

Interim report

Third quarter | January – September 2023

26 October 2023

Swedbank 

- Slightly higher income in the quarter – stable volumes
- Lower expenses – cost/income ratio 0.30
- Solid credit quality despite weaker macroeconomic outlook and ratings migration
- Strong capitalisation and strong liquidity
- Swedbank issued first ever social bond by a Nordic bank
- Swedbank establishes the Institute for Financial Health to promote financial literacy

”Another strong result in a weaker economy”

Jens Henriksson,
President and CEO

Financial information	Q3	Q2		Jan-Sep	Jan-Sep ¹	
SEKm	2023	2023	%	2023	2022	%
Total income	18 468	18 173	2	54 028	36 080	50
Net interest income	12 901	12 768	1	37 605	22 228	69
Net commission income	3 862	3 811	1	11 334	10 692	6
Net gains and losses on financial items	652	524	24	2 093	1 176	78
Other income ²	1 053	1 069	-2	2 997	1 984	51
Total expenses	5 562	5 717	-3	17 689	15 215	16
of which administrative fines		-3		887		
Profit before impairments, bank taxes and resolution fees	12 906	12 456	4	36 339	20 865	74
Impairment of intangible and tangible assets	2	11		13	453	-97
Credit impairment	347	188	85	1 311	800	64
Bank taxes and resolution fees	1 110	844	32	2 472	1 392	78
Profit before tax	11 447	11 414	0	32 542	18 220	79
Tax expense	2 321	2 291	1	6 734	3 640	85
Profit for the period	9 125	9 123	0	25 808	14 580	77
Earnings per share, SEK, after dilution	8.09	8.09		22.90	12.95	
Return on equity, %	19.3	20.4		18.9	12.0	
C/I ratio	0.30	0.31		0.33	0.42	
Common Equity Tier 1 capital ratio, %	18.7	18.6		18.7	18.5	
Credit impairment ratio, %	0.07	0.04		0.09	0.06	

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see Note 1 and Note 29.

2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures, and Other income from the Group income statement.

CEO Comment

Our business is stable and profitable at a time of war, uncertainty and transition. Swedbank stands strong and contributes to growth and financial stability. We are a reliable partner for our customers.

The global economy remains resilient despite considerable turbulence and higher interest rates. According to the International Monetary Fund's World Economic Outlook, the global economy is expected to recover slowly after the crises of recent years. To reduce inflation towards the target, policy rates will remain at a high level for an extended period.

In Sweden and Estonia, household consumption has decreased and growth has slowed faster than in the rest of the world. Lithuania and Latvia have done slightly better. The inflation rate has fallen but remains at too high levels in all four home markets.

Swedbank's profit for the quarter was stable at SEK 9.1 billion. The return on equity was 19.3 per cent. In a highly competitive market, lending volumes increased while margins declined. Commission income increased. Expenses decreased on a seasonal basis and the cost/income ratio improved to 0.30.

Our credit quality is good and we are confident about our conservative and thorough lending process. Customers want the bank's expertise and are acting to deal with the current economic situation. Our property-related exposure is aligned with the bank strategy and risk appetite.

The capital buffer increased to 3.7 percentage points. Swedbank has a strong liquidity position and we have continued to take advantage of the opportunities in the funding markets. I am proud that we were the first Nordic bank to issue a social bond to finance, among other things, companies that develop communications tools for the disabled and residential housing companies that invest in disadvantaged areas.

The focus on, and investment in, sustainable infrastructure have produced good results in the past year. During the quarter, we took another step through a strategic partnership and outsourced operation and maintenance of technical infrastructure to external suppliers, with better capacity to meet future requirements.

Of the more than 2 million conversations with customers handled by the bank every quarter, over 40 per cent now occur through our new communication platform, which has been rolled out in Estonia, Latvia and Lithuania. The platform shortens waiting times and makes customer interactions more efficient. Within a month or so, it will be Swedish Banking's turn.

We are now streamlining the organisation in line with our plan to deliver a sustainable return on equity of 15 per cent from 2025 and onwards. To increase availability and customer satisfaction, we plan to separate out and create a business area for the premium and private banking customer segment and to transfer all corporate customers in Sweden that

currently have an advisor to the Corporates and Institutions business area.

The corporate business in Sweden is stable. We focus on profitable business with low credit risk. Our goal to grow the corporate business within Baltic Banking is succeeding. We are there for our customers, and we see that loan growth for transition to renewable energy is strong.

We will have the best full-service offering for our customers while consolidating our leading position in the mortgage market. The level of activity in the Swedish housing market continues to be subdued and prices are slightly down. In the Baltic markets, real wages have increased and the mortgage portfolio is developing positively. Our green mortgage offering for sustainable housing in Estonia and Latvia is very popular.

Higher costs of living contributed to lower deposit volumes. Savers still value our offerings and volumes rose for term savings accounts. In Sweden, we raised all our savings rates. Monthly savings are stable, as is Robur's position as the leading fund company. In Estonia, Latvia and Lithuania, we are helping to foster a long-term saving culture by providing a favourable interest rate on our popular e-savings account, Easy Saver, which offers unlimited withdrawals.

Our customer promise is to make their financial lives easier. We are seeing high demand for support and advice on both the private and corporate sides, and we are investing to become even better. A new customer centre is being established in Umeå. The number of visits to our digital Financial Health advice service is at a good level in Sweden, and Savings is the most visited site.

Our vision is a financially sound and sustainable society, and our financial strength enables us to finance the green transition. Our expertise is available for customers in our branches from Monday to Friday, in our customer centres seven days a week, and round-the-clock in our digital channels.

In Sweden, we are establishing the Institute for Financial Health, where we will bring together everyone in the bank who works with societal engagement and financial literacy. In this way, we will reach out in an even broader manner. All in line with our 200-year savings bank tradition.

Our customers' future is our focus.



Jens Henriksson
President and CEO

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More detailed information can be found in Swedbank's Fact book, www.swedbank.com/ir, under Financial information and publications

Financial overview

Income statement SEKm	Q3	Q2	Q3'		Jan-Sep	Jan-Sep ¹		
	2023	2023	%	2022	%	2023	2022	%
Net interest income	12 901	12 768	1	8 358	54	37 605	22 228	69
Net commission income	3 862	3 811	1	3 624	7	11 334	10 692	6
Net gains and losses on financial items	652	524	24	963	-32	2 093	1 176	78
Other income ²	1 053	1 069	-2	775	36	2 997	1 984	51
Total income	18 468	18 173	2	13 720	35	54 028	36 080	50
Staff costs	3 429	3 417	0	3 191	7	10 312	9 465	9
Other expenses	2 133	2 303	-7	1 994	7	6 491	5 750	13
Administrative fines		-3				887		
Total expenses	5 562	5 717	-3	5 185	7	17 689	15 215	16
Profit before impairments, bank taxes and resolution fees	12 906	12 456	4	8 535	51	36 339	20 865	74
Impairment of intangible assets		11		443		11	443	-98
Impairment of tangible assets	2			10	-76	3	10	-71
Credit impairment	347	188	85	602	-42	1 311	800	64
Bank taxes and resolution fees	1 110	844	32	466		2 472	1 392	78
Profit before tax	11 447	11 414	0	7 014	63	32 542	18 220	79
Tax expense	2 321	2 291	1	1 423	63	6 734	3 640	85
Profit for the period	9 125	9 123	0	5 591	63	25 808	14 580	77

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see Note 1 and Note 29.

2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures, and Other income from the Group income statement.

Key ratios and data per share	Q3	Q2	Q3'	Jan-Sep	Jan-Sep ¹
	2023	2023	2022	2023	2022
Return on equity, %	19.3	20.4	13.5	18.9	12.0
Earnings per share before dilution, SEK ²	8.11	8.11	4.97	22.95	12.98
Earnings per share after dilution, SEK ²	8.09	8.09	4.96	22.90	12.95
C/I ratio	0.30	0.31	0.38	0.33	0.42
Equity per share, SEK ²	171.5	164.1	150.7	171.5	150.7
Loans to customers/deposit from customers ratio, %	142	139	141	142	141
Common Equity Tier 1 capital ratio, %	18.7	18.6	18.5	18.7	18.5
Tier 1 capital ratio, %	20.5	20.4	19.8	20.5	19.8
Total capital ratio, %	23.0	23.7	23.1	23.0	23.1
Credit impairment ratio, %	0.07	0.04	0.13	0.09	0.06
Share of Stage 3 loans, gross, %	0.37	0.34	0.34	0.37	0.34
Total credit impairment provision ratio, %	0.39	0.38	0.30	0.39	0.30
Liquidity coverage ratio (LCR), %	159	167	154	159	154
Net stable funding ratio (NSFR), %	121	123	117	121	117

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see Note 1 and Note 29.

2) The number of shares and calculation of earnings per share are specified in Note 28.

Balance sheet data SEKbn	30 Sep	31 Dec ¹	30 Sep ¹		
	2023	2022	%	2022	%
Loans to customers	1 808	1 799	0	1 798	1
Deposits from customers	1 278	1 298	-2	1 277	0
Equity attributable to shareholders of the parent company	193	176	10	169	14
Total assets	3 018	2 855	6	2 994	1
Risk exposure amount	838	809	4	753	11

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see Note 1 and Note 29.

Definitions of all key ratios can be found in Swedbank's Fact book on page 74.

Economy and market

Globally, uncertainty about the economic and inflation outlook persisted during the quarter and government bond rates rose, particularly for longer maturities. Meanwhile, stock market indexes fell slightly. The rise in interest rates has been led by the U.S., where the economy remains strong. The Federal Reserve is now expected to keep higher policy rates for an extended period. The U.S. dollar and euro have both strengthened against the Swedish krona. During the quarter, the krona traded at record-low levels against the euro but strengthened slightly toward the end of the quarter.

In the U.S., inflation rose, driven by higher energy prices, while it continued to fall in the euro zone. Underlying inflation, adjusted for volatile components such as energy, continued to decline, however, in both the U.S. and the euro zone. Economic activity clearly downshifted in the euro zone, judging by the Purchasing Managers' Index for both manufacturing and the service sector, while it was stable in the U.S. In China, the economy continued to weaken although with some signs of a stabilisation.

Central banks continue to try to strike a balance between fighting the high inflation addressing the weakening economic development. The Federal Reserve raised its policy rate in July and then left it unchanged. The ECB raised policy rates twice during the quarter. The Riksbank raised its policy rate by 0.25 percentage points to 4.0 per cent in September and signalled that it could be raised again.

In the second quarter, Swedish GDP is estimated to have decreased by 0.8 per cent. The decline was broad-based and driven by weak consumption, housing investment and net exports. Data for the first two months of the third quarter were slightly better. According to the GDP indicator, growth rose by 0.8 per cent in July before falling by 0.2 per cent in August. At the same time private sector output increased in July and August. On the other hand, the National Institute of Economic Research's Economic Tendency Survey was muted in the third quarter and indicated a weaker economic sentiment than normal. The PMI for the service sector and manufacturing industry also indicated a weak development. After a long period of relative strength, the labour market worsened during the quarter with rising unemployment even though employment remained high. Inflation continued to fall but is still significantly above the Riksbank's 2% target.

In the housing market, buyers remained cautious. Price development was weak while the number of transactions remained low. In August, aggregate mortgage volume was 1 per cent higher than the same month in 2022, while it was largely unchanged compared to the end of the previous quarter.

In the Baltic economies, economic development lost momentum, impacted by weaker global economic conditions and high domestic inflation. Estonia's GDP fell in the second quarter with negative contributions from consumption, investments and inventory levels. Despite the economic downturn, the labour market remained strong. GDP also fell in Latvia, driven by weaker consumption and falling goods exports. The situation was different in Lithuania, which reported a strong recovery after the sharp downturn in the previous quarter. Increased public investment contributed to

growth in Latvia and Lithuania. Sentiment seems to have stabilised and consumer confidence in Latvia and Lithuania recovered from low levels. The previously very high inflation continued to fall during the quarter and in September averaged just under 4 per cent in the three countries. In addition, the labour markets have still been relatively strong and property prices have been stable to date.

Important to note

This interim report contains alternative performance measures that Swedbank considers valuable information for the reader, since they are used by the executive management for internal governance and performance measurement as well as for comparisons between reporting periods. Further information on the alternative performance measures used in the interim report can be found on page 58.

Group development

Result third quarter 2023 compared with second quarter 2023

Swedbank's profit was stable at SEK 9 125m (9 123). Income increased and expenses decreased, while credit impairments and tax expenses rose. Foreign exchange effects positively impacted profit by SEK 83m before impairment, bank taxes and resolution fund fees.

The return on equity was 19.3 per cent (20.4) and the cost income ratio was 0.30 (0.31).

Income increased to SEK 18 468m (18 173) mainly due to higher net interest income and net gains and losses on financial items. Net commission income also rose, while other income decreased. Foreign exchange effects positively impacted income by SEK 115m.

Net interest income increased by 1 per cent to SEK 12 901m (12 768). Underlying net interest income was positively affected by higher deposit margins in Baltic Banking due to rising market rates. Lower mortgage margins and lower average deposit volumes in Swedish Banking negatively impacted net interest income. Net interest income from corporate lending increased slightly. One additional day in the quarter as well as a weaker krona positively impacted net interest income.

Net commission income increased by 1 per cent to SEK 3 862m (3 811). Income from asset management increased due to day count and foreign exchange effects, and a strong global market performance. Income from card operations was lower in the quarter mainly due to rebates from Mastercard in the second quarter.

Net gains and losses on financial items increased to SEK 652m (524). Most of the increase was related to positive valuation effects within Group Treasury. Corporates and Institutions' net gains and losses on financial items decreased due to valuation effects on derivatives.

Other income decreased by 2 per cent to SEK 1 053m (1 069).

Expenses decreased by 3 per cent to SEK 5 562m (5 717) due to seasonally lower consulting expenses

and marketing activities. AML-related investigation expenses amounted to SEK 85m (78). Foreign exchange effects increased expenses by SEK 32m.

Credit impairments amounted to SEK 347m (188). Rating and stage migrations accounted for SEK 831m (648), while expert credit adjustments decreased by SEK -158m (-315). Updated macroeconomic scenarios increased credit impairments by SEK 201m (-22). For individually assessed loans, credit impairments decreased by SEK -265m (29), mainly as a result of amortisations within oil and offshore exposures.

Bank taxes and resolution fees amounted to SEK 1 110m (844). The increase was due to the introduction of a temporary bank tax in Lithuania from the middle of the second quarter this year through 2024.

The tax expense amounted to SEK 2 321m (2 291), corresponding to an effective tax rate of 20.3 per cent (20.1). The slightly higher effective tax rate in the third quarter was largely due to the non-deductible decrease in value of shares and partnerships.

Result January-September 2023 compared with January-September 2022

Swedbank's profit increased to SEK 25 808m (14 580) due to higher income. Higher expenses, credit impairments and bank taxes affected profit negatively. Expenses increased partly because of the Swedish FSA's administrative fine and a settlement with the Office of Foreign Assets Control (OFAC). Foreign exchange effects positively impacted profit before impairments, bank taxes and resolution fees by SEK 1 005m.

The return on equity was 18.9 per cent (12.0) and the cost/income ratio was 0.33 (0.42). Adjusted for the Swedish FSA's administrative fine and the settlement with OFAC, the return on equity was 19.4 per cent and the cost/income ratio was 0.31.

Income statement, SEKm	Jan-Sep	Jan-Sep	Jan-Sep
	2023	2023	2022
		excl ¹	
Total income	54 028	54 028	36 080
Total expenses	17 689	16 802	15 215
of which administrative fines	887		
Profit before tax	32 542	33 429	18 220
Profit for the period	25 808	26 695	14 580
Return on equity, %	18.9	19.4	12.0
C/I ratio	0.33	0.31	0.42

1) Income statement excluding expenses for the administrative fines

Income increased to SEK 54 028m (36 080) mainly because of higher net interest income. Net commission income, net gains and losses on financial items, and other income also increased. Foreign exchange effects positively impacted income by SEK 1 399m.

Net interest income increased by 69 per cent to SEK 37 605m (22 228). Underlying net interest income was positively affected mainly from higher deposit margins following higher market rates. Higher lending volumes also contributed together with a weaker krona.

Net commission income increased by 6 per cent to SEK 11 334 (10 692). Income from card operations and payments increased due to residual Covid effects in the previous year and discounts from Mastercard this year. Income from asset management also contributed.

Net gains and losses on financial items increased to SEK 2 093m (1 176). Group Treasury's net gains and losses on financial items benefitted from positive changes in the value of derivatives and the liquidity portfolio. Within Corporates and Institutions, a recovery in market valuations related to the trading portfolio of corporate bonds and higher income from fixed income trading contributed. Derivative valuation adjustments had a negative effect.

Other income increased by 51 per cent to SEK 2 997m (1 984), mainly because the previous year's net insurance was more negatively affected by higher market interest rates.

Expenses increased by 16 per cent to SEK 17 689m (15 215). Adjusted for the Swedish FSA's administrative fine and a settlement with OFAC, expenses increased by 10 per cent. Staff costs increased primarily due to higher salaries and to the extra compensation paid in the Baltic countries. AML-related investigation expenses amounted to SEK 269m (299). High inflation also contributed to expenses. Foreign exchange effects increased expenses by SEK 394m.

Credit impairments amounted to SEK 1 311m (800) and were mainly explained by negative rating and stage migrations and updated macroeconomic scenarios, partly offset by lower expert credit adjustments and credit impairment provisions for individually assessed loans.

Bank taxes and resolution fees amounted to SEK 2 472m (1 392). The increase was due to the fact that the Swedish bank tax rate was raised from 0.05 per cent to 0.06 per cent in 2023 and because Lithuania introduced a temporary bank tax in the middle of the second quarter this year.

The tax expense amounted to SEK 6 734m (3 640), corresponding to an effective tax rate of 20.7 per cent (20.0). The higher effective tax rate in the current period was largely due to the non-deductible administrative fine from the Swedish FSA.

Volume trend by product area

Swedbank mainly conducts business in the product areas of lending, deposits, fund savings and life insurance, and payments.

Lending

Loans to customers increased by SEK 5bn to SEK 1 808bn (1 803) in the quarter. Compared to the third quarter 2022 lending increased by SEK 10bn or 1 per cent. Foreign exchange effects negatively impacted lending volumes by SEK 6bn compared to the second quarter 2023 and positively by SEK 23bn compared to the third quarter 2022.

	30 Sep 2023	30 Jun 2023	30 Sep ¹ 2022
Loans to customers, SEKbn			
Loans, private mortgage	1 035	1 036	1 028
of which Swedish Banking	911	911	917
of which Baltic Banking	124	125	111
Loans, private other incl tenant-owner associations	145	145	147
of which Swedish Banking	28	30	81
of which Baltic Banking	24	24	20
of which Corporates and Inst.	92	92	46
Loans, corporate	628	621	623
of which Swedish Banking	133	134	143
of which Baltic Banking	112	106	96
of which Corporates and Inst.	382	381	382
of which Group Functions and Other	1	1	2
Total	1 808	1 803	1 798

1) Comparative figures have been restated due to the reorganisation as per 1 May 2023. For more information see Important to note on page 5.

Lending to mortgage customers within Swedish Banking was unchanged at SEK 911bn (911) during the quarter. The market share in mortgages in Sweden was 22 per cent as of 31 August. Other private lending in Sweden, including to tenant-owner associations, was also unchanged and amounted to SEK 121bn (121) in the quarter.

Baltic Banking's mortgage volumes increased by 4 per cent in local currency and amounted to the equivalent of SEK 260bn (255) at the end of the quarter.

Corporate lending increased by SEK 7bn during the quarter to SEK 628bn (621). In Sweden, the market share was 15 per cent as of 31 August.

The sustainable asset registry increased by SEK 3bn to SEK 70bn (67) in the quarter. The increase was primarily related to financing for green buildings but also to financing of sustainable transports. At the end of the quarter, the registry contained SEK 63bn in green assets and SEK 7bn in social assets, which are financed by the bank's sustainable bonds. For more information on lending and the sustainable asset registry, see pages 34 and 67 of the Fact book.

Deposits

Total deposits in the business areas decreased by SEK 22bn to SEK 1 272bn (1 294) compared to the previous quarter. During the quarter, deposits from the public decreased within Swedish Banking while customers continued to make extra amortisations. Deposits from the public within Baltic Banking were stable in local currency. Corporate deposits decreased within Corporates and Institutions, Swedish Banking and Baltic Banking, including in local currency. Compared to the third quarter 2022 total deposits in the business areas were stable.

Total deposits from customers amounted to SEK 1 278bn (1 298). Foreign exchange effects negatively impacted total deposit volume by SEK 8bn compared to the previous quarter and positively by SEK 26bn compared to the second quarter 2022.

	30 Sep 2023	30 Jun 2023	30 Sep ¹ 2022
Deposits from customers,			
Deposits, private	704	716	699
of which Swedish Banking	474	481	490
of which Baltic Banking	229	235	209
Deposits, corporate	574	582	578
of which Swedish Banking	136	139	168
of which Baltic Banking	147	152	133
of which Corporates and Institutions	285	287	273
of which Group Functions and Other	6	4	4
Total	1 278	1 298	1 277

1) Comparative figures have been restated due to the reorganisation as per 1 May 2023. For more information see Important to note on page 5.

Swedbank's deposits from private customers decreased by SEK 12bn in the quarter to SEK 704bn (716).

Corporate deposits in the business areas decreased by SEK 10bn in the quarter to SEK 568bn (578).

As of 31 August, Swedbank's market share for deposits from private customers in Sweden was 18 per cent. The market share for corporate deposits was 15 per cent. For more information on deposits, see page 35 of the Fact book.

Fund savings and life insurance

Assets under management by Swedbank fell by 3 per cent in the quarter to SEK 1 529bn (1 578) as of 30 September. The decrease was predominantly due to the market downturn, but net outflows also contributed.

Asset management SEKbn	30 Sep 2023	30 Jun 2023	30 Sep 2022
Sweden	1 430	1 477	1 192
Estonia	26	27	22
Latvia	36	37	28
Lithuania	35	35	28
Other countries	2	2	2
Total Mutual funds under Management	1 529	1 578	1 272
Closed End Funds	1	1	0
Discretionary asset management	400	406	380
Total assets under Management	1 930	1 984	1 652

The net flow in the Swedish fund market amounted to SEK 5bn (34) in the quarter. The trend of the largest inflow to index funds also contributed this quarter with a net flow of SEK 19bn. Fixed income funds also had inflows, while actively managed equity funds, mixed funds and hedge funds reported outflows.

The net flow to Swedbank Robur's funds in Sweden amounted to SEK -2bn (7) during the quarter. The outflows were primarily in the distributions through the Swedish Pensions Agency. Meanwhile, Corporates and Institutions and Swedish Banking also reported net outflows. However, third-party distributors and the savings banks continued to generate net inflows during the quarter.

In Estonia, Latvia and Lithuania, the net flow amounted to SEK 2bn (2). By assets under management, Swedbank Robur is the leader in the Swedish and Baltic fund markets. As of 30 September, the market share in Sweden was 22 per cent. In Estonia and Lithuania it was 38 per cent, while in Latvia it was 40 per cent.

Life insurance assets under management in the Swedish operations decreased by 3 per cent in the

quarter to SEK 319bn (327). Premium income, consisting of premium payments and capital transfers, amounted to SEK 6bn (6).

Assets under management, life insurance SEKbn	30 Sep 2023	30 Jun 2023	30 Sep 2022
Sweden	319	327	271
of which collective occupational pensions	179	182	146
of which endowment insurance	90	93	81
of which occupational pensions	40	41	34
of which other	11	11	10
Baltic countries	9	9	8
Total assets under management	328	337	279

For premium income, excluding capital transfers, Swedbank's market share in the first quarter (latest available data) was 7 per cent (7 per cent in the previous quarter). In the transfer market, Swedbank's market share was 10 per cent in the second quarter (8 per cent in the previous quarter).

In Estonia, Latvia and Lithuania, Swedbank is the largest life insurance company. The market shares for premium payments in the first eight months of 2023 were 49 per cent in Estonia, 28 per cent in Latvia and 22 per cent in Lithuania.

Payments

The total number of card transactions acquired in the quarter was 954 million, 3 per cent higher than the same period in 2022. The total number of transactions acquired in Sweden, Norway, Finland and Denmark increased by 2 per cent, while the number of transactions acquired in the Baltic countries increased by 9 per cent.

Acquired transaction volumes in Sweden, Norway, Finland and Denmark increased to SEK 235bn, 7 per cent higher than the same period in 2022. The corresponding volume in the Baltic countries amounted to SEK 38bn, 22 per cent higher than the same period in 2022. Due to the high inflation rate, acquired transaction volumes increased by more than the number of acquired card transactions.

The total number of Swedbank cards in issue at the end of the quarter was 8.4 million, in line with the end of the previous quarter.

Number of cards	30 Sep 2023	30 Jun 2023	30 Sep 2022
Issued cards, million	8.4	8.4	8.3
of which Sweden	4.5	4.5	4.5
of which Baltic countries	3.9	3.9	3.8

The number of purchases in Sweden with Swedbank cards decreased by 0.5 per cent in the quarter compared to the same quarter in 2022. A total of 380 million card purchases were made. In the Baltic countries, the number of card purchases grew by 10 per cent in the same period to 251 million in the quarter.

In Sweden, there were 204 million domestic payments in the quarter, which was a decrease of 2 per cent compared to the same period in 2022. In the Baltic countries, 116 million domestic payments were processed, up 9 per cent compared to the same period in 2022. Swedbank's market share of payments via Bankgirot was 35 per cent. The number of international payments in Sweden increased by 3 per cent compared to the same quarter in 2022 to 1.7 million. In the Baltic

countries, international payments increased by 20 per cent to 7 million.

Credit and asset quality

The economic situation with high inflation, rising interest rates and a weaker economy continues to challenge individuals and businesses, and weighed in particular on consumer-related sectors such as housing construction and retail. The weak Swedish krona posed further challenges to the Swedish economy and put pressure on, for example, the retail sector through higher import prices.

The credit quality of Swedbank's lending was high with low write-offs and little impact from bankruptcies. Credit quality indicators, such as the share of loans with late payments, rose slightly, but from low levels. Total credit impairment provisions amounted to SEK 8 105m (7 847), of which SEK 1 493m (1 661) was expert credit adjustments.

Mortgages in Sweden, which account for just over half of Swedbank's total lending, are of a high quality and historical mortgage-related credit impairments have been very low. During the quarter, there was a slight increase in loans with late payments. The number of forbore loans increased slightly after more applications for amortisation deferrals were granted. The loan-to-value ratio in the mortgage portfolio in Sweden was 57 per cent. The loan-to-value ratios in the Baltic countries were 42 per cent in Estonia, 66 per cent in Latvia and 45 per cent in Lithuania.

Swedbank's lending to the property management sector amounted to SEK 301bn and accounted for 16 per cent of the total loan portfolio. Of this, 47 per cent was offices, 30 per cent residential properties and the rest manufacturing facilities, warehouses and other property management. In the lending approval process, Swedbank analyses the long-term repayment capacity of property companies and attaches great importance to stable cash flows. The loan-to-value ratio for lending to the property management sector was 53 per cent in total, 54 per cent for residential properties and 52 per cent for other properties.

The total share of loans in stage 2, gross, was 9.6 per cent (10.1). For personal loans the corresponding share was 7.3 per cent (8.4) and for corporate loans it was 15.6 per cent (14.2).

The share of loans in stage 3, gross, was 0.35 per cent (0.34). The provision ratio for loans in stage 3 was 29 per cent (36) mainly due to the decrease in shipping and offshore sector.

For more information on credit exposures, provisions and credit quality, see notes 10 and 12-14 as well as pages 37-49 of the Fact book.

Funding and liquidity

During the third quarter, the capital markets were less volatile and central banks continued to raise policy rates to cool inflation. Yields on securities with both short and long maturities rose. The short-term funding market functioned well throughout the quarter and we saw increased interest in securities with longer maturities. This reflects the market's expectations that the period of significant rate hikes is nearing an end.

Swedbank took advantage of the stable market conditions and issued two senior non-preferred bonds in euro and U.S. dollar.

The euro bond is a social bond and an important instrument for Swedbank to promote social investments. The issue proceeds are being allocated to job creation through financing for small and mid-sized companies, socioeconomic development and affordable housing. Swedbank was the first Nordic bank to issue a social bond.

Swedbank issued SEK 39bn in long-term debt instruments in the quarter. As of 30 September, Swedbank's outstanding short-term funding (commercial paper) in issue amounted to SEK 384bn (364). Available cash and balances with central banks and reserves with the Swedish National Debt Office amounted to SEK 282bn (352) and the liquidity reserve amounted to SEK 653bn (672). The Group's Liquidity Coverage Ratio (LCR) was 159 per cent (167) and for USD, EUR and SEK it was 133, 221 and 107 per cent, respectively. The net stable funding ratio (NSFR) was 121 per cent (123). For more information on funding and liquidity, see notes 16-18 and pages 54–64 of the Fact book.

Ratings

During the quarter, there were no changes in Swedbank's ratings. For more information on the ratings, see page 66 of the Fact book.

Operational risks

Cybersecurity preparedness was high during the quarter against the backdrop of escalated threats to the financial sector. Swedbank closely monitors developments and can reassess the level of cybersecurity risks as needed. The bank prioritises IT and information security due to the changing threat scenario resulting from geopolitical developments and an elevated risk of terrorism in Sweden. Swedbank has a strong capability to manage these risks.

The risk of fraud posed by organised crime remained high. Swedbank works continuously to maintain security for its customers and to educate them on how to protect themselves against fraud. During the quarter, the Swedish banking industry's anti-fraud campaign – "Hard to Trick" – continued.

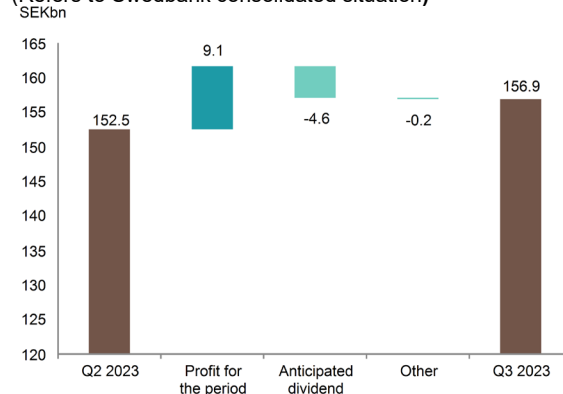
Capital and capital adequacy

Capital ratio and capital requirement

The Common Equity Tier 1 (CET1) capital ratio was 18.7 per cent (18.6) at the end of the quarter. The total CET1 capital requirement, including Pillar 2 guidance, was 15.0 per cent (15.2) of the Risk Exposure Amount (REA), which resulted in a CET1 capital buffer of 3.7 per cent (3.5). CET1 capital increased to SEK 157bn (153) and was mainly affected by the quarterly profit and anticipated dividend.

Change in Common Equity Tier 1 capital

(Refers to Swedbank consolidated situation)

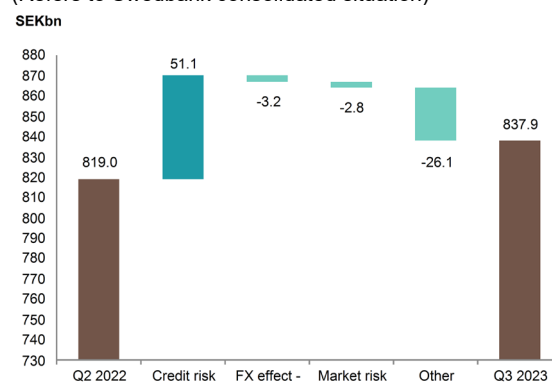


Risk Exposure Amount (REA)

REA increased to SEK 838bn (819) in the third quarter. REA for credit risk increased primarily due to the implementation of the risk weight floor for exposures collateralised by commercial properties in Pillar 1 REA, increased lending within Baltic Banking, and the implementation of new probability of default (PD) models for exposures to large corporates within Corporates and Institutions. REA for market risk decreased by SEK 3bn mainly through a decrease in positions vis-à-vis Swedish institutions. REA for Article 3 according to the EU's regulation on prudential requirements for credit institutions (CRR) decreased by SEK 26bn to balance the temporary add-on related to the ongoing review of internal ratings-based (IRB) models in the Pillar 2 requirement, as well as the above-mentioned implementation of the new PD models for large corporates.

Change in REA

(Refers to Swedbank consolidated situation)



The leverage ratio was 6.0 per cent (5.8) and therefore exceeds the leverage ratio requirement including Pillar 2 guidance of 3.5 per cent.

Capital and resolution regulations

The Swedish FSA decided on new capital requirements after the annual Supervisory Review and Evaluation Process (SREP). All in all, the changes in the Pillar 2 requirement (P2R) and REA imply minor changes to the nominal capital requirement and a slightly higher MREL requirement. In relation to the risk exposure amount (REA), the P2R for CET1 amounted to 1.8 per cent (1.5) and the Pillar 2 guidance (P2G) to 0.5 per cent (1.0). The P2G for the leverage ratio was 0.5 per cent (0.45) of the exposure amount for the leverage ratio.

The increase in the P2R was mainly caused by a temporary add-on of 1 per cent related to the ongoing

review of IRB models. The majority of the change is due to an increase for mortgages in Sweden of 0.8 per cent over and above the mortgage floor. The add-on relates in its entirety to the review of new models, which is being examined by the Swedish FSA and is expected to be released when the new models are implemented. The models are expected to result in lower capital requirements than the add-on, and the Swedish FSA has set the level of the add-on to incentivise the bank to complete the implementation as quickly as possible. A corresponding provision for mortgages has not been made within the framework of the bank's voluntary Article 3 add-on, since the estimated REA outcome is expected to be below the mortgage floor by a wide margin when the models have been approved. Going forward, a slight increase in the REA over and above the bank's voluntary Article 3 add-on is expected as part of the approval process, which is expected to continue in 2024 and 2025.

The Swedish FSA's risk weight floor for exposures to commercial real estate, which was previously included as an add-on in the P2R, at the same time was eliminated and instead transferred directly to the REA. The P2G level was set based on the Swedish FSA's overall evaluation of stress tests and other qualitative criteria.

The Resolution Act, which entered into force in 2021, gradually phases in the MREL requirement by 1 January 2024, and Swedbank already meets the requirements by a wide margin.

The revised Basel III regulation, also called Basel IV, is scheduled to enter into force in 2025 with a phase-in period through 2032. The revisions include changes to the standardised approaches and internal models used to calculate the capital requirements for credit and market risk, operational risk and a capital requirement floor for internal models. The regulation is expected to result in a minor increase in the risk exposure amount for Swedbank and it must be approved by the European Council and the EU Parliament before it enters into force.

Investigations

U.S. authorities continue to investigate Swedbank's historical anti-money laundering and counter-terrorism financing work and historical information disclosures. The investigations, which are being conducted by the Department of Justice (DoJ), the Securities and Exchange Commission (SEC) and the Department of Financial Services in New York (DFS), are continuing and the bank is holding individual discussions with the authorities through its U.S. legal advisors. The investigations are at different stages and the bank

cannot at this time determine any financial consequences or when the investigations will be completed.

In the first quarter 2022, Swedbank AS was informed by the Estonian Prosecutor's Office of suspected offences relating to money laundering in 2014–2016. The criminal investigation originates from the Estonian FSA's previous investigation of Swedbank AS in 2019. The maximum fine for the suspected crime is EUR 16m. The bank cannot at this time determine when the investigation will be completed.

Other events

On 10 July, it was announced that Swedbank is investing SEK 10m in Hemma, a B2B platform that aggregates data and analyses property energy performance. Through this collaboration, Swedbank, as Sweden's largest mortgage lender, strengthens its position in the housing market's climate transition.

On 4 September, Swedbank announced that it will separate out create a business area for premium and private banking customers. Furthermore, the corporate customers in Swedish Banking, which have an advisor, will be transferred to Corporates and Institutions. Swedbank appointed Anna-Karin Laurell as the new Head of Swedish Banking and Malin Lilliecrona as the Head of the new business area, both of whom will join the Group Executive Committee no later than 1 April 2024.

On 22 September, Swedbank was named the most loved brand at the annual Baltic Brand Awards ceremony. For the fifth year in a row, Swedbank is the most loved brand in the Baltic countries.

On 26 September, it was announced that Swedbank Robur is one of the founding participants of the Nature Action 100, an international initiative with the ambition to address nature loss and biodiversity decline from an investor perspective. A central part of the initiative is to monitor companies' advancements using key benchmark indicators.

Events after the end of the period

On 17 October, Liza Jonson, the CEO of Swedbank Robur, won the Sustainable Leadership Award 2023. The motivation emphasised her dedication in leading the way towards a more positive and sustainable future for her own organisation as well as for competitors and society.

Swedish Banking

- Stable profit with unchanged mortgage volume
- Good underlying credit quality
- Swedbank is establishing a new business area for premium and private banking customers

Income statement

SEKm	Q3 2023	Q2 2023	%	Q3' 2022	%	Jan-Sep 2023	Jan-Sep' 2022	%
Net interest income	6 333	6 597	-4	4 906	29	19 493	12 132	61
Net commission income	2 286	2 284	0	2 149	6	6 758	6 377	6
Net gains and losses on financial items	92	88	5	83	11	283	154	83
Other income ²	484	463	5	466	4	1 266	1 211	5
Total income	9 195	9 432	-3	7 605	21	27 800	19 875	40
Staff costs	699	688	2	673	4	2 086	2 053	
Variable staff costs	19	9		10	87	43	20	
Other expenses	1 897	2 000	-5	1 701	12	5 691	5 037	13
Depreciation/amortisation	4	5	-14	6	-35	14	21	-31
Total expenses	2 620	2 703	-3	2 390	10	7 834	7 130	10
Profit before impairments, bank taxes and resolution fees	6 575	6 729	-2	5 214	26	19 966	12 745	57
Credit impairment	207	178	16	218	-5	822	366	
Bank taxes and resolution fees	276	264	5	299	-8	832	895	-7
Profit before tax	6 093	6 287	-3	4 697	30	18 312	11 483	59
Tax expense	1 143	1 219	-6	866	32	3 524	2 144	64
Profit for the period	4 949	5 068	-2	3 831	29	14 788	9 340	58
Non-controlling interests	3	1		4	-36	2	4	-37
Return on allocated equity, %	30.9	31.6		24.1		30.8	19.8	
Loan/deposit ratio, %	176	173		174		176	174	
Credit impairment ratio, %	0.08	0.07		0.08		0.10	0.04	
Cost/income ratio ¹	0.28	0.29		0.31		0.28	0.36	
Loans to customers, SEKbn	1 072	1 075	0	1 141	-6	1 072	1 141	-6
Deposits from customers, SEKbn	610	620	-2	658	-7	610	658	-7
Full-time employees	3 444	3 375	2	3 508	-2	3 444	3 508	-2

1) Comparative figures have been restated due to the reorganisation as per 1 May 2023 and due to IFRS 17. For more information see Note 4, Note 1 and Note 29.

2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.

Result

Third quarter 2023 compared with second quarter 2023

Profit decreased by 2 per cent to SEK 4 949m (5 068). Lower income was partly offset by decreased expenses.

Net interest income decreased by 4 per cent to SEK 6 333m (6 597). Lower mortgage margins and lower average deposit volumes negatively impacted net interest income.

Household mortgage volumes were stable at SEK 911bn (911). Lending to tenant-owner associations was also stable, at SEK 3bn (3). Corporate lending decreased by SEK 2bn to SEK 132bn (134). Customer transfers to Corporates and Institutions negatively impacted lending volumes to tenant-owner associations and corporates by SEK 1bn.

Deposit volumes decreased by SEK 10bn to SEK 610bn (620). Household deposits decreased by SEK 6bn. Corporate deposits decreased by SEK 4bn, partly due to customer transfers to Corporates and Institutions.

Net commission income was stable at SEK 2 286m (2 284) mainly driven by higher asset management income, offset by lower card income.

Other income increased to SEK 484m (463) mainly due to increased net insurance.

Expenses decreased by 3 per cent to SEK 2 620m (2 703) mainly affected by a retroactive adjustment in the second quarter due to the reorganisation between Swedish Banking and Group Functions and Other.

Credit impairments amounted to SEK 207m (178) mainly affected by updated macroeconomic scenarios as well as rating and stage migrations, partly offset by decreased expert credit adjustments.

January-September 2023 compared with January-September 2022

Profit increased to SEK 14 788m (9 340). Higher income was partly offset by higher expenses and credit impairments.

Net interest income increased by 61 per cent to SEK 19 493m (12 132) mainly due to higher deposit

margins resulting from higher market interest rates. Lending margins decreased, but not to the same extent.

Net commission income increased to SEK 6 758m (6 377) mainly due to higher income from cards and asset management.

Net gains and losses on financial items increased to SEK 283m (154).

Other income increased to SEK 1 266m (1 211). Increased income from partly-owned savings banks was offset by lower income from Entercard and lower net insurance, where the net insurance was positively affected in the previous year by revised assumptions and calculations for provisions.

Expenses increased by 10 per cent to SEK 7 834m (7 130). The increase was attributable to among other things a retroactive adjustment between Swedish Banking and Group Functions and Other.

Credit impairments amounted to SEK 822m (366) mainly affected by updated macroeconomic scenarios as well as rating and stage migrations.

Business development

Activity in the housing market remained dampened during the quarter and house prices fell slightly. The number of transactions was low and the amortisation rate remained at a high level. Against the backdrop of rising market interest rates, Swedbank raised the mortgage rate for interest fixing periods up to 3 years. Our strategy of proactively contacting customers to attract more mortgage customers continued to be successful.

Deposits decreased during the quarter partly on account of higher expenses for households and businesses.

In asset management, we see that many customers are continuing their long-term monthly saving, while the weak Swedish stock market has meant that customers have partly reallocated their assets to global funds.

The current macroeconomic uncertainty kept demand high for support and advice from both private and corporate customers. Among private customers, the high inflation rate and rising interest rates are affecting their personal finances and forcing them to face hard financial choices and questions. We are there for our

customers and provide support and advice when are making long-term financial decisions and in managing the prevailing economic situation in the best possible way.

Activity among small and mid-sized companies dampened during the quarter owing to the economic uncertainty. Many companies are adopting a wait and see approach and are tending to delay investments. Also, customers in the forestry and agricultural sector were affected by the deteriorating macroeconomic situation. During the quarter, we continued to strengthen our presence and advisory capacity in this sector by recruiting additional forestry and agricultural specialists. To give our forestry and agricultural customers the tools to manage possible liquidity needs, we have extended our liquidity loan offering.

We also announced an organisational change whereby Swedbank is establishing a new business area focused on premium and private banking customers who are currently part of Swedish Banking. The change is a natural step to further improve service, advice and our offering for these customer groups. The change will take effect no later than 1 April 2024. In addition, the corporate customers within Swedish Banking who today have advisors will be transferred to Corporates and Institutions. The change is being made to further strengthen our corporate offering.

Swedbank's societal engagement through Young Entrepreneurship and our own initiatives Young Economy and Digital Economy are continuing. As of 30 September, we have educated over 60 000 young people as part of Young Economy and over 2 000 customers within the framework of the Digital Economy initiative. In September, part 2 of the banking industry's "Hard to Trick" campaign to increase fraud awareness was launched. Besides webinars, advertising and information in digital channels, customer events will be held on the topic as well.

Mikael Björknert
Head of Swedish Banking

Sweden is Swedbank's largest market, with around 4 million private customers and over 250 000 corporate customers. This makes Swedbank the largest Swedish bank by number of customers. Swedish Banking offers private customers and small to medium-sized companies financial services and advice adapted to their specific situation and needs. The bank is there for them throughout their journey – from small to big. Swedbank is a digital bank with physical meeting points and satisfies customers' needs with the help of partners. We are available through digital devices, by telephone or in person, depending on what customers need help with. The bank is strongly committed to the community and invests in an inclusive future where we promote economically sustainable thinking.

Baltic Banking

- Stronger net interest income and a stable cost trend
- Higher lending volumes, credit quality remains high despite weaker macroeconomic scenarios
- Successful sustainable loan offering is extended

Income statement

SEKm	Q3 2023	Q2 2023	%	Q3' 2022	%	Jan-Sep 2023	Jan-Sep' 2022	%
Net interest income	4 937	4 629	7	2 221		13 506	5 098	
Net commission income	871	856	2	760	15	2 543	2 183	16
Net gains and losses on financial items	134	140	-4	114	18	407	304	34
Other income ²	151	231	-35	-41		589	-216	
Total income	6 093	5 855	4	3 052	100	17 045	7 369	
Staff costs	505	478	6	408	24	1 459	1 145	27
Variable staff costs	25	30	-15	12		73	40	83
Other expenses	803	781	3	594	35	2 316	1 698	36
Depreciation/amortisation	47	46	2	45	5	139	134	4
Administrative fines		37				37		
Total expenses	1 380	1 371	1	1 059	30	4 025	3 017	33
Profit before impairments, bank taxes and resolution fees	4 712	4 484	5	1 993		13 020	4 352	
Impairment of tangible assets	2	0		10	-80	3	10	-70
Credit impairment	166	-26		132	26	111	118	-6
Bank taxes and resolution fees	620	349		25		994	74	
Profit before tax	3 923	4 160	-6	1 826		11 912	4 149	
Tax expense	685	771	-11	329		2 148	728	
Profit for the period	3 238	3 389	-4	1 498		9 764	3 422	
Return on allocated equity, %	40.2	42.2		22.2		41.4	17.1	
Loan/deposit ratio, %	69	66		66		69	66	
Credit impairment ratio, %	0.26	-0.04		0.25		0.06	0.08	
Cost/income ratio ¹	0.23	0.23		0.35		0.24	0.41	
Loans to customers, SEKbn	260	255	2	227	14	260	227	14
Deposits from customers, SEKbn	376	387	-3	342	10	376	342	10
Full-time employees	4 738	4 706	1	4 702	1	4 738	4 702	1

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see Note 1 and Note 29.

2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.

Result

Third quarter 2023 compared with second quarter 2023

Profit decreased to SEK 3 238m (3 389). Profit in local currency decreased due to higher credit impairments and the bank tax in Lithuania. Higher income contributed positively. Foreign exchange effects increased profit by SEK 57m.

Net interest income rose by 5 per cent in local currency mainly due to higher deposit margins resulting from higher market interest rates. Increased lending volumes and a positive day effect also contributed. Foreign exchange effects positively impacted net interest income by SEK 83m.

Lending increased by 4 per cent in local currency during the quarter. Lending to households increased by 2 per cent while corporate lending rose by 8 per cent. Foreign exchange effects negatively impacted by SEK 6bn.

Deposit volumes decreased by 1 per cent in local currency during the quarter. Household deposits were stable while corporate deposits fell by 1 per cent. Foreign exchange effects negatively impacted by SEK 8bn.

Net commission income was stable in local currency.

Net gains and losses on financial items decreased by 6 per cent in local currency due to changes in the value of shares in the Estonian operations in the previous quarter.

Other income decreased by 36 per cent in local currency because net insurance declined due to higher market interest rates and claims.

Expenses decreased by 1 per cent in local currency due to lower consulting and marketing expenses in the third quarter as well as the settlement with OFAC in the previous quarter. The decrease was offset by higher staff costs as well as the costs to improve digital

solutions and strengthen risk functions. Foreign exchange effects increased expenses by SEK 23m.

The bank tax in Lithuania amounted to SEK 586m (322) for the quarter. The tax increased since it applied to the entire third quarter.

Credit impairments amounted to SEK 166m (-26) and were mainly due to increased provisions for individually assessed loans as well as updated macroeconomic scenarios.

January-September 2023 compared with January-September 2022

Profit increased to SEK 9 764m (3 422). Profit in local currency increased due to higher income, partly offset by higher expenses and bank tax. Foreign exchange effects positively impacted profit by SEK 802m.

Net interest income increased by 143 per cent in local currency mainly due to higher deposit margins and larger lending volumes. Foreign exchange effects impacted net interest income positively by SEK 1 119m.

Lending increased by 8 per cent in local currency. Household lending rose by 6 per cent while corporate lending rose by 10 per cent. Foreign exchange effects made a positive contribution of SEK 15bn.

Deposits increased by 4 per cent in local currency. Household deposits rose by 3 per cent while corporate deposits increased by 4 per cent. Foreign exchange effects made a positive contribution SEK 22bn.

Net commission income increased by 7 per cent in local currency largely owing to higher card income.

Net gains and losses on financial items increased by 23 per cent in local currency due to positive valuation effects in asset management and in the insurance portfolio during the year.

Other income increased in local currency because net insurance in the previous year was negatively impacted by higher market interest rates.

Expenses increased by 22 per cent in local currency mainly due to higher staff costs, cost increases linked to inflation, the settlement with OFAC and consulting expenses. Investments in digital solutions continued to rise. Foreign exchange effects increased expenses by SEK 335m.

Credit impairments amounted to SEK 111m (118). The largest share was credit impairment provisions for individually assessed loans.

Business development

The economic development in the Baltic economies remained sluggish in the third quarter, although lower

inflation and a robust labour market contributed positively to consumer purchasing power. Activity in the housing market held up well, and despite the fact that higher interest rates made home purchases more expensive, Swedbank's mortgage portfolio continued to grow. Demand for consumer loans was stable. Customers' interest in smaller loans, for instance for home renovations and car purchases increased. Leasing volumes also grew during the quarter.

Corporate lending was negatively affected by the slowdown in export markets, but also by drought and extreme hailstorms that affected the agricultural sector during the summer. Despite this, corporate lending volumes grew during the quarter with strong demand from the public sector and state-owned enterprises, particularly in the renewable energy sector.

Swedbank continued to promote long-term savings. During the quarter, the interest rate on fixed-rate savings accounts was raised in all three Baltic countries. In Lithuania, as in Estonia and Latvia previously, interest was introduced on Easy Saver, a savings account with unlimited withdrawals. This is an important step to boost the savings culture and contribute to stronger financial health in the Baltic countries.

In August, the three Baltic countries were struck by a historically devastating storm. Swedbank quickly and clearly provided information on which damages were covered by Swedbank insurance, which was appreciated by customers.

The work to improve customer service continued during the quarter. The new cloud-based communication platform, which had already been launched in Estonia and Latvia, was introduced in Lithuania. The platform enables customers to identify themselves and simplifies contacts with Swedbank.

Swedbank continues to show a strong commitment to social engagement. Swedbank's zero-margin campaign for sustainable loans in Estonia and Latvia has been well received and has therefore been extended until the end of the year.

Arbonics, a tech-based carbon and ecosystem platform for forest and landowners in Europe, continued to broaden its offering to the Baltic countries by offering reforestation loans in Lithuania in collaboration with Swedbank. Similar solutions are already in place in Estonia and Latvia.

Jon Liddefelt
Head of Baltic Banking

Swedbank is the largest bank by number of customers in Estonia, Latvia and Lithuania, with around 3.4 million private customers and nearly 300 000 corporate customers. According to surveys, Swedbank is also the most loved brand in the Baltic countries. Through digital channels, customer centres and branches, the bank is always available. Swedbank is part of the local community. Local engagement is expressed in many ways, with initiatives to promote education, entrepreneurship and social welfare. Swedbank has 17 branches in Estonia, 21 in Latvia and 45 in Lithuania.

Corporates and Institutions

- Stable profit during the quarter
- Increased net interest income from higher lending margins
- Focus on corporate financing of climate transition

Income statement

SEKm	Q3	Q2	Q3 ¹		Jan-Sep		Jan-Sep ¹	
	2023	2023	%	2022	%	2023	2022	%
Net interest income	2 685	2 567	5	1 870	44	7 612	4 944	54
Net commission income	776	794	-2	739	5	2 284	2 269	1
Net gains and losses on financial items	299	363	-18	290	3	1 059	739	43
Other income ²	54	54	1	39	37	169	143	18
Total income	3 813	3 778	1	2 939	30	11 124	8 096	37
Staff costs	398	407	-2	383	4	1 224	1 179	4
Variable staff costs	26	13		32	-19	80	81	-1
Other expenses	728	708	3	744	-2	2 201	2 231	-1
Depreciation/amortisation	5	6	-13	5	2	17	16	9
Total expenses	1 158	1 135	2	1 164	-1	3 523	3 508	0
Profit before impairments, bank taxes and resolution fees	2 655	2 643	0	1 775	50	7 600	4 588	66
Impairment of intangible assets				181			181	
Credit impairment	-35	38		251		362	297	22
Bank taxes and resolution fees	208	225	-7	137	52	629	410	54
Profit before tax	2 482	2 381	4	1 206		6 609	3 701	79
Tax expense	544	465	17	298	83	1 353	848	60
Profit for the period	1 937	1 915	1	908		5 256	2 853	84
Return on allocated equity, %	16.0	17.3		8.5		15.3	9.5	
Loan/deposit ratio, %	166	165		157		166	157	
Credit impairment ratio, %	-0.02	0.03		0.21		0.09	0.15	
Cost/income ratio ¹	0.30	0.30		0.40		0.32	0.43	
Loans to customers, SEKbn	475	472	1	428	11	475	428	11
Deposits from customers, SEKbn	285	287	-1	273	4	285	273	4
Full-time employees	1 177	1 195	-1	1 172	0	1 177	1 172	0

1) Comparative figures have been restated due to the reorganisation as per 1 May 2023. For more information see Note 4.

2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.

Result

Third quarter 2023 compared with second quarter 2023

Stable income with strong net interest income and stable expenses increased profit to SEK 1 937m (1 915).

Net interest income increased to SEK 2 685m (2 567). Higher lending margins and volumes were offset by slightly lower deposit volumes.

Net commission income decreased to SEK 776m (794). Seasonally lower advisory commissions from equity-related transactions and bond issues were offset by increased commissions from custodial services as well as higher card commissions.

Net gains and losses on financial items decreased to SEK 299m (363) mainly due to lower income from derivative valuation adjustments (CVA/DVA). Higher market valuations in the trading portfolio of corporate bonds had a positive effect, while fixed income and FX trading were stable.

Total expenses increased to SEK 1 158m (1 135). Seasonally lower staff costs were offset by a quarterly effect attributable to the retroactive adjustment made in the second quarter due to the reorganisation between Corporates and Institutions and Group Functions and Other.

Credit impairments amounted to SEK -35m (38). Lower expert credit adjustments as well as lower credit impairment provisions for individually assessed loans due to amortisations of oil and offshore exposures were offset by negative rating and stage migrations.

January-September 2023 compared with January-September 2022

Profit increased to SEK 5 256m (2 853) largely due to higher net interest income and net gains and losses on financial items.

Net interest income increased to SEK 7 612m (4 944) mainly due to higher deposit margins and higher

average lending volumes. Customer transfers from Swedish Banking had a positive effect.

Net commission income increased to SEK 2 284m (2 269). Increased commissions from asset management as well as the bank's income from electricity price support payments were offset somewhat by lower income from merchant payments. Customer transfers contributed positively.

Net gains and losses on financial items increased to SEK 1 059m (739). The recovery in the market valuation of the trading portfolio of corporate bonds and higher income from fixed income trading contributed positively. Derivative valuation adjustments (CVA/DVA) had a negative effect.

Expenses increased marginally to SEK 3 523m (3 508). Lower IT expenses were offset by higher staff costs due to annual salary increases and restructuring costs.

Credit impairments amounted to SEK 362m (297) and were mainly explained by negative ratings and stage migrations as well as updated macroeconomic scenarios, partly offset by lower expert credit adjustments as well as lower credit impairment provisions for individually assessed loans.

Business development

Lending and deposits were both stable during the quarter. Lending to the real estate sector rose slightly. Deposits from institutional clients and the public sector decreased. Corporate deposits also fell slightly, while short-term deposits in foreign currency increased.

Sentiment in the capital markets improved. In the bond market, activity was low during the summer months but rose during the quarter due to lower credit premiums in the secondary market. Investors and issuers have become more closely aligned, including in the real estate sector. Swedbank served as an advisor in connection with share issues by Diös and Humlegården, among other companies. There was also a slight recovery in high-yield bonds issuance, where the bank acted as an advisor to, for instance, Stendörren and Stillfront regarding their issues. Financing activity among banks remained high. We assisted Swedbank Treasury, for example, with issuing a social bond, the

first from a Nordic bank. In addition, we have designed 16 frameworks for sustainable bonds for institutional and corporate clients and arranged nine sustainability events for our clients so far this year.

Demand for share capital from small businesses in order to strengthen their balance sheets increased. Although activity was lower in the real estate sector than in the first half of the year, Swedbank served as an advisor to Logistea in connection with its rights issue. M&A activity also slowed. However, Swedbank served as an advisor on the sale of Hjo installation to Nordic Capital.

There was strong demand from real estate companies for interest rate risk management services as the rising interest rates has made interest rate risk a priority. In the FX business, the level of activity from corporate clients remained high, particularly from exporters, which entered into currency hedges when the Swedish krona weakened.

During the quarter, Swedbank expanded its collaboration with SpareBank 1 Markets to also include the investment grade business. Through this collaboration, Swedbank strengthens its distribution of bonds in Norwegian kroner via SpareBank 1 Markets and is able to offer their customers our expertise in Debt Capital Markets (DCM) for transactions in euro and SEK.

We continued the implementation of our service model for midsized corporate clients, which also includes a more structured way of working with customer plans where we cover client needs in a better way.

To further improve the overall corporate offering, responsibility for all corporate clients who currently have advisors in Swedish Banking will be transferred to Corporates and Institutions. This will be completed by 1 April 2024.

Bo Bengtsson
Head of Corporates and Institutions

Corporates and Institutions is responsible for Swedbank's offering to customers with revenues above SEK 2 billion and those with complex needs. The business area is also responsible for corporate and capital market products in other parts of the bank and for the Swedish savings banks. Corporates and Institutions works closely with customers, who receive advice to create long-term profitability and sustainable growth. The business area is represented in Sweden, Estonia, Latvia, Lithuania, Norway, Finland, China and the U.S.

Group Functions and Other

Income statement

SEKm	Q3 2023	Q2 2023	%	Q3' 2022	%	Jan-Sep 2023	Jan-Sep' 2022	%
Net interest income	-1 078	-1 044		-646	67	-3 065	49	
Net commission income	-65	-113		-30		-235	-153	
Net gains and losses on financial items	128	-66		477		345	-21	
Other income ²	840	786	7	620	35	2 363	1 764	34
Total income	-175	-437		421		-592	1 639	
Staff costs	1 713	1 735	-1	1 642	4	5 187	4 869	7
Variable staff costs	48	61	-22	35	37	172	88	94
Other expenses	-1 326	-1 256		-1 170		-3 835	-3 583	
Depreciation/amortisation	427	463	-8	361	18	1 281	1 083	18
Administrative fines		-40				850		
Total expenses	862	963	-10	868	-1	3 656	2 458	49
Profit before impairments, bank taxes and resolution fees	-1 037	-1 400		-447		-4 247	-819	
Impairment of intangible assets		11		263		11	263	
Credit impairment	8	-2		1		16	18	-12
Bank taxes and resolution fees	6	6		5	20	17	13	29
Profit before tax	-1 051	-1 415		-715	47	-4 291	-1 113	
Tax expense	-51	-165		-70	-27	-291	-79	
Profit for the period	-999	-1 250		-645	55	-3 999	-1 034	
Full-time employees	7 652	7 589	1	7 429	3	7 652	7 429	3

1) Comparative figures have been restated due to the reorganisation as per 1 May 2023 and due to IFRS 17. For more information see Note 4, Note 1 and Note 29.

2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.

Net interest income and net gains and losses on financial items mainly stem from Group Treasury. Other income mainly refers to income from the savings banks. Expenses mainly relate to Group Products & Advice and Group Staffs and are allocated to a large extent.

Result

Third quarter 2023 compared with second quarter 2023

Profit increased to SEK -999m (-1 250). Higher income and lower expenses contributed.

Net interest income decreased to SEK -1 078m (-1 044). Net interest income within Group Treasury increased to SEK -966m (-1 014) due to increased income from the bank's internal pricing model, partly offset by increased financing expenses.

Net gains and losses on financial items increased to SEK 128m (-66). Net gains and losses on financial items within Group Treasury increased to SEK 140m (-56) primarily related to positive valuation adjustments of derivatives and holdings in the liquidity portfolio.

Expenses decreased to SEK 862m (963) mainly due to seasonal effects in Other expenses.

January-September 2023 compared with January-September 2022

Profit decreased to SEK -3 999m (-1 034) due to lower income and higher expenses.

Net interest income decreased to SEK -3 065m (49). Group Treasury's net interest income decreased to SEK -2 822m (222) due to increased financing expenses as well as the effects of the bank's internal pricing model related to higher market interest rates.

Net gains and losses on financial items increased to SEK 345m (-21). Net gains and losses on financial items within Group Treasury increased to SEK 356m (-11) mainly as a result of positive valuation adjustments of derivatives and in the liquidity portfolio.

Expenses increased to SEK 3 656m (2 458) mainly due to the administrative fine from the Swedish FSA. Higher staff costs also contributed.

Group Functions & Other consists of central business support units and the customer advisory unit Group Products & Advice. The central units serve as strategic and administrative support and comprise Accounting & Finance, Branding, Communication and Sustainability, Risk, Group Channels & Technologies, Compliance, HR & Infrastructure, and Legal. Group Treasury is responsible for the bank's funding, liquidity and capital planning. Group Treasury also sets the prices for all internal deposit and loan flows in the Group through internal interest rates, where the most important parameters are maturity, interest fixing period, currency, and need for liquidity reserves.

Eliminations

Income statement

SEKm	Q3	Q2		Q3¹		Jan-Sep	Jan-Sep¹	
	2023	2023	%	2022	%	2023	2022	%
Net interest income	24	19		6		59	5	
Net commission income	-5	-10		6		-17	16	
Other income ²	-476	-464		-309		-1 390	-918	
Total income	-458	-455		-297		-1 348	-897	
Staff costs	-4	-5		-3		-12	-11	
Other expenses	-454	-450		-293		-1 336	-887	
Total expenses	-458	-455		-297		-1 348	-897	

1) Comparative figures have been restated due to the reorganisation as per 1 May 2023 and due to IFRS 17. For more information see Note 4, Note 1 and Note 29.

2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.

Financial statements - Group

Income statement, condensed

Group SEKm	Q3 2023	Q2 2023	Q3 ¹ 2022	Jan-Sep 2023	Jan-Sep ¹ 2022
Interest income on financial assets at amortised cost	27 430	24 761	11 750	73 431	27 673
Other interest income	197	106	0	495	178
Interest income	27 627	24 867	11 750	73 926	27 850
Interest expense	-14 726	-12 099	-3 392	-36 322	-5 622
Net interest income (note 5)	12 901	12 768	8 358	37 605	22 228
Commission income	6 130	6 022	5 649	17 777	16 653
Commission expense	-2 268	-2 211	-2 024	-6 444	-5 961
Net commission income (note 6)	3 862	3 811	3 624	11 334	10 692
Net gains and losses on financial items (note 7)	652	524	963	2 093	1 176
Insurance result	945	-514	361	-75	3 423
Return on assets backing insurance liabilities	-619	898	-244	1 066	-3 128
Net insurance income (note 8)	325	384	117	991	295
Share of profit or loss of associates and joint ventures	265	250	261	685	544
Other income	463	435	398	1 320	1 145
Total income	18 468	18 173	13 720	54 028	36 080
Staff costs	3 429	3 417	3 191	10 312	9 465
Other general administrative expenses (note 9)	1 648	1 783	1 576	5 038	4 497
Depreciation/amortisation of tangible and intangible assets	484	520	418	1 452	1 254
Administrative fines		-3		887	
Total expenses	5 562	5 717	5 185	17 689	15 215
Profit before impairments, bank taxes and resolution fees	12 906	12 456	8 535	36 339	20 865
Impairment of intangible assets (note 15)		11	443	11	443
Impairment of tangible assets	2		10	3	10
Credit impairment (note 10)	347	188	602	1 311	800
Bank taxes and resolution fees (note 11)	1 110	844	466	2 472	1 392
Profit before tax	11 447	11 414	7 014	32 542	18 220
Tax expense	2 321	2 291	1 423	6 734	3 640
Profit for the period	9 125	9 123	5 591	25 808	14 580
Profit for the period attributable to:					
Shareholders of Swedbank AB	9 123	9 122	5 587	25 806	14 576
Non-controlling interests	2	1	4	2	4
Earnings per share, SEK	8.11	8.11	4.97	22.95	12.98
Earnings per share after dilution, SEK	8.09	8.09	4.96	22.90	12.95

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see Note 1 and Note 29.

Statement of comprehensive income, condensed

Group SEKm	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Profit for the period reported via income statement¹	9 125	9 123	5 587	25 808	14 580
Items that will not be reclassified to the income statement					
Remeasurements of defined benefit pension plans	-429	1 338	1 956	1 221	4 547
Share related to associates and joint ventures:					
Remeasurements of defined benefit pension plans	-35	43	51	29	166
Income tax	88	-276	-403	-252	-937
Total	-375	1 105	1 604	999	3 776
Items that may be reclassified to the income statement					
Exchange rate differences, foreign operations:					
Gains/losses arising during the period ¹	-1 355	2 659	719	2 214	3 050
Hedging of net investments in foreign operations:					
Gains/losses arising during the period	1 099	-2 125	-567	-1 700	-2 402
Cash flow hedges:					
Gains/losses arising during the period	-185	381	98	321	439
Reclassification adjustments to the income statement, Net gains and losses on financial items	180	-373	-104	-321	-435
Foreign currency basis risk:					
Gains/losses arising during the period	-21	1	44	-18	112
Share of other comprehensive income of associates and joint ventures	1	19	-6	-18	10
Income tax	-221	436	109	354	471
Total¹	-502	998	293	832	1 245
Other comprehensive income for the period, net of tax¹	-877	2 103	1 897	1 831	5 021
Total comprehensive income for the period¹	8 248	11 226	7 484	27 639	19 601
Total comprehensive income attributable to: Shareholders of Swedbank AB¹	8 246	11 225	7 484	27 637	19 597
Non-controlling interests	2	1	0	2	4

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see Note 1 and Note 29.

For January – September 2023 a gain of SEK 1 221m (4 547) was recognised in other comprehensive income, relating to remeasurements of defined benefit pension plans. As per 30 September 2023 the discount rate used to calculate the closing pension obligation was 4.74 per cent, compared with 4.56 per cent per 31 December 2022. The inflation assumption was 1.83 per cent compared with 2.11 per cent per 31 December 2022. The fair value of plan assets decreased during January – September 2023 by SEK 611m. In total, at 30 September 2023 the fair value of plan assets exceeded the obligation for funded defined benefit pension plans by SEK 3 995m, therefore the funded plans are presented as an asset.

For January – September 2023 an exchange rate difference of SEK 2 214m (3 050) was recognised for the Group's foreign net investments in subsidiaries. The gain related to subsidiaries mainly arose because the Swedish krona weakened against the euro during the period. In addition, an exchange rate difference of SEK -18m (10) for the Group's foreign net investments in associates and joint ventures is included in Share of other comprehensive income of associates and joint ventures. The total gain of SEK 2 196m is not taxable. Most of the Group's foreign net investments are hedged against currency risk resulting in a loss of SEK -1 700m (-2 402) for the hedging instruments.

Balance sheet, condensed

Group SEKm	30 Sep 2023	31 Dec ¹ 2022	30 Sep ¹ 2022
Assets			
Cash and balances with central banks	287 996	365 992	454 584
Treasury bills and other bills eligible for refinancing with central banks, etc.	314 333	151 483	137 794
Loans to credit institutions	53 167	56 589	63 463
Loans to the public	1 867 380	1 842 811	1 845 932
Value change of the hedged assets in portfolio hedges of interest rate risk	-15 288	-20 369	-21 691
Bonds and other interest-bearing securities	52 583	61 298	76 925
Financial assets for which customers bear the investment risk	303 481	268 594	255 830
Shares and participating interests	50 767	30 268	26 868
Investments in associates and joint ventures	8 420	7 830	7 610
Derivatives (note 19)	46 948	50 504	86 985
Intangible assets (note 15)	20 904	19 886	20 047
Tangible assets	5 446	5 449	5 169
Current tax assets	1 608	1 449	2 052
Deferred tax assets	83	159	167
Pension assets	3 995	2 431	3 029
Other assets	14 246	8 244	26 810
Prepaid expenses and accrued income	2 294	2 028	2 296
Total assets	3 018 363	2 854 646	2 993 868
Liabilities and equity			
Amounts owed to credit institutions (note 16)	98 465	72 826	175 599
Deposits and borrowings from the public (note 17)	1 285 620	1 305 948	1 303 098
Value change of the hedged liabilities in portfolio hedges of interest rate risk	1		
Financial liabilities for which customers bear the investment risk	304 307	268 892	256 151
Debt securities in issue (note 18)	851 482	784 206	826 874
Short positions, securities	19 775	27 134	31 620
Derivatives (note 19)	53 642	68 679	70 674
Current tax liabilities	3 524	1 811	856
Deferred tax liabilities	4 487	3 615	4 822
Pension provisions	142	168	150
Insurance provisions	25 665	24 875	24 022
Other liabilities and provisions	35 834	26 984	35 061
Accrued expenses and prepaid income	5 886	4 657	5 007
Senior non-preferred liabilities (note 18)	103 187	57 439	57 203
Subordinated liabilities (note 18)	33 373	31 331	33 479
Total liabilities	2 825 390	2 678 566	2 824 614
Equity			
Non-controlling interests	31	29	30
Equity attributable to shareholders of the parent company	192 942	176 052	169 223
Total equity	192 973	176 080	169 253
Total liabilities and equity	3 018 363	2 854 646	2 993 868

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see Note 1 and Note 29.

Statement of changes in equity, condensed

Group	Equity attributable to										
SEKm	shareholders of Swedbank AB										
	Share capital	Other contributed equity ¹	Exchange differences, subsidiaries and associates	Hedging of net investments in foreign operations	Cash flow hedge reserves	Foreign currency basis reserves	Retained earnings	Total	Non-controlling interests	Total equity	
January-September 2023											
Opening balance 1 January 2023	24 904	17 275	9 660	-5 964	11	-8	130 174	176 052	29	176 080	
Dividends							-10 964	-10 964		-10 964	
Share based payments to employees							194	194		194	
Deferred tax related to share based payments to employees							3	3		3	
Current tax related to share based payments to employees							20	20		20	
Total comprehensive income for the period			2 196	-1 350	0	-14	26 805	27 637	2	27 639	
of which reported through profit or loss							25 806	25 806	2	25 808	
of which reported through other comprehensive income			2 196	-1 350	0	-14	999	1 831		1 831	
Closing balance 30 September 2023	24 904	17 275	11 856	-7 314	11	-22	146 232	192 942	31	192 973	
January-December 2022											
Closing balance 31 December 2021	24 904	17 275	5 294	-3 248	2	-58	117 501	161 670	26	161 696	
Changes in accounting policies IFRS 17							484	484		484	
Opening balance 1 January 2022	24 904	17 275	5 294	-3 248	2	-58	117 985	162 154	26	162 180	
Dividends							-12 632	-12 632		-12 632	
Share based payments to employees							174	174		174	
Deferred tax related to share based payments to employees							4	4		4	
Current tax related to share based payments to employees							-1	-1		-1	
Total comprehensive income for the period			4 366	-2 716	9	50	24 644	26 353	3	26 356	
of which reported through profit or loss							21 365	21 365	3	21 368	
of which reported through other comprehensive income			4 366	-2 716	9	50	3 279	4 988		4 988	
Closing balance 31 December 2022	24 904	17 275	9 660	-5 964	11	-8	130 174	21 365	29	21 368	
January-September 2022											
Closing balance 31 December 2021	24 904	17 275	5 294	-3 248	2	-58	117 501	161 670	26	161 696	
Changes in accounting policies IFRS 17							484	484		484	
Opening balance 1 January 2022	24 904	17 275	5 294	-3 248	2	-58	117 985	162 154	26	162 180	
Dividends							-12 632	-12 632		-12 632	
Share based payments to employees							113	113		113	
Deferred tax related to share based payments to employees							-7	-7		-7	
Current tax related to share based payments to employees							-1	-1		-1	
Total comprehensive income for the period			3 060	-1 907	3	89	18 352	19 597		19 601	
of which reported through profit or loss							14 576	14 576		14 580	
of which reported through other comprehensive income			3 060	-1 907	3	89	3 776	5 021		5 021	
Closing balance 30 September 2022	24 904	17 275	8 354	-5 155	5	31	123 810	169 224	30	169 254	

1) Other contributed equity consists mainly of share premiums.

Cash flow statement, condensed

Group SEKm	Jan-Sep 2023	Full year 2022	Jan-Sep 2022
Operating activities			
Profit before tax ¹	32 542	26 763	18 220
Adjustments for non-cash items in operating activities ¹	174	3 395	-88
Income taxes paid	-5 178	-4 537	-4 044
Increase (-) / decrease (+) in loans to credit institution	4 589	-16 637	-23 801
Increase (-) / decrease (+) in loans to the public	-16 169	-123 486	-133 139
Increase (-) / decrease (+) in holdings of securities	-170 404	16 856	15 007
Increase (-) / decrease (+) in other assets	-8 150	-6 593	-60 247
Increase (+) / decrease (-) in amounts owed to credit institutions	20 904	-25 043	79 547
Increase (+) / decrease (-) in deposits and borrowings from the public	-35 306	11 707	20 785
Increase (+) / decrease (-) in debt securities in issue	34 404	22 722	49 082
Increase (+) / decrease (-) in other liabilities	26 748	76 233	112 346
Cash flow from operating activities	-115 846	-18 620	73 668
Investing activities			
Acquisitions of and contributions to associates and joint ventures	-53	-135	-118
Dividend from associates and joint ventures	113	1 020	1 020
Acquisitions of other fixed assets and strategic financial assets	-654	-363	-243
Disposals of/maturity of other fixed assets and strategic financial assets	118	169	92
Cash flow from investing activities	-476	691	751
Financing activities			
Amortisation of lease liabilities	-603	-802	-581
Issuance of senior non-preferred liabilities	45 397	22 993	22 447
Redemption of senior non-preferred liabilities	-1 447	-257	-86
Issuance of subordinated liabilities	9 339	13 374	8 419
Redemption of subordinated liabilities	-10 070	-12 661	-5 523
Dividends paid	-10 964	-12 632	-12 632
Cash flow from financing activities	31 652	10 015	12 044
Cash flow for the period	-84 670	-7 914	86 463
Cash and cash equivalents at the beginning of the period	365 992	360 153	360 153
Cash flow for the period	-84 670	-7 914	86 463
Exchange rate differences on cash and cash equivalents	6 674	13 753	7 968
Cash and cash equivalents at end of the period	287 996	365 992	454 584

1) Comparative figures have been restated due to the adoption of IFRS 17. The real cash flow is not affected by the adoption, but amounts for relevant lines have been restated.

2023

During the year contributions were provided to the joint ventures P27 Nordic Payments Platform AB, Invidem AB and Tibern AB of SEK 48m, 3m and 2m respectively.

2022

During the year contributions were provided to the joint ventures P27 Nordic Payments Platform AB, Invidem AB and Tibern AB of SEK 72m, 49m and 3m respectively. During the second quarter shares were acquired in the associate Thylling Insight AB of SEK 11m.

Note 1 Accounting policies

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated financial statements have also been prepared in accordance with the recommendations and statements of the Swedish Financial Reporting Board, the Annual Accounts Act for Credit Institutions and Securities Companies and the directives of the Swedish Financial Supervisory Authority (SFSA).

The Parent Company report has been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies, the directives of the SFSA and recommendation RFR 2 of the Swedish Financial Reporting Board.

The accounting policies applied in the interim report conform to those applied in the Annual and Sustainability Report for 2022, which was prepared in accordance with International Financial Reporting Standards as adopted by the European Union and interpretations thereof. Other than as described below, there have been no significant changes to the Group's accounting policies.

The financial statements are presented in Swedish kronor and all figures are rounded to millions of kronor (SEKm) unless otherwise indicated. No adjustments for rounding are made, therefore summation differences may occur.

Changes in accounting policies

The following new accounting pronouncements have been applied in the financial reports during 2023.

Insurance contracts (IFRS 17)

On 1 January 2023, the Group adopted IFRS 17 Insurance contracts. IFRS 17 replaces IFRS 4 Insurance contracts and sets out the principles for recognition, presentation, measurement, and disclosure of insurance contracts issued and reinsurance contracts. The key differences between IFRS 17 and IFRS 4 relate to revenue recognition and liability valuation. The new standard has been applied with

transition date 1 January 2022, meaning that comparative figures have been restated. Note 29 presents comparative figures for the balance sheet and income statement before and after the introduction of IFRS 17. Where amounts are impacted by the introduction of IFRS 17, the notes state that the comparative figures have been restated. The reported amounts before the transition are not presented.

The related accounting policies applied from 1 January 2023 are set out in the 2022 Annual and Sustainability Report on pages 78-79.

Fair value hedge accounting – portfolio hedges

Fair value portfolio hedge accounting for non-maturing deposits, consisting of on demand deposits, was initiated during Q3. The interest rate exposure in non-maturing deposits is hedged with derivatives. The Group applies fair value portfolio hedge accounting in accordance with the EU carve-out version of IAS 39, which permits on demand deposits to be designated as hedged items. Hedge ineffectiveness for portfolio hedges is not recognised due to differences in expected versus actual repricing dates given that only a portion of the portfolio is hedged.

The fair value of the hedged items is recognised on a separate line in the balance sheet: Value change of hedged liabilities in portfolio hedges of interest rate risk. Both the fair value changes of the derivative and the fair value changes of the hedged risk are recognised in the income statement within Net gains and losses on financial items. Interests from the hedged items and the hedging instruments are recognised within Net interest income.

Other changes in accounting regulations

Other amended regulations that have been adopted from 1 January 2023 did not have a significant impact on the Group's financial position, results, cash flows or disclosures.

Note 2 Critical accounting estimates

Presentation of consolidated financial statements in conformity with IFRS requires the executive management to make judgments and estimates that affect the recognised amounts of assets, liabilities and disclosures of contingent assets and liabilities as of the reporting date as well as the recognised income and expenses during the reporting period. The executive management continuously evaluates these judgments and estimates, including assessing control over investment funds, the fair value of financial instruments, provisions for credit impairment, impairment testing of goodwill, deferred taxes and defined benefit pension provisions.

Post-model expert credit adjustments to the credit impairment provisions continue to be necessary, given the geopolitical and economic uncertainties. Additionally, as per 30 September 2023, the significant increase in credit risk threshold for the Swedish mortgage portfolio was amended. Further information is provided in Note 10. Beyond that, there have been no significant changes to the basis upon which the critical accounting judgments and estimates have been determined compared with 31 December 2022.

Note 3 Changes in the Group structure

No significant changes to the Group structure occurred during the first nine months of 2023.

Note 4 Operating segments (business areas)

January-September 2023 SEKm	Swedish Banking	Baltic Banking	Corporates and Institutions	Group Functions and Other	Eliminations	Group
Income statement						
Net interest income	19 493	13 506	7 612	-3 065	59	37 605
Net commission income	6 758	2 543	2 284	-235	-17	11 334
Net gains and losses on financial items	283	407	1 059	345	-0	2 093
Other income ¹	1 266	589	169	2 363	-1 390	2 997
Total income	27 800	17 045	11 124	-592	-1 348	54 028
Staff costs	2 086	1 459	1 224	5 187	-12	9 944
Variable staff costs	43	73	80	172	0	368
Other expenses	5 691	2 316	2 201	-3 835	-1 336	5 038
Depreciation/amortisation	14	139	17	1 281	-0	1 452
Administrative fines		37		850		887
Total expenses	7 834	4 025	3 523	3 656	-1 348	17 689
Profit before impairments, bank taxes and resolution fees	19 966	13 020	7 600	-4 247		36 339
Impairment of intangible assets				11		11
Impairment of tangible assets		3				3
Credit impairment	822	111	362	16		1 311
Bank taxes and resolution fees	832	994	629	17		2 472
Profit before tax	18 312	11 912	6 609	-4 291		32 542
Tax expense	3 524	2 148	1 353	-291		6 734
Profit for the period	14 788	9 764	5 256	-3 999		25 808
Profit for the period attributable to:						
Shareholders of Swedbank AB	14 785	9 764	5 256	-3 999		25 806
Non-controlling interests	2					2
Net commission income						
Commission income						
Payment processing	460	507	596	314	-13	1 865
Cards	1 820	1 708	2 166	-338	0	5 356
Asset management and custody	5 425	449	1 412	-3	-244	7 038
Lending	25	178	720	5	-6	921
Other commission income ²	1 418	463	728	8	-20	2 597
Total Commission income	9 148	3 304	5 622	-14	-282	17 777
Commission expense	2 390	761	3 337	220	-265	6 444
Net commission income	6 758	2 543	2 284	-235	-17	11 334
Balance sheet, SEKbn						
Cash and balances with central banks	0	4	1	284	0	288
Loans to credit institutions	6		173	296	-422	53
Loans to the public	1 072	261	535	1	-1	1 867
Interest-bearing securities		2	61	307	-3	367
Financial assets for which customers bear the investment risk	301	2				303
Investments in associates and joint ventures	6			2		8
Derivatives		0	157	133	-244	47
Tangible and intangible assets	2	13	-0	11		26
Other assets	22	132	31	250	-378	58
Total assets	1 410	414	958	1 284	-1 048	3 018
Amounts owed to credit institutions	8	0	385	119	-413	98
Deposits and borrowings from the public	613	376	301	4	-9	1 286
Debt securities in issue	-0	3	2	850	-3	851
Financial liabilities for which customers bear the investment risk	302	2				304
Derivatives		0	171	127	-244	54
Other liabilities	423		52		-379	95
Senior non-preferred liabilities			-0	103		103
Subordinated liabilities				33		33
Total liabilities	1 346	382	909	1 237	-1 048	2 825
Allocated equity	64	33	49	47		193
Total liabilities and equity	1 410	414	958	1 284	-1 048	3 018
Key figures						
Return on allocated equity, %	30.8	41.4	15.3	-13.0		18.9
Cost/income ratio	0.28	0.24	0.32	-6.18		0.33
Credit impairment ratio, %	0.10	0.06	0.09	0.07		0.09
Loan/deposit ratio, %	176	69	166	15		142
Lending to the public, stage 3, SEKbn (gross)	3	2	2			7
Loans to customers, total, SEKbn	1 072	260	475	1		1 808
Provisions for loans to customers, total, SEKbn	2	1	3			7
Deposits from customers, SEKbn	610	376	285	6		1 278
Risk exposure amount, SEKbn	355	176	277	29		838
Full-time employees	3 444	4 738	1 177	7 652		17 011
Allocated equity, average, SEKbn	64	31	46	41		182

1) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.

2) Other commission income includes Service concepts, Insurance, Securities and corporate finance and Other, see Note 6.

January-September 2022 ¹ SEKm	Swedish Banking	Baltic Banking	Corporates and Institutions	Group Functions and Other	Eliminations	Group
Income statement						
Net interest income	12 132	5 098	4 944	49	5	22 228
Net commission income	6 377	2 183	2 269	-153	16	10 692
Net gains and losses on financial items	154	304	739	-21	0	1 176
Other income ²	1 211	-216	143	1 764	-918	1 984
Total income	19 875	7 369	8 096	1 639	-897	36 080
Staff costs	2 053	1 145	1 179	4 869	-11	9 235
Variable staff costs	20	40	81	88	-0	229
Other expenses	5 037	1 698	2 231	-3 583	-887	4 497
Depreciation/amortisation	21	134	16	1 083		1 254
Total expenses	7 130	3 017	3 508	2 458	-897	15 215
Profit before impairments, bank taxes and resolution fees						
	12 745	4 352	4 588	-819		20 865
Impairment of intangible assets			181	263		443
Impairment of tangible assets		10				10
Credit impairment	366	118	297	18		800
Bank taxes and resolution fees	895	74	410	13		1 392
Profit before tax	11 483	4 149	3 701	-1 113		18 220
Tax expense	2 144	728	848	-79		3 640
Profit for the period	9 340	3 422	2 853	-1 034		14 580
Profit for the period attributable to:						
Shareholders of Swedbank AB	9 336	3 422	2 853	-1 034		14 576
Non-controlling interests	4					4
Net commission income						
Commission income						
Payment processing	417	488	468	263	-12	1 624
Cards	1 716	1 456	2 092	-353	0	4 910
Asset management and custody	5 193	400	1 213	-12	-219	6 576
Lending	88	146	722	9	-5	960
Other commission income ³	1 452	367	769	0	-6	2 582
Total Commission income	8 866	2 857	5 265	-93	-242	16 653
Commission expense	2 489	674	2 996	59	-258	5 961
Net commission income	6 377	2 183	2 269	-153	16	10 692
Balance sheet, SEKbn						
Cash and balances with central banks	2	4	2	448	-1	455
Loans to credit institutions	4	0	142	269	-352	63
Loans to the public	1 141	227	476	2	-1	1 846
Interest-bearing securities	0	2	72	143	-2	215
Financial assets for which customers bear the investment risk	254	2				256
Investments in associates	5			2		8
Derivatives	0	1	206	175	-294	87
Tangible and intangible assets	2	12	-0	11	-0	25
Other assets	22	127	14	366	-489	40
Total assets	1 430	374	912	1 417	-1 139	2 994
Amounts owed to credit institutions	8	0	350	147	-329	176
Deposits and borrowings from the public	658	342	307	4	-8	1 303
Debt securities in issue	-0	2	3	825	-3	827
Financial liabilities for which customers bear the investment risk	254	2				256
Derivatives		1	216	148	-294	71
Other liabilities	446	0	-8	168	-505	102
Senior non-preferred liabilities				57		57
Subordinated liabilities			-0	33		33
Total liabilities	1 366	347	868	1 383	-1 139	2 825
Allocated equity	64	27	44	34		169
Total liabilities and equity	1 430	374	912	1 417	-1 139	2 994
Key figures						
Return on allocated equity, %	19.8	17.1	9.5	-4.3		12.0
Cost/income ratio	0.36	0.41	0.43	1.50		0.42
Credit impairment ratio, %	0.04	0.08	0.15	0.13		0.06
Loan/deposit ratio, %	174	66	157	45		141
Lending to the public, stage 3, SEKbn (gross)	3	1	3			6
Loans to customers, total, SEKbn	1 141	227	428	2		1 798
Provisions for loans to customers, total, SEKbn	2	1	3			5
Deposits from customers, SEKbn	658	342	273	4		1277
Risk exposure amount, SEKbn	365	125	233	30		753
Full-time employees	3 508	4 702	1 172	7 429		16 811
Allocated equity, average, SEKbn	63	27	40	32		162

1) Comparative figures have been restated due to the reorganisation as per 1 May 2023 and due to IFRS 17. For more information see Note 1 and Note 29.

2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.

3) Other commission income includes Service concepts, Insurance, Securities and corporate finance and Other, see Note 6.

Operating segments accounting policies

The operating segment report is based on Swedbank's accounting policies, organisation and management accounts. Market-based transfer prices are applied between operating segments, while all expenses for Group functions and Group staffs are transfer priced at cost to the operating segments. Cross-border transfer pricing is applied according to OECD transfer pricing guidelines.

The Group's equity attributable to shareholders is allocated to each operating segment based on capital adequacy rules and estimated capital requirements based on the bank's Internal Capital Adequacy Assessment Process (ICAAP).

The return on allocated equity for the operating segments is calculated based on profit for the period attributable to the shareholders for the operating segment, in relation to average monthly allocated equity for the operating segment. For periods shorter than one year the key ratio is annualised.

From 1 May 2023, Swedbank completed a reorganisation which mainly impacts Swedish Banking, Large Corporates and Institutions, which changed name to Corporates and Institutions, and Group Functions and Other. The majority of mid-sized corporate customers and tenant-owned associations were transferred from Swedish Banking to Corporates and Institutions. In connection with the change, certain support functions have also been transferred to Group Functions and Other. The comparative figures have been restated. Further transfers of customers between business areas have also occurred since 1 May. Restatements have not been made for these transfers. These changes have no impact on the Group's total profit or equity.

The comparative figures have also been restated due to the adoption of IFRS 17. For more information, see Note 1 and Note 29.

Changes between previous and new reporting per operating segment												
January-September 2022 SEKmn	Swedish Banking		Baltic Banking		Corporates and Institutions		Group Functions and Other		Eliminations		Group	
	IFRS 17	Reorg	IFRS 17	Reorg	IFRS 17	Reorg	IFRS 17	Reorg	IFRS 17	Reorg	IFRS 17	Reorg
Income statement												
Net interest income		-1 540	-7	0		1 556	-15					-7
Net commission income	-21	-225	-50			205	-10	20	-2			-83
Net gains and losses on financial items	14	-102	38			105	-2					52
Other income ²	-168	-4	-842			-25	-9	30	41			-978
Total income	-175	-1 872	-862	0		1 840	-19	31	39			-1 017
Staff costs	-62	-350	-169			21	-75	329				-305
Variable staff costs		-5		-0		-1	-1	6				-1
Other expenses	-164	-350	-75	-0		458	57	-108	39			-143
Depreciation/amortisation		-0				-73		73				
Total expenses	-225	-704	-245	-0		404	-19	300	39			-450
Profit before impairments, bank taxes and resolution fees	50	-1 168	-617	0		1 436	0	-269				-567
Credit impairment		-194				194						
Bank taxes and resolution fees		-55				55						
Profit before tax	50	-918	-617	0		1 187	-269					-567
Tax expense	9	-195	-88	0		254	-59					-79
Profit for the period	41	-723	-530	0		933	-210					-488
Profit for the period attributable to: Shareholders of Swedbank AB	41	-723	-530	0		933	-210					-488
Net commission income												
Commission income												
Payment processing		-164				94		70				
Cards		-177				177						
Asset management and custody		-18				18						
Lending		-56				56						
Other commission income ³	-79	-65	-58			65		-0				-137
Total Commission income	-79	-480	-58			410		70				-137
Commission expense	-58	-255	-8			205	10	50	2			-53
Net commission income	-21	-225	-50			205	-10	20	-2			-83
Balance sheet, SEKbn												
Cash and balances with central banks		-1				2		-1				
Loans to credit institutions		-2				1		1				
Loans to the public		-139				139						
Financial assets for which customers bear the investment risk	-16		-5									-21
Tangible and intangible assets						-1		1				21
Other assets	16		-0			-0		-1	5	1		
Total assets		-142	-5			141		0	5	1		-0
Amounts owed to credit institutions		-22				22						
Deposits and borrowings from the public		-76				76						
Financial liabilities for which customers bear the investment risk	-17		-5									-22
Other liabilities	17	-37	-0			36		-0	5	1		22
Total liabilities	-135	-5				134		-0	5	1		-0
Allocated equity		-7				7		1				
Total liabilities and equity		-142	-5			141		0	5	1		-0
Key figures												
Return on allocated equity, %	0.0	0.5	-2.6	0.0		2.0	0.0	-0.8	0.0			0.0
Cost/income ratio	-0.01	0.00	0.01	0.00		-0.06	0.00	0.16				0.00
Credit impairment ratio, %		-0.02				0.10						
Loan/deposit ratio, %		-1				10						
Loans to customers, total, SEKbn		-139				139						
Deposits from customers, SEKbn		-76				76						
Risk exposure amount, SEKbn		-43				43						
Full-time employees		-546				-29		574				
Allocated equity, average, SEKbn		-7				6		1				

Note 5 Net interest income

SEKm	Q3 2023	Q2 2023	Q3' 2022	Jan-Sep 2023	Jan-Sep' 2022
Interest income					
Cash and balances with central banks	4 329	3 954	1 020	11 689	654
Treasury bills and other bills eligible for refinancing with central banks, etc.	2 418	2 207	253	6 038	460
Loans to credit institutions	954	799	185	2 444	294
Loans to the public	21 490	19 225	10 532	57 484	26 712
Bonds and other interest-bearing securities	413	474	280	1 276	528
Derivatives ²	-108	-182	139	-416	449
Other assets	25	17	2	53	3
Total	29 522	26 494	12 411	78 569	29 100
Deduction of trading-related interests reported in Net gains and losses on financial items	1 895	1 627	661	4 642	1 250
Total interest income	27 627	24 867	11 750	73 926	27 850
Interest expense					
Amounts owed to credit institutions	-1 743	-1 656	-355	-4 686	-354
Deposits and borrowings from the public	-7 470	-6 210	-1 447	-18 364	-1 928
of which deposit guarantee fees	-188	-183	-155	-528	-467
Debt securities in issue	-7 221	-6 718	-3 035	-19 799	-5 837
Senior non-preferred liabilities	-717	-483	-148	-1 577	-362
Subordinated liabilities	-505	-453	-212	-1 332	-611
Derivatives ²	968	1 625	1 508	4 457	3 183
Other liabilities	-19	-16	-12	-56	-38
Total	-16 708	-13 911	-3 702	-41 358	-5 947
Deduction of trading-related interests reported in Net gains and losses on financial items	-1 982	-1 812	-309	-5 037	-325
Total interest expense	-14 726	-12 099	-3 392	-36 322	-5 622
Net interest income	12 901	12 768	8 358	37 605	22 228
Net investment margin before trading-related interests are deducted	1.67	1.62	1.16	1.61	1.02
Average total assets	3 077 676	3 084 882	3 012 361	3 084 882	3 015 224
Interest expense on financial liabilities at amortised cost	16 267	14 910	5 090	43 277	9 026

1) Comparative figures have been restated due to the adoption of IFRS 17.

2) Derivatives include net interest income related to hedged assets and liabilities. These may have both a positive and negative impact on interest income and interest expense.

Note 6 Net commission income

SEKm	Q3 2023	Q2 2023	Q3 ¹ 2022	Jan-Sep 2023	Jan-Sep ¹ 2022
Commission income					
Payment processing	629	635	548	1 865	1 624
Cards	1 909	1 867	1 807	5 356	4 910
Service concepts	408	401	362	1 200	1 074
Asset management and custody	2 453	2 363	2 137	7 038	6 576
Insurance	70	77	96	233	324
Securities and corporate finance	126	167	161	493	531
Lending	314	311	325	921	960
Other	221	201	212	672	654
Total commission income	6 130	6 022	5 649	17 777	16 653
Commission expense					
Payment processing	-402	-415	-327	-1 182	-1 030
Cards	-923	-865	-873	-2 496	-2 404
Service concepts	-44	-43	-42	-134	-130
Asset management and custody	-648	-626	-532	-1 852	-1 622
Insurance	-75	-76	-60	-220	-219
Securities and corporate finance	-85	-100	-85	-279	-266
Lending	-33	-25	-41	-99	-120
Other	-58	-60	-64	-182	-172
Total commission expense	-2 268	-2 211	-2 024	-6 444	-5 961
Net commission income					
Payment processing	226	219	221	683	594
Cards	986	1 002	934	2 860	2 507
Service concepts	364	357	320	1 066	944
Asset management and custody	1 805	1 737	1 605	5 186	4 954
Insurance	-5	1	35	13	105
Securities and corporate finance	42	67	76	214	265
Lending	281	286	285	822	841
Other	163	141	148	490	482
Total net commission income	3 862	3 811	3 624	11 334	10 692

1) Comparative figures have been restated due to the adoption of IFRS 17.

Note 7 Net gains and losses on financial items

SEKm	Q3 2023	Q2 2023	Q3 ¹ 2022	Jan-Sep 2023	Jan-Sep ¹ 2022
Fair value through profit or loss					
Shares and share related derivatives	89	25	87	101	623
of which dividend	6	60	4	155	117
Interest-bearing securities and interest related derivatives	255	380	27	1 106	-1 681
Financial liabilities	2	2	8	3	24
Financial assets and liabilities where the customers bear the investment risk, net	-4	2	7	-2	14
Other financial instruments	-1	0	1	-1	-1
Total fair value through profit or loss	341	408	131	1 207	-1 020
Hedge accounting					
Ineffectiveness, one-to-one fair value hedges	47	-72	119	61	26
of which hedging instruments	1 178	-3 441	-10 134	1 413	-33 905
of which hedged items	-1 130	3 369	10 253	-1 351	33 932
Ineffectiveness, portfolio fair value hedges	-9	45	79	119	7
of which hedging instruments	-2 263	200	3 160	-4 961	19 945
of which hedged items	2 254	-155	-3 081	5 080	-19 938
Ineffectiveness, cash flow hedges	0	-1	-1	-2	1
Total hedge accounting	38	-27	197	178	34
Amortised cost					
Derecognition gain or loss for financial assets	13	17	7	41	5
Derecognition gain or loss for financial liabilities	-2	11	143	18	358
Total amortised cost	11	28	150	59	363
Trading related interest					
Interest income	1 895	1 627	661	4 642	1 250
Interest expense	-1 982	-1 812	-309	-5 037	-325
Total trading related interest	-87	-186	352	-394	925
Change in exchange rates	350	301	134	1 043	874
Total	652	524	963	2 093	1 176

1) Comparative figures have been restated due to the adoption of IFRS 17.

Note 8 Net insurance income

Due to the adoption of IFRS 17 a note disclosing Net insurance income is reported, in accordance with the standard.

	Q3	Q2	Q3	Jan-Sep	Jan-Sep
SEKm	2023	2023	2022	2023	2022
Insurance service revenue	1 100	1 060	931	3 203	2 680
Insurance service expenses	-752	-690	-614	-2 240	-1 681
Insurance service result	349	370	317	963	999
Result from reinsurance contracts held	11	-4	-6	-9	-14
Insurance finance income and expense	585	-879	51	-1 029	2 438
Insurance result	945	-514	361	-75	3 423
Return on financial assets backing insurance contracts with participation features	-619	898	-244	1 066	-3 128
Net insurance income	325	384	117	991	295

Note 9 Other general administrative expenses

	Q3	Q2	Q3 ¹	Jan-Sep	Jan-Sep ¹
SEKm	2023	2023	2022	2023	2022
Premises	117	126	123	365	335
IT expenses	713	730	648	2 074	1 832
Telecommunications and postage	26	30	27	87	81
Consultants	178	224	188	624	547
Compensation to savings banks	54	55	56	164	169
Other purchased services	272	278	261	816	745
Travel	26	36	20	89	51
Entertainment	6	9	7	21	18
Supplies	20	16	19	59	50
Advertising, PR and marketing	57	91	51	180	131
Security transport and alarm systems	19	17	16	53	53
Repair/maintenance of inventories	32	34	29	97	87
Other administrative expenses	111	112	122	334	349
Other operating expenses	20	26	8	74	49
Total	1 648	1 783	1 576	5 038	4 497

1) Comparative figures have been restated due to the adoption of IFRS 17.

Note 10 Credit impairment

SEKm	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Credit impairments for loans at amortised cost					
Credit impairments - stage 1	223	-95	99	387	506
Credit impairments - stage 2	186	168	410	811	176
Credit impairments - stage 3	-311	54	-26	-253	-562
Credit impairments - purchased or originated credit impaired	1	1	0	3	0
Total	99	128	484	947	119
Write-offs	121	117	144	295	759
Recoveries	-40	-51	-37	-140	-119
Total	81	66	107	155	640
Total - credit impairments for loans at amortised cost	180	194	591	1 102	759
Credit impairments for loan commitments and guarantees					
Credit impairments - stage 1	8	-2	5	41	109
Credit impairments - stage 2	152	-4	3	169	-61
Credit impairments - stage 3	7	0	4	-1	-7
Total - credit impairments for loan commitments and guarantees	167	-6	11	209	41
Total credit impairments	347	188	602	1 311	800
Credit impairment ratio, %	0.07	0.04	0.13	0.09	0.06

Calculation of credit impairment provisions

The measurement of expected credit losses is described in Note G3.1 Credit risk on pages 81-86 of the 2022 Annual and Sustainability Report.

Measurement of 12-month and lifetime expected credit losses

High inflation, rising interest rates, increasing costs and high energy prices combined with geopolitical instability continue to weigh on private persons and companies, resulting in a high level of uncertainty regarding economic growth going forward. As the quantitative risk models do not yet reflect all potential deteriorations in credit quality, post-model adjustments have been made to capture potential future rating and stage migrations.

Post-model expert credit adjustments to increase the credit impairment provisions continue to be deemed necessary and amounted to SEK 1 493m (SEK 1 661m at 30 June 2023, SEK 1 738m at 31 December 2022) and are allocated as SEK 870m in stage 1, SEK 622m

in stage 2 and SEK 1m in stage 3. Customers and industries are reviewed and analysed considering the current situation, particularly in more vulnerable sectors. During the third quarter, the largest releases of post-model expert credit adjustments related to the Shipping and offshore, Property management and Transportation sectors and primarily due to rating changes. The most significant post-model adjustments at 30 September 2023 were in the Property management, Manufacturing, Retail and wholesale, and Construction sectors.

Determination of a significant increase in credit risk

As per 30 September 2023, the significant increase in credit risk threshold for the Swedish mortgage portfolio was amended to include an absolute PD threshold. Swedish mortgages originated with risk grades 18 to 21 with a relative increase of 200-300 per cent and an absolute increase in the 12-month PD above 7.5 basis points have experienced a significant increase in credit risk.

The tables below show the quantitative thresholds used by the Group for assessing a significant increase in credit risk, namely:

- Changes in the 12-month PD and internal risk rating grades, which have been applied for the portfolio of loans originated before 1 January 2018. For instance, for exposures originated with risk grades 0 to 5, a downgrade by 1 grade from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with risk grades 18 to 21, a downgrade by 5 to 8 grades from initial recognition is considered significant. Internal risk ratings are assigned according to the risk management framework outlined in Note G3 Risks in the 2022 Annual and Sustainability Report.
- Changes in the lifetime PD, which have been applied for the portfolio of loans originated on or after 1 January 2018. For instance, for exposures originated with risk grades 0 to 5, a 50 per cent increase in the lifetime PD from initial recognition is assessed as a significant change in credit risk.

Alternatively, for exposures originated with risk grades 18 to 21, an increase of 200-300 per cent from initial recognition is considered significant except for Swedish mortgages where an absolute 12-month PD threshold is also applied.

These limits reflect a lower sensitivity to change in the low-risk end of the risk scale and a higher sensitivity to change in the high-risk end of the scale. The Group has performed a sensitivity analysis on how credit impairment provisions would change if thresholds applied were increased or decreased. A lower threshold would increase the number of loans that have migrated from Stage 1 to Stage 2 and also increase the estimated credit impairment provisions. A higher threshold would have the opposite effect.

The tables below disclose the impacts of this sensitivity analysis on the credit impairment provisions. Positive amounts represent higher credit impairment provisions that would be recognised.

Significant increase in credit risk - financial instruments with initial recognition before 1 January 2018

Internal risk grade at initial recognition	12-month PD band at initial recognition, %	Threshold, rating downgrade ^{1,2}	Impairment provision impact of		Recognised credit impairment provisions 30 Sep 2023	Share of total portfolio in terms of gross carrying amount, % 30 Sep 2023	Impairment provision impact of		Recognised credit impairment provisions 31 Dec 2022	Share of total portfolio in terms of gross carrying amount, % 31 Dec 2022
			Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %			Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %		
18-21	<0.1	5 - 8 grades	-3.5	4.0	87	12	-5.6	5.4	60	12
13-17	0.1 - 0.5	3 - 7 grades	-3.5	7.3	306	12	-5.7	7.4	277	12
9-12	>0.5 - 2.0	1 - 5 grades	-12.0	13.3	223	4	-12.9	13.4	216	5
6-8	2.0 - 5.7	1 - 3 grades	-9.3	4.9	95	2	-6.1	5.1	100	2
0-5	>5.7 - 99.9	1 grade	-1.5	0.0	75	1	-1.2	0.0	72	1
			-6.5	7.7	785	30	-7.6	8.1	726	31
		Sovereigns and financial institutions with low credit risk			31	0			3	1
		Stage 3 financial instruments			722	0			653	0
		Post model expert credit adjustment ⁴			246				401	
		Total⁵			1 784	30			1 783	33

1) Downgrade by 2 grades corresponds to approximately 100 per cent increase in 12-month PD.

2) Thresholds vary within given ranges depending on the borrower's geography, segment and internal risk grade.

3) The threshold used in the sensitivity analyses is floored to 1 grade.

4) Represents post-model expert credit adjustments for stage 1 and stage 2.

5) Of which provisions for off-balance exposures are SEK 189m (217).

Significant increase in credit risk - financial instruments with initial recognition on or after 1 January 2018

Internal risk grade at initial recognition	Threshold, increase in lifetime PD ¹ , %	Impairment provision impact of		Recognised credit impairment provisions 30 Sep 2023	Share of total portfolio in terms of gross carrying amount, % 30 Sep 2023	Impairment provision impact of		Recognised credit impairment provisions 31 Dec 2022	Share of total portfolio in terms of gross carrying amount, % 31 Dec 2022
		Increase in threshold by 100%, %	Decrease in threshold by 50%, %			Increase in threshold by 100%, %	Decrease in threshold by 50%, %		
18-21	200-300 ²	-10.5	12.5	166	21	-14.3	24.1	86	20
13-17	100-250	-2.5	3.5	1 499	23	-2.3	10.0	706	22
9-12	100-200	-1.1	4.5	1 419	13	-1.5	8.0	873	11
6-8	50-150	-1.3	4.3	395	4	-2.0	6.8	285	3
0-5	50	-0.4	0.6	263	2	-1.2	1.3	166	1
		-2.0	4.2	3 742	63	-2.3	8.6	2 116	58
				46	7			26	9
				1 288	0			1 503	0
				1 245				1 335	
		Total⁴		6 321	70			4 981	67

1) Thresholds vary within given ranges depending on the borrower's geography, segment and internal risk grade.

2) As per 30 September 2023, Swedish mortgages originated in risk grades 18-21 with a relative increase of 200-300% and an absolute increase in the 12-month PD above 7.5bps have experienced a significant increase in credit risk.

3) Represents post-model expert credit adjustments for stage 1 and stage 2.

4) Of which provisions for off-balance exposures are SEK 742m (497).

Incorporation of forward-looking macroeconomic scenarios

The Swedbank Economic Outlook was published on 23 August and the baseline scenario was updated by Swedbank Macro Research as of 8 September. The baseline scenario, with an assigned probability weight of 66.6 per cent, is aligned with the published outlook and incorporates updated observed outcome and data

points. The alternative scenarios are aligned with the updated baseline scenario, with probability weights of 16.7 per cent assigned to both the upside and downside scenario. The table below sets out the key assumptions of the scenarios at 30 September 2023.

30 September 2023	Positive scenario			Baseline scenario			Negative scenario		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Sweden									
GDP (annual % change)	-0.7	0.9	2.2	-0.7	-0.2	2.3	-1.1	-6.6	0.7
Unemployment (annual %) ¹	7.5	8.1	8.2	7.5	8.2	8.3	7.7	10.4	11.3
House prices (annual % change)	-10.9	-4.4	3.1	-10.9	-4.8	2.6	-13.8	-20.4	-2.2
Stibor 3m (%)	3.75	4.15	2.93	3.75	4.01	2.90	3.86	1.43	0.16
Estonia									
GDP (annual % change)	-2.0	3.6	3.0	-2.1	2.0	3.0	-2.9	-7.9	-1.0
Unemployment (annual %)	6.4	6.3	4.9	6.4	6.7	5.4	6.5	10.2	13.9
House prices (annual % change)	1.1	-1.5	4.7	1.1	-3.4	4.3	-2.7	-26.6	-4.5
Latvia									
GDP (annual % change)	-0.1	2.4	2.3	-0.2	1.5	2.3	-1.1	-7.6	-0.9
Unemployment (annual %)	7.2	6.7	6.4	7.2	6.9	6.7	7.3	10.7	15.2
House prices (annual % change)	4.7	-1.9	5.2	4.6	-2.8	4.3	0.0	-31.1	-0.3
Lithuania									
GDP (annual % change)	0.5	2.6	2.8	0.3	1.7	2.8	-0.4	-7.4	-0.6
Unemployment (annual %)	6.5	6.3	5.7	6.5	6.6	5.9	6.8	11.3	14.4
House prices (annual % change)	-1.0	2.4	5.1	-1.3	0.4	5.2	-4.4	-23.8	-4.3
Global indicators									
US GDP (annual %)	2.0	1.4	1.9	1.9	0.4	1.8	1.6	-3.6	-0.8
EU GDP (annual %)	0.6	1.5	1.5	0.5	0.6	1.5	0.1	-6.1	-1.3
Brent Crude Oil (USD/Barrel)	82.3	83.1	77.7	82.1	81.7	77.6	78.6	49.0	50.3
Euribor 6m (%)	3.71	3.53	2.17	3.71	3.46	2.14	3.89	1.41	0.07

1) Unemployment rate, 16-64 years

Global economic activity will slow starting this autumn and this will continue into 2024. A gradual recovery will start during the second half of next year and continue throughout 2025.

Although the US economy has surprised on the upside so far this year, growth is expected to slow in the coming year. In the euro area, growth is slowing and will remain weak in the coming year, although developments are diverging across countries. In both the US and the euro area, inflation will continue to fall in the coming months and will normalise by mid-2024.

Swedish GDP will decline this year and next year as well, due to weak domestic and global demand. A slow

recovery will begin during next year and strengthen further in 2025 when inflation has normalised. The labour market will weaken later this year, but the fall in employment is expected to be limited. Housing prices are expected to fall further before bottoming out in first half of next year.

The Estonian economy is likely to be the worst hit in the EU this year, while the Latvian and Lithuanian economies are stagnating. Inflation has fallen sharply, and wages are growing faster than prices again which will support household consumption going forward. Rapid wage growth poses some risks for both inflation and exporters' competitiveness.

Sensitivity

The table below shows the credit impairment provisions that would result from the negative and positive scenarios, which are considered reasonably possible, being assigned a probability weight of 100 per cent. Post-model expert credit adjustments are assumed to be constant in the results.

Operating segments	30 Sep 2023				31 Dec 2022 ¹			
	Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Credit impairment provisions		Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Credit impairment provisions	
			Negative scenario	Positive scenario			Negative scenario	Positive scenario
Swedish Banking	2 514	280	2 698	2 468	1 799	213	1 927	1 659
Baltic Banking	1 559	425	1 853	1 234	1 400	363	1 692	1 254
Corporates and Institutions	3 993	787	4 434	3 983	3 542	1 162	4 110	3 294
Group ²	8 105	1 493	9 025	7 724	6 764	1 738	7 753	6 228

1) Comparative figures have been restated due to the reorganisation as per 1 May 2023. For more information see Note 4.

2) Including operating segment Group Functions & Other.

Note 11 Bank taxes and resolution fees

SEKm	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Swedish bank tax	292	292	239	876	718
Lithuanian bank tax	596	325		921	
Resolution fees	222	227	227	675	674
Total	1 110	844	466	2 472	1 392

Lithuanian bank tax refers to the Lithuanian temporary solidarity contribution on credit institutions that was introduced and is calculated from May 2023 until the end of 2024. The bank tax is 60 percent and is applied to a part of the net interest income earned during the period which exceeds the average net interest income of four historical years by more than 50 percent.

Note 12 Loans

The following tables present loans to the public and credit institutions at amortised cost by industry sectors, loans and credit impairment provisions ratios.

30 September 2023

SEKm	Stage 1			Stage 2			Stage 3 ¹			Total
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
Sector/industry										
Private customers	1 091 932	287	1 091 644	87 206	859	86 346	2 782	895	1 887	1 179 878
Private mortgage	960 655	129	960 526	73 505	421	73 084	1 755	329	1 426	1 035 036
Tenant owner associations	88 821	9	88 813	4 398	13	4 386	4	1	4	93 202
Private other	42 456	150	42 306	9 303	426	8 877	1 023	565	458	51 640
Corporate customers	530 344	1 596	528 747	98 943	2 401	96 542	3 942	1 084	2 858	628 147
Agriculture, forestry, fishing	54 591	109	54 482	7 807	144	7 663	233	47	186	62 331
Manufacturing	35 454	316	35 138	7 945	390	7 555	364	166	198	42 891
Public sector and utilities	33 210	53	33 158	4 041	108	3 933	122	32	89	37 180
Construction	16 960	133	16 826	5 979	160	5 819	172	69	103	22 748
Retail and wholesale	38 222	213	38 008	6 668	192	6 476	301	80	221	44 705
Transportation	12 665	67	12 598	2 243	94	2 149	565	152	413	15 160
Shipping and offshore	6 056	12	6 043	831	32	799	1 152	201	951	7 793
Hotels and restaurants	5 074	27	5 047	1 931	127	1 804	82	21	61	6 911
Information and communication	14 710	118	14 592	6 357	50	6 307	2	1	1	20 901
Finance and insurance	24 293	30	24 263	1 960	55	1 906	13	4	9	26 177
Property management, including	255 859	451	255 408	46 177	911	45 266	617	213	404	301 079
Residential properties	72 633	120	72 514	17 779	431	17 348	106	18	88	89 949
Commercial	126 282	240	126 042	16 569	350	16 218	250	139	110	142 371
Industrial and Warehouse	36 783	50	36 733	7 167	76	7 091	116	13	103	43 927
Other	20 160	41	20 119	4 663	53	4 610	146	43	103	24 832
Professional services	22 707	49	22 658	3 073	41	3 032	198	73	125	25 815
Other corporate lending	10 542	16	10 526	3 931	98	3 833	122	24	98	14 457
Loans to customers	1 622 275	1 884	1 620 392	186 149	3 260	182 888	6 724	1 979	4 746	1 808 026
Loans to the public, Swedish National Debt Office	0		0							0
Loans to credit institutions	26 304	49	26 255	180	3	177				26 432
Loans to the public and credit institutions at amortised cost	1 648 579	1 933	1 646 647	186 328	3 263	183 065	6 724	1 979	4 746	1 834 458
Share of loans, %	89.52			10.12			0.37			100
Credit impairment provision ratio, %	0.12			1.75			29.42			0.39

1) Including purchased or originated credit impaired

31 December 2022

SEKm	Stage 1			Stage 2			Stage 3 ¹			Total
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
Sector/industry										
Private customers	1 107 994	168	1 107 827	68 617	546	68 071	2 043	676	1 367	1 177 266
Private mortgage	973 876	68	973 809	56 758	243	56 514	1 219	229	990	1 031 313
Tenant owner associations	90 170	7	90 163	3 468	12	3 456	4	0	4	93 623
Private other	43 948	93	43 855	8 392	291	8 101	820	446	374	52 330
Corporate customers	552 194	1 330	550 864	69 831	1 858	67 973	3 695	1 445	2 250	621 087
Agriculture, forestry, fishing	55 387	88	55 299	7 609	130	7 479	241	39	203	62 981
Manufacturing	43 283	279	43 004	5 670	295	5 375	264	104	161	48 540
Public sector and utilities	35 435	58	35 378	2 048	38	2 011	17	2	15	37 403
Construction	15 502	64	15 438	4 318	91	4 228	107	54	52	19 718
Retail and wholesale	36 568	246	36 322	4 043	188	3 856	137	51	87	40 265
Transportation	12 747	78	12 669	1 936	120	1 816	48	10	38	14 522
Shipping and offshore	8 454	39	8 415	1 150	177	973	1 881	890	991	10 380
Hotels and restaurants	3 003	29	2 975	3 946	129	3 817	285	62	223	7 015
Information and communication	19 536	53	19 483	1 508	15	1 493	5	1	4	20 979
Finance and insurance	23 247	21	23 226	885	11	874	22	7	15	24 115
Property management, including	260 973	320	260 652	32 954	576	32 379	466	178	288	293 319
Residential properties	69 573	56	69 518	16 167	253	15 914	103	16	87	85 519
Commercial	123 507	170	123 337	7 925	207	7 717	208	127	81	131 134
Industrial and Warehouse	40 805	47	40 758	5 142	59	5 083	16	3	13	45 853
Other	27 087	47	27 040	3 722	56	3 665	140	33	107	30 813
Professional services	23 514	31	23 483	2 251	51	2 201	65	13	52	25 735
Other corporate lending	14 546	24	14 522	1 511	39	1 472	156	35	122	16 116
Loans to customers	1 660 189	1 498	1 658 691	138 449	2 404	136 044	5 738	2 121	3 617	1 798 352
Cash collaterals posted	3 605		3 605							3 605
Loans to the public, Swedish National Debt Office	10 004		10 004							10 004
Loans to credit institutions	56 453	26	56 427	147	0	146				56 574
Loans to the public and credit institutions at amortised cost	1 730 251	1 524	1 728 727	138 596	2 404	136 191	5 738	2 121	3 617	1 868 536
Share of loans, %	92.30			7.39			0.31			100
Credit impairment provision ratio, %	0.09			1.73			36.96			0.32

1) Including purchased or originated credit impaired

30 September 2022

SEK M	Stage 1			Stage 2			Stage 3 ¹			Total
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
Sector/industry										
Private customers	1 113 984	140	1 113 844	59 911	445	59 466	1 965	537	1 427	1 174 737
Private mortgage	975 974	53	975 921	51 051	208	50 843	1 144	207	937	1 027 701
Tenant owner associations	91 398	5	91 392	1 995	7	1 988	4		4	93 384
Private other	46 612	82	46 530	6 865	230	6 635	817	330	487	53 651
Corporate customers	558 844	1 218	557 626	63 899	1 596	62 303	4 427	1 557	2 871	622 800
Agriculture, forestry, fishing	56 831	73	56 758	6 997	103	6 895	224	35	189	63 842
Manufacturing	40 162	288	39 874	5 685	193	5 493	264	72	191	45 558
Public sector and utilities	36 133	50	36 083	3 540	47	3 493	22	4	18	39 594
Construction	17 027	77	16 951	3 273	106	3 167	124	58	66	20 184
Retail and wholesale	37 729	202	37 527	3 163	119	3 044	127	41	85	40 656
Transportation	12 390	82	12 309	2 053	111	1 942	54	11	43	14 293
Shipping and offshore	9 231	66	9 165	1 911	270	1 642	2 380	1 023	1 357	12 164
Hotels and restaurants	3 169	19	3 150	3 745	135	3 610	348	79	269	7 029
Information and communication	20 832	55	20 777	859	15	844	7	1	6	21 627
Finance and insurance	24 962	15	24 947	1 766	6	1 760	22	7	15	26 723
Property management, including	261 974	239	261 735	27 282	402	26 880	724	190	535	289 149
Residential properties	71 499	36	71 463	14 322	179	14 144	112	13	99	85 706
Commercial	121 488	126	121 361	6 519	167	6 352	189	128	60	127 774
Industrial and Warehouse	41 067	39	41 027	3 814	31	3 782	22	4	19	44 828
Other	27 920	37	27 883	2 627	25	2 601	402	45	357	30 841
Professional services	22 355	28	22 327	2 220	58	2 163	56	13	43	24 533
Other corporate lending	16 047	24	16 023	1 403	31	1 372	76	23	53	17 448
Loans to customers	1 672 828	1 358	1 671 470	123 810	2 041	121 769	6 392	2 094	4 298	1 797 537
Cash collaterals posted	3 371		3 371							3 371
Loans to the public, Swedish National Debt Office	4		4							4
Loans to credit institutions	55 072	29	55 043	121	3	119				55 161
Loans to the public and credit institutions at amortised cost	1 731 275	1 387	1 729 888	123 931	2 044	121 888	6 392	2 094	4 298	1 856 072
Share of loans, %	93.00			6.66			0.34			100
Credit impairment provision ratio, %	0.08			1.65			32.76			0.30

1) Including purchased or originated credit impaired

Note 13 Credit impairment provisions

Reconciliation of credit impairment provisions for loans

The tables below provide a reconciliation of credit impairment provisions for loans to the public and credit institutions at amortised cost.

Loans to the public and credit institutions	2023				2022			
	Stage 1	Stage 2	Stage 3 ¹	Total	Stage 1	Stage 2	Stage 3 ¹	Total
SEKm								
Carrying amount before provisions								
Opening balance 1 January	1 730 251	138 596	5 738	1 874 585	1 616 594	98 633	6 362	1 721 589
Closing balance 30 September	1 648 579	186 328	6 724	1 841 632	1 731 275	123 931	6 392	1 861 598
Credit impairment provisions								
Opening balance 1 January	1 524	2 404	2 121	6 049	806	1 789	2 427	5 022
Movements affecting Credit impairments								
New and derecognised financial assets, net	391	-138	-340	-87	169	-77	-850	-758
Changes in risk factors (EAD, PD, LGD)	407	-186	107	328	-22	-242	16	-248
Changes in macroeconomic scenarios	213	249	-5	457	342	352	10	705
Changes to models	1	0		0	39	58	0	97
Post-model expert credit adjustments	-49	-134	1	-181	104	-232	-1	-128
Individual assessments				-226			53	53
Stage transfers	-576	1 021	300	744	-126	317	265	456
from 1 to 2	-663	1 673		1 010	-172	602		430
from 1 to 3	-28		37	9	0		56	55
from 2 to 1	113	-415		-301	44	-223		-179
from 2 to 3		-298	372	74		-96	348	252
from 3 to 2		60	-97	-36		35	-112	-77
from 3 to 1	2		-13	-11	2		-27	-26
Other				-92				-56
Total movements affecting credit impairments	387	811	-254	944	506	176	-562	120
Movements recognised outside credit impairments								
Interest			92	92			56	56
Change in exchange rates	22	48	19	88	75	79	174	327
Closing balance 30 September	1 933	3 263	1 979	7 174	1 387	2 044	2 094	5 526
Carrying amount								
Opening balance 1 January	1 728 727	136 191	3 617	1 868 536	1 615 788	96 844	3 935	1 716 567
Closing balance 30 September	1 646 647	183 065	4 746	1 834 458	1 729 888	121 888	4 298	1 856 072

1) Including purchased or originated credit impaired

Loan commitments and financial guarantees

The tables below provide a reconciliation of credit impairment provisions for loan commitments and financial guarantees.

SEKm	2023				2022			
	Stage 1	Stage 2	Stage 3 ¹	Total	Stage 1	Stage 2	Stage 3 ¹	Total
Nominal amount								
Opening balance 1 January	286 621	23 956	131	310 708	306 298	16 134	221	322 653
Closing balance 30 September	261 022	44 626	166	305 815	295 547	23 848	227	319 622
Credit impairment provisions								
Opening balance 1 January	384	295	34	714	286	273	85	644
Movements affecting Credit impairments								
New and derecognised financial assets, net	48	21	-5	64	47	53	-25	76
Changes in risk factors (EAD, PD, LGD)	89	58	-3	144	-25	-84	21	-88
Changes in macroeconomic scenarios	41	28	0	70	91	41	0	131
Changes to models	0	0	0	0	12	7	-15	4
Post-model expert credit adjustments	-82	-12	0	-94	-6	-76	0	-82
Stage transfers	-55	74	7	25	-9	-2	12	1
from 1 to 2	-86	164		78	-26	68		43
from 1 to 3	-1		2	1	0		9	9
from 2 to 1	32	-88		-56	17	-70		-54
from 2 to 3		-4	13	10		-1	7	5
from 3 to 2		0	-3	-2		1	-3	-2
from 3 to 1	0		-6	-5	0		0	0
Total movements affecting credit impairments	41	169	-1	209	109	-61	-7	41
Change in exchange rates	6	2	0	8	20	7	10	37
Closing balance 30 September	432	467	32	931	414	218	89	722

1) Including purchased or originated credit impaired

Note 14 Credit risk exposures

SEKm	30 Sep 2023	31 Dec 2022	30 Sep 2022
Assets			
Cash and balances with central banks	287 996	365 992	454 584
Interest-bearing securities	366 917	212 780	214 719
Loans to credit institutions	53 167	56 589	63 463
Loans to the public	1 867 380	1 842 811	1 845 932
Derivatives	46 948	50 504	86 985
Other financial assets	14 217	8 215	26 778
Total assets	2 636 624	2 536 891	2 692 460
Contingent liabilities and commitments			
Guarantees	46 075	45 632	58 587
Loan commitments	259 740	265 076	261 035
Total contingent liabilities and commitments	305 815	310 708	319 622
Total	2 942 439	2 847 599	3 012 082

Note 15 Intangible assets

SEKm	Indefinite useful life			Definite useful life			Total		
	Goodwill & Brand			Other intangible assets			Jan-Sep 2023	Full year 2022	Jan-Sep 2022
	Jan-Sep 2023	Full year 2022	Jan-Sep 2022	Jan-Sep 2023	Full year 2022	Jan-Sep 2022			
Opening balance	13 850	13 594	13 594	6 036	5 894	5 894	19 886	19 488	19 488
Additions				1 085	1 167	727	1 085	1 167	727
Amortisation for the period				-495	-525	-356	-495	-525	-356
Impairment for the period		-624	-181	-11	-501	-263	-11	-1 125	-443
Sales and disposals				-5	-4	-3	-5	-4	-3
Exchange rate differences	441	880	632	2	5	3	443	885	635
Closing balance	14 290	13 850	14 045	6 613	6 036	6 003	20 904	19 886	20 047

As of 30 September 2023, there was no indication of an impairment of intangible assets.

During the second quarter of 2023, an impairment of SEK 11m was made in relation to internally developed software, which will no longer be used.

During 2022, impairments were made relating to internally developed software of SEK 501m, of which SEK 238m was related to PayEx and SEK 263m was related to internally developed software. The total impairment for Goodwill and Brand in 2022 amounted to SEK 624m, of which SEK 606m was related to Goodwill, and SEK 18m was related to Brand. Of the goodwill impairment of SEK 606m, SEK 425m was related to PayEx and SEK 191m referred to the Norwegian operations, which were transferred to Sparebank 1 Markets AS.

Note 16 Amounts owed to credit institutions

SEKm	30 Sep 2023	31 Dec 2022	30 Sep 2022
Central banks	8 887	12 092	41 685
Banks	74 528	54 857	103 928
Other credit institutions	6 728	5 219	6 204
Repurchase agreements	8 322	659	23 781
Total	98 465	72 826	175 599

Note 17 Deposits and borrowings from the public

SEKm	30 Sep 2023	31 Dec 2022	30 Sep 2022
Private customers	703 675	703 935	698 841
Corporate customers	574 036	594 343	577 894
Total deposits from customers	1 277 711	1 298 278	1 276 735
Cash collaterals received	4 436	4 754	8 470
Swedish National Debt Office	74	101	89
Repurchase agreements - Swedish National Debt Office	2	1	0
Repurchase agreements	3 398	2 815	17 805
Total borrowings	7 909	7 670	26 363
Deposits and borrowings from the public	1 285 620	1 305 948	1 303 098

Note 18 Debt securities in issue, senior non-preferred liabilities and subordinated liabilities

SEKm	30 Sep 2023	31 Dec 2022	30 Sep 2022
Commercial papers	384 354	316 114	352 591
Covered bonds	355 628	343 284	348 601
Senior unsecured bonds	109 875	122 559	123 332
Structured retail bonds	1 626	2 249	2 350
Total debt securities in issue	851 482	784 206	826 874
Senior non-preferred liabilities	103 187	57 439	57 203
Subordinated liabilities	33 373	31 331	33 479
Total	988 042	872 976	917 556

Turnover	Jan-Sep 2023	Full-year 2022	Jan-Sep 2022
Opening balance	872 976	802 353	802 353
Issued	754 611	1 008 334	780 911
Repurchased	-5 884	-35 067	-24 424
Repaid	-671 104	-927 096	-682 148
Interest, change in fair values or hedged items in fair value hedges and changes in exchange rates	37 443	24 452	40 864
Closing balance	988 042	872 976	917 556

Note 19 Derivatives

SEKm	Nominal amount			Positive fair value			Negative fair value		
	30 Sep 2023	31 Dec 2022	30 Sep 2022	30 Sep 2023	31 Dec 2022	30 Sep 2022	30 Sep 2023	31 Dec 2022	30 Sep 2022
Derivatives in hedge accounting									
One-to-one fair value hedges ¹	577 287	517 756	511 481	604	738	896	28 665	29 094	29 406
Portfolio fair value hedges ¹	345 136	436 005	472 230	15 893	20 289	21 332	9	23	35
Cash flow hedges ²	8 500	8 179	8 007	910	603	459			1
Total	930 923	961 940	991 718	17 407	21 630	22 686	28 674	29 117	29 443
Non-hedge accounting derivatives	33 702 760	29 580 068	28 901 077	1 242 721	1 223 832	1 219 556	1 246 642	1 236 903	1 197 545
Gross amount	34 633 683	30 542 008	29 892 795	1 260 127	1 245 462	1 242 243	1 275 316	1 266 021	1 226 987
Offset amount				-1 213 180	-1 194 958	-1 155 258	-1 221 674	-1 197 341	-1 156 314
Total				46 948	50 504	86 985	53 642	68 679	70 674

1) Interest rate swaps

2) Cross currency basis swaps

The Group trades in derivatives in the normal course of business and for the purpose of hedging certain positions that are exposed to share price, interest rate, credit and currency risks. The carrying amounts of all derivatives refer to fair value including accrued interest.

SEKm	Fair value through profit and loss						Fair value
	Mandatorily				Hedging instruments	Total carrying amount	
	Amortised cost	Trading	Other	Total			
Financial assets							
Cash and balances with central banks	365 992					365 992	365 992
Treasury bills and other bills eligible for refinancing with central banks, etc.	132 741	9 903	8 839	18 742		151 483	151 485
Loans to credit institutions	56 574	15		15		56 589	56 589
Loans to the public ¹	1 811 962	30 586	264	30 850		1 842 811	1 838 695
Value change of the hedged assets in portfolio hedges of interest rate risk	-20 369					-20 369	-20 369
Bonds and other interest-bearing securities		37 678	23 620	61 298		61 298	61 298
Financial assets for which customers bear the investment risk ²			268 594	268 594		268 594	268 594
Shares and participating interests ²		4 467	25 801	30 268		30 268	30 268
Derivatives		48 980		48 980	1 524	50 504	50 504
Other financial assets ²	8 024					8 024	8 024
Total	2 354 923	131 628	327 118	458 746	1 524	2 815 193	2 811 079

SEKm	Fair value through profit and loss						Fair value
	Amortised cost	Trading	Designated	Total	Hedging instruments	Total carrying amount	
Financial liabilities							
Amounts owed to credit institutions	72 167	659		659		72 826	72 826
Deposits and borrowings from the public	1 303 133	2 815		2 815		1 305 948	1 305 938
Financial liabilities for which customers bear the investment risk ²			268 892	268 892		268 892	268 892
Debt securities in issue ³	781 834	2 249	122	2 371		784 206	785 171
Short position securities		27 134		27 134		27 134	27 134
Derivatives		67 400		67 400	1 280	68 679	68 679
Senior non-preferred liabilities	57 439					57 439	59 361
Subordinated liabilities	31 331					31 331	31 121
Other financial liabilities ²	26 916					26 916	26 916
Total	2 272 821	100 257	269 014	369 271	1 280	2 643 372	2 646 039

1) Financial leasing agreements, when the Group is acting as lessor, are included in the valuation category Amortised cost since they are covered by provisions for expected credit losses.

2) Comparative figures have been restated due to the adoption of IFRS 17.

3) Nominal amount of debts securities in issue designated at fair value through profit or loss was SEK 111m.

Note 21 Financial instruments recognised at fair value

The determination of fair value, the valuation hierarchy and the valuation process for fair value measurements in Level 3 are described in the Annual and Sustainability Report 2022, note G47 Fair value of financial instruments.

The financial instruments are distributed in three levels depending on the degree of observable market data in the valuation and activity in the market.

- Level 1: Unadjusted quoted price on an active market.
- Level 2: Adjusted quoted price or valuation model with valuation parameters derived from an active market.
- Level 3: Valuation model where significant valuation parameters are non-observable and based on internal assumptions.

The following tables present fair values of financial instruments recognised at fair value split between the three valuation hierarchy levels.

SEKm	30 Sep 2023				31 Dec 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Treasury bills etc.	27 186	2 239		29 425	15 630	3 112		18 742
Loans to credit institutions		26 735		26 735		15		15
Loans to the public		59 303	51	59 354		30 817	33	30 850
Bonds and other interest-bearing securities	39 686	12 898		52 583	42 138	19 160		61 298
Financial assets for which the customers bear the investment risk ¹	303 481			303 481	268 450		144	268 594
Shares and participating interests ¹	49 610	10	1 146	50 767	29 183	4	1 081	30 268
Derivatives	327	46 621		46 948	179	50 325		50 504
Total	420 290	147 805	1 198	569 293	355 580	103 433	1 258	460 271
Liabilities								
Amounts owed to credit institutions		27 242		27 242		659		659
Deposits and borrowings from the public		7 835		7 835		2 815		2 815
Debt securities in issue		1 748		1 748		2 371		2 371
Financial liabilities for which the customers bear the investment risk ¹		304 307		304 307		268 748	144	268 892
Derivatives	336	53 306		53 642	197	68 482		68 679
Short positions, securities	18 031	1 745		19 775	27 014	120		27 134
Total	18 367	396 183		414 550	27 211	343 195	144	370 550

1) Comparative figures have been restated due to the adoption of IFRS 17.

Transfers between levels are reflected as per the fair value at closing day. There were no transfers of financial instruments between valuation levels 1 and 2 during the period.

Changes in level 3

SEKm	2023					2022				
	Assets			Liabilities		Assets			Liabilities	
	Equity instruments	Loans	Fund units of which customers bear the investment risk	Total	Liabilities for which the customers bear the investment risk	Equity instruments	Loans	Fund units of which customers bear the investment risk	Total	Liabilities for which the customers bear the investment risk
Opening balance 1 January	1 081	33	144	1 258	144	1 277	14		1 291	
Purchases	34	18		52		27	18		45	
Sale of assets/ dividends received	-11		-152	-163		-52		-7	-59	
Conversion Visa Inc shares						-461		0	-461	
Sale of liabilities					-152					
Repurchases	-1			-1						
Sale of liabilities										-7
Transferred from Level 1 to Level 3								139	139	
Transferred from Level 2 to Level 3										139
Gains or losses, Net gains and losses on financial items of which changes in unrealised gains or losses for items held at closing day	43	1	8	52	8	156	1	-19	138	-19
	43	1		44		-8	1	-18	-25	-18
Closing balance 30 September	1 146	51	0	1 198		947	33	113	1 093	113

Financial instruments are transferred to or from level 3 depending on whether the internal assumptions have changed in significance to the valuation.

Level 3 mainly comprises strategic unlisted shares. These include holdings in VISA Inc. C shares that are

subject to selling restrictions until June 2028 and under certain conditions may have to be returned. Liquid quotes are not available for these shares, therefore the fair value is established with significant elements of Swedbank's own internal assumptions. The carrying amount of the holdings in Visa Inc. C amounted as per

30 September 2023 to SEK 495m (SEK 296m 30 September 2022).

In the Group's insurance operations, fund units are held in which the customers have chosen to invest their insurance savings. The holdings are reported in the balance sheet as financial assets where the customers bear the investment risk and are normally measured at fair value according to level 1, because the units are traded in an active market. The Group's obligations to insurance savers are reported as financial liabilities where the customers bear the investment risk because it is the customers who bear the entire market value

change of the assets. The liabilities are normally measured at fair value according to level 2.

During the first quarter 2022, trading was closed in whole or in part in Russia and Eastern Europe targeted funds. These unit holdings and liabilities to the insurance savers have been measured at fair value according to level 3. Fully closed funds have been measured at an indicative value, alternatively SEK 0m, while funds that were open for sales have been measured at the sale value. The liabilities have been measured on the same basis.

Note 22 Assets pledged, contingent liabilities and commitments

SEKm	30 Sep 2023	31 Dec 2022	30 Sep 2022
Loans used as collateral for covered bonds ¹	396 209	382 095	422 628
Assets recorded in register on behalf of insurance policy holders	318 967	290 678	277 217
Other assets pledged for own liabilities	128 812	82 800	67 920
Other assets pledged	14 826	14 287	8 627
Assets pledged	858 814	769 860	776 392
Nominal amounts			
Guarantees	46 075	45 632	58 587
Other	71	75	87
Contingent liabilities	46 146	45 708	58 674
Nominal amounts			
Loans granted not paid	204 839	202 987	199 888
Overdraft facilities granted but not utilised	54 901	62 089	61 147
Commitments	259 740	265 076	261 035

1) The pledge is defined as the borrower's nominal debt including accrued interest and refers to the loans of the total available collateral that are used as the pledge at each point in time.

Swedbank is cooperating with authorities in the United States who are conducting investigations into Swedbank's historic AML compliance and the Group's response thereto, as well as related issues involving the Group's anti-money laundering controls and certain individuals and entities who may at some time have been customers of the Group. Investigations by the Department of Justice, the Securities and Exchange Commission and the Department of Financial Services in New York are ongoing. In June 2023, Swedbank reached an agreement to remit SEK 37m related to violation of OFAC regulations.

In March 2022, Swedbank AS in Estonia was informed by the Estonian Prosecutor's Office that Swedbank AS is suspected of money laundering during the period 2014-2016. The maximum fine for the suspected crime is EUR 16m.

The timing of the completion of the investigations is still unknown and the outcomes are still uncertain. It is therefore not possible to reliably estimate the amount of any potential settlement or fines, which could be material.

Note 23 Offsetting financial assets and liabilities

The tables below present recognised financial instruments that have been offset in the balance sheet under IAS 32 and those that are subject to legally enforceable master netting or similar agreements but do not qualify for offset. Such financial instruments relate to derivatives, repurchase and reverse repurchase agreements, securities settlements, securities borrowing and lending transactions. Collateral amounts represent financial instruments or cash collateral received or pledged for transactions that are subject to a legally

enforceable master netting or similar agreements and which allow for the netting of obligations against the counterparty in the event of a default. Collateral amounts are limited to the amount of the related instruments presented in the balance sheet; therefore any over-collateralisation is not included. Amounts that are not offset in the balance sheet are presented as a reduction to the financial assets or liabilities in order to derive net asset and net liability exposure.

SEKm	Financial assets			Financial liabilities		
	30 Sep 2023	31 Dec 2022	30 Sep 2022	30 Sep 2023	31 Dec 2022	30 Sep 2022
Financial assets and liabilities, which have been offset or are subject to netting						
Gross amount	1 389 286	1 362 130	1 383 670	1 358 128	1 354 318	1 354 810
Offset amount	-1 281 848	-1 281 853	-1 239 567	-1 290 342	-1 284 235	-1 240 623
Net amounts presented in the balance sheet	107 438	80 277	144 103	67 786	70 083	114 188
Related amounts not offset in the balance sheet						
Financial instruments, netting arrangements	30 502	28 509	46 781	30 502	28 509	46 781
Financial Instruments, collateral	54 264	29 865	42 523	15 317	9 100	37 230
Cash collateral	16 361	8 579	39 708	17 371	21 497	18 019
Total amount not offset in the balance sheet	101 127	66 953	129 012	63 190	59 106	102 030
Net amount	6 311	13 324	15 091	4 596	10 977	12 158

The amount offset for derivative assets includes offset cash collateral of SEK 16 642m (20 830) derived from the balance sheet item Amounts owed to credit institutions. The amount offset for derivative liabilities

includes offset cash collateral of SEK 25 135m (23 213), derived from the balance sheet item Loans to credit institutions.

Note 24 Capital adequacy, consolidated situation

This note contains the information made public according to the Swedish Financial Supervisory Authority Regulation FFFS 2014:12, chap. 8. Additional periodic information according to Regulation (EU) No 575/2013 of the European Parliament and of the Council on Supervisory Requirements for Credit Institutions and Implementing Regulation (EU) No 2021/637 of the European Commission can be found on Swedbank's website: <https://www.swedbank.com/investor-relations/reports-and-presentations/risk-reports>.

In the consolidated situation the Group's insurance companies are consolidated according to the equity method instead of full consolidation. Joint venture companies Entercard Group AB, Invidem AB and P27 Nordic Payments Platform AB consolidates by proportional method instead of the equity method. Otherwise, the same principles for consolidations are applied as for the Group.

	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
Consolidated situation, SEKm					
Available own funds					
Common Equity Tier 1 (CET1) capital	156 880	152 511	147 702	144 107	139 624
Tier 1 capital	171 844	167 442	162 241	153 320	149 435
Total capital	192 499	193 791	185 944	176 331	174 137
Risk-weighted exposure amounts					
Total risk exposure amount	837 943	819 021	806 178	809 438	753 060
Capital ratios as a percentage of risk-weighted exposure amount					
Common Equity Tier 1 ratio	18.7	18.6	18.3	17.8	18.5
Tier 1 ratio	20.5	20.4	20.1	18.9	19.8
Total capital ratio	23.0	23.7	23.1	21.8	23.1
Additional own funds requirements to address risks other than the risk of excessive leverage as a percentage of risk-weighted exposure amount					
Additional own funds requirements to address risks other than the risk of excessive leverage	2.7	2.3	2.3	2.3	2.3
of which: to be made up of CET1 capital	1.8	1.5	1.5	1.5	1.5
of which: to be made up of Tier 1 capital	2.1	1.8	1.8	1.8	1.8
Total SREP own funds requirements	10.7	10.3	10.3	10.3	10.3
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount					
Capital conservation buffer	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State					
Institution-specific countercyclical capital buffer	1.6	1.6	0.9	0.9	0.8
Systemic risk buffer	3.1	3.1	3.0	3.0	3.0
Global Systemically Important Institution buffer					
Other Systemically Important Institution buffer	1.0	1.0	1.0	1.0	1.0
Combined buffer requirement	8.2	8.2	7.4	7.4	7.3
Overall capital requirements	18.9	18.4	17.7	17.7	17.6
CET1 available after meeting the total SREP own funds requirements	12.3	12.6	12.3	11.2	12.1
Leverage ratio					
Total exposure measure	2 876 831	2 892 936	2 921 562	2 735 019	2 844 556
Leverage ratio, %	6.0	5.8	5.6	5.6	5.3
Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure					
Additional own funds requirements to address the risk of excessive leverage					
of which: to be made up of CET1 capital					
Total SREP leverage ratio requirements	3.0	3.0	3.0	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure					
Leverage ratio buffer requirement					
Overall leverage ratio requirement	3.0	3.0	3.0	3.0	3.0
Liquidity Coverage Ratio					
Total high-quality liquid assets, average weighted value	722 060	717 976	715 174	716 743	725 870
Cash outflows, total weighted value	586 986	582 461	579 756	578 133	570 543
Cash inflows, total weighted value	116 647	106 198	91 457	80 684	69 997
Total net cash outflows, adjusted value	470 339	476 264	488 298	497 449	500 545
Liquidity coverage ratio, %	154.4	151.7	147.4	145.4	146.4
Net stable funding ratio					
Total available stable funding	1 722 723	1 741 688	1 709 056	1 663 231	1 664 570
Total required stable funding	1 420 508	1 415 740	1 418 583	1 404 092	1 420 778
Net stable funding ratio, %	121.3	123.0	120.5	118.5	117.2

Common Equity Tier 1 capital	30 Sep	31 Dec	30 Sep
Consolidated situation, SEKm	2023	2022	2022
Shareholders' equity according to the Group's balance sheet	192 942	176 064	169 212
Anticipated dividend	-12 903	-10 967	-7 505
Value changes in own financial liabilities	-255	-339	-389
Cash flow hedges	-13	-13	-6
Additional value adjustments	-527	-576	-828
Goodwill	-14 304	-13 863	-14 040
Deferred tax assets	-32	-106	-108
Intangible assets	-4 637	-4 005	-4 241
Insufficient coverage for non-performing exposures	-41	-11	-3
Deductions of CET1 capital due to Article 3 CRR	-134	-106	-73
Shares deducted from CET1 capital	-46	-40	-33
Pension fund assets	-3 172	-1 930	-2 362
Total	156 880	144 107	139 624

Risk exposure amount	30 Sep	31 Dec	30 Sep
Consolidated situation, SEKm	2023	2022	2022
Risk exposure amount credit risks, standardised approach	58 583	54 992	55 594
Risk exposure amount credit risks, IRB	364 459	336 516	316 774
Risk exposure amount default fund contribution	155	149	264
Risk exposure amount settlement risks			0
Risk exposure amount market risks	14 537	21 461	24 997
Risk exposure amount credit value adjustment	1 774	3 809	3 328
Risk exposure amount operational risks	79 995	79 995	75 618
Additional risk exposure amount, Article 3 CRR	46 967	71 411	33 189
Additional risk exposure amount, Article 458 CRR	271 473	241 106	243 296
Total	837 943	809 438	753 060

	SEKm			%		
Capital requirements¹	30 Sep	31 Dec	30 Sep	30 Sep	31 Dec	30 Sep
Consolidated situation, SEKm / %	2023	2022	2022	2023	2022	2022
Capital requirement Pillar 1	135 616	124 756	115 392	16.2	15.4	15.3
of which Buffer requirements ²	68 581	60 001	55 147	8.2	7.4	7.3
Capital requirement Pillar 2 ³	22 373	18 374	17 094	2.7	2.3	2.3
Pillar 2 guidance	4 190	8 094	7 531	0.5	1.0	1.0
Total capital requirement including Pillar 2 guidance	162 179	151 225	140 017	19.4	18.7	18.6
Own funds	192 499	176 331	174 137			

1) Swedbank's calculation based on the SFSA's announced capital requirements, including Pillar 2 requirements and Pillar 2 guidance.

2) Buffer requirements includes systemic risk buffer, capital conservation buffer, countercyclical capital buffer and buffer for other systemically important institutions.

3) Individual Pillar 2 requirement according to decision from SFSA SREP 2023.

	SEKm			%		
Leverage ratio requirements¹	30 Sep	31 Dec	30 Sep	30 Sep	31 Dec	30 Sep
Consolidated situation, SEKm / %	2023	2022	2022	2023	2022	2022
Leverage ratio requirement Pillar 1	86 305	82 051	85 337	3.0	3.0	3.0
Leverage ratio Pillar 2 guidance	14 384	12 308	12 801	0.5	0.5	0.5
Total capital requirement including Pillar 2 guidance	100 689	94 358	98 137	3.5	3.5	3.5
Tier 1 capital	171 844	153 320	149 435			

1) Swedbank's calculation based on the SFSA's announced leverage ratio requirements, including Pillar 2 requirements and Pillar 2 guidance.

Note 25 Internal capital requirement

This note provides information on the internal capital assessment according to chapter 8, section 5 of the SFSA's regulation on prudential requirements and capital buffers (2014:12). The internal capital assessment is published in the interim report according to chapter 8, section 4 of the SFSA's regulation and general advice on annual reports from credit institutions and investment firms (2008:25).

A bank must identify, measure and manage the risks with which its activities are associated and have sufficient capital to cover these risks. The purpose of the Internal Capital Adequacy Assessment Process (ICAAP) is to ensure that the bank is sufficiently capitalised to cover its risks and to conduct and develop its business activities. Swedbank applies its own models and processes to evaluate its capital need for all relevant risks. The models that serve as a basis for the internal capital assessment evaluate the need for economic capital over a one-year horizon at a 99.9 per cent confidence level for each type of risk. Diversification effects between various types of risks are not taken into account in the calculation of economic capital.

As a complement to the economic capital calculation, scenario-based simulations and stress tests are conducted at least once a year. The analyses provide an overview of the most important risks Swedbank is exposed to by quantifying their impact on the income statement and balance sheet as well as the own funds

and risk-weighted assets. The purpose is to ensure efficient use of capital. This methodology serves as a basis of proactive risk and capital management.

As of 30 September 2023, the internal capital assessment for Swedbank's consolidated situation amounted to SEK 46.7bn (SEK 41.5bn as of 31 December 2022). The capital to meet the internal capital assessment, i.e. the Total capital, amounted to SEK 192.5bn (SEK 176.3bn as of 31 December 2022) (see Note 24). Swedbank's internal capital assessment using its own models is not comparable with the estimated requirement that the SFSA releases quarterly and does not consider the SFSA risk-weight floor for Swedish mortgages.

The internally estimated capital requirement for the parent company amounted to SEK 34.7bn (SEK 28.8bn as of 31 December 2022) and the total capital amounted to SEK 140.8bn (SEK 134.6bn as of 31 December 2022) (see the parent company's note on capital adequacy).

In addition to what is stated in this interim report, risk management and capital adequacy according to the Basel III framework are described in more detail in Swedbank's Annual and Sustainability Report 2022 as well as in Swedbank's yearly Risk Management and Capital Adequacy Report, available on www.swedbank.se.

Note 26 Risks and uncertainties

Swedbank's earnings are affected by changes in the global marketplace over which it has no control, including macroeconomic factors such as GDP, asset prices and unemployment as well as changes in interest rates, equity prices and exchange rates.

Geopolitical situation

During the quarter, Europe faced multiple geopolitical risks such as the ongoing Russian invasion of Ukraine, unpredictable and increasingly protectionist trade policies, and the aftermath of pandemic-related economic effects. Additionally, climate-related events have added to the challenges faced by the region. The countries bordering the Baltic Sea also share many challenges, particularly due to Russia's impact on the security of the region. The war in Ukraine has had a significant economic and financial impact, particularly on commodity markets. If these effects persist, they can have both global and regional consequences, such as a negative impact on GDP growth and further increases in consumer prices.

Inflation is falling but still requires a tightening monetary policy

Global inflation is declining, but it remains significantly above the monetary policy target levels. Both lowering interest rates too early and keeping them high for too long pose a risk to the economies of the Nordic and Baltic regions, which could ultimately cause an economic downturn and increased unemployment. This concern is exacerbated by relatively high levels of household debt and short-term interest rate binding

periods in Sweden, making them particularly sensitive to further interest rate hikes.

The value of the Swedish krona remains low

The Swedish krona has continued to depreciate against several currencies. This can be partly attributed to the rapid interest rate hikes made by the Federal Reserve during the year, which have increased interest rates globally more than in Sweden and thus weakened the Swedish krona. Sweden has also maintained a lower central bank interest rate compared to several major economies for an extended period, which has led to a gradual weakening of the currency. Additionally, Swedish krona is considered a risky currency among the G10 currencies, such that Russia's invasion of Ukraine, high inflation, and financial market uncertainty could have contributed to the Swedish krona's decline.

However, changes in Sweden's Riksbank's currency reserves in September strengthened the Swedish krona's value somewhat. However, if the uncertainty in the financial markets persists, the value of the Swedish krona may continue to be volatile. Nevertheless, fundamental economic factors, such as the balance of payments and economic growth, indicate that the Swedish krona's value is expected to strengthen in the longer term.

Challenges and risk in digitalisation

The cybersecurity threat level towards the financial sector has been assessed as high during the quarter. Swedbank monitors the situation carefully and can

reassess the level of cybersecurity risks as required. The bank continues to prioritise IT and information security due to increased threats from geopolitical developments and a more elevated terrorism risk in Sweden. Swedbank's capacity to manage these risks is good.

The risk of fraud related to organised crime remains high. Swedbank continually strives to ensure a high level of security for its customers and provides guidance for customers on how to protect themselves against fraud. The banking industry's anti-fraud campaign – "Hard to trick" - continued during the quarter.

Anti-money laundering and Counter terrorist financing and other compliance risks

For risks related to the ongoing investigations of authorities in US and Estonia related to historic anti-money laundering compliance and response related to

anti-money laundering controls, please refer to Note 22 Assets pledged, contingent liabilities and commitments.

Tax

The tax area is complex and there can be a scope for different interpretations. Practices and interpretations of applicable laws can be changed, sometimes retroactively. In the event that the tax authorities and, where appropriate, the tax courts decide on a different interpretation than what Swedbank initially made, it could impact the Group's operations, results and financial position.

In addition to what is stated in this interim report, detailed descriptions are provided in Swedbank's 2022 Annual and sustainability report and in the disclosures in the Risk Management and Capital Adequacy reports available at www.swedbank.com.

Change in value if the market interest rate rises by one percentage point

Impact in SEKm on the net value of assets and liabilities, including derivatives, when market interest rates are increased by one percentage point.

30 September 2023	< 5 yrs	5-10 yrs	> 10 yrs	Total
SEK	-1 438	318	400	-720
Foreign currencies	612	362	34	1 008
Total	-826	680	434	288
31 December 2022				
SEK	-1 423	-251	-7	-1 681
Foreign currencies	747	-69	17	695
Total	-676	-320	10	-986

Impact in SEKm on the net value of assets and liabilities measured at fair value through profit or loss, when market interest rates are increased by one percentage point.

30 September 2023	< 5 yrs	5-10 yrs	> 10 yrs	Total
SEK	679	-450	350	579
Foreign currencies	-1 397	533	-57	-921
Total	-718	83	293	-342
31 December 2022				
SEK	701	-249	-7	445
Foreign currencies	-554	-34	29	-559
Total	147	-283	22	-114

Note 27 Related-party transactions

During the period normal business transactions were executed between companies in the Group, including other related companies such as associates and joint ventures. The five partly owned savings banks are important associates.

Note 28 Swedbank's share

	30 Sep 2023	31 Dec 2022	30 Sep 2022
Number of outstanding ordinary shares			
Issued shares			
SWED A	1 132 005 722	1 132 005 722	1 132 005 722
Repurchased shares			
SWED A	-7 209 322	-8 934 918	-8 934 918
Number of outstanding ordinary shares on the closing day	1 124 796 400	1 123 070 804	1 123 070 804
SWED A			
Last price, SEK	201.30	177.30	146.85
Market capitalisation, SEKm	226 422	199 120	164 923

During 2023, within Swedbank's share-based compensation programme, Swedbank AB transferred 1 725 596 shares at no cost to employees.

	Q3 2023	Q2 2023	Q3' 2022	Jan-Sep 2023	Jan-Sep' 2022
Earnings per share					
Average number of shares					
Average number of shares before dilution	1 124 796 400	1 124 725 789	1 123 070 804	1 124 413 032	1 122 754 238
Weighted average number of shares for potential ordinary shares that incur a dilutive effect due to share-based compensation programme	2 285 187	2 438 823	2 585 551	2 600 110	2 950 193
Average number of shares after dilution	1 127 081 587	1 127 164 612	1 125 656 355	1 127 013 142	1 125 704 431
Profit, SEKm					
Profit for the period attributable to shareholders of Swedbank	9 123	9 122	5 587	25 806	14 576
Earnings for the purpose of calculating earnings per share	9 123	9 122	5 587	25 806	14 576
Earnings per share, SEK					
Earnings per share before dilution	8.11	8.11	4.97	22.95	12.98
Earnings per share after dilution	8.09	8.09	4.96	22.90	12.95

1) Comparative figures have been restated due to the adoption of IFRS 17.

Note 29 Effects of changes in accounting policies regarding IFRS 17

Income statement, condensed	Q3			Jan-Sep		
	2022			2022		
Group SEKm	Previous reporting	Change	New reporting	Previous reporting	Change	New reporting
Interest income on financial assets at amortised cost	11 753	-3	11 750	27 676	-3	27 673
Other interest income	0		0	182	-4	178
Interest income	11 753	-3	11 750	27 858	-7	27 850
Interest expense	-3 392		-3 392	-5 622		-5 622
Net interest income (note 5)	8 360	-2	8 358	22 236	-7	22 228
Commission income	5 693	-44	5 649	16 790	-137	16 653
Commission expense	-2 050	26	-2 024	-6 015	54	-5 961
Net commission income (note 6)	3 643	-19	3 624	10 775	-83	10 692
Net gains and losses on financial items (note 7)	945	18	963	1 124	52	1 176
Insurance result			361			3 423
Return on assets backing insurance liabilities			-244			-3 128
Net insurance (note 8)	423	-306	117	1 273	-978	295
Share of profit or loss of associates and joint ventures	261		261	544		544
Other income	398		398	1 146		1 145
Total income	14 030	-310	13 720	37 097	-1 017	36 080
Staff costs	3 290	-99	3 191	9 771	-306	9 465
Other general administrative expenses (note 9)	1 621	-45	1 576	4 639	-143	4 497
Depreciation/amortisation of tangible and intangible assets	418		418	1 254		1 254
Total expenses	5 329	-144	5 185	15 665	-450	15 215
Profit before impairments, bank taxes and resolution fees	8 701	-166	8 535	21 432	-567	20 865
Impairment of intangible assets (note 15)	443		443	443		443
Impairment of tangible assets	10		10	10		10
Credit impairment (note 10)	602		602	800		800
Bank taxes and resolution fees (note 11)	466		466	1 392		1 392
Profit before tax	7 180	-166	7 014	18 787	-567	18 220
Tax expense	1 439	-16	1 423	3 719	-79	3 640
Profit for the period	5 741	-150	5 591	15 068	-488	14 580
Profit for the period attributable to:						
Shareholders of Swedbank AB	5 737	-150	5 587	15 064	-488	14 576
Non-controlling interests	4		4	4		4
C/I ratio	0.38		0.38	0.42		0.42
Earnings per share, SEK	5.11	-0.14	4.97	13.42	-0.44	12.98
Earnings per share after dilution, SEK	5.10	-0.14	4.96	13.38	-0.43	12.95

The definition in IFRS 17 of cash flows within insurance contract boundaries includes not only premiums, claims, claim- and policy administration costs but also other overhead costs, both fixed and variable, which relate to the fulfilment of the insurance contract. This new definition means that for the third quarter 2022, administrative expenses in the income statement of SEK 144m was reclassified to the Net insurance line. Net insurance, restated for the third quarter 2022 and including the remeasurement impact, was SEK 306m lower than previously reported.

Due to the fact that IFRS 17 does not allow the unbundling of investment contracts and insurance contracts that was done according to IFRS 4, further minor reclassifications have been made between the income statement lines Net commission income, Net gains and losses on financial items and Net insurance.

Balance sheet, condensed

Group SEKm	31 Dec 2022			30 Sep 2022		
	Previous reporting	Change	New reporting	Previous reporting	Change	New reporting
Assets						
Cash and balances with central banks	365 992		365 992	454 584		454 584
Treasury bills and other bills eligible for refinancing with central banks, etc.	151 483		151 483	137 794		137 794
Loans to credit institutions	56 589		56 589	63 463		63 463
Loans to the public	1 842 811		1 842 811	1 845 932		1 845 932
Value change of interest hedged assets in portfolio hedges of interest rate risk	-20 369		-20 369	-21 691		-21 691
Bonds and other interest-bearing securities	61 298		61 298	76 925		76 925
Financial assets for which customers bear the investment risk	290 678	-22 084	268 594	277 217	-21 387	255 830
Shares and participating interests	8 184	22 084	30 268	5 481	21 387	26 868
Investments in associates and joint ventures	7 830		7 830	7 610		7 610
Derivatives (note 19)	50 504		50 504	86 985		86 985
Intangible assets (note 15)	19 886		19 886	20 047		20 047
Tangible assets	5 449		5 449	5 169		5 169
Current tax assets	1 449		1 449	2 052		2 052
Deferred tax assets	159		159	167		167
Pension assets	2 431		2 431	3 029		3 029
Other assets	8 474	-230	8 244	26 980	-170	26 810
Prepaid expenses and accrued income	2 028		2 028	2 297	-1	2 296
Total assets	2 854 876	-230	2 854 646	2 994 038	-170	2 993 868
Liabilities and equity						
Amounts owed to credit institutions (note 16)	72 826		72 826	175 599		175 599
Deposits and borrowings from the public (note 17)	1 305 948		1 305 948	1 303 098		1 303 098
Financial liabilities for which customers bear the investment risk	291 993	-23 101	268 892	278 436	-22 285	256 151
Debt securities in issue (note 18)	784 206		784 206	826 874		826 874
Short positions, securities	27 134		27 134	31 620		31 620
Derivatives (note 19)	68 679		68 679	70 674		70 674
Current tax liabilities	1 811		1 811	856		856
Deferred tax liabilities	3 599	16	3 615	4 802	20	4 822
Pension provisions	168		168	150		150
Insurance provisions	2 041	22 834	24 875	2 016	22 006	24 022
Other liabilities and provisions	26 944	40	26 984	34 983	78	35 061
Accrued expenses and prepaid income	4 664	-7	4 657	5 008	-1	5 007
Senior non-preferred liabilities (note 18)	57 439		57 439	57 203		57 203
Subordinated liabilities (note 18)	31 331		31 331	33 479		33 479
Total liabilities	2 678 783	-217	2 678 566	2 824 796	-181	2 824 614
Equity						
Non-controlling interests	29		29	30		30
Equity attributable to shareholders of the parent company	176 064	-12	176 052	169 212	11	169 223
Total equity	176 092	-12	176 080	169 242	11	169 253
Total liabilities and equity	2 854 876	-230	2 854 646	2 994 038	-170	2 993 868

IFRS 17 does not allow the unbundling of traditional life insurance that was previously done in accordance with IFRS 4 between investment contracts, reported according to IFRS 9 Financial instruments, and insurance contracts. Instead, traditional life insurance in its entirety is reported as an insurance provision. Consequently, as of 31 December 2022, SEK 23 101m was reclassified in the balance sheet from Liabilities for which the customers bear the investment risk to Insurance provisions. Related assets to traditional life insurance, amounting to SEK 22 084m as of

31 December 2022, was reclassified in the balance sheet from Financial assets for which the customers bear the investment risk to Shares and participating interests.

As of 31 December 2022 the recognised insurance provision according to IFRS 17 amounted to SEK 24 875m, of which SEK 22 790m has been measured according to the general model with direct participation features.

Balance sheet, condensed

1 January
2022

Group SEKm	Previous reporting	Changed presentation	Remeasuremen t	New reporting
Assets				
Cash and balances with central banks	360 153			360 153
Treasury bills and other bills eligible for refinancing with central banks, etc.	163 590			163 590
Loans to credit institutions	39 504			39 504
Loans to the public	1 703 206			1 703 206
Value change of interest hedged assets in portfolio hedges of interest rate risk	-1 753			-1 753
Bonds and other interest-bearing securities	58 093			58 093
Financial assets for which customers bear the investment risk	328 512	-24 635		303 877
Shares and participating interests	13 416	24 635		38 051
Investments in associates and joint ventures	7 705			7 705
Derivatives (note 19)	40 531			40 531
Intangible assets (note 15)	19 488			19 488
Tangible assets	5 523			5 523
Current tax assets	1 372			1 372
Deferred tax assets	113			113
Other assets	9 192	-138	-42	9 012
Prepaid expenses and accrued income	1 970			1 970
Total assets	2 750 617	-138	-42	2 750 437
Liabilities and equity				
Amounts owed to credit institutions (note 16)	92 812			92 812
Deposits and borrowings from the public (note 17)	1 265 783			1 265 783
Financial liabilities for which customers bear the investment risk	329 667	-25 486		304 181
Debt securities in issue (note 18)	735 917			735 917
Short positions, securities	28 613			28 613
Derivatives (note 19)	28 106			28 106
Current tax liabilities	672			672
Deferred tax liabilities	3 398		96	3 494
Pension provisions	1 801			1 801
Insurance provisions	1 970	25 309	-622	26 657
of which general model without direct participation features		212		212
of which general model with direct participation features		25 222		25 222
of which premium allocation approach		1 223		1 223
Other liabilities and provisions	28 934	44		28 978
Accrued expenses and prepaid income	4 813	-6		4 807
Senior non-preferred liabilities (note 18)	37 832			37 832
Subordinated liabilities (note 18)	28 604			28 604
Total liabilities	2 588 921	-138	-526	2 588 257
Equity				
Non-controlling interests	26			26
Equity attributable to shareholders of the parent company	161 670		484	162 155
Total equity	161 696		484	162 181
Total liabilities and equity	2 750 617	-138	-42	2 750 437

Financial statements - Swedbank AB

Income statement, condensed

Parent company SEKm	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Interest income on financial assets at amortised cost	19 580	18 672	6 961	53 936	13 290
Other interest income	4 027	2 823	1 917	9 302	5 114
Interest income	23 607	21 495	8 878	63 238	18 404
Interest expense	-16 323	-14 093	-3 367	-41 727	-4 474
Net interest income	7 284	7 402	5 512	21 512	13 931
Dividends received	1 463	1 370	2 300	9 095	11 957
Commission income	2 284	2 321	2 164	6 807	6 457
Commission expense	-574	-586	-546	-1 662	-1 697
Net commission income	1 711	1 736	1 618	5 145	4 760
Net gains and losses on financial items	717	528	-212	1 587	-1 773
Other income	981	965	750	2 869	2 202
Total income	12 156	12 001	9 967	40 208	31 077
Staff costs	2 894	2 885	2 629	8 663	7 760
Other expenses	1 615	1 709	1 478	4 881	4 260
Depreciation/amortisation and impairment of tangible and intangible fixed assets	1 325	1 379	1 289	3 969	3 794
Administrative fines ¹		-40		850	
Total expenses	5 834	5 933	5 396	18 362	15 814
Profit before impairments, Swedish bank tax and resolution fees	6 323	6 068	4 572	21 845	15 263
Credit impairments, net	-11	123	337	658	456
Impairment of financial assets ²		125		125	
Swedish bank tax and resolution fees	338	339	279	1 014	838
Operating profit	5 996	5 481	3 955	20 048	13 968
Tax expense	1 344	1 243	867	3 687	2 240
Profit for the period	4 652	4 238	3 088	16 361	11 729

1) During the first quarter a provision was made related to the Office of Foreign Assets Control (OFAC) of SEK 40m. During the second quarter an agreement was reached with OFAC. The provision was reversed and has been recognised in Swedbank AS in Latvia.

2) Impairment of financial assets refers to impairment of Invidem AB.

Statement of comprehensive income, condensed

Parent company SEKm	Q3 2023	Q2 2023	Q3 2022	Jan-Sep 2023	Jan-Sep 2022
Profit for the period reported via income statement	4 652	4 238	3 088	16 361	11 729
Total comprehensive income for the period	4 652	4 238	3 088	16 361	11 729

Balance sheet, condensed

Parent company SEKm	30 Sep 2023	31 Dec 2022	30 Sep 2022
Assets			
Cash and balances with central banks	189 148	215 314	306 499
Loans to credit institutions	796 537	830 322	773 182
Loans to the public	473 181	470 187	480 914
Interest-bearing securities	362 308	204 942	208 596
Shares and participating interests	94 825	70 434	69 392
Derivatives	63 745	67 764	103 705
Other assets	37 989	39 794	53 836
Total assets	2 017 732	1 898 757	1 996 124
Liabilities and equity			
Amounts owed to credit institutions	209 743	162 348	185 930
Deposits and borrowings from the public	923 192	943 777	969 566
Value change of the hedged liabilities in portfolio hedges of interest rate risk	1		
Debt securities in issue	489 448	435 782	474 148
Derivatives	83 443	100 346	101 297
Other liabilities and provisions	52 870	50 865	61 247
Senior non-preferred liabilities	103 187	57 439	57 203
Subordinated liabilities	33 373	31 331	33 479
Untaxed reserves	5 367	5 367	10 630
Equity	117 108	111 502	102 624
Total liabilities and equity	2 017 732	1 898 757	1 996 124
Pledged collateral	128 642	82 473	67 681
Other assets pledged	14 826	14 287	8 627
Contingent liabilities	93 488	132 608	142 273
Commitments	247 467	253 613	249 718

Statement of changes in equity, condensed

Parent company
SEKm

	Restricted equity		Non-restricted equity		Total
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	
January-September 2023					
Opening balance 1 January 2023	24 904	5 968	13 206	67 424	111 502
Dividend				-10 964	-10 964
Share based payments to employees				194	194
Deferred tax related to share based payments to employees				-2	-2
Current tax related to share based payments to employees				17	17
Total comprehensive income for the period				16 361	16 361
Closing balance 30 September 2023	24 904	5 968	13 206	73 030	117 108
January-December 2022					
Opening balance 1 January 2022	24 904	5 968	13 206	59 343	103 421
Dividend				-12 632	-12 632
Share based payments to employees				174	174
Deferred tax related to share based payments to employees				4	4
Current tax related to share based payments to employees				-1	-1
Total comprehensive income for the period				20 536	20 536
Closing balance 31 December 2022	24 904	5 968	13 206	67 424	111 502
January-September 2022					
Opening balance 1 January 2022	24 904	5 968	13 206	59 343	103 421
Dividend				-12 632	-12 632
Share based payments to employees				113	113
Deferred tax related to share based payments to employees				-5	-5
Current tax related to share based payments to employees				-1	-1
Total comprehensive income for the period				11 729	11 729
Closing balance 30 September 2022	24 904	5 968	13 206	58 547	102 625

Cash flow statement, condensed

Parent company SEKm	Jan-Sep 2023	Full-year 2022	Jan-Sep 2022
Cash flow from operating activities	-65 547	-2 081	85 302
Cash flow from investing activities	7 126	12 223	14 220
Cash flow from financing activities	32 255	10 819	12 624
Cash flow for the period	-26 166	20 961	112 146
Cash and cash equivalents at beginning of period	215 314	194 353	194 353
Cash flow for the period	-26 166	20 961	112 146
Cash and cash equivalents at end of period	189 148	215 314	306 499

Capital adequacy

	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
Parent company, SEKm					
Available own funds					
Common equity tier 1 (CET1) capital	106 441	106 100	106 324	102 528	100 941
Tier 1 capital	121 405	121 031	120 863	111 742	110 753
Total capital	140 837	146 348	143 484	134 563	135 353
Risk-weighted exposure amounts					
Total risk exposure amount	414 671	393 039	381 565	394 817	395 783
Capital ratios as a percentage of risk-weighted exposure amount					
Common equity tier 1 ratio	25.7	27.0	27.9	26.0	25.5
Tier 1 ratio	29.3	30.8	31.7	28.3	28.0
Total capital ratio	34.0	37.2	37.6	34.1	34.2
Additional own funds requirements to address risks other than the risk of excessive leverage as a percentage of risk-weighted exposure amount					
Additional own funds requirements to address risks other than the risk of excessive leverage	1.2	2.1	2.1	2.1	2.1
of which: to be made up of CET1 capital	0.8	1.4	1.4	1.4	1.4
of which: to be made up of Tier 1 capital	0.9	1.6	1.6	1.6	1.6
Total SREP own funds requirements	9.2	10.1	10.1	10.1	10.1
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount					
Capital conservation buffer	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State					
Institution-specific countercyclical capital buffer	1.7	1.6	0.9	0.9	0.8
Systemic risk buffer	0.0	0.0	0.0	0.0	0.0
Global Systemically Important Institution buffer					
Other Systemically Important Institution buffer					
Combined buffer requirement	4.2	4.1	3.4	3.4	3.3
Overall capital requirements	13.4	14.2	13.5	13.5	13.4
CET1 available after meeting the total SREP own funds requirements	20.4	21.1	21.9	20.0	19.6
Leverage ratio					
Total exposure measure	1 532 147	1 529 710	1 521 947	1 340 798	1 463 298
Leverage ratio, %	7.9	7.9	7.9	8.3	7.6
Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure					
Additional own funds requirements to address the risk of excessive leverage					
of which: to be made up of CET1 capital					
Total SREP leverage ratio requirements	3.0	3.0	3.0	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure					
Leverage ratio buffer requirement					
Overall leverage ratio requirement	3.0	3.0	3.0	3.0	3.0
Liquidity coverage ratio					
Total high-quality liquid assets, average weighted value	595 633	581 236	560 888	560 040	564 761
Cash outflows, total weighted value	598 493	591 762	597 651	607 726	596 307
Cash inflows, total weighted value	110 777	101 490	90 039	81 543	70 901
Total net cash outflows, adjusted value	487 717	490 272	507 612	526 182	525 406
Liquidity coverage ratio, %	122.5	119.0	111.1	106.7	107.8
Net stable funding ratio					
Total available stable funding	1 044 967	1 039 516	1 032 023	1 014 113	1 015 807
Total required stable funding	601 829	589 546	601 344	593 123	598 193
Net stable funding ratio, %	173.6	176.3	171.6	171.0	169.9

Risk exposure amount	30 Sep	31 Dec	30 Sep
Parent company, SEKm	2023	2022	2022
Risk exposure amount credit risks, standardised approach	124 543	103 867	103 403
Risk exposure amount credit risks, IRB	192 151	180 802	180 861
Risk exposure amount default fund contribution	155	149	264
Risk exposure amount settlement risks			0
Risk exposure amount market risks	14 468	21 352	25 080
Risk exposure amount credit value adjustment	1 768	3 801	3 323
Risk exposure amount operational risks	42 408	42 408	40 218
Additional risk exposure amount, Article 3 CRR	2 200	33 658	32 658
Additional risk exposure amount, Article 458 CRR	36 978	8 782	9 975
Total	414 671	394 817	395 783

	SEKm			%		
Capital requirements¹	30 Sep	31 Dec	30 Sep	30 Sep	31 Dec	30 Sep
Parent company, SEKm / %	2023	2022	2022	2023	2022	2022
Capital requirement Pillar 1	50 393	44 870	44 723	12.2	11.4	11.3
of which Buffer requirements ²	17 219	13 285	13 061	4.2	3.4	3.3
Capital requirement Pillar 2 ³	5 100	8 291	8 311	1.2	2.1	2.1
Total capital requirement including Pillar 2 guidance	55 494	53 161	53 035	13.4	13.5	13.4
Own funds	140 837	134 563	135 353			

1) Swedbank's calculation based on the SFSA's announced capital requirements, including Pillar 2 requirements and Pillar 2 guidance.

2) Buffer requirements includes capital conservation buffer and countercyclical capital buffer.

3) Individual Pillar 2 requirement according to decision from SFSA SREP 2023.

	SEKm			%		
Leverage ratio requirements¹	30 Sep	31 Dec	30 Sep	30 Sep	31 Dec	30 Sep
Parent company, SEKm / %	2023	2022	2022	2023	2022	2022
Leverage ratio requirement Pillar 1	45 964	40 224	43 899	3.0	3.0	3.0
Total leverage ratio requirement including Pillar 2 guidance	45 964	40 224	43 899	3.0	3.0	3.0
Tier 1 capital	121 405	111 742	110 753			

1) Swedbank's calculation based on the SFSA's announced leverage ratio requirements, including Pillar 2 requirements and Pillar 2 guidance.

Alternative performance measures

Swedbank prepares its financial statements in accordance with IFRS as adopted by the EU, as set out in Note 1. The interim report includes a number of alternative performance measures, which exclude certain items that management believes are not representative of the underlying/ongoing performance of the business. Therefore the alternative performance measures provide more comparative information between periods. Management believes that inclusion of these measures provides information to the readers that enable comparability between periods.

Measure and definition	Purpose
Net investment margin before trading interest is deducted Calculated as Net interest income before trading-related interest is deducted, in relation to average total assets. The average is calculated using month-end figures ¹ , including the prior year end. The nearest IFRS measure is Net interest income and can be reconciled in Note 5.	Considers all interest income and interest expense, independent of how it has been presented in the income statement.
Allocated equity Allocated equity is the operating segment's equity measure and is not directly required by IFRS. The Group's equity attributable to shareholders is allocated to each operating segment based on capital adequacy rules and estimated capital requirements based on the bank's internal Capital Adequacy Assessment Process (ICAAP). The allocated equity amounts per operating segment are reconciled to the Group Total equity, the nearest IFRS measure, in Note 4.	Used by Group Management for internal governance and operating segment performance management purposes.
Return on allocated equity Calculated based on profit for the period (annualised) attributable to the shareholders for the operating segment, in relation to average allocated equity for the operating segment. The average is calculated using month-end figures ¹ , including the prior year end. The allocated equity amounts per operating segment are reconciled to the Group Total equity, the nearest IFRS measure, in Note 4.	Used by Group Management for internal governance and operating segment performance management purposes.
Income statement excluding expenses for the administrative fines Amount related to expenses is presented excluding expenses for administrative fines. The amounts are reconciled to the relevant IFRS income statement lines on page 6.	Provides comparability of figures between reporting periods.
Return on equity excluding expenses for administrative fines Calculated based on profit for the period (annualised) attributable to the shareholders excluding expenses for the administrative fines, in relation to average equity attributable to shareholders' of the parent company. The average is calculated using month-end figures ¹ , including the prior year end. Profit for the period attributable to shareholders excluding expenses for administrative fines are reconciled to Profit for the period allocated to shareholders, the nearest IFRS measure, on page 6.	Provides comparability of figures between reporting periods.
Cost/Income ratio excluding expenses for administrative fines Total expenses excluding expenses related to administrative fines in relation to total income. Total expenses excluding expense for administrative fines is reconciled to Total expenses, the nearest IFRS measure, on page 6.	Provides comparability of figures between reporting periods.

¹) The month-end figures used in the calculation of the average can be found on page 68 of the Fact book.

Other alternative performance measures

These measures are defined in the Fact book on page 74 and are calculated from the financial statements without adjustment.

Used by Group Management for internal governance and operating segment performance management purposes.

- Share of Stage 1 loans, gross
- Share of Stage 2 loans, gross
- Share of Stage 3 loans, gross
- Equity per share
- Cost/Income ratio
- Credit Impairment ratio
- Loans to customers/Deposits from customers ratio
- Credit impairment provision ratio Stage 1 loans
- Credit impairment provision ratio Stage 2 loans
- Credit impairment provision ratio Stage 3 loans
- Return on equity¹
- Total credit impairment provision ratio

¹) The month-end figures used in the calculation of the average can be found on page 68 of the Fact book.

Signatures of the Board of Directors and the President

The Board of Directors and the President hereby certify that the Interim report for January-September 2023 provides a fair and accurate overview of the operations, position and results of the parent company and the Group and describes the significant risks and uncertainties faced by the parent company and the companies in the Group.

Stockholm, 25 October 2023

Göran Persson
Chair

Göran Bengtsson
Board Member

Annika Creutzer
Board Member

Hans Eckerström
Board Member

Kerstin Hermansson
Board Member

Helena Liljedahl
Board Member

Bengt Erik Lindgren
Board Member

Anna Mossberg
Board Member

Per Olof Nyman
Board member

Biljana Pehrsson
Board Member

Biörn Riese
Board Member

Roger Ljung
Board Member
Employee Representative

Åke Skoglund
Board Member
Employee Representative

Jens Henriksson
President and CEO

Review report

Introduction

We have reviewed the condensed interim financial information (interim report) of Swedbank AB (publ) as of 30 September 2023 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Annual Accounts Act for credit institutions and securities companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for credit institutions and securities companies, regarding the Group, and with the Annual Accounts Act for credit institutions and securities companies, regarding the Parent Company.

Stockholm, 26 October 2023

PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant
Auditor in charge

Martin By
Authorised Public Accountant

Publication of financial information

The Group's financial reports can be found on www.swedbank.com/ir

Financial calendar 2024

Year-end report 2023	24 January 2024
Annual and sustainability report 2023	22 February 2024
Annual General Meeting	26 March 2024
Interim report for the first quarter 2024	25 April 2024
Interim report for the second quarter 2024	16 July 2024
Interim report for the third quarter 2024	23 October 2024

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Information on Swedbank's strategy, values and share is also available on www.swedbank.com.

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