 8, Swedbank gives a justification account regarding the fact that the bank has bought back shares. Excerpt 8 is highly interrelated with excerpt 7, and we can see that Swedbank has decided to halt the repurchasing of shares. Excerpt 8 is somewhat ambiguous, and could be seen as both an excuse account and a justification account at the same time. The first sentence could be seen as an excuse account, since Swedbank seems to realize the inappropriateness with repurchasing shares when financial anxiety at the same time has intensified in Europe. However, the second sentence could be seen as a justification account. In this second sentence, we get the impression that Swedbank tries to say that the bank has done nothing wrong when repurchasing shares, but that the situation could have lead to Swedbank's brand being negatively affected.

Excerpt 9

"*Given the intensified financial anxiety in Europe and the media coverage of Swedbank's share repurchase programme, the Swedbank brand was at risk of being adversely affected. As a result, Swedbank decided to suspend its share repurchases until further notice*" (Swedbank interim report Q3 2011, p. 5)

Our interpretation: Excerpt 9 is about repurchasing shares, but is somewhat blurry, we argue. Thus, it could be seen as a mystification account, since Swedbank's standpoint regarding the repurchase programme is no longer very clear to the reader. First, Swedbank mentions the intensified financial anxiety and the media coverage, something that could be interpreted as Swedbank realizing that the bank's way of acting has not been appropriate.

However, after that, Swedbank immediately mentions the risk of the bank's brand being negatively affected. Here, we instead get the impression that Swedbank does not think the bank's behaviour has been inappropriate. Instead, Swedbank has been forced to halt the repurchasing programme to not risk the that the bank's brand being negatively affected.

Excerpt 10
"Swedbank's dividend policy has been adjusted from the previous 50 per cent of profit for the year to 75 per cent. The new policy reflects Swedbank's robust earning capacity and low risk, coupled with the fact that lending growth is expected to be limited for the foreseeable future. With the previous dividend level, the bank would have to continue to increase its capitalisation from an already high level. Even with the new policy, we will continue to build capital in the bank, but not as quickly. The dividend policy will be balanced in a way that allows Swedbank to develop long-term at the same time that capital is not unnecessarily tied up in the bank" (Swedbank annual report 2012, p. 12)

Our interpretation: In excerpt 10, Swedbank gives a justification account regarding the bank's new dividend policy. Here, we get the impression that Swedbank wants to convince the reader that it is reasonable by them to increase dividend from 50 percent of profit for the year to 75 percent. Swedbank mentions the low risk with the bank doing this, and through the whole excerpt, Swedbank emphasizes that having too much capital in the bank is of no good, and that distributing the capital to the shareholders is the right thing to do. In the sentence "with the previous dividend level, the bank would have to continue to increase its capitalisation from an already high level", we get the impression that Swedbank wants to convince the reader that it almost would be detrimental to the bank if the dividend level would continue to be at 50 percent.

Excerpt 11
"*Swedbank is one of Europe's best capitalised banks and we are nearing capital levels where productivity is threatened without resilience improving. The Board of Directors' new dividend policy, where 75 per cent of profit is distributed to the shareholders, gives us a good balance between security and efficiency. Even with the new policy Swedbank will continue to increase its capital base, but not as quickly as before*" (Swedbank annual report 2012, p. 6)

Our interpretation: In excerpt 11, Swedbank gives a justification account regarding the bank's new dividend policy. We get the impression that Swedbank with this quote wants to convince the reader that 75 percent of profit distributed is an appropriate level, and that there is so much capital in the bank that the business would suffer if Swedbank distributed less than 75 percent. To further legitimize the increased dividend level, the bank emphasizes that it is one of Europe's best capitalized banks, and that the bank's capital base will still continue to increase. For an ordinary reader, we argue it to be very hard to determine whether there really is a good balance between security and efficiency as Swedbank claims it to be.

Excerpt 12
"*If we are to remain competitive in the long-term, we need to grow along with the world around us and in harmony with regulations and guidelines at both national and international levels. Our shareholders should be assured that they are investing in a secure and responsible bank with long-term goals. Swedbank's Return on Equity should be 15 per cent over time. This ROE target is commensurate with Swedbank's market position, risk profile and market conditions in our home markets. For the full year 2012 ROE was 14.4 per cent. Against the background of the bank's stable earnings capacity and low risk, the Board has resolved to change Swedbank's dividend policy to 75 per cent of profits for the year being paid as dividends to the bank's shareholders, against the previous 50 per cent. Even with the new dividend policy, Swedbank will continue to be overcapitalised in relation to future*

regulations. All dividends are subject to the approval of the Annual General Meeting and the availability of funds to allocate." (Swedbank sustainability report 2012, p. 26)

Our interpretation: In excerpt 12, Swedbank gives a justification account regarding the bank's new dividend policy. Here, Swedbank refers to the bank's stable Return on Equity to legitimize the new dividend policy. In this quote, Swedbank also emphasizes the bank's awareness to of regulations regarding capitalisation. Notable here is that even though the bank is probably referring to a draft when mentioning "future regulations", we find this way of legitimizing a dividend policy somewhat vague, since Swedbank should not be able to be *that* convinced on how regulations on capitalisation will develop in the future. However, we believe this is the impression Swedbank wants the reader to get. Moreover, the term "future" is a vague term in itself, since it could refer to both the short-, medium- and long term. However, what time range the term "future" refers to is not mentioned at all.

4.3.2 Handelsbanken

Excerpt 13
"During the most recent business cycle, Handelsbanken has paid dividend to its shareholders every year, while remaining one of the largest payers of corporate tax in Sweden" (Handelsbanken annual report 2012, p. 66)

Our interpretation: In excerpt 13, Handelsbanken could be said to give a refocusing account regarding the bank's level of dividends. In this quote, the bank's view on its dividends is not very clear, although we realize it is likely the bank probably finds the level of dividends appropriate. We believe this sentence to be of particular interest. First, dividends are mentioned, and immediately after that - in the very same sentence - Handelsbanken seems to want to make the reader to focus on the fact that the bank also is a large payer of corporate tax. Here, we get the impression that Handelsbanken wants to convince the reader that the bank's dividend level is appropriate, and that the reader - if thinking this level is inappropriate - must not forget that the bank also contributes to society by paying a significant amount of corporate tax. We argue that the fact that Handelsbanken pays corporate tax does not necessarily mean high dividends are appropriate, although that is the impression we get when reading this quote.

Excerpt 14
"*In 2013, Handelsbanken's profit before taxes and government fees was just over SEK 21 billion. This created value was distributed as follows: just over SEK 7 billion in taxes and government fees, just over SEK 10 billion in proposed dividends, to be paid to the shareholders in the spring of 2014, and the remaining approximately SEK 4 billion, which is reinvested in the operations*" (Handelsbanken annual report 2013, p. 194)

Our interpretation: In excerpt 14, we argue Handelsbanken gives a refocusing account, although we just as in excerpt 13 believe that the bank probably finds the level of dividends appropriate. Handelsbanken chooses to report the level of dividends - which supported by our findings in Swedish media could be stated to be a sensitive subject - in the very same sentence where the bank also emphasizes that it has paid a significant amount of corporate tax and government fees. Notable here is that all three mentioned categories in the quote are referred to as "created value", although all readers would probably not agree on that in view of how media has reported about dividends.

4.4 Accounts - reduced manual cash handling

The four major Swedish banks have been criticised in Swedish media for their reduced manual cash handling. According to the 36 articles (see Table 1) we have collected and studied, the background to this debate is as follows. In the period 2009 to 2014, Swedish banks have been criticized for reducing manual cash handling, i.e. that manual services connected to cash management has been reduced, being replaced by self-service applications, e.g. credit cards and web-based bank services. This has lead to negative opinions among some of the banks' customers, not wanting all bank services to be handled by technical equipment. Some people argue that the banks reduce manual cash handling due to the fact that such services are not profitable (Riksdagen, 2013). Further, the banks have not just reduced manual cash handling - the cost of cash services in the banks have also increased, which e.g. was highlighted in an article published by SVT (2013), where it was claimed that it had become more expensive for retailers to handle cash transactions connected to the banks, something the shop owners according to SVT believed ultimately would affect the consumers (SVT, 2013).

Swedish Quality Index - a system which collects, analyses and disseminates information on how customers perceive suppliers, products and services in several different contexts - published a report in late 2013. In it, it was stated that the Swedish bank sector continued to get criticised by their customers. That year, a decline in customer satisfaction could be observed in both private and corporate customer segments. The result of the quality index was the worst in many years, and in the report it was stated that the industry had a long way to go to increase customers' trust. According to Swedish Quality Index, only 3 out of 10 the banks' customers felt a strong confidence in the bank sector as a whole. Further, it was stated that one of the banking industry's major challenges was to ensure customers' actual needs, and that customers value overall service in a relationship with the bank, contrary to the fact that the bank services in general had declined. In the report, reduced manual cash handling was explicitly mentioned as something negative for customer satisfaction, along with increased dependence on technology services and shutdowns of physical offices. Further, it was claimed that the banks are criticized by customers regarding those issues since the customers feel forced into the use of various technical services they not consider as functional - customers want safe and accurate services of their banks. Finally, it was stated the removal of cash handling is something many customers do not appreciate (Swedish Quality Index, 2013)

As mentioned when studying the 36 articles (see Table 1), our impression is that Swedbank and Nordea have been more criticized regarding this than the other two banks.

Connecting reduced manual cash handling to theory on accounts, we here have identified one act/event. This act/event is whether it is appropriate or not by the banks to reduce their manual cash handling.

4.4.1 Swedbank

Excerpt 15

"Work to improve efficiencies at the branches and leave more time to meet customers was successful during the year. We have reduced the number of branches with manual cash handling. This has at times led to criticism from customers and the media, at the same time that we are convinced that this will allow us to offer better service in the long term." (Swedbank annual report 2012, p. 22).

Our interpretation: In excerpt 15, Swedbank gives a justification account regarding the bank's reduced manual cash handling. We get the impression that Swedbank tries to convince the reader that the reduced manual cash handling is justified by saying it will lead to better service in the long term. However, it is not mentioned in what way this will lead to better service. We argue that the word “convinced” is a word giving the impression that Swedbank has it right regarding this matter, although many customer probably would not agree on this statement. Notable is that Swedbank mentions the critique directed against the bank in media.

Excerpt 16
“Along with other banks, we have thousands of ATMs. Cash is gradually being replaced by card purchases. Swedbank is one of Europe's dominant card payment companies handling over one and a half billion card transactions each year. Reduced cash management has the potential to offer big savings to society. According to Riksbank estimates, handling notes and coins costs around SEK 11 billion per year in Sweden. By way of comparison, Handelns Utredningsinstitut (Swedish Institute of Retail) estimates the cost of card purchases to be around SEK 7 billion. Cash management also impacts the environment. Cash transport by Swedbank alone results in the release of over 1 000 tonnes of carbon dioxide, the equivalent of the carbon dioxide emissions from domestic electricity for 8 000 apartments” (Swedbank sustainability report 2012, p. 31)

Our interpretation: In excerpt 16, Swedbank gives a justification account regarding the bank’s reduced manual cash handling. Swedbank here uses references to cash management’s impact on the environment to legitimize the bank’s reduced manual cash handling. Swedbank refers to both the Riksbank and the Swedish Institute of Retail to convince the reader that it is a good thing to reduce the manual cash handling in the bank. The bank further legitimizes this by highlighting concrete examples on how manual cash handling has negative impact on the environment.

Excerpt 17
“*Three fourths of our branches in Sweden today do not handle cash, which means that we can create branches that are better suited for advisory services and are more efficient*” (Swedbank interim report Q4 2012, p. 2)

Our interpretation: In excerpt 17, Swedbank gives a justification regarding the bank’s reduced manual cash handling. Here, we as readers get the impression that Swedbank wants to convince the reader that reduced manual cash handling is a prerequisite for the bank to be able to put greater focus on advisory services, and to be better suited for advisory services. Further, we get the impression that doing all those things - i.e. handling cash, being efficient and improving advisory services - to a full extent is impossible for Swedbank, something that could be questioned thinking about the huge amount of money Swedbank pays to its shareholders in dividends.

Excerpt 18
“*Technological possibilities offered by digitalisation are creating new ways to distribute products and services and putting consumers in a stronger position by making it easier – through increased transparency – to compare offers. Banks are seeing growing demand for digital services, especially among young customers, whose need for financial products and services is likely to grow as they age and their incomes grow. In addition to improvements for customers, digitalisation creates opportunities for banks, which can profit from efficiency gains e.g. as less cash is used in society. The willingness of customers to quickly adopt digital solutions at the same time attracts new companies, which see opportunities to compete in parts of the financial system. To date, the biggest pressure to change has been in consumer credit and payment.*“ (Swedbank sustainability report 2013, p. 4)

Our interpretation: In excerpt 18, Swedbank gives a justification regarding the bank’s reduced manual cash handling. We get the impression that Swedbank wants to convince the reader that digital solutions is the right way to go, referring to what going digital leads to in terms of improvements and new possibilities for customers, as well as the bank’s own possibility to profit from efficiency gains when e.g. less cash is used in society. The bank also mentions an increased demand, especially from young customers, which we interpret as Swedbank saying that manual payment methods is not the future. Notable here are the words ”the willingness of customers to quickly adopt digital solutions”, which is something that could be questioned due to the fact the banks indeed have been criticized in media for reduced manual cash handling, a fact indicating that all customers are not willing to quickly adopt new solutions.

Excerpt 19
"*Customer satisfaction surveys in recent years by Swedish Quality Index show that the banking sector is facing a major challenge. This includes Swedbank. The bank's customer satisfaction fell in 2013 in both the private and corporate markets, which shows that we have not listened enough to our customers. Swedbank has therefore launched several improvement measures to address this. Our aim is that customers will feel that we are easier to reach, including through improvements in cash management and the Telephone Bank and smart new ways to communicate by mobile phone*" (Swedbank sustainability report 2013, p. 13)

Our interpretation: Excerpt 19 could be interpreted as Swedbank giving an excuse account regarding the bank's reduced manual cash handling, although the quote also is handling customer satisfaction in general terms. However, Swedbank mentions "improvements in cash management" explicitly. The bank admits customer satisfaction has been low since the banks, including Swedbank, have not been listening enough to their customers. The word enough is what makes us identify this account as an excuse, and not a concession, since we get the impression that Swedbank means that the bank has not acted completely wrong. The fact that Swedbank mentions that the bank will try to make improvements in cash management, we interpret as the bank admitting that cash management indeed is important.

4.4.2 Nordea

Excerpt 20
"The core sales staff and branch network have been adjusted to the future need with reduced branch locations, sharply reduced locations offering manual cash handling and reformatting the branch network allocation resources to advising relationship customers." (Nordea annual report 2012, p. 16)

Our interpretation: In excerpt 20, Nordea gives a justification account regarding the bank's reduced manual cash handling. The reduced manual cash outlets are justified as a movement in line with Nordea's strategy to meet future needs, which we interpret as Nordea trying to convince the reader that less manual cash handling is the future.

Excerpt 21
"The number of manual transactions continues to decrease and was down by 21% in 2012 compared to 2011. Nordea accommodates this by reducing the number of manual cash outlets" (Nordea annual report 2012, p. 20)

Our interpretation: In excerpt 21, Nordea gives a justification account regarding the bank's reduced manual cash handling. Nordea justifies the reduced manual cash handling by referring to the fact that the number of manual transactions have decreased in 2012. We get the impression that Nordea tries to convince the reader that manual cash outlets is no longer as important for customers as before, and that this fact makes it justified to reduce the number of them.

Excerpt 22
"The main drivers for keeping costs flat derive from optimisation of processes, an IT application landscape clean-up, continued optimization of the distribution mix, digitalisation, a continued reduction of manual cash handling combined with customers' increased use of online banking solutions." (Nordea annual report 2013, p. 23)

Our interpretation: In excerpt 22, Nordea gives a justification account regarding the bank's reduced manual cash handling. Our impression here is that Nordea tries to convince the reader that it is natural to reduce manual cash handling due to the fact that the use of online banking solutions increase.

Excerpt 23
"The vast majority of our customers visit a branch when they need advice. Otherwise, they prefer managing their day-to-day banking with their cards or through electronic payments. This is safer than using cash because:

- it reduces the risk of individual thefts or branch robberies
- bank cards will be replaced by Nordea if lost or stolen
- customers will not be held responsible for transactions made with a stolen or lost card, other than in very rare exceptions.

On the other hand, we recognise that cash is still the preferred option for many of our older customers. Over half of our branches still offer cash withdrawal service over the counter." (Nordea sustainability report 2012, p. 16)

Our interpretation: In excerpt 23, Nordea gives a justification account regarding the bank's reduced manual cash handling. Nordea justifies its reduced manual cash handling by stating that most customers use electronic payments. Of particular interest is the term "vast majority" Nordea uses to express this, a term which however is not further explained in more precise terms. It is difficult for us as readers to determine how many percent of a company's customers "a vast majority" is. Further, we get the impression that Nordea wants to convince the reader that it is natural for the bank to reduce manual cash handling since most of the customers do not need the service, and that Nordea thus knows what the bank's customers want, i.e. more digital solutions and less manual solutions. It is also notable that Nordea emphasizes the risks of using cash by explicitly mentioning the risk of individual thefts or branch robberies, and further emphasizes the advantages with using cards. We also get the impression that Nordea tries to hedge itself in the end of excerpt 23, where the bank states that it to a large extent still offers manual cash handling.

4.5 Accounts - high levels of remuneration

The four major Swedish banks have been criticised in Swedish media for their high levels of remuneration. According to the 36 articles (see Table 1) we have collected and studied, the background to this debate is as follows. In the period 2009 to 2014, the four major Swedish banks levels of remuneration have been criticized, i.e. level of compensation to executives and other employees. The main question in this debate is whether bonuses and high salaries in general, and for executives and board members in particular, are motivated, and if it really leads to a more well-performing bank. In the end, it is the customers who pay for those salaries and bonuses.

In SvD (2010), where it was revealed that SEB aimed to pay more money on bonuses than the bank's entire annual profit, the Swedish Minister of Finance - Anders Borg - stated that he had the intention to consider new tighter remuneration regulations, unless the banks did not start to consider the inappropriateness of their bonuses. Borg further stated that the public can and will not accept this type of behaviour, and that the banks should consider the fact that they need the public to make their profits. In SvD (2010), the professor of economics - Carl B. Hamilton - stated that the he believed the banks' bonuses being too short-term. Hamilton stated that bonuses should not be based on only a single year's result. Instead, they must be based on sustainable achievements in a longer period of time. Further, Hamilton argued that unless such changes are not made by the banks, likely consequences for them will be that the government will limit the banks' possibilities to pay too high bonuses. Further, in SVT (2010), the Swedish Minister for Financial Markets - Mats Odell - stated that he at the general meeting in Nordea had tried to limit future bonus payments to the CEO and the Executive Management, but that he had failed. Further, Odell stated that he would not give up in trying to make this a reality, and that there is no evidence that directors who receive bonuses do a better job than directors who do not receive bonuses. Rather, Odell claimed that there is much research indicating that high bonuses lead to short-termism and high risk-taking.

Connecting high levels of remuneration to theory on accounts, we here have identified one act/event. This act/event is whether the banks' levels of remuneration are appropriate or not.

4.5.1 Swedbank

Excerpt 24
"2011 saw major swings in the global economy. The year began with strong confidence in the recovery, especially in Sweden. Then the European debt crisis struck during the summer and greatly impacted growth prospects. As the year went along, the crisis was felt increasingly by the average business and household. At the same time the entire banking system came under growing criticism for its speculative practices, excessive remuneration and benefit to the economy. Although the criticism was warranted in some respects, the debt crisis and its consequences are just as much tied to economic policy in individual countries" (Swedbank annual report 2011, p. 4)

Our interpretation: In excerpt 24, Swedbank gives an excuse account regarding the bank's excessive remuneration. The bank admits that it has not acted in the most responsible manner regarding e.g. levels of remuneration. However, the bank does not fully take the blame. Instead, Swedbank claims that the criticism just as much is linked to factors the bank cannot affect, which in this specific case according to Swedbank is economic policy in individual countries. However, it is unclear whether the second sentence refers to all mentioned areas of criticism, or just a few.

4.5.2 SEB

Excerpt 25
"SEB too had an exceptional year in many ways in 2009. The Bank had to deal with [...] criticism from customers, shareholders and politicians of the Bank's remuneration system. A goal-oriented remuneration system is vital. The Board's assessment is that a mix of fixed and variable remuneration is an instrument for creating long-term customer and shareholder value. Our experience is that a goal oriented compensation system is a powerful tool in a company as it encourages behaviours that promote sound risk management and stellar performance. Having variable remuneration as part of the mix, contributes to a lower cost base as well as an overall remuneration level that mirrors the bank's profitability. This was obvious a year as 2009 when the proportion of variable remuneration to overall staff costs fell sharply" (SEB annual report 2009, p. 2)

Our interpretation: In excerpt 25, SEB gives a justification account regarding the bank's remuneration system. The bank explicitly mentions criticism raised against the bank's remuneration system, and then dismisses this criticism. Of particular interest here, we argue, are the expressions "*our* experience is that", "a *powerful* tool" and "this was *obvious*". We get the impression that those specific terms and words are used by SEB to convince the reader that the bank itself is the actor with most expertise to determine what remuneration system it is most appropriate to use - not other actors. Further, the bank justifies the remuneration system by stating that it leads to creation of shareholder value and a lowered cost base.

Excerpt 26

"SEB believes in a sound and dynamic performance culture that spurs achievements, a desired behaviour and balanced risk-taking, in line with customers' and shareholders' expectations. SEB's remuneration structure is designed to encourage both short-term results and long-term strategic decisions in order to support good business results over time. It is also designed to support sound risk management by taking the cost of the capital and liquidity into account. The composition and size of the remuneration is based on business logic, market practice, competitive situation and the employees' competence. Properly designed remuneration systems help SEB to attract, retain and motivate employees with the right competence, who will contribute to the long-term success of the Bank. SEB actively promotes equal pay for men and women and continuously evaluates the effects of the remuneration structure and its competitiveness" (SEB annual report 2009, p. 14)

Our interpretation: In excerpt 26, SEB gives a justification account regarding the bank's remuneration system. SEB justifies its remuneration system by mentioning all its advantages. No disadvantages are mentioned at all. Here, we get the impression that SEB tries to convince the reader it is necessary to use the remuneration system the bank does to be able to attract and motivate employees, leading to a situation where the bank is able to achieve satisfactory results. Notable here are that SEB further motivates its remuneration system by saying the bank does this due to "business logic", "market practice" and "competitive situation". This further strengthens our impression that SEB wants to convince the reader that it is necessary to use the remuneration system the bank does, and that another remuneration strategy would not be preferable.

Excerpt 27

"The ambition of the Board is to create a remuneration system that attracts, motivates and retains skilled employees. Remuneration should be competitive in the markets and segments where SEB operates in order to motivate high performing employees. The Bank's competitors consist of other Swedish and Nordic banks as well as certain global firms. As more than half of SEB's income is attributable to business with large companies and financial institutions, the remuneration model within these business areas needs to reflect the international market in which the Bank competes. In other words, the remuneration model has been adapted to individual competences, each respective business line and country of operation. Excellent business performance shall be established by combining great individual performance and balanced risk taking. Remuneration shall be built for encouraging short-term results as well as long-term strategic decisions needed to ensure a sustained business performance over time. It shall reflect sound risk management by taking into account the cost of capital employed and liquidity required." (SEB annual report 2009, p. 25)

Our interpretation: In excerpt 27, SEB gives a justification account regarding the bank's remuneration system. Just as in excerpt 26, SEB emphasizes the bank's need of attracting and motivating employees. Here, we get the intention that SEB wants to convince the reader that the remuneration system is crucial for succeeding in recruiting the right employees. Through the excerpt, a lot of other motives for the selected remuneration system are given to the reader as well. Some of those motives are not every specific - it is not easy for us as readers to understand exactly what all sentences mean in practice. However, one other main argument

SEB seems to want to convince the reader about is that since the market in general uses the remuneration strategy in question, SEB must use it as well to stay competitive in the market.

4.6 Identified accounts - a summary

Account

Justification	Refocusing	Mystification	Excuse	In total
21	3	1	2	27

Disclosure Vehicle

Annual report	Sustainability report	Interim report	Press releases	In total
16	6	3	2	27

Area of Criticism

Mortgage rates	Dividends	Reduced cash handling	Levels of Remunerations	In total
6	8	9	4	27

Bank

Swedbank	Nordea	SEB	Handelsbanken	In total
18	4	3	2	27

Table 2 – Identified accounts

As the table shows, we have in total identified 27 accounts in the banks' accounting narratives in the time period 2009 to 2014. The vast majority of those accounts - 21 in total – have been justifications. We found accounts regarding all areas of criticism. The fact that we found so many justifications is in line with Aerts' (1994: 337) finding that accounting narratives are "defensive in nature", and indicates that the banks do not want to change actual behaviour to maintain legitimate, but rather try to affect readers' perceptions in line with Dowling and Pfeffer (1975) and Lindblom (1993). Swedbank is clearly overrepresented in number of accounts - 18 accounts were identified in Swedbank, and accounts were given by Swedbank regarding all areas of criticism. In the other banks we just found 10 accounts in total. 2 accounts were identified in Handelsbanken regarding dividends, 4 accounts in Nordea regarding reduced manual cash handling and 3 accounts in SEB regarding levels of remuneration.

The reason of why we found so many accounts in Swedbank in particular, we cannot say anything about for sure. We could not find anything in the 139 articles we have studied indicating that Swedbank has been target of criticism to a much higher extent than any other of the four major Swedish banks. However, one possible reason could be Swedbank's failure during the financial crisis mentioned in part 4.3. In line with Legitimacy theory, this failure may have led to a situation where the bank has chosen to become more transparent and to use disclosures as a way to respond to criticism, thus trying to decrease the risk of not being seen as a legitimate actor in society. However, of that we have no evidence for sure. Another possible explanation could be that Swedbank in some regards finds the criticism justified to a higher extent than what the other banks find it, thus finding it necessary to respond to the criticism by giving accounts.

Another interesting remark is that, as we stated, we got the impression when collecting and reading the articles regarding reduced manual cash handling that Swedbank and Nordea had been more criticized for this than the other two banks. Supporting this impression is the fact that reduced manual cash handling was the only area of criticism where we identified accounts in Nordea - 4 accounts in total.

Yet another interesting remark is that we, as stated, got the impression when collecting and reading the articles that Handelsbanken seldom was explicitly mentioned by name in the articles. Rather, Handelsbanken was more often included just when the articles refer to "the four major Swedish banks". Thus, it is not illogical that less number of accounts was found in Handelsbanken, although we did not find that many accounts in SEB or Nordea as well. None of Handelsbanken's accounts were justification accounts.

Notable is that we found most accounts in 2011 and 2012. However, since we just have been able to present a general picture of the raised media criticism in the time period 2009 to 2014, the exact years we have found accounts in is not something we can analyse further - we can just try to discern tendencies of the whole time period.

Further, notable is also that the most common disclosure vehicle used to give accounts by the banks was the annual report.

4.7 The connection between the media articles and the identified accounts

We have now analysed the collected 139 web-based media articles - articles in six important Swedish media actors - and their content regarding mortgage margins, dividends, reduced manual cash handling and levels of remuneration in the time period 2009 to 2014. By studying them, we could state that there had been criticism directed against the four major Swedish banks regarding those areas of criticism in the time period 2009 to 2014. Further, we have identified 27 accounts regarding those areas of criticism in the banks' accounting narratives in the same period. We cannot prove that there is a connection between the media articles and *all* the identified accounts. We have not been able to be so precise in time when collecting the articles that we for sure could state that a certain account is linked to some specific articles. Rather, our data collection indicates that the pressure has been quite general during the whole period. However, we found explicit evidence of that some accounts is a direct response to media attention. Media was explicitly mentioned in four excerpts - in excerpt number 1, 5, 9 and 15. Further, since excerpt 7 and 8 referred to the same event as excerpt 9, it indicates that media attention was related to those accounts too. All those excerpts consisted of accounts given by Swedbank - excerpt 1 and 5 were related to mortgage margins, excerpt 9 to dividends and excerpt 15 to reduced manual cash handling. Further, we found some other excerpts not mentioning media's role explicitly, but referring to circumstances that implicitly could be connected to media. In excerpt 2, Swedbank mentioned an "animated debate" regarding mortgage margins, and in excerpt 24, SEB mentioned that "the entire banking system came under growing criticism for its speculative practices", e.g. their remuneration systems, and that the banks had to deal with "criticism from customers, shareholders and politicians". Thus, it is likely that Swedbank in both those excerpts implicitly refers to media - after all, media is a communication channel for "customers, shareholders and politicians".

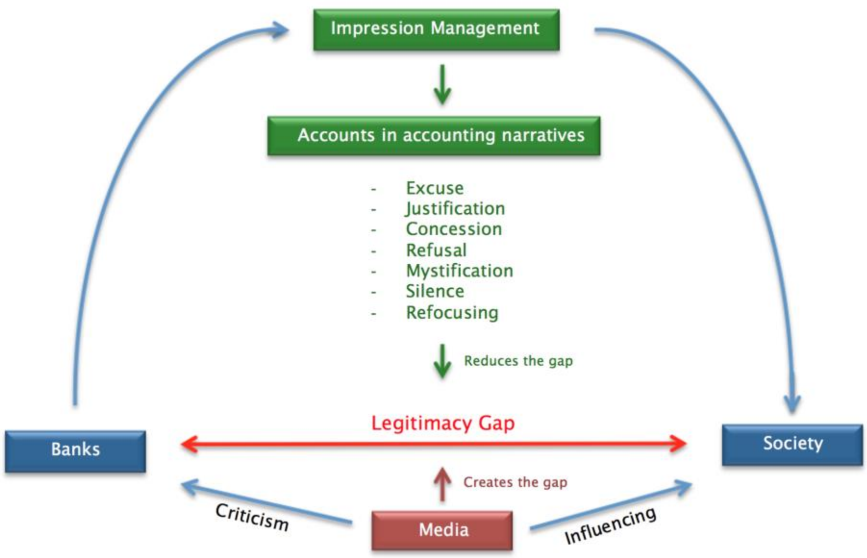
Something that further strengthens the likelihood of that more than just the excerpts explicitly or implicitly referring to media is a response to the media attention, is the fact that we have not studied all Swedish media actors, and have not even tried to find every single article regarding the areas of criticism from the media actors we have selected. Still, we have been able to demonstrate a major negative media attention. Thus, it is most likely that the media attention has been even more intense than what our table shows. Further, the theory presented in the theoretical framework on media as a powerful stakeholder in society and Legitimacy theory has demonstrated that media is a powerful actor in society. If media gives the banks negative attention, that could threaten the banks' legitimacy, which in turn could threaten the banks' profitability. This negative attention is not just a threat for a bank as a whole, but also for the executives in particular. Thus, this shows that the banks have several incentives to respond to the criticism, although we realize there are more ways of doing that than just using the disclosure vehicles we have studied.

To sum up, we believe us to have found enough evidence to state that accounts in the four major banks' accounting narratives responding to criticism raised in Swedish media regarding mortgage margins, dividends, reduced manual cash handling and levels of remuneration exist. We can definitely state that is the case in Swedbank. Further, it is likely to be the case also in Nordea, Handelsbanken and SEB, although we cannot state that for sure.

4.8 Media, the banks, legitimacy, accounts and impression management - the connection between them

Are the accounts we have identified a possible impression management tool? We argue they are. By studying and interpreting the 27 accounts we have identified, we have demonstrated many examples of how the banks use words and sentences to demonstrate that their opinion is the correct opinion. In many of the excerpts, the text has the ability to affect the reader's perceptions, we argue, thus guiding the reader towards a particular interpretation of the act/event. This could in turn lead to a situation where the reader adopts the banks' opinion. We cannot prove that this is a deliberate strategy used by the banks, even though it is not unlikely. However, our identified accounts could be stated to be "linguistic devices employed when an outcome, action or decision is assessed by stakeholders of a company" in line with Sandell and Svensson's (2012: 4) definition of accounts. Further, we believe us to have enough evidence to say that the accounts we have identified could be a "conscious or unconscious attempt to control images that are projected in real or imagined social interactions" in line with Clow and Kenneth's (2005: 93) definition of impression management. Hence, we argue that giving accounts could be used as an impression management strategy.

Now, it is time to link the thesis' different parts together - including both theory, empirics and analysis - summarizing what we have tried to demonstrate in our thesis. Although we have only found a definite connection between accounts and media reporting in Swedbank, the example includes all the banks. We realize the example is a simplification of reality, and that media is not the only powerful actor the company has to take into consideration. However, for summing up our findings, we believe the example to be appropriate. This is our interpretation of what we have studied.



In the figure, we can see that criticism is raised against the banks in media. Since media is an important actor and a strong opinion maker, this negative attention may lead to a situation where people in society - including many of the banks' important stakeholders - may be affected by this media reporting. This may in turn create a legitimacy gap. This legitimacy gap threatens the banks' legitimacy, and thus e.g. the banks' profitability and reputation. The legitimacy gap is not just a threat to the bank in general - it is also a threat to the executives on an individual level. Hence, the banks want to reduce or close the legitimacy gap. However, the banks do not want to change actual behaviour. Thus, the banks instead try to affect people's perceptions regarding the topic the bank has been criticized for. To do this, the banks use their disclosure vehicles. In their disclosure vehicles, the banks publish an accounting narrative where they give an account regarding the area of criticism. In this given account, words and sentences are used in a way that may affect the reader's perception, thus being a type of impression management. If the reader's perceptions are affected, the reader might change opinion and agree with the bank's opinion. Thus, the legitimacy gap is reduced, and if the account affects enough readers' perceptions, it may be completely closed.

5. CONCLUSION

5.1 Answer to the purpose of the thesis

The purpose of this thesis has been to examine whether accounts have been given by the four major Swedish banks - Swedbank, Handelsbanken, Nordea and SEB - in their accounting narratives as a response to negative media attention in the time period 2009 to 2014, and whether those accounts could be seen as an impression management tool.

In this thesis, we have demonstrated that accounts have been given by the four major Swedish banks in their accounting narratives to respond to negative media attention in the time period 2009 to 2014. By studying the extent and the content of six important Swedish media actors' negative reporting on the four major Swedish banks' high mortgage margins, high dividends, high levels of remuneration and reduced manual cash handling, we have been able to identify 27 accounts in the banks' accounting narratives connected to high mortgage margins, high dividends, high levels of remuneration and reduced manual cash handling. In Swedbank, we could for certain link 4 identified accounts to the media attention. Further, 4 more accounts could implicitly be linked to media attention - 3 in Swedbank and 1 in SEB. The other 19 identified accounts we could not for certain link to the media attention, although it is likely that some or many of them were also a direct response to the media attention, since those accounts were connected to the areas of criticism media to a high extent had been reporting about. Most identified accounts were justifications. Swedbank was highly over-represented among the banks regarding number of given accounts. Due to the fact that we have found accounts linked to media reporting, that is evidence of that media is a stakeholder important for the banks to take into consideration.

The accounts we have identified in the banks' accounting narratives are in line with Sandell and Svensson's (2012: 4) definition of accounts, i.e. "linguistic devices employed when an outcome, action or decision is assessed by stakeholders of a company". Further, we have demonstrated that the accounts we have identified could be a "conscious or unconscious attempt to control images that are projected in real or imagined social interactions" in line with Clow and Kenneth's (2005: 93) definition of impression management. Based on our findings, we hence argue that the identified accounts could be seen as an impression management tool. We have demonstrated that in many of the accounting narratives where the accounts have been identified, a narrative reader's perceptions could be affected by the accounts, possibly making the reader adopt the banks' opinion. However, we cannot prove this is a deliberate strategy used by the banks.

Accounts are a possible impression management tool the banks can use to handle negative media attention. Negative media attention may create a legitimacy gap if the public adopts the negative picture drawn up by media and see the banks behaviour as inappropriate. This threatens the banks' legitimacy. Using accounts in accounting narratives in different types of disclosure vehicles is a possible impression management strategy the banks then can use to affect people's perceptions regarding the banks' behaviour. If successful, people may adopt the banks' point of view, and hence accounts are a way for the banks to reduce or close a legitimacy gap.

5.2 The contribution of our research in a broader perspective

After now having presented our conclusions, we would like to clarify what we consider as being the main contributions of this thesis in a broader perspective. In line with Hines (1988), our findings support the fact that financial reports could not be stated as something completely neutral and objective. Rather, we have found evidence of that accounting narratives may affect a reader's perceptions regarding certain company-related matters, and that accounts in accounting narratives hence could be seen as an impression management tool.

However, our focus has not just been on financial reports, i.e. annual reports and interim reports. We have also demonstrated that accounting narratives in other alternative company disclosure vehicles, e.g. sustainability reports and press releases, could be used for impression management purposes as well, something prior research according to Brennan and Merkl-Davies (2013: 30) to a limited extent has focused on.

Even though our focus has not been on whether the examined banks' accounting narratives are truthful or not, we argue that the very existence of impression management in accounting narratives increase the risk of them not being objective, something that is in line with Jones (1996). Further, even though our focus has not been on *which* type of accounts the examined banks use when they give an account, we find it necessary to mention a few things regarding this as well. Although we have identified too few accounts in the examined banks' accounting narratives to be able to say anything for sure, and further that there may exist accounts regarding other topics in the banks accounting narratives we have not examined, justification was the most common type of account identified. This is in line with Aerts' (1994: 337) finding that accounting narratives are "defensive in nature". Further, we have shown that accounting narratives are not just used by companies to give accounts regarding poor financial performance, as demonstrated by Sandell and Svensson (2012). Accounts are also used by well-performing companies in their accounting narratives to respond to negative media attention.

We have also found a link proving that media attention is the reason of at least a few of the identified accounts. Thus, our thesis has contributed to theory on media as a powerful stakeholder. We have demonstrated that media is a stakeholder that affects companies, since it is a stakeholder whose negative attention has the ability to create legitimacy gaps. This in turn indicates that negative media attention can be a threat to a company's legitimacy, which is in line with e.g. Ashforth and Gibbs (1990), Hybels (1995), Johnson and Holub (2003) and Palazzo and Scherer (2006), and gives an explanation to why the banks make voluntary disclosures regarding those matters. Our findings indicate that giving accounts in accounting narratives is a possible impression management strategy companies may use to trying to close or at least reducing legitimacy gaps arisen due to negative media attention.

So, what do accounting narratives really do with a person's mind? To that question, there is no simple answer. Just as Rutherford (2003: 373) states, it can be discussed how effective impression management strategies really are, i.e. whether "sophisticated preparers would expect users to respond naively to efforts to manage impressions". In line with this, we cannot for sure say what the accounts we have identified really do with readers' perceptions. However, that has not been the main point with writing this thesis. Neither is it important whether a reader of the thesis agree with all our interpretations of the identified accounts - since those are our own interpretations, it is natural if they are questioned. However, such critical thinking is exactly what we have intended to achieve with this thesis - i.e. that people start to think about not just what they read, but also what hidden intentions an accounting narrative preparer might have. Accounting narratives and other accounting information is of good, we argue, but it is not something that per definition should be seen as an objective truth. It is good to question things - both when reading texts and in life in general. Otherwise, it is easy to be fooled. Thus, let us finish with a few words by Hines (1988: 254), directed to the reader of this thesis: "Do you see? Are you beginning to see?".

5.3 Suggestions for future research

We would like to give some suggestions for future research in our research field, since our findings have led to new questions. First of all, we believe it would be of interest to further examine the reason of why so many accounts were identified in Swedbank. As we speculated a bit about in the analysis, some of the explanation could perhaps be connected to the fact that Swedbank was close to bankruptcy during the financial crisis in 2008. A researcher could try to compare general disclosure tendencies in Swedbank before and after the financial crisis, and see if there are any differences. Another possible reason of differences in number of accounts could perhaps be explained if studying the four major Swedish banks' ownership structures and type of customer clienteles, and see what differences there might be.

Further, researchers could try to discern tendencies of when a company uses what disclosure vehicle to give an account, and if one type of account is more often given in a certain type of disclosure vehicle. The numbers of accounts we have identified are too small to be able to determine that. However, if choosing a larger sample, perhaps it would be possible to discern such tendencies. Further, it would be interesting to try to find an explanation to why a company chooses to give a specific type of account - could that perhaps be connected to what type of legitimacy gap that has arisen?

Finally, it would be interesting to examine if the banks responses differ depending on which type of stakeholder that has expressed criticism in media.

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