

# Interim report 2023

First quarter, January – March

27 April 2023

Swedbank 

- Stronger result – all income lines increased
- Net interest income increased – deposit margins rose while mortgage margins fell
- Good credit quality in a turbulent quarter
- Strong liquidity – large reserves with central banks
- Solid capitalisation – dividend of SEK 9.75 per share approved
- Index and goal for financial health – Swedbank is investing in financial literacy and comfort by offering practical advice

”Swedbank stands strong with good credit quality, strong liquidity and solid capitalisation”

Jens Henriksson,  
President and CEO

Financial information	Q1	Q4 <sup>1</sup>		Q1 <sup>1</sup>	
SEKm	2023	2022	%	2022	%
<b>Total income</b>	<b>17 387</b>	<b>15 947</b>	<b>9</b>	<b>11 145</b>	<b>56</b>
Net interest income	11 936	10 918	9	6 759	77
Net commission income	3 660	3 422	7	3 551	3
Net gains and losses on financial items	916	763	20	139	
Other income <sup>2</sup>	875	843	4	695	26
<b>Total expenses</b>	<b>6 410</b>	<b>5 602</b>	<b>14</b>	<b>4 938</b>	<b>30</b>
of which administrative fines	890				
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>10 977</b>	<b>10 346</b>	<b>6</b>	<b>6 206</b>	<b>77</b>
Impairment of intangible and tangible assets		684			
Credit impairment	777	679	14	158	
Swedish bank tax and resolution fees	518	439	18	456	14
<b>Profit before tax</b>	<b>9 681</b>	<b>8 543</b>	<b>13</b>	<b>5 592</b>	<b>73</b>
Tax expense	2 121	1 755	21	1 108	91
<b>Profit for the period</b>	<b>7 560</b>	<b>6 788</b>	<b>11</b>	<b>4 484</b>	<b>69</b>
Earnings per share, SEK, after dilution	6.71	6.03		3.99	
Return on equity, %	17.0	15.7		11.1	
C/I ratio	0.37	0.35		0.44	
Common Equity Tier 1 capital ratio, %	18.3	17.8		18.3	
Credit impairment ratio, %	0.16	0.14		0.04	

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

The start of 2023 has been dominated by the brutal Russian attack on Ukraine, rising interest rates, slower economic development and turbulence in parts of the banking sector. Many households and companies in our four home markets are struggling financially.

In these turbulent times, Swedbank stands strong with good liquidity, strong capitalisation and high profitability. Our proven business model is delivering as promised. As a result, we can be there for our customers and enable the many people and businesses to create a better future. A sustainable bank is a profitable bank.

The International Monetary Fund forecasts global growth this year of below 3 per cent, but uncertainty is unusually high. The rapid transition from consistently low to high interest rates is creating stress and vulnerabilities. In the Baltic countries, growth hovers around 0 per cent. In Sweden, our economists expect a drop in GDP of 1 per cent. Inflation has begun to fall in all home markets from very high levels.

Swedbank's profit for the quarter was strong and increased to SEK 7.6bn. This means a return on equity of 17.0 per cent. The driving factor was higher net interest income, which strengthened thanks to higher deposit margins. However, lending margins on mortgages decreased by 14 basis points in the quarter.

Expenses rose due to an administrative fine from the Swedish FSA and a provision related to a potential settlement with the U.S. Office of Foreign Assets Control (OFAC). The C/I ratio increased to 0.37 even though underlying expenses decreased.

Our credit quality is good and the individual provisions for credit impairments were nearly zero. Altogether, however, credit impairments increased due to a weaker macroeconomic outlook as well as an increase in provisions of approximately SEK 200m more than the models suggest.

Our liquidity position is strong. The capital buffer increased to 3.9 percentage points. In accordance with the bank's dividend policy, the Annual General Meeting decided to distribute half of the profit from 2022, or SEK 9.75 per share.

Corporate activity varied by country and sector. The green transition in Estonia, Latvia and Lithuania is keeping demand for business loans stable amid stiff competition. In Sweden, corporate lending increased slightly during the quarter, while it fell in Norway. We are focused on our customers and are there for them, and at the same time we are maintaining a thorough and conservative lending process.

Corporate deposits increased on a seasonal basis, while they decreased slightly for private customers due to higher amortisations and fund savings as well as the rising cost of living. The competition for savings has increased, but we are committed to having the best full-service offering. We are proud of our extensive savings options with interest being paid to all customers on safe savings accounts in uncertain times.

Mortgage volumes in Sweden were basically unchanged during the quarter. In Estonia, Latvia and

Lithuania, mortgage volumes grew slightly. Competition is tough in all four of our home markets, but we are keeping our leading positions and pricing strategy.

The bank's digital availability is above target and we see that our investments and hard work on sustainable systems have produced results. We remain prepared as cyber threats are a reality.

Work is continuing in order to reach the targets we announced at our Investor Day. We will deliver a sustainable return on equity of 15 per cent by 2025 and going forward. An important part is to grow the corporate business through our small and midsize corporate customers. To better meet their needs, we have reorganised the bank's corporate services in Sweden so that we improve availability.

The investment in a new cloud-based communication platform is underway. First in line was Latvia, where we are now seeing increased stability and shorter wait times. During the year, the platform will be in place in all our home markets. In Sweden, our award-winning Virtual Assistant has contributed to efficient payment of the government's electricity support. The assistant has handled 480 000 customer queries and ensured that the process was smooth for customers. We are proud to have been entrusted with this important assignment and have already begun to prepare for the next round.

A growing share of our distribution and sales is taking place through digital channels. Meanwhile, we are increasing the amount of fundamental advice on savings, pensions and insurance. An improved customer experience and combined channels are delivering results. Our fund assets under management grew by SEK 96bn in the quarter.

Swedbank's climate position is aligned with the Paris Agreement's 1.5°C goal. As a financial company we have a responsibility and good opportunities to contribute to the climate transition. We see great potential in financing the energy efficiency of properties in our home markets in order to reach the EU's climate targets and achieve European energy security. Here Swedbank can make a difference, and we will be there for our customers with green loans and advice.

Sustainable personal finances are based on knowledge. We have developed a financial health index in our four home markets. By 2030, Swedbank wants to enable a million people to strengthen their financial health. We want more customers to become financially secure and confident about the future. We will reach this target by meeting more customers face-to-face and greatly increasing the number of digital advisory sessions offering practical advice.

Our customers' future is our focus.



Jens Henriksson  
President and CEO

## Table of contents

Financial overview	4
Economy and market	5
Important to note	5
<b>Group development</b>	5
Result first quarter 2023 compared with fourth quarter 2022	5
Result January-March 2023 compared with January-March 2022	6
Volume trend by product area	7
Credit and asset quality	8
Funding and liquidity	9
Ratings	9
Operational risks	9
Capital and capital adequacy	9
Investigations	10
Other events	10
Events after the end of the period	10
<b>Business areas</b>	
Swedish Banking	11
Baltic Banking	13
Large Corporates and Institutions	15
Group Functions and Other	17
Eliminations	18
<b>Group</b>	
Income statement, condensed	19
Statement of comprehensive income, condensed	20
Balance sheet, condensed	21
Statement of changes in equity, condensed	22
Cash flow statement, condensed	23
<b>Notes</b>	
Note 1 Accounting policies	24
Note 2 Critical accounting estimates	24
Note 4 Operating segments (business areas)	24
Note 4 Operating segments (business areas)	25
Note 5 Net interest income	27
Note 6 Net commission income	28
Note 7 Net gains and losses on financial items	29
Note 8 Net insurance income	30
Note 9 Other general administrative expenses	30
Note 10 Credit impairment	31
Note 11 Swedish bank tax and resolution fees	34
Note 12 Loans	35
Note 13 Credit impairment provisions	38
Note 14 Credit risk exposures	39
Note 15 Intangible assets	40
Note 16 Amounts owed to credit institutions	40
Note 17 Deposits and borrowings from the public	40
Note 18 Debt securities in issue, senior non-preferred liabilities and subordinated liabilities	41
Note 19 Derivatives	41
Note 20 Valuation categories for financial instruments	42
Note 21 Financial instruments recognised at fair value	44
Note 22 Assets pledged, contingent liabilities and commitments	45
Note 23 Offsetting financial assets and liabilities	46
Note 24 Capital adequacy, consolidated situation	47
Note 25 Internal capital requirement	49
Note 26 Risks and uncertainties	49
Note 27 Related-party transactions	50
Note 28 Swedbank's share	51
Note 29 Effects of changes in accounting policies regarding IFRS 17	52
Swedbank AB	55
Alternative performance measures	60
Signatures of the Board of Directors and the President	62
Review report	63
Publication of financial information	64

More detailed information can be found in Swedbank's Fact book, [www.swedbank.com/ir](http://www.swedbank.com/ir), under Financial information and publications

## Financial overview

Income statement SEKm	Q1	Q4 <sup>1</sup>		Q1 <sup>1</sup>	
	2023	2022	%	2022	%
Net interest income	11 936	10 918	9	6 759	77
Net commission income	3 660	3 422	7	3 551	3
Net gains and losses on financial items	916	763	20	139	
Other income <sup>2</sup>	875	843	4	695	26
<b>Total income</b>	<b>17 387</b>	<b>15 947</b>	<b>9</b>	<b>11 145</b>	<b>56</b>
Staff costs	3 466	3 366	3	3 118	11
Other expenses	2 055	2 235	-8	1 821	13
Administrative fines	890				
<b>Total expenses</b>	<b>6 410</b>	<b>5 602</b>	<b>14</b>	<b>4 938</b>	<b>30</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>10 977</b>	<b>10 346</b>	<b>6</b>	<b>6 206</b>	<b>77</b>
Impairment of intangible assets		681			
Impairment of tangible assets		3			
Credit impairment	777	679	14	158	
Swedish bank tax and resolution fees	518	439	18	456	14
<b>Profit before tax</b>	<b>9 681</b>	<b>8 543</b>	<b>13</b>	<b>5 592</b>	<b>73</b>
Tax expense	2 121	1 755	21	1 108	91
<b>Profit for the period</b>	<b>7 560</b>	<b>6 788</b>	<b>11</b>	<b>4 484</b>	<b>69</b>

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	Q1	Q4 <sup>1</sup>	Q1 <sup>1</sup>
	2023	2022	2022
Return on equity, %	17.0	15.7	11.1
Earnings per share before dilution, SEK <sup>2</sup>	6.73	6.05	4.00
Earnings per share after dilution, SEK <sup>2</sup>	6.71	6.03	3.99
C/I ratio	0.37	0.35	0.44
Equity per share, SEK <sup>2</sup>	154.1	156.8	138.0
Loans to customers/deposit from customers ratio, %	137	139	135
Common Equity Tier 1 capital ratio, %	18.3	17.8	18.3
Tier 1 capital ratio, %	20.1	18.9	19.5
Total capital ratio, %	23.1	21.8	21.7
Credit impairment ratio, %	0.16	0.14	0.04
Share of Stage 3 loans, gross, %	0.32	0.31	0.34
Total credit impairment provision ratio, %	0.37	0.32	0.27
Liquidity coverage ratio (LCR), %	165	160	166
Net stable funding ratio (NSFR), %	120	118	122

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	31 Mar	31 Dec <sup>1</sup>		31 Mar <sup>1</sup>	
	2023	2022	%	2022	%
Loans to customers	1 791	1 799	0	1 723	4
Deposits from customers	1 303	1 298	0	1 279	2
Equity attributable to shareholders of the parent company	173	176	-2	155	12
Total assets <sup>1</sup>	3 036	2 855	6	2 885	5
Risk exposure amount	806	809	0	724	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

The financial markets were turbulent during the quarter. Turmoil in the banking sector led to bearish market sentiment, and both market interest rates and stock prices fell in March. As a result, the market tempered expectations regarding future interest rate hikes from central banks. The Swedish krona continued to trade at weak levels throughout the quarter.

Macroeconomic conditions were stable in the quarter although the outlook remains weak. Global purchasing managers' indexes for the service sector rose and pointed to growth for the sector, while manufacturing PMIs showed a slowdown in activity. The reopening of China's economy spurred economic activity with upturns in retail sales and industrial production, among other things. The energy situation in Europe improved and natural gas stores remained at high levels, contributing to a drop in European gas and electricity prices. The inflation rate moderated in both the US and the euro zone. In the euro zone, however, the underlying inflation pressure showed no signs of abating. The persistently high inflation means that monetary policy in the U.S. and the euro zone will continue to tighten. The Federal Reserve raised its policy rate by 0.50 percentage points and the ECB raised its rate by 1.0 percentage point in the quarter.

In Sweden, underlying inflation (CPIF excluding energy) continued to rise. In February, the Riksbank raised its policy rate by 0.5 percentage points to 3.0 percent, the highest level since 2008. Additionally, the Riksbank decided to begin selling government bonds as of April in order to further reduce liquidity in the economy.

Swedish GDP was relatively unchanged at the beginning of the year. Both household consumption and industrial production started the year weakly, while new manufacturing orders increased in February. During the quarter, card revenue fell, according to data from Swedbank Pay, indicating that households cut back on their spending. The National Institute of Economic Research's Economic Tendency Indicator stabilised somewhat, but at low levels and still points to weaker than normal sentiment in the economy. Swedbank/Silf's PMIs for manufacturing and the service sector showed a decline in economic activity.

Housing prices were 13 percent lower in February than their peak in early 2022. Uncertainty surrounding mortgage rates and economic conditions meant that home sales continued to be muted. Credit growth for households declined.

Economic growth in the Baltic countries is estimated to have remained unchanged in the first quarter. Inflation continued to fall to between 17–20 percent in March. Household consumption is weak but still fairly resilient overall, especially in Latvia and Lithuania. Consumer confidence further improved in March. Activity in the housing market is still below last year's level, but prices have remained fairly stable.

## 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 60.

## Group development

### Result first quarter 2023 compared with fourth quarter 2022

Swedbank's profit increased to SEK 7 560m (6 789) due to higher income and lower credit impairments. Expenses increased due to an administrative fine from the Swedish Financial Supervisory Authority (FSA) and a provision related to a potential settlement with the U.S. Office of Foreign Assets Control (OFAC). Foreign exchange effects positively impacted profit before impairment, the Swedish bank tax and resolution fund fees by approximately SEK 81m.

The return on equity was 17.0 per cent (15.7) and the cost/income ratio was 0.37 (0.35). Adjusted for the Swedish FSA's administrative fine and the provision related to OFAC, the return on equity was 19.0 per cent and the cost/income ratio was 0.32.

	Q1 2023	Q1 2023	Q4 2022
<b>Income statement, SEKm</b>		<b>excl<sup>1</sup></b>	
Total income	17 387	17 387	15 947
Total expenses	6 410	5 520	5 602
of which administrative fines	890		
Profit before tax	9 681	10 571	8 543
Profit for the period	7 560	8 450	6 788
Return on equity, %	17.0	19.0	15.7
C/I ratio	0.37	0.32	0.35

1) Income statement excluding expenses for the administrative fines

Income increased to SEK 17 387m (15 947) 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 approximately SEK 110m.

Net interest income increased by 9 per cent to SEK 11 936m (10 918). Underlying net interest income was positively affected primarily by higher deposit margins due to rising short-term market rates. Lower mortgage margins and lower average lending volumes had a negative impact on net interest income. A positive adjustment of the deposit guarantee fee in the fourth quarter as well as two fewer days in the current quarter also contributed negatively to the change, while a weaker krona positively affected net interest income.

Net commission income increased by 7 per cent to SEK 3 660m (3 422). Income from asset management increased because of a higher average volume of AUM. Underlying income from card operations and payments decreased on a seasonal basis, but negative adjustments related to Mastercard in the fourth quarter positively affected the change. Two fewer days in the quarter contributed negatively.

Net gains and losses on financial items increased to SEK 916m (763). Large Corporates and Institutions' net gains and losses on financial items increased because of positive changes in the market valuation of the trading portfolio of bonds as well as high customer

activity in FX trading. Derivative valuation adjustments (CVA/DVA) had a negative effect.

Other income increased by 4 per cent to SEK 875m (843) mainly because of a higher profit from the insurance business in the Baltic countries. Entercard's profit decreased, while the profit from partly owned savings banks increased.

Expenses increased by 14 per cent to SEK 6 410m (5 602) due to the Swedish FSA's administrative fine of SEK 850m and a provision related to a potential settlement with OFAC of SEK 40m. Adjusted for the administrative fine and the provision, expenses decreased by 1 per cent. Lower IT and consulting expenses as well as expenses related to the closure of Swedbank's Danish banking operations in the previous quarter contributed to the decrease. Staff costs rose due to the annual salary increase in Sweden and higher extra compensation paid to employees in the Baltic countries in response to the rapid increase in the cost of living there. AML-related investigation expenses amounted to SEK 106m (144). Foreign exchange effects increased expenses by approximately SEK 28m.

Credit impairments amounted to SEK 777m (679), of which weaker macroeconomic scenarios contributed SEK 348m (207) and rating and stage migrations contributed SEK 278m (343). Expert credit adjustments increased by SEK 198m (34), which was mainly related to the property management sector. For individually assessed loans, credit impairments amounted to SEK 10m (32).

The Swedish bank tax and resolution fees amounted to SEK 518m (439). The increase is due to an increase in the bank tax rate from 0.05 per cent to 0.06 per cent in 2023.

The tax expense amounted to SEK 2 121m (1 755), corresponding to an effective tax rate of 21.9 per cent (20.5). The high effective tax rate in the quarter was largely due to the non-deductible administrative fine from the Swedish FSA.

## Result January-March 2023 compared with January-March 2022

Swedbank's profit increased to SEK 7 560m (4 484) because of higher income. Higher expenses and credit impairments affected profit negatively. Expenses increased partly because of the Swedish FSA's administrative fine and a provision for a potential settlement with OFAC. Foreign exchange effects positively impacted profit before impairments, the Swedish bank tax and resolution fees by approximately SEK 230m.

The return on equity was 17.0 per cent (11.1) and the cost/income ratio was 0.37 (0.44). Adjusted for the Swedish FSA's administrative fine and the provision related to OFAC, the return on equity was 19.0 per cent and the cost/income ratio was 0.32.

	Q1 2023	Q1 2023	Q1 2022
<b>Income statement, SEKm</b>			
	<b>excl<sup>1</sup></b>		
Total income	17 387	17 387	11 145
Total expenses	6 410	5 520	4 938
of which administrative fines	890		
Profit before tax	9 681	10 571	5 592
Profit for the period	7 560	8 450	4 484
Return on equity, %	17.0	19.0	11.1
C/I ratio	0.37	0.32	0.44

1) Income statement excluding expenses for the administrative fines

Income increased to SEK 17 387m (11 145) 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 approximately SEK 342m.

Net interest income increased by 77 per cent to SEK 11 936m (6 759). Underlying net interest income was positively affected mainly because of higher deposit margins due to higher short-term market rates. Higher lending volumes also contributed together with a weaker krona.

Net commission income increased by 3 per cent to SEK 3 660m (3 551). Income from card operations and payments increased due to residual Covid effects in the previous year and discounts from Mastercard this year.

Net gains and losses on financial items increased to SEK 916m (139). In 2022, Group Treasury's net gains and losses on financial items were negatively affected by changes in the value of derivatives and the liquidity portfolio due to rising interest rates and credit spreads. Within Large Corporates and Institutions higher market valuations in the trading portfolio and higher customer activity contributed positively.

Other income increased by 26 per cent to SEK 875m (695) mainly because of a higher profit from the insurance business in the Baltic countries.

Expenses increased by 30 per cent to SEK 6 410m (4 938). Adjusted for the Swedish FSA's administrative fine and the provision related to OFAC, expenses increased by 12 per cent. Staff costs have increased due to higher salaries and extra compensation paid to employees in the Baltic countries. The high inflation has also affected IT and consulting expenses to some extent. AML-related investigation expenses amounted to SEK 106m (55). Foreign exchange effects raised expenses by approximately SEK 112m.

Credit impairments amounted to SEK 777m (158) and were explained mainly by weaker macroeconomic scenarios, negative rating and stage migrations, and expert credit adjustments.

The Swedish bank tax and resolution fees amounted to SEK 518m (456). The increase was due to an increase in the bank tax rate from 0.05 per cent to 0.06 per cent in 2023.

The tax expense amounted to SEK 2 121m (1 108), corresponding to an effective tax rate of 21.9 per cent (19.8). The high effective tax rate in the quarter 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 lending, deposits, fund savings and life insurance, and payments.

### Lending

Loans to customers decreased by SEK 7bn to SEK 1 791bn (1 799) in the quarter. Compared with the first quarter 2022, lending increased by SEK 68bn or 4 per cent. Foreign exchange effects positively impacted lending volumes by approximately SEK 34bn compared with the fourth quarter 2022 and positively by approximately SEK 27bn compared with the first quarter 2022.

Loans to customers, SEKbn	31 Mar 2023	31 Dec 2022	31 Mar 2022
Loans, private mortgage	1 030	1 031	1 002
of which Swedish Banking	912	916	901
of which Baltic Banking	118	115	101
Loans, private other incl tenant-owner associations	145	146	144
of which Swedish Banking	121	123	124
of which Baltic Banking	22	21	18
of which Large Corporates & Inst.	2	2	2
Loans, corporate	617	621	577
of which Swedish Banking	235	236	237
of which Baltic Banking	102	100	85
of which Large Corporates and Inst.	280	284	256
of which Group Functions and Other	1	1	
<b>Total</b>	<b>1 791</b>	<b>1 799</b>	<b>1 723</b>

Lending to mortgage customers within Swedish Banking decreased by SEK 4bn to SEK 912bn (916) during the quarter. The market share in mortgages in Sweden was 22 per cent as of 28 February. Other private lending in Sweden, including lending to tenant-owner associations, decreased by SEK 2bn to SEK 121bn (146) in the quarter.

Baltic Banking's mortgage volumes increased by 1 per cent in local currency and amounted to the equivalent of SEK 118bn (115) at the end of the quarter.

Corporate lending decreased by SEK 4bn during the quarter to SEK 617bn (621). In Sweden, the market share was 15 per cent as of 28 February.

The sustainable asset registry increased by SEK 1bn to SEK 61bn (59) in the quarter. The increase occurred primarily through identification of existing mortgages with energy performance certificates. At the end of the quarter, the registry contained SEK 55bn in green assets and SEK 6bn in social assets.

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 increased by SEK 6bn to SEK 1 301bn (1 295) compared with the previous quarter. Compared with the first quarter 2022 deposits in the business areas increased by SEK 24bn or 2 per cent. During the quarter, deposits from the public increased within Baltic Banking including foreign exchange effects but decreased within Swedish Banking. Corporate deposits increased within Large

Corporates and Institutions but decreased within Swedish Banking and Baltic Banking.

Total deposits from customers amounted to SEK 1 303bn (1 298). Foreign exchange effects negatively impacted deposit volumes by approximately SEK 6bn compared with the previous quarter and positively by approximately SEK 35bn compared with the first quarter 2022.

Deposits from customers, SEKbn	31 Mar 2023	31 Dec 2022	31 Mar 2022
Deposits, private	699	704	666
of which Swedish Banking	476	483	472
of which Baltic Banking	223	221	194
Deposits, corporate	604	594	613
of which Swedish Banking	233	242	244
of which Baltic Banking	152	154	131
of which Large Corporates and Inst.	217	195	236
of which Group Functions and Other	2	3	2
<b>Total</b>	<b>1 303</b>	<b>1 298</b>	<b>1 279</b>

Swedbank's deposits from private customers decreased by SEK 5bn in the quarter to SEK 699bn (704).

Corporate deposits in the business areas increased by SEK 11bn in the quarter to SEK 602bn (591).

As of 28 February, 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 rose by 7 per cent in the quarter to SEK 1 456bn (1 360) as of 31 March, of which SEK 1 365bn (1 276) related to Sweden, SEK 89bn (82) to the Baltic countries and SEK 2bn (2) to other markets. The increase was largely due to market gains, but net inflows also contributed.

Asset management SEKbn	31 Mar 2023	31 Dec 2022	31 Mar 2022
Sweden	1 365	1 276	1 324
Estonia	22	20	20
Latvia	32	29	28
Lithuania	27	25	23
Other countries	2	2	3
<b>Mutual funds under Management, Swedbank Robur</b>	<b>1 448</b>	<b>1 352</b>	<b>1 398</b>
Funds under Management, Baltic	9	8	2
<b>Total Mutual funds under Management</b>	<b>1 456</b>	<b>1 360</b>	<b>1 400</b>
Closed End Funds	0	0	
Discretionary asset management	388	378	418
<b>Total Assets under Management</b>	<b>1 844</b>	<b>1 738</b>	<b>1 818</b>

The net inflow in the Swedish fund market amounted to SEK 17bn (54) during the quarter. The largest inflow was to index funds at SEK 32bn. Fixed income funds also reported inflows, while mixed funds and hedge funds had outflows of SEK 8m and SEK 7bn respectively.

The net inflow to Swedbank Robur's funds in Sweden amounted to SEK 5bn (28) during the quarter. Swedish Banking and Large Corporates and Institutions both contributed, as did the savings banks and other third-party distributors. The net inflow in the Baltic countries amounted to SEK 3bn (2).

The organisation ShareAction has ranked Swedbank Robur eighth in the world for its sustainability work and first in the Nordic region among 77 international asset managers. ShareAction has assessed the asset managers' sustainability work in the areas of governance, management, climate change, biodiversity and social issues.

By assets under management, Swedbank Robur is the leader in the Swedish and Baltic fund markets. As of 31 March, the market share in Sweden was 22 per cent. In Estonia and Lithuania it was 38 per cent, while in Latvia it was 41 per cent.

Life insurance assets under management in the Swedish operations increased by 7 per cent in the first quarter to SEK 305bn (SEK 284bn in the fourth quarter 2022). Premium income, consisting of premium payments and capital transfers, amounted to SEK 10bn in the first quarter (SEK 5bn in the fourth quarter 2022).

Assets under management, life insurance SEKbn	31 Mar 2023	31 Dec 2022	31 Mar 2022
Sweden	305	284	302
of which collective occupational pensions	167	154	160
of which endowment insurance	90	84	94
of which occupational pensions	38	36	37
of which other	10	10	11
Baltic countries	9	8	8

For premium income excluding capital transfers, Swedbank's market share in the fourth quarter (latest available data) was 6 per cent. In the transfer market, Swedbank's market share was 6 per cent in the fourth quarter (9).

In Estonia, Latvia and Lithuania, Swedbank is the largest life insurance company. The market shares for premium payments in the first two months of 2023 were 49 per cent in Estonia, 26 per cent in Latvia and 22 per cent in Lithuania.

### Payments

The total number of card transactions acquired in the quarter was 815 million, 2 per cent higher than the same period in 2022. The total number of transactions acquired in Sweden, Norway, Finland and Denmark decreased by 5 million, or 1 per cent, while the number of transactions acquired in the Baltic countries increased by 24 million, or 20 per cent.

Acquired transaction volumes in Sweden, Norway, Finland and Denmark increased by 4 per cent to SEK 195bn and the corresponding volume in the Baltic countries increased by 30 per cent to SEK 30bn compared with the same quarter in 2022.

The total number of Swedbank cards in issue at the end of the quarter was 8.3 million, in line with the end of the previous quarter.

Number of cards	31 Mar 2023	31 Dec 2022	31 Mar 2022
Issued cards, million	8.3	8.3	8.2
of which Sweden	4.5	4.5	4.4
of which Baltic countries	3.9	3.8	3.8

The number of purchases in Sweden with Swedbank cards increased by 5 per cent compared with the same quarter in 2022. A total of 333 million card purchases were made, positively affected by the lifting of

pandemic-related restrictions. In the Baltic countries, the number of card purchases in the same period grew by 18 per cent to 212 million in the quarter, also due to the easing of restrictions.

In Sweden, there were 222 million domestic payments in the first quarter, an increase of 0.2 per cent compared with the same period in 2022. In the Baltic countries, 113 million domestic payments were processed, up 12 per cent compared with the same period in 2022. The number of international payments in Sweden increased by 8 per cent compared with the same quarter in 2022 to 1.7 million. In the Baltic countries, international payments increased by 25 per cent to 7 million.

### Credit and asset quality

Economic conditions with high inflation, rising interest rates and a weaker economy have not yet impacted the underlying credit quality in Swedbank's lending to a significant extent. Credit quality indicators such as the share of loans with late payments have risen slightly but remain at low levels. Going forward, however, further economic challenges are expected to affect credit quality. This is reflected in a less favourable macroeconomic outlook, which has led to an increase in loans in stage 2 and higher credit impairment provisions. Total credit impairment provisions amounted to SEK 7 540bn (6 764), of which SEK 1 937m (1 738) was expert credit adjustments.

The quality of Swedbank's mortgage portfolio, which accounts for just over half of total lending, is high and historical credit impairments have been very low. During the quarter, there was a slight increase in loans with late payments. Customers' long-term repayment capacity is a critical lending factor, leading to low risks for both the customer and the bank. The average loan-to-value ratio in the mortgage portfolio was 57 per cent in Sweden. The loan-to-value ratios in the Baltic countries were 41 per cent in Estonia, 69 per cent in Latvia and 46 per cent in Lithuania.

Swedbank's lending to the property management sector amounted to SEK 294bn and accounts for 16 per cent of the total loan portfolio. Of this, 46 per cent relates mainly to offices, 30 per cent to residential properties and the rest to manufacturing facilities, warehouses and other property management. Swedbank attaches great importance to stable cash flows and long-term repayment capacity in its lending process. The average 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 9.1 per cent (7.4), the share of personal loans was 8.0 per cent (5.8) and the share of corporate loans was 11.9 per cent (11.2). The increase in loans in stage 2 was due to the weaker macroeconomic outlook, where higher interest rates in particular affected personal mortgages, as well as ratings changes.

The share of loans in stage 3, gross, was 0.32 per cent (0.31). The provision ratio for loans in stage 3 was 36 per cent (37).

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 quarter, the funding markets were initially characterised by good liquidity, which later changed when the U.S. bank SVB was forced to file for bankruptcy protection and the Swiss bank Credit Suisse was acquired by UBS. Turmoil in the financial markets affected the banking sector at a global level, where practically all funding activity stalled. The impact on Swedbank was limited due to a strong liquidity position. Towards the end of the quarter, the short-term funding market and covered bond market normalised. The market for senior debt remained very cautious, however. Further rate hikes by central banks led to rising short-term market interest rates during the quarter, while rates with longer maturities have fallen slightly amid high volatility.

During the quarter, Swedbank issued SEK 53bn in long-term debt instruments, of which SEK 5bn in Additional Tier 1 capital. As of 31 March, Swedbank's short-term funding (commercial paper) in issue amounted to SEK 407bn (316). Available cash and balances with central banks and reserves with the Swedish National Debt Office amounted to SEK 357bn (370) and the liquidity reserve amounted to SEK 692bn (561).

The Group's Liquidity Coverage Ratio (LCR) was 165 per cent (160) and for USD, EUR and SEK it was 148, 275 and 99 per cent respectively. The net stable funding ratio (NSFR) was 120 per cent (118).

The total issuance need for the full-year 2023 is expected to be in line with issuance volumes in 2022, with a continued focus on senior unsecured and senior non-preferred bonds. The need for financing is impacted by regulatory requirements, the bank's liquidity situation, future maturities, and changes in deposit and lending volumes, and is therefore continually adjusted over the course of the year. Maturities in 2023 amount to SEK 127bn, of which SEK 20bn matures in the second quarter.

For more information on funding and liquidity, see notes 16-18 and pages 54–65 of the Fact book.

## Ratings

During the quarter, Moody's raised its outlook on Swedbank's senior unsecured debt to stable. Otherwise, there were no changes in Swedbank's ratings. For more information on Swedbank's ratings, see page 66 of the Fact book.

## Operational risks

The bank has prioritised IT and information security as the threat against the financial sector remains elevated, mainly due to geopolitical developments. Swedbank is closely monitoring developments and the bank's ability to manage these risks is good.

Organised crime is continuing to cause an elevated risk of fraud. During the quarter, Swedbank together with other banks launched a campaign called "Hard to Scam" to increase fraud awareness. Swedbank has also improved its ability to detect and prevent such crime.

## Capital and capital adequacy

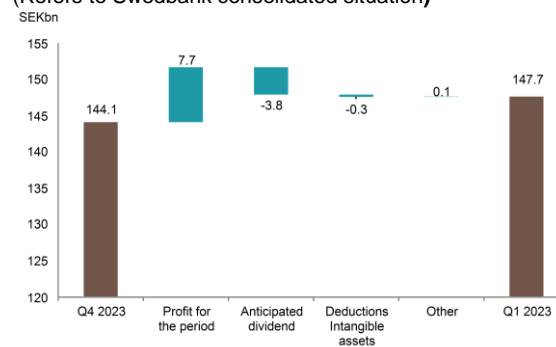
### Capital ratio and capital requirement

The Common Equity Tier 1 (CET1) capital ratio was 18.3 per cent (17.8) at the end of the quarter. The total CET1 capital requirement, including Pillar 2 guidance,

was 14.4 per cent (14.4) of the Risk Exposure Amount (REA), which resulted in a CET1 capital buffer of 3.9 per cent (3.4). The CET1 capital increased to SEK 147.7bn (144.1) 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)

Total REA decreased to SEK 806.2bn (809.4) in the first quarter.

REA for credit risk decreased primarily due to shorter maturities and lower lending on corporate exposures.

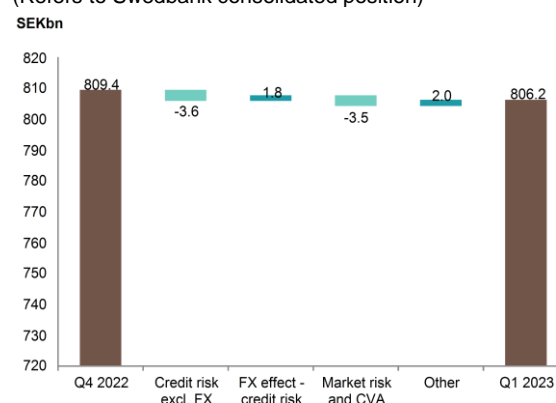
REA for market risk decreased by SEK 1.6bn primarily because REA for internal models decreased, which was partly offset by an increase in specific interest rate risk.

REA for CVA decreased by SEK 1.8bn due to lower exposures.

REA for Article 3 increased by SEK 2.0bn.

### Change in REA

(Refers to Swedbank consolidated position)



The leverage ratio was 5.6 per cent (5.6) and therefore exceeds the leverage ratio requirement including Pillar 2 guidance of 3.45 per cent.

### Capital and resolution regulations

The countercyclical buffer, which is 1 per cent, will be raised in the second quarter 2023 to 2 per cent. The impact on Swedbank's capital requirement is slightly lower since the countercyclical buffer only relates to the Swedish operations. The Swedish FSA's assessment of the buffer rate's neutral level is 2 per cent.

The Swedish FSA has proposed that the risk weight floors for exposures to the real estate sector be moved from Pillar 2 to Pillar 1 as of the third quarter 2023. The risk weight floors will remain the same and the new floors therefore are not expected to significantly impact

Swedbank's capital requirement and minimum requirement for own funds and eligible liabilities (MREL).

Due to guidelines from the European Banking Authority (EBA), Swedbank has applied to have new internal models for risk classification approved. The assessment process for the models is underway and implementation began in the third quarter 2022. In the fourth quarter 2022, Swedbank decided on an Article 3 add-on corresponding to the bank's estimate of the remaining effect of the REA guidelines.

The Resolution Act, which entered into force in 2021, gradually phases in the MREL by 1 January 2024. For Swedbank this means an increased need for unsecured and non-preferred liabilities.

As planned, the EU Commission's proposal to finalise Basel III, also called Basel IV, will be introduced in stages during the period 2025–2032. The actions include revisions of 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 European Council has previously reached an agreement on the proposal and has now begun negotiations with the EU Parliament. The revisions are expected to result in a minor increase in risk-weighted assets for Swedbank.

## 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), the Office of Foreign Assets Control (OFAC) 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. With respect to OFAC, however, the bank made a provision of SEK 40m during the quarter for a potential settlement.

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.

## Other events

On 15 February, Swedbank and Folksam announced the signing of a declaration of intent to jointly explore opportunities to extend their commercial collaboration in areas such as lending and insurance.

On 1 March, Bo Bengtsson took over as Head of Large Corporates and Institutions and became a member of Swedbank's Group Executive Committee. Bo Bengtsson left Swedbank's Board of Directors on 18 January.

On 15 March, Swedbank received a remark and an administrative fine of SEK 850m from the Swedish FSA for an IT incident in April 2022 where customers were shown incorrect account balances. The bank has taken forceful measures to prevent this type of incident from happening again.

On 28 March, Swedbank's Board of Directors announced that it had decided to convert the current Remuneration Committee into a committee with responsibility for both sustainability and remuneration. The main task will be to support and strengthen the bank's strategic sustainability efforts relating to operating models and reporting.

On 30 March, Swedbank's Annual General Meeting elected Göran Bengtsson, Annika Creutzer, Hans Eckerström, Kerstin Hermansson, Helena Liljedahl, Bengt Erik Lindgren, Anna Mossberg, Per Olof Nyman, Biljana Pehrsson, Göran Persson and Biörn Riese to Swedbank's Board of Directors. Göran Persson was elected by the meeting as Chairman of the Board.

The Annual General Meeting also resolved in accordance with the Board of Directors' proposal to pay a dividend of SEK 9.75 per share. The dividend corresponds to 50 per cent of the net profit for the financial year 2022 in accordance with the bank's dividend policy.

## Events after the end of the period

On 20 April, P27 announced that it had decided to withdraw its clearing licence application from the Swedish FSA, partly because the Danish banking sector has decided to proceed with other payment solutions. The company will now reassess its strategic options.

On 21 April, Invidem announced that it will be wound down due to reduced economies of scale. The decision is not expected to have a material impact on Swedbank as provisions had already been made.

## Swedish Banking

- Higher net interest margin due to consistent pricing strategy
- Higher credit impairments due to weaker macroeconomic outlook and expert credit adjustments for real estate companies
- Increased focus on digital channels and stronger organisation with more product specialists

### Income statement

SEKm	Q1 2023	Q4' 2022	%	Q1' 2022	%
Net interest income	7 328	7 142	3	3 924	87
Net commission income	2 285	2 101	9	2 239	2
Net gains and losses on financial items	137	135	1	93	48
Other income <sup>2</sup>	325	364	-11	453	-28
<b>Total income</b>	<b>10 075</b>	<b>9 742</b>	<b>3</b>	<b>6 708</b>	<b>50</b>
Staff costs	832	793	5	813	2
Variable staff costs	17	18	-3	6	
Other expenses	1 911	1 942	-2	1 762	9
Depreciation/amortisation	5	6	-10	8	-30
<b>Total expenses</b>	<b>2 766</b>	<b>2 759</b>	<b>0</b>	<b>2 589</b>	<b>7</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>7 309</b>	<b>6 983</b>	<b>5</b>	<b>4 119</b>	<b>77</b>
Credit impairment	625	477	31	85	
Swedish bank tax and resolution fees	340	296	15	312	9
<b>Profit before tax</b>	<b>6 345</b>	<b>6 209</b>	<b>2</b>	<b>3 722</b>	<b>70</b>
Tax expense	1 246	1 180	6	704	77
<b>Profit for the period</b>	<b>5 098</b>	<b>5 029</b>	<b>1</b>	<b>3 019</b>	<b>69</b>
Non-controlling interests	-1	-1	-28	0	
Return on allocated equity, %	28.1	28.2		17.7	
Loan/deposit ratio, %	179	176		176	
Credit impairment ratio, %	0.20	0.15		0.03	
Cost/income ratio <sup>1</sup>	0.27	0.28		0.39	
Loans to customers, SEKbn	1 268	1 275	-1	1 262	0
Deposits from customers, SEKbn	708	725	-2	716	-1
Full-time employees	3 960	3 996	-1	4 041	-2

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

#### First quarter 2023 compared with fourth quarter 2022

Profit increased by 1 per cent to SEK 5 098m (5 029). Higher income was offset by credit impairments and increased bank tax.

Net interest income increased by 3 per cent to SEK 7 328m (7 142). Deposit margins increased due to higher market interest rates. Lending margins decreased, but not to the same extent.

Household mortgage volumes decreased by SEK 4bn to SEK 912bn (916). Lending to tenant-owner associations was unchanged at SEK 93bn (93). Corporate lending decreased by SEK 1bn to SEK 235bn (236).

Deposit volumes decreased by SEK 17bn to SEK 708bn (725). Household deposits decreased by SEK 7bn and corporate deposits decreased by SEK 10bn.

Net commission income increased by 9 per cent to SEK 2 285m (2 101) largely due to higher card and asset management income.

Other income decreased to SEK 325m (364) mainly due to decreased net insurance.

Expenses were stable at SEK 2 766m (2 759). Higher staff costs after the annual salary increase were offset by lower other expenses.

Credit impairments amounted to SEK 625m (477), mainly due to a weaker macroeconomic outlook, increased expert credit adjustments for real estate companies, and rating and stage migrations.

#### January-March 2023 compared with January-March 2022

Profit increased to SEK 5 098m (3 019). Higher income was offset by higher expenses and credit impairments.

Net interest income increased by 87 per cent to SEK 7 328m (3 924) mainly due to higher deposit margins resulting from higher market interest rates. Lending margins were lower.

Net commission income increased to SEK 2 285m (2 239) mainly due to higher card income, partly offset by lower asset management income.

Net gains and losses on financial items increased to SEK 137m (93) due to valuation changes on fixed income investments in the insurance portfolio.

Other income decreased to SEK 325m (453) mainly driven by lower net insurance, where the previous year was positively affected by revised assumptions and calculations for provisions.

Expenses increased by 7 per cent to SEK 2 766m (2 589) mainly due to increased expenses for IT development and digital services.

Credit impairments amounted to SEK 625m (85) mainly explained by a weaker macroeconomic outlook, increased expert credit adjustments for real estate companies, and rating and stage migrations.

## Business development

Macroeconomic conditions have continued to be affected by rising interest rates and prices, and many customers are therefore struggling financially. Demand for support and advice has been high and we have helped customers based on their situation and specific needs.

Activity in the Swedish housing market has remained low, but house prices have stayed relatively unchanged. Swedbank's new mortgage lending decreased and the amortisation rate increased slightly. We have been proactive in customer interaction, including through a continued focus on the mortgage meetings, where we contact customers who have applied for loan commitments or are renewing their mortgage. During the quarter, we raised the interest rate on 3-month variable rate mortgages due to higher market interest rates. The majority of our customers chose this term for their loans.

Investor sentiment and activity in the SME market fell due to the weak economic development. This is especially apparent in the real estate sector, but demand for financing also fell in other sectors.

Deposits decreased during the quarter. Savings rates were raised due to higher market rates. Both private and corporate customers have locked in their savings to a slightly higher degree to take advantage of the higher rates.

Within asset management, many private customers are maintaining their long-term monthly savings. An upturn

in the stock market at the beginning of the quarter coincided with a net inflow to funds.

Swedbank has initiated a collaboration with Hemma, a B2B platform that promotes energy efficiency, to offer our private customers free energy calculations. Through this offer the customer receives concrete advice on how to reduce their energy consumption and cut energy costs. The subscription management app has been given a new feature to help customers save more.

The development of our digital channels to improve the experience for private customers is continuing. Since March, it is possible to order a new debit card on the app, which previously could only be done through the internet bank. Also, customers can now see all their card information directly on the app, allowing them to make online purchases before receiving the physical card. During the quarter, our cards were manufactured exclusively from recycled material to reduce our carbon footprint. The debit card also includes a Touch Card function for visually impaired customers.

The work on improving customer meetings and availability on the corporate side has also continued. The customer application process for non-profit organisations has been digitised to improve efficiency and shorten lead times. A new collaboration with Nordiska Värdepappersregistret enables SMEs to maintain a digital share register free of charge.

To grow and strengthen the advisory business, the organisation is being changed to give responsibility for midsized companies to Large Corporates and Institutions. Meanwhile, Swedish Banking is strengthening its organisation with more product specialists, including in life insurance and pension advice. The new organisation takes effect on 1 May 2023.

In February, the Swedish banking sector launched a campaign called "Hard to Scam" to increase awareness of fraud. In addition to advertising and information about digital channels, Swedbank arranged local meetings at 74 branches around Sweden.

During the quarter, Swedbank launched an index for financial health to measure the knowledge of everyday finances and improve financial literacy.



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 due to rising interest rates
- Stable credit quality
- Increased availability with new cloud-based communication platform

### Income statement

SEKm	Q1	Q4'	%	Q1'	%
	2023	2022		2022	
Net interest income	3 940	3 240	22	1 382	
Net commission income	817	823	-1	697	17
Net gains and losses on financial items	133	135	-1	104	28
Other income <sup>2</sup>	207	139	48	-65	
<b>Total income</b>	<b>5 097</b>	<b>4 336</b>	<b>18</b>	<b>2 117</b>	
Staff costs	476	467	2	349	36
Variable staff costs	19	22	-13	17	8
Other expenses	732	746	-2	562	30
Depreciation/amortisation	45	45	1	44	2
<b>Total expenses</b>	<b>1 273</b>	<b>1 280</b>	<b>-1</b>	<b>973</b>	<b>31</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>3 824</b>	<b>3 057</b>	<b>25</b>	<b>1 144</b>	
Impairment of tangible assets		3			
Credit impairment	-29	283		-11	
Swedish bank tax and resolution fees	24	26		24	2
<b>Profit before tax</b>	<b>3 829</b>	<b>2 745</b>	<b>39</b>	<b>1 132</b>	
Tax expense	666	489	36	189	
<b>Profit for the period</b>	<b>3 163</b>	<b>2 256</b>	<b>40</b>	<b>943</b>	
Return on allocated equity, %	42.2	32.0		15.0	
Loan/deposit ratio, %	64	63		62	
Credit impairment ratio, %	-0.05	0.49		-0.02	
Cost/income ratio <sup>1</sup>	0.25	0.30		0.46	
Loans to customers, SEKbn	241	236	2	203	19
Deposits from customers, SEKbn	375	375	0	325	15
Full-time employees	4 674	4 701	-1	4 629	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

### First quarter 2023 compared with fourth quarter 2022

Profit increased to SEK 3 163m (2 256). Profit in local currency increased due to higher income, lower expenses and recoveries of credit impairments. Foreign exchange effects increased profit by SEK 79m.

Net interest income increased by 19 per cent in local currency mainly due to higher deposit margins resulting from rising interest rates. Foreign exchange effects positively impacted net interest income by SEK 94m.

Lending was stable in local currency during the quarter. Lending to households increased by 0.8 per cent while corporate lending decreased by 0.4 per cent. Foreign exchange effects contributed positively by SEK 4bn.

Deposit volumes decreased by 2 per cent in local currency during the quarter. Household deposits decreased by 1 per cent while corporate deposits

decreased by 3 per cent. Foreign exchange effects contributed positively by SEK 6bn.

Net commission income decreased by 3 per cent in local currency, mainly impacted by seasonally lower card usage.

Net gains and losses on financial items decreased by 4 per cent in local currency due to lower income from FX transactions during the quarter.

Other income increased by 44 per cent in local currency due to a better insurance result caused by interest rate changes.

Expenses decreased by 3 per cent in local currency after seasonally higher marketing expenses in the previous quarter. Foreign exchange effects increased expenses by SEK 30m.

Credit impairments amounted to SEK -29m (283). The macroeconomic outlook was fairly stable and minor recoveries were made.

## January-March 2023 compared with January-March 2022

Profit increased to SEK 3 163m (943). Profit in local currency increased mainly due to higher income. Foreign exchange effects impacted profit positively by SEK 218m.

Net interest income increased by 166 per cent in local currency mainly due to rising deposit margins and higher lending volumes. Foreign exchange effects impacted profit by SEK 269m.

Lending increased by 9 per cent in local currency. Household lending increased by 8 per cent while corporate lending increased by 10 per cent. Foreign exchange effects increased lending by SEK 20bn.

Deposits increased by 6 per cent in local currency. Household deposits increased by 5 per cent while corporate deposits increased by 7 per cent. Foreign exchange effects increased deposits by SEK 31bn.

Net commission income increased by 9 per cent in local currency largely due to higher card income.

Net gains and losses on financial items increased by 19 per cent in local currency due to positive valuation effects on investments in Swedbank's own funds and assets in the insurance business.

Other income increased in local currency thanks to a better insurance result impacted by interest rate changes.

Expenses increased by 22 per cent in local currency mainly due to higher salaries and extra compensation to employees as well as higher other expenses. Expenses for and investments in digital solutions continued to rise. Foreign exchange effects increased expenses by SEK 86m.

## Business development

Economic development in the Baltic countries was stable in the quarter despite high inflation, rising interest rates and an uncertain outlook. Consumer confidence strengthened slightly, which was reflected in through a slight recovery in the housing market. Government support for households and companies, as well as lower energy prices, mitigated the negative effects of the energy crisis. The investment activity was stable and particularly strong in the energy sector.

Swedbank's mortgage loans increased slightly during the quarter despite continued cautiousness and weaker consumer purchasing power. Other consumer lending also increased, mainly in the auto loan segment, where

Swedbank finances environmentally friendly cars at a lower interest rate. Corporate lending was stable.

Deposits decreased slightly during the quarter. Due to rising market interest rates Swedbank continued to raise the interest rates on fixed term accounts. To encourage customers to save, Swedbank also began to pay interest on Easy Saver accounts, where customers can opt to round up their card payments and deposit the difference in a savings account.

Availability for our customers was stable in every channel in the quarter, from face-to-face meetings in branches to calls with the telephone bank. Efforts to improve availability have continued and Swedbank has developed a new feature for its debit card, Touch Card, to help visually impaired customers. The new cloud-based communication platform launched in Latvia last quarter, where personalised voice response is reducing wait times, is already producing results. Similar investments will be made in Estonia and Lithuania during the year.

Product development targeting private customers continued during the quarter. Swedbank was the first bank in Latvia to offer employees in the armed forces government-backed mortgage loans. In Lithuania, Swedbank won the contract to pay out government-guaranteed student loans. In Estonia and Latvia, campaigns were launched to inform private and corporate customers about the bank's sustainable energy solutions for homes and autos, where the customer pays no more than the Euribor rate for the first two years.

Swedbank continues to upgrade its e-commerce offering for corporate customers, where we have launched Apple Pay on the e-commerce platform.

As part of its social engagement, Swedbank's launched an index for financial health. The aim is to measure knowledge of everyday finances and improve the public's financial literacy.



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 13 branches in Estonia, 18 in Latvia and 39 in Lithuania.

## Large Corporates and Institutions

- Rising income and stable costs
- Good credit quality even though affected by weaker macroeconomic outlook
- Reorganisation of the bank's corporate competency strengthens services for mid-sized companies

### Income statement

SEKm	Q1	Q4	%	Q1	%
	2023	2022		2022	
Net interest income	1 450	1 488	-3	1 026	41
Net commission income	640	558	15	659	-3
Net gains and losses on financial items	362	187	93	245	47
Other income <sup>1</sup>	81	142	-43	47	73
<b>Total income</b>	<b>2 533</b>	<b>2 375</b>	<b>7</b>	<b>1 977</b>	<b>28</b>
Staff costs	410	388	6	386	6
Variable staff costs	41	25	65	39	4
Other expenses	647	673	-4	568	14
Depreciation/amortisation	29	30	-2	30	0
<b>Total expenses</b>	<b>1 127</b>	<b>1 115</b>	<b>1</b>	<b>1 022</b>	<b>10</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>1 407</b>	<b>1 259</b>	<b>12</b>	<b>955</b>	<b>47</b>
Credit impairment	171	-81		77	
Swedish bank tax and resolution fees	149	109	37	117	28
<b>Profit before tax</b>	<b>1 086</b>	<b>1 231</b>	<b>-12</b>	<b>762</b>	<b>43</b>
Tax expense	205	261	-22	177	16
<b>Profit for the period</b>	<b>881</b>	<b>970</b>	<b>-9</b>	<b>584</b>	<b>51</b>
Return on allocated equity, %	9.7	10.7		7.4	
Loan/deposit ratio, %	130	147		109	
Credit impairment ratio, %	0.19	-0.09		0.11	
Cost/income ratio <sup>1</sup>	0.44	0.47		0.52	
Loans to customers, SEKbn	282	287	-2	257	10
Deposits from customers, SEKbn	217	195	11	236	-8
Full-time employees	1 167	1 179	-1	1 196	-2

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.

### Result

#### First quarter 2023 compared with fourth quarter 2022

Profit decreased to SEK 881m (970) mainly due to higher credit impairments.

Net interest income decreased by 3 per cent to SEK 1 450m (1 488). Lower average lending volumes had a negative effect, but were offset by slightly higher lending margins. The result from deposits was stable. A positive adjustment vis-à-vis Group Treasury in the previous quarter as well as an internal pricing-related methodological change in the current quarter negatively affected the comparison.

Net commission income increased by 15 per cent to SEK 640m (558). Higher income related to share issuance and IPOs as well as increased income from bond issuance contributed. Income from electricity price support payments from the Swedish Social Insurance Agency (Försäkringskassan) and a negative adjustment related to MasterCard in the previous quarter also contributed to the increase.

Net gains and losses on financial items increased to SEK 362m (187) due to a higher market valuation of the trading portfolio of corporate bonds as well as high customer activity within fixed income trading. Derivative valuation adjustments (CVA/DVA) had a negative effect.

Total expenses increased by 1 per cent to SEK 1 127m (1 115) mainly due to the annual salary increase.

Credit impairments amounted to SEK 171m (-81) and were mainly explained by the weaker macroeconomic outlook as well as rating and stage migrations.

#### January-March 2023 compared with January-March 2022

Profit increased to SEK 881m (584) largely due to higher net interest income and net gains and losses on financial items.

Net interest income increased by 41 per cent to SEK 1 450m (1 026) mainly due to higher average lending volumes and higher deposit margins.

Net commission income decreased by 3 per cent to SEK 640m (659). Income related to merchant payments as well as asset management and custodial services decreased, partly offset by higher income from bond issuance and IPOs.

Net gains and losses on financial items increased to SEK 362m (245). A higher market valuation of the trading portfolio of corporate bonds and high customer activity within fixed income contributed positively. Derivative valuation adjustments (CVA/DVA) had a negative effect.

Total expenses increased by 10 per cent to SEK 1 127m (1 022) mainly due to higher IT and consulting expenses. The annual salary increase and restructuring costs related to the Norwegian operations have also contributed.

Credit impairments amounted to SEK 171m (77) and are mainly explained by the weaker macroeconomic outlook as well as rating and stage migrations.

### Business development

Corporate lending fell slightly during the quarter mainly due to lower lending in Norway. In the real estate sector, however, demand for bank financing remained high and Swedbank's lending to a few core customers increased slightly.

Total deposits increased during the quarter. Deposits from institutional customers increased, while deposits from corporate customers decreased.

The capital market started the year strongly with increased demand primarily for highly rated corporate bonds. Swedbank acted as an advisor to companies such as BNP Paribas, ICA and Nykredit in connection with their bond issues. In the high-yield bond segment, the market has generally been more cautious, although

Swedbank was an advisor in connection with Volvo Cars' green bond issue.

Activity in equity-related capital raising was also high, primarily in more interest rate-sensitive sectors. Swedbank has actively supported its core customers in the real estate sector and has served as an advisor in connection with Neobo Fastigheter's IPO and in a new share issuance by NP3. Swedbank was also an advisor in relation to the tech company CTEK's new share issuance.

During the quarter, the Swedish Social Insurance Agency (Försäkringskassan) entrusted Swedbank with the responsibility of disbursing the government's electricity support to 4.9 million households.

Market turbulence led to high customer activity and demand primarily for fixed income products for risk management.

To grow the business and strengthen the focus on mid-sized companies, we are consolidating the bank's resources and expertise in this area. An organisational change is being implemented together with Swedish Banking whereby responsibility for mid-sized corporate customers will be transferred to Large Corporates and Institutions, which is changing its name to Corporates and Institutions. Advice on retail bank products will be strengthened through additional specialists. The new organisation takes effect on 1 May 2023.



Bo Bengtsson  
Head of Large Corporates and Institutions

**Large Corporates and Institutions** is responsible for Swedbank's offering to customers with revenues above SEK 2 billion and those with complex needs due to multinational operations or a need for advanced financing solutions. The business area is also responsible for corporate and capital market products in other parts of the bank and for the Swedish savings banks. Large 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	Q1 2023	Q4' 2022	%	Q1' 2022	%
Net interest income	-798	-963	-17	429	
Net commission income	-80	-54	47	-43	84
Net gains and losses on financial items	285	307	-7	-303	
Other income <sup>2</sup>	711	637	12	520	37
<b>Total income</b>	<b>118</b>	<b>-74</b>		<b>603</b>	<b>-80</b>
Staff costs	1 615	1 604	1	1 483	9
Variable staff costs	60	54	11	28	
Other expenses	-1 252	-1 139	10	-1 226	2
Depreciation/amortisation	368	360	2	330	11
Administrative fines	890				
<b>Total expenses</b>	<b>1 680</b>	<b>879</b>	<b>91</b>	<b>615</b>	
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>-1 563</b>	<b>-953</b>	<b>64</b>	<b>-12</b>	
Impairment of intangible assets		681			
Credit impairment	10	0		7	42
Swedish bank tax and resolution fees	5	8		4	26
<b>Profit before tax</b>	<b>-1 578</b>	<b>-1 642</b>	<b>-4</b>	<b>-23</b>	
Tax expense	4	-175		39	-89
<b>Profit for the period</b>	<b>-1 582</b>	<b>-1 467</b>	<b>8</b>	<b>-62</b>	
Full-time employees	6 988	6 927	1	6 734	4

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.

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

#### First quarter 2023 compared with fourth quarter 2022

Profit decreased to SEK -1 582m (-1 467). Higher expenses contributed but were offset by lower impairment of intangible assets.

Net interest income increased to SEK -798m (-963). Net interest income within Group Treasury increased to SEK -756m (-862). A negative adjustment vis-à-vis Large Corporates and Institutions in the previous quarter as well as an internal pricing related methodological revision in the current quarter positively affected the comparison.

Net gains and losses on financial items decreased to SEK 285m (307). Net gains and losses on financial items within Group Treasury decreased to SEK 271m (312) mainly related to less positive derivative and equity valuation adjustments than the previous quarter.

Expenses increased to SEK 1 680m (879) mainly due to the administrative fine from the Swedish FSA and the provision related to OFAC.

#### January-March 2023 compared with January-March 2022

Profit decreased to SEK -1 582m (-62) mainly due to lower income and higher expenses.

Net interest income decreased to SEK -798m (429). Group Treasury's net interest income decreased to SEK -756m (479) due to effects of the bank's internal pricing model related to higher market interest rates.

Net gains and losses on financial items increased to SEK 285m (-303). Net gains and losses on financial items within Group Treasury increased to SEK 271m (-296) mainly as a result of positive derivative valuation adjustments.

Expenses increased to SEK 1 680m (615) mainly due to the administrative fine from the Swedish FSA and the provision related to OFAC.

**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

<b>SEKm</b>	<b>Q1 2023</b>	<b>Q4' 2022</b>	<b>%</b>	<b>Q1' 2022</b>	<b>%</b>
Net interest income	16	13	25	-2	
Net commission income	-2	-5	-66	1	
Other income <sup>2</sup>	-449	-439	2	-260	73
<b>Total income</b>	<b>-435</b>	<b>-432</b>	<b>1</b>	<b>-261</b>	<b>67</b>
Staff costs	-4	-3	17	-4	-2
Other expenses	-432	-428	1	-257	68
<b>Total expenses</b>	<b>-435</b>	<b>-432</b>	<b>1</b>	<b>-261</b>	<b>67</b>

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.

Group eliminations mainly consist of eliminations of internal transactions between Group Functions and the other business areas.

## Income statement, condensed

Group SEKm	Q1 2023	Q4' 2022	Q1' 2022
Interest income on financial assets at amortised cost	21 240	17 327	7 500
Other interest income	192	110	114
<b>Interest income</b>	<b>21 432</b>	<b>17 437</b>	<b>7 614</b>
Interest expense	-9 497	-6 519	-854
<b>Net interest income (note 5)</b>	<b>11 936</b>	<b>10 918</b>	<b>6 759</b>
Commission income	5 625	5 550	5 447
Commission expense	-1 965	-2 128	-1 896
<b>Net commission income (note 6)</b>	<b>3 660</b>	<b>3 422</b>	<b>3 551</b>
Net gains and losses on financial items (note 7)	916	763	139
Insurance result	-506	-526	1 471
Return on assets backing insurance liabilities	787	760	-1 307
<b>Net insurance income (note 8)</b>	<b>282</b>	<b>235</b>	<b>164</b>
Share of profit or loss of associates and joint ventures	171	194	165
Other income	422	415	366
<b>Total income</b>	<b>17 387</b>	<b>15 947</b>	<b>11 145</b>
Staff costs	3 466	3 366	3 118
Other general administrative expenses (note 9)	1 607	1 794	1 409
Depreciation/amortisation of tangible and intangible assets	448	441	412
Administrative fines	890		
<b>Total expenses</b>	<b>6 410</b>	<b>5 602</b>	<b>4 938</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>10 977</b>	<b>10 346</b>	<b>6 206</b>
Impairment of intangible assets (note 15)		681	
Impairment of tangible assets		3	
Credit impairment (note 10)	777	679	158
Swedish bank tax and resolution fees (note 11)	518	439	456
<b>Profit before tax</b>	<b>9 681</b>	<b>8 543</b>	<b>5 592</b>
Tax expense	2 121	1 755	1 108
<b>Profit for the period</b>	<b>7 560</b>	<b>6 788</b>	<b>4 484</b>
Profit for the period attributable to:			
Shareholders of Swedbank AB	7 561	6 789	4 484
Non-controlling interests	-1	-1	0
Earnings per share, SEK	6.73	6.05	4.00
Earnings per share after dilution, SEK	6.71	6.03	3.99

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	Q1 2023	Q4 2022	Q1 2022
<b>Profit for the period reported via income statement<sup>1</sup></b>	<b>7 560</b>	<b>6 788</b>	<b>4 484</b>
<b>Items that will not be reclassified to the income statement</b>			
Remeasurements of defined benefit pension plans	312	-609	702
Share related to associates and joint ventures:			
Remeasurements of defined benefit pension plans	22	-14	59
Income tax	-64	125	-145
<b>Total</b>	<b>269</b>	<b>-497</b>	<b>616</b>
<b>Items that may be reclassified to the income statement</b>			
Exchange rate differences, foreign operations:			
Gains/losses arising during the period <sup>1</sup>	910	1 285	564
Hedging of net investments in foreign operations:			
Gains/losses arising during the period	-675	-1 019	-469
Cash flow hedges:			
Gains/losses arising during the period	126	188	93
Reclassification adjustments to the income statement, Net gains and losses on financial items	-128	-180	-92
Foreign currency basis risk:			
Gains/losses arising during the period	3	-49	53
Share of other comprehensive income of associates and joint ventures	-38	21	26
Income tax	139	219	85
<b>Total<sup>1</sup></b>	<b>336</b>	<b>464</b>	<b>261</b>
<b>Other comprehensive income for the period, net of tax<sup>1</sup></b>	<b>605</b>	<b>-33</b>	<b>877</b>
<b>Total comprehensive income for the period<sup>1</sup></b>	<b>8 165</b>	<b>6 755</b>	<b>5 361</b>
<b>Total comprehensive income attributable to: Shareholders of Swedbank AB<sup>1</sup></b>	<b>8 166</b>	<b>6 756</b>	<b>5 361</b>
Non-controlling interests	-1	-1	0

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

For January – March 2022 a gain of SEK 312m (702) was recognised in other comprehensive income, relating to remeasurements of defined benefit pension plans. As per 31 March 2023 the discount rate used to calculate the closing pension obligation was 4.26 per cent, compared with 4.25 per cent per 31 December 2022. The inflation assumption was 1.99 per cent compared with 2.11 per cent per 31 December 2021. The fair value of plan assets increased during January – March 2023 by SEK 222 m. In total, at 31 March 2023 the fair value of plan assets exceeded the obligation for funded defined benefit pension plans by SEK 2 838m, therefore the funded plans are presented as an asset.

For January – March 2023 an exchange rate difference of SEK 910m (564) 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 -38m (26) 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 872m is not taxable. Most of the Group's foreign net investments are hedged against currency risk resulting in a loss of SEK -675m (-469) for the hedging instruments.

## Balance sheet, condensed

Group SEKm	31 Mar 2023	31 Dec <sup>1</sup> 2022	31 Mar <sup>1</sup> 2022
<b>Assets</b>			
Cash and balances with central banks	361 343	365 992	429 475
Treasury bills and other bills eligible for refinancing with central banks, etc.	290 378	151 483	148 937
Loans to credit institutions	59 316	56 589	53 281
Loans to the public	1 838 152	1 842 811	1 761 481
Value change of interest hedged items in portfolio hedges of interest rate	-17 389	-20 369	-11 087
Bonds and other interest-bearing securities	72 513	61 298	79 161
Financial assets for which customers bear the investment risk	287 622	268 594	283 607
Shares and participating interests	37 894	30 268	31 951
Investments in associates and joint ventures	7 916	7 830	7 889
Derivatives (note 19)	37 351	50 504	39 299
Intangible assets (note 15)	20 301	19 886	19 756
Tangible assets	5 529	5 449	5 358
Current tax assets	1 608	1 449	1 357
Deferred tax assets	90	159	129
Pension assets	2 838	2 431	
Other assets	28 145	8 244	32 287
Prepaid expenses and accrued income	2 732	2 028	2 397
<b>Total assets</b>	<b>3 036 339</b>	<b>2 854 646</b>	<b>2 885 277</b>
<b>Liabilities and equity</b>			
Amounts owed to credit institutions (note 16)	136 427	72 826	133 325
Deposits and borrowings from the public (note 17)	1 313 079	1 305 948	1 300 334
Financial liabilities for which customers bear the investment risk	289 440	268 892	285 413
Debt securities in issue (note 18)	864 571	784 206	791 543
Short positions, securities	23 986	27 134	24 716
Derivatives (note 19)	47 859	68 679	40 109
Current tax liabilities	3 446	1 811	906
Deferred tax liabilities	3 638	3 615	3 765
Pension provisions	165	168	1 038
Insurance provisions	25 582	24 875	25 327
Other liabilities and provisions	44 730	26 984	47 268
Accrued expenses and prepaid income	6 048	4 657	5 602
Senior non-preferred liabilities (note 18)	66 774	57 439	47 179
Subordinated liabilities (note 18)	37 232	31 331	23 797
<b>Total liabilities</b>	<b>2 862 977</b>	<b>2 678 566</b>	<b>2 730 324</b>
<b>Equity</b>			
Non-controlling interests	28	29	26
Equity attributable to shareholders of the parent company	173 334	176 052	154 927
<b>Total equity</b>	<b>173 362</b>	<b>176 080</b>	<b>154 953</b>
<b>Total liabilities and equity</b>	<b>3 036 339</b>	<b>2 854 646</b>	<b>2 885 277</b>

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 SEKm	Equity attributable to shareholders of Swedbank AB									
	Share capital	Other contri- buted equity <sup>1</sup>	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
<b>January-March 2023</b>										
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							74	74		74
Deferred tax related to share based payments to employees							6	6		6
Current tax related to share based payments to employees							0	0		0
Total comprehensive income for the period			872	-536	-2	2	7 830	8 166	-1	8 165
of which reported through profit or loss							7 561	7 561	-1	7 560
of which reported through other comprehensive income			872	-536	-2	2	269	605		605
<b>Closing balance 31 March 2023</b>	<b>24 904</b>	<b>17 275</b>	<b>10 532</b>	<b>-6 500</b>	<b>9</b>	<b>-6</b>	<b>127 120</b>	<b>173 334</b>	<b>28</b>	<b>173 362</b>
<b>January-December 2022</b>										
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
<b>Closing balance 31 December 2022</b>	<b>24 904</b>	<b>17 275</b>	<b>9 660</b>	<b>-5 964</b>	<b>11</b>	<b>-8</b>	<b>130 174</b>	<b>21 365</b>	<b>29</b>	<b>21 368</b>
<b>January-March 2022</b>										
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							55	55		55
Deferred tax related to share based payments to employees							-10	-10		-10
Current tax related to share based payments to employees							-1	-1		-1
Total comprehensive income for the period			590	-372	1	42	5 100	5 361		5 361
of which reported through profit or loss							4 484	4 484		4 484
of which reported through other comprehensive income			590	-372	1	42	616	877		877
<b>Closing balance 31 March 2022</b>	<b>24 904</b>	<b>17 275</b>	<b>5 884</b>	<b>-3 620</b>	<b>3</b>	<b>-16</b>	<b>110 497</b>	<b>154 927</b>	<b>26</b>	<b>154 953</b>

1) Other contributed equity consists mainly of share premiums.

## Cash flow statement, condensed

Group SEKm	Jan-Mar 2023	Full year 2022	Jan-Mar 2022
<b>Operating activities</b>			
Profit before tax <sup>1</sup>	9 681	26 763	5 592
Adjustments for non-cash items in operating activities <sup>1</sup>	3 355	3 395	709
Income taxes paid	-896	-4 537	-758
Increase (-) / decrease (+) in loans to credit institution	-2 082	-16 637	-13 826
Increase (-) / decrease (+) in loans to the public	7 739	-123 486	-56 008
Increase (-) / decrease (+) in holdings of securities	-156 422	16 856	-1 643
Increase (-) / decrease (+) in other assets	-23 083	-6 593	-17 142
Increase (+) / decrease (-) in amounts owed to credit institutions	60 224	-25 043	40 014
Increase (+) / decrease (-) in deposits and borrowings from the public	1 271	11 707	30 614
Increase (+) / decrease (-) in debt securities in issue	76 006	22 722	54 510
Increase (+) / decrease (-) in other liabilities	4 263	76 233	20 187
<b>Cash flow from operating activities</b>	<b>-19 944</b>	<b>-18 620</b>	<b>62 249</b>
<b>Investing activities</b>			
Acquisitions of and contributions to associates and joint ventures	-50	-135	-22
Dividend from associates and joint ventures	69	1 020	88
Acquisitions of other fixed assets and strategic financial assets	-352	-363	-58
Disposals of/maturity of other fixed assets and strategic financial assets	59	169	17
<b>Cash flow from investing activities</b>	<b>-274</b>	<b>691</b>	<b>25</b>
<b>Financing activities</b>			
Amortisation of lease liabilities	-201	-802	-192
Issuance of senior non-preferred liabilities	9 152	22 993	10 608
Redemption of senior non-preferred liabilities	-578	-257	-287
Issuance of subordinated liabilities	5 243	13 374	
Redemption of subordinated liabilities	-255	-12 661	-5 156
Dividends paid		-12 632	
<b>Cash flow from financing activities</b>	<b>13 361</b>	<b>10 015</b>	<b>4 973</b>
<b>Cash flow for the period</b>	<b>-6 857</b>	<b>-7 914</b>	<b>67 247</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>365 992</b>	<b>360 153</b>	<b>360 153</b>
Cash flow for the period	-6 857	-7 914	67 247
Exchange rate differences on cash and cash equivalents	2 208	13 753	2 075
<b>Cash and cash equivalents at end of the period</b>	<b>361 343</b>	<b>365 992</b>	<b>429 475</b>

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 first quarter contributions were provided to the joint ventures P27 Nordic Payments Platform AB and Tibern AB of SEK 48m and 2m.

### 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. 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. The notes that are impacted by the introduction of IFRS 17 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.

#### 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. Details of these are found in Note 9. 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 quarter 2023.



## Note 4 Operating segments (business areas)

January-March 2023 SEKm	Swedish Banking	Baltic Banking	Large Corporates and Institutions	Group Functions and Other	Eliminations	Group
<b>Income statement</b>						
Net interest income	7 328	3 940	1 450	-798	16	11 936
Net commission income	2 285	817	640	-80	-2	3 660
Net gains and losses on financial items	137	133	362	285	-0	916
Other income <sup>1</sup>	325	207	81	711	-449	875
<b>Total income</b>	<b>10 075</b>	<b>5 097</b>	<b>2 533</b>	<b>118</b>	<b>-435</b>	<b>17 387</b>
Staff costs	832	476	410	1 615	-4	3 330
Variable staff costs	17	19	41	60	0	136
Other expenses	1 911	732	647	-1 252	-432	1 607
Depreciation/amortisation	5	45	29	368	0	448
Administrative fines				890		890
<b>Total expenses</b>	<b>2 766</b>	<b>1 273</b>	<b>1 127</b>	<b>1 680</b>	<b>-435</b>	<b>6 410</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>7 309</b>	<b>3 824</b>	<b>1 407</b>	<b>-1 563</b>		<b>10 977</b>
Credit impairment	625	-29	171	10		777
Swedish bank tax and resolution fees	340	24	149	5		518
<b>Profit before tax</b>	<b>6 345</b>	<b>3 829</b>	<b>1 086</b>	<b>-1 578</b>		<b>9 682</b>
Tax expense	1 246	666	205	4		2 121
<b>Profit for the period</b>	<b>5 098</b>	<b>3 163</b>	<b>881</b>	<b>-1 582</b>		<b>7 560</b>
Profit for the period attributable to:						
Shareholders of Swedbank AB	5 099	3 163	881	-1 582		7 561
Non-controlling interests	-1					-1
<b>Net commission income</b>						
<b>Commission income</b>						
Payment processing	223	164	142	75	-4	601
Cards	583	516	572	-90	-0	1 580
Asset management and custody	1 715	144	440	-1	-77	2 222
Lending	43	54	200	-0	-2	296
Other commission income <sup>2</sup>	521	153	250	3	-2	926
<b>Total Commission income</b>	<b>3 085</b>	<b>1 032</b>	<b>1 606</b>	<b>-12</b>	<b>-85</b>	<b>5 625</b>
<b>Commission expense</b>	<b>800</b>	<b>215</b>	<b>965</b>	<b>68</b>	<b>-83</b>	<b>1 965</b>
<b>Net commission income</b>	<b>2 285</b>	<b>817</b>	<b>640</b>	<b>-80</b>	<b>-2</b>	<b>3 660</b>
<b>Balance sheet, SEKbn</b>						
Cash and balances with central banks	1	4	2	354		361
Loans to credit institutions	7		196	285	-429	59
Loans to the public	1 268	241	329	1	-1	1 838
Interest-bearing securities		2	71	293	-3	363
Financial assets for which customers bear the investment risk	285	2				288
Investments in associates and joint ventures	6			2		8
Derivatives		0	152	124	-239	37
Tangible and intangible assets	2	13	1	10		26
Other assets	23	151	22	206	-346	56
<b>Total assets</b>	<b>1 592</b>	<b>413</b>	<b>775</b>	<b>1 275</b>	<b>-1 018</b>	<b>3 036</b>
Amounts owed to credit institutions	29	2	361	140	-396	136
Deposits and borrowings from the public	709	375	238	1	-11	1 313
Debt securities in issue	-0	2	3	864	-4	865
Financial liabilities for which customers bear the investment risk	287	2				289
Derivatives		0	163	123	-239	48
Other liabilities	494		-26	8	-368	108
Senior non-preferred liabilities			-0	67		67
Subordinated liabilities				37		37
<b>Total liabilities</b>	<b>1 519</b>	<b>383</b>	<b>740</b>	<b>1 240</b>	<b>-1 018</b>	<b>2 863</b>
Allocated equity	73	30	35	35		173
<b>Total liabilities and equity</b>	<b>1 592</b>	<b>413</b>	<b>775</b>	<b>1 275</b>	<b>-1 018</b>	<b>3 036</b>
<b>Key figures</b>						
Return on allocated equity, %	28.1	42.2	9.7	-16.2		17.0
Cost/income ratio	0.27	0.25	0.44	14.28		0.37
Credit impairment ratio, %	0.20	-0.05	0.19	0.13		0.16
Loan/deposit ratio, %	179	64	130	27		137
Lending to the public, stage 3, SEKbn (gross)	3	1	2			6
Loans to customers, total, SEKbn	1 268	241	282	1		1 791
Provisions for loans to customers, total, SEKbn	3	1	3			7
Deposits from customers, SEKbn	708	375	217	2		1 303
Risk exposure amount, SEKbn	413	160	204	29		806
Full-time employees	3 960	4 674	1 167	6 988		16 788
Allocated equity, average, SEKbn	73	30	36	39		178

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-March 2022 <sup>1</sup> SEKm	Swedish Banking	Baltic Banking	Large Corporates and Institutions	Group Functions and Other	Eliminations	Group
<b>Income statement</b>						
Net interest income	3 924	1 382	1 026	429	-2	6 759
Net commission income	2 239	697	659	-43	1	3 551
Net gains and losses on financial items	93	104	245	-303	-0	139
Other income <sup>2</sup>	453	-65	47	520	-260	695
<b>Total income</b>	<b>6 708</b>	<b>2 117</b>	<b>1 977</b>	<b>603</b>	<b>-261</b>	<b>11 145</b>
Staff costs	813	349	386	1 483	-4	3 027
Variable staff costs	6	17	39	28	0	90
Other expenses	1 762	562	568	-1 226	-257	1 409
Depreciation/amortisation	8	44	30	330	-0	412
<b>Total expenses</b>	<b>2 589</b>	<b>973</b>	<b>1 022</b>	<b>615</b>	<b>-261</b>	<b>4 938</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>						
	<b>4 119</b>	<b>1 144</b>	<b>955</b>	<b>-12</b>		<b>6 206</b>
Credit impairment	85	-11	77	7		158
Swedish bank tax and resolution fees	312	24	117	4		456
<b>Profit before tax</b>	<b>3 722</b>	<b>1 132</b>	<b>762</b>	<b>-23</b>		<b>5 592</b>
Tax expense	704	189	177	39		1 108
<b>Profit for the period</b>	<b>3 019</b>	<b>943</b>	<b>584</b>	<b>-62</b>		<b>4 484</b>
Profit for the period attributable to:						
Shareholders of Swedbank AB	3 018	943	584	-62		4 484
Non-controlling interests	0					0
<b>Net commission income</b>						
<b>Commission income</b>						
Payment processing	189	167	121	65	-4	539
Cards	519	422	568	-106	0	1 402
Asset management and custody	1 824	137	428	-4	-77	2 309
Lending	52	44	216	2	-2	312
Other commission income <sup>3</sup>	543	123	214	7	-2	885
<b>Total Commission income</b>	<b>3 126</b>	<b>894</b>	<b>1 547</b>	<b>-35</b>	<b>-84</b>	<b>5 447</b>
<b>Commission expense</b>	<b>888</b>	<b>197</b>	<b>888</b>	<b>8</b>	<b>-85</b>	<b>1 896</b>
<b>Net commission income</b>	<b>2 239</b>	<b>697</b>	<b>659</b>	<b>-43</b>	<b>1</b>	<b>3 551</b>
<b>Balance sheet, SEKbn</b>						
Cash and balances with central banks	2	4	1	424	-2	429
Loans to credit institutions	5	0	205	229	-385	53
Loans to the public	1 262	203	297	0	-1	1 761
Interest-bearing securities	0	2	71	155	-0	228
Financial assets for which customers bear the investment risk	281	2				284
Investments in associates	6			2		8
Derivatives		0	100	83	-144	39
Tangible and intangible assets	2	12	1	10		25
Other assets	23	133	22	358	-479	57
<b>Total assets</b>	<b>1 582</b>	<b>356</b>	<b>697</b>	<b>1 261</b>	<b>-1 010</b>	<b>2 885</b>
Amounts owed to credit institutions	26	1	345	138	-377	133
Deposits and borrowings from the public	716	325	264	2	-7	1 300
Debt securities in issue		1	4	788	-1	792
Financial liabilities for which customers bear the investment risk	283	2				285
Derivatives	0	0	105	78	-144	40
Other liabilities	486		-55	158	-481	109
Senior non-preferred liabilities			-0	47		47
Subordinated liabilities				24		24
<b>Total liabilities</b>	<b>1 511</b>	<b>330</b>	<b>663</b>	<b>1 236</b>	<b>-1 010</b>	<b>2 730</b>
Allocated equity	70	26	33	26		155
<b>Total liabilities and equity</b>	<b>1 582</b>	<b>356</b>	<b>697</b>	<b>1 261</b>	<b>-1 010</b>	<b>2 885</b>
<b>Key figures</b>						
Return on allocated equity, %	17.7	15.0	7.4	-0.7		11.1
Cost/income ratio	0.39	0.46	0.52	1.02		0.44
Credit impairment ratio, %	0.03	-0.02	0.11	0.15		0.04
Loan/deposit ratio, %	176	62	109	10		135
Lending to the public, stage 3, SEKbn (gross)	2	1	3			6
Loans to customers, total, SEKbn	1 262	203	257	0		1 723
Provisions for loans to customers, total, SEKbn	1	1	3			5
Deposits from customers, SEKbn	716	325	236	2		1 279
Risk exposure amount, SEKbn	405	106	183	30		724
Full-time employees	4 041	4 629	1 196	6 734		16 600
Allocated equity, average, SEKbn	68	25	32	37		162

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

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.

During the first quarter of 2023, no organisational changes between Swedbank's operating segments were made.

## Note 5 Net interest income

SEKm	Q1 2023	Q4' 2022	Q1' 2022
<b>Interest income</b>			
Cash and balances with central banks	3 406	2 618	-284
Treasury bills and other bills eligible for refinancing with central banks, etc.	1 413	711	32
Loans to credit institutions	691	476	41
Loans to the public	16 769	14 175	7 737
Bonds and other interest-bearing securities	389	402	76
Derivatives <sup>2</sup>	-126	14	133
Other assets	11	3	10
<b>Total</b>	<b>22 553</b>	<b>18 398</b>	<b>7 746</b>
Deduction of trading-related interests reported in Net gains and losses on financial items	1 121	961	133
<b>Total interest income</b>	<b>21 432</b>	<b>17 437</b>	<b>7 614</b>
<b>Interest expense</b>			
Amounts owed to credit institutions	-1 287	-895	27
Deposits and borrowings from the public	-4 684	-3 153	-115
of which deposit guarantee fees	-157	-29	-157
Debt securities in issue	-5 860	-4 765	-1 134
Senior non-preferred liabilities	-377	-296	-91
Subordinated liabilities	-374	-300	-227
Derivatives <sup>2</sup>	1 864	2 122	742
Other liabilities	-21	-19	-13
<b>Total</b>	<b>-10 739</b>	<b>-7 306</b>	<b>-812</b>
Deduction of trading-related interests reported in Net gains and losses on financial items	-1 242	-788	42
<b>Total interest expense</b>	<b>-9 497</b>	<b>-6 519</b>	<b>-854</b>
<b>Net interest income</b>	<b>11 936</b>	<b>10 918</b>	<b>6 759</b>
Net investment margin before trading-related interests are deducted	1.55	1.47	0.94
Average total assets	3 051 193	3 026 860	2 966 233
Interest expense on financial liabilities at amortised cost	12 100	9 026	1 572

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	Q1 2023	Q4' 2022	Q1' 2022
<b>Commission income</b>			
Payment processing	601	555	539
Cards	1 580	1 734	1 402
Service concepts	392	376	352
Asset management and custody	2 222	2 122	2 309
Insurance	86	79	129
Securities and corporate finance	199	177	169
Lending	296	303	312
Other	250	204	235
<b>Total commission income</b>	<b>5 625</b>	<b>5 550</b>	<b>5 447</b>
<b>Commission expense</b>			
Payment processing	-364	-328	-331
Cards	-708	-928	-706
Service concepts	-47	-48	-41
Asset management and custody	-579	-546	-558
Insurance	-69	-61	-80
Securities and corporate finance	-93	-86	-99
Lending	-40	-39	-38
Other	-64	-91	-43
<b>Total commission expense</b>	<b>-1 965</b>	<b>-2 128</b>	<b>-1 896</b>
<b>Net commission income</b>			
Payment processing	237	227	208
Cards	872	805	696
Service concepts	345	328	311
Asset management and custody	1 643	1 577	1 751
Insurance	17	18	49
Securities and corporate finance	105	91	70
Lending	256	264	274
Other	185	113	192
<b>Total net commission income</b>	<b>3 660</b>	<b>3 422</b>	<b>3 551</b>

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

## Note 7 Net gains and losses on financial items

SEKm	Q1 2023	Q4' 2022	Q1' 2022
<b>Fair value through profit or loss</b>			
Shares and share related derivatives	-14	82	339
of which dividend	88	4	61
Interest-bearing securities and interest related derivatives	472	-148	-704
Financial liabilities	0	-4	9
Financial assets and liabilities where the customers bear the investment risk, net	-1	5	5
Other financial instruments	1	0	-1
<b>Total fair value through profit or loss</b>	<b>458</b>	<b>-66</b>	<b>-352</b>
<b>Hedge accounting</b>			
Ineffectiveness, one-to-one fair value hedges	86	-3	-20
of which hedging instruments	3 676	70	-13 172
of which hedged items	-3 590	-72	13 152
Ineffectiveness, portfolio fair value hedges	82	-61	-6
of which hedging instruments	-2 898	-1 384	9 328
of which hedged items	2 980	1 323	-9 334
Ineffectiveness, cash flow hedges	-1	-1	0
<b>Total hedge accounting</b>	<b>167</b>	<b>-65</b>	<b>-26</b>
<b>Amortised cost</b>			
Derecognition gain or loss for financial assets	11	13	35
Derecognition gain or loss for financial liabilities	9	214	-22
<b>Total amortised cost</b>	<b>20</b>	<b>227</b>	<b>13</b>
<b>Trading related interest</b>			
Interest income	1 121	961	133
Interest expense	-1 242	-788	42
<b>Total trading related interest</b>	<b>-121</b>	<b>174</b>	<b>175</b>
<b>Change in exchange rates</b>	<b>393</b>	<b>493</b>	<b>329</b>
<b>Total</b>	<b>916</b>	<b>763</b>	<b>139</b>

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.

	Q1	Q4	Q1
SEKm	2023	2022	2022
Insurance service revenue	1 043	981	869
Insurance service expenses	-799	-674	-472
<b>Insurance service result</b>	<b>244</b>	<b>307</b>	<b>397</b>
Result from reinsurance contracts held	-16	-11	-14
Insurance finance income or expense	-734	-822	1 087
<b>Insurance result</b>	<b>-506</b>	<b>-526</b>	<b>1 471</b>
Return on financial assets backing insurance contracts with participation features	787	760	-1 307
<b>Net insurance income</b>	<b>282</b>	<b>235</b>	<b>164</b>

## Note 9 Other general administrative expenses

	Q1	Q4 <sup>1</sup>	Q1 <sup>1</sup>
SEKm	2023	2022	2022
Premises	121	130	112
IT expenses	631	758	592
Telecommunications and postage	32	26	30
Consultants	222	255	150
Compensation to savings banks	55	56	56
Other purchased services	267	253	243
Travel	27	34	6
Entertainment	6	10	4
Supplies	23	20	15
Advertising, PR and marketing	33	111	29
Security transport and alarm systems	17	18	19
Repair/maintenance of inventories	31	32	27
Other administrative expenses	111	78	110
Other operating expenses	29	12	16
<b>Total</b>	<b>1 607</b>	<b>1 794</b>	<b>1 409</b>

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

## Note 10 Credit impairment

SEKm	Q1 2023	Q4 2022	Q1 2022
<b>Loans at amortised cost</b>			
Credit impairment provisions - stage 1	259	141	380
Credit impairment provisions - stage 2	456	348	-325
Credit impairment provisions - stage 3	4	17	-334
Credit impairment provisions - purchased or originated credit impaired	0	1	0
<b>Total</b>	<b>720</b>	<b>507</b>	<b>-279</b>
Write-offs	57	224	442
Recoveries	-49	-38	-35
<b>Total</b>	<b>9</b>	<b>186</b>	<b>407</b>
<b>Total - loans at amortised cost</b>	<b>729</b>	<b>693</b>	<b>128</b>
<b>Loan commitments and guarantees</b>			
Credit impairment provisions - stage 1	35	-31	90
Credit impairment provisions - stage 2	21	75	-55
Credit impairment provisions - stage 3	-8	-56	-5
<b>Total - loan commitments and guarantees</b>	<b>48</b>	<b>-13</b>	<b>30</b>
<b>Total</b>	<b>777</b>	<b>679</b>	<b>158</b>
Credit impairment ratio, %	0.16	0.14	0.04

### 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, energy prices and rising interest rates 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 to increase the credit impairment provisions continue to be deemed necessary.

The post-model expert credit adjustments amounted to SEK 1 937m (SEK 1 738m at 31 December 2022) and are allocated as SEK 1 029m in stage 1, SEK 905m in stage 2 and SEK 3m in stage 3. Customers and industries are reviewed and analysed considering the current situation, particularly in more vulnerable sectors. At 31 March 2023, the main change was that post-model expert credit adjustments for the Property management sector were increased. The most significant post-model adjustments were in the Property management, Manufacturing, Retail and wholesale, Construction, Shipping and offshore and Transportation sectors.

## Determination of 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 a risk grade between 0 and 5, a downgrade by 1 grade from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with a risk grade between 18 and 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 a risk grade between 0 and 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 a risk grade between 18 and 21, an increase of 200-300 per cent from initial recognition is considered significant.

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 <sup>1,2,3</sup>	Impairment provision impact of		Recognised credit impairment provisions 31 Mar 2023	Share of total portfolio in terms of gross carrying amount, % 31 Mar 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	-5.5	4.2	74	12	-5.6	5.4	60	12
13-17	0.1 - 0.5	3 - 7 grades	-4.6	6.6	293	12	-5.7	7.4	277	12
9-12	>0.5 - 2.0	1 - 5 grades	-12.0	12.9	214	5	-12.9	13.4	216	5
6-8	2.0 - 5.7	1 - 3 grades	-6.2	4.3	102	2	-6.1	5.1	100	2
0-5	>5.7 - 99.9	1 grade	-1.3	0.0	88	1	-1.2	0.0	72	1
			-6.7	7.2	770	31	-7.6	8.1	726	31
		Sovereigns and financial institutions with low credit risk			3	0			3	1
		Stage 3 financial instruments			659	0			653	0
		Post model expert credit adjustment <sup>4</sup>			369				401	
		<b>Total<sup>5</sup></b>			<b>1 802</b>	<b>31</b>			<b>1 783</b>	<b>33</b>

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 190m (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 <sup>1</sup> , %	Impairment provision impact of		Recognised credit impairment provisions 31 Mar 2023	Share of total portfolio in terms of gross carrying amount, % 31 Mar 2023	Impairment provision impact of		Recognised credit impairment provisions 31 Dec 2022	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	-15.6	17.5	145	21	-14.3	24.1	86	20
13-17	100-250	-4.3	7.8	951	23	-2.3	10.0	706	22
9-12	100-200	-1.4	8.2	1 035	11	-1.5	8.0	873	11
6-8	50-150	-2.4	6.7	306	3	-2.0	6.8	285	3
0-5	50	-0.8	1.5	201	2	-1.2	1.3	166	1
		-3.3	7.9	2 638	60	-2.3	8.6	2 116	58
				37	9			26	9
				1 498	0			1 503	0
				1 565				1 335	
		<b>Total<sup>3</sup></b>		<b>5 738</b>	<b>69</b>			<b>4 981</b>	<b>67</b>

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

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

3) Of which provisions for off-balance exposures are SEK 566m (497).



## Incorporation of forward-looking macroeconomic scenarios

The Swedbank Economic Outlook was published on 24 January and the baseline scenario was updated by Swedbank Macro Research as of 10 March. 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 31 March 2023.

31 March 2023	Positive scenario			Baseline scenario			Negative scenario		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
<b>Sweden</b>									
GDP (annual % change)	-0.6	1.5	2.1	-1.2	0.9	2.4	-7.7	-1.0	3.5
Unemployment (annual %) <sup>1</sup>	7.8	7.8	7.3	7.9	8.1	7.5	9.3	11.2	10.4
House prices (annual % change)	-13.6	-3.4	3.2	-13.9	-4.4	3.3	-19.2	-18.1	1.4
Stibor 3m (%)	3.84	3.28	2.78	3.79	3.14	2.75	3.50	1.28	0.74
<b>Estonia</b>									
GDP (annual % change)	-0.1	4.4	2.6	-1.0	3.5	2.8	-7.0	-6.7	4.5
Unemployment (annual %)	6.5	5.7	5.1	6.7	5.9	5.3	8.3	12.9	13.7
House prices (annual % change)	-5.6	0.5	5.5	-6.0	-0.4	4.9	-18.6	-14.6	1.0
<b>Latvia</b>									
GDP (annual % change)	0.0	2.6	2.2	-0.6	2.1	2.4	-6.3	-5.0	3.7
Unemployment (annual %)	6.9	6.2	5.9	7.1	6.5	6.2	9.2	13.9	14.9
House prices (annual % change)	-3.8	1.6	4.5	-5.0	0.5	5.2	-17.0	-15.4	3.4
<b>Lithuania</b>									
GDP (annual % change)	0.3	2.3	2.1	-0.2	1.8	2.3	-5.9	-5.7	3.5
Unemployment (annual %)	6.4	5.8	5.3	6.5	6.0	5.6	8.4	13.1	14.8
House prices (annual % change)	-0.5	-1.9	5.1	-0.9	-2.8	4.3	-17.1	-14.8	8.2
<b>Global indicators</b>									
US GDP (annual %)	0.9	1.7	2.0	0.5	1.2	2.1	-1.4	-3.2	1.5
EU GDP (annual %)	1.0	1.6	1.3	0.4	1.0	1.4	-2.7	-5.4	2.0
Brent Crude Oil (USD/Barrel)	83.0	77.8	72.9	82.0	77.1	72.9	64.3	43.8	55.4
Euribor 6m (%)	3.73	2.89	2.41	3.67	2.82	2.41	3.12	0.54	0.12

1) Unemployment rate, 16-64 years

Global growth will slow this year as companies and households struggle with high energy bills and interest rates. Global GDP growth is expected to drop to 2 per cent this year before recovering to just above 3 per cent next year. The forecast is surrounded by many uncertainties, not least regarding the development and consequences of inflation and monetary policy.

The energy crisis will drag down the euro area to stagnation this year. However, the outlook is less bleak than expected, as energy prices have come down and many economies, not least Germany, have proved resilient. The US economy will also face stagnation on the back of higher interest rates. Inflation is expected to fall rapidly this year and inflation in both the US and the euro area is expected to be around 2 per cent in about a year.

The Swedish economy is slowing markedly. Both household consumption and housing investments will drag down growth this year because of sensitivity to the high interest rates. The housing market is under pressure on many fronts, and house prices are expected to have fallen about 20 per cent from peak to bottom. The Riksbank will continue fighting inflation in the near future, before starting to cut rates next year when inflation has dropped.

In the Baltics, GDP is likely to shrink somewhat or remain unchanged this year, before recovering in 2024. Annual inflation is expected to drop to low single digits by the end of 2023. Real household income, consumption, and exports are likely to stagnate or shrink slightly this year, before recovering in 2024.

## 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	31 Mar 2023				31 Dec 2022			
	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	3 067	649	3 413	2 953	2 451	450	2 654	2 286
Baltic Banking	1 400	368	1 708	1 260	1 400	363	1 692	1 254
Large Corporates and Inst.	3 042	920	3 464	2 807	2 890	925	3 384	2 665
Group <sup>1</sup>	7 540	1 937	8 618	7 051	6 764	1 738	7 753	6 228

1) Including operating segment Group Functions & Other.

## Note 11 Swedish bank tax and resolution fees

SEKm	Q1	Q4	Q1
	2023	2022	2022
Swedish bank tax	292	209	239
Resolution fees	226	230	217
<b>Total</b>	<b>518</b>	<b>439</b>	<b>456</b>

## 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.

31 March 2023	Stage 1			Stage 2			Stage 3 <sup>1</sup>			Total
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
<b>SEKm</b>										
<b>Sector/industry</b>										
<b>Private customers</b>	<b>1 079 698</b>	<b>232</b>	<b>1 079 466</b>	<b>94 072</b>	<b>742</b>	<b>93 330</b>	<b>2 258</b>	<b>747</b>	<b>1 510</b>	<b>1 174 307</b>
Private mortgage	947 578	96	947 482	81 533	343	81 191	1 375	260	1 115	1 029 788
Tenant owner associations	90 163	8	90 155	3 115	11	3 104	5	1	5	93 263
Private other	41 957	128	41 829	9 424	388	9 036	878	487	391	51 256
<b>Corporate customers</b>	<b>543 921</b>	<b>1 511</b>	<b>542 410</b>	<b>74 106</b>	<b>2 127</b>	<b>71 979</b>	<b>3 643</b>	<b>1 385</b>	<b>2 258</b>	<b>616 648</b>
Agriculture, forestry, fishing	54 276	88	54 187	7 851	138	7 713	197	41	155	62 056
Manufacturing	42 743	290	42 453	5 692	266	5 426	319	112	206	48 085
Public sector and utilities	32 784	44	32 740	3 376	112	3 264	12	2	10	36 014
Construction	15 482	90	15 392	5 266	110	5 156	113	58	55	20 604
Retail and wholesale	35 890	210	35 681	5 525	211	5 313	141	56	85	41 079
Transportation	13 435	84	13 351	1 883	124	1 759	35	8	26	15 137
Shipping and offshore	7 803	38	7 765	1 040	145	895	1 625	794	832	9 492
Hotels and restaurants	3 873	22	3 851	3 033	165	2 868	262	49	213	6 932
Information and communication	18 611	59	18 552	1 942	24	1 919	4	1	3	20 473
Finance and insurance	22 228	25	22 204	1 278	16	1 262	21	7	15	23 481
Property management, including	262 109	496	261 613	32 830	722	32 108	660	208	452	294 173
Residential properties	74 351	132	74 219	14 316	325	13 991	121	20	100	88 311
Commercial	126 066	212	125 854	9 106	249	8 856	213	128	85	134 795
Industrial and Warehouse	42 201	72	42 130	5 244	75	5 169	173	20	153	47 452
Other	19 491	80	19 411	4 164	73	4 091	153	40	114	23 615
Professional services	22 215	37	22 178	2 431	48	2 383	100	14	86	24 647
Other corporate lending	12 471	28	12 443	1 958	45	1 913	155	34	120	14 476
<b>Loans to customers</b>	<b>1 623 619</b>	<b>1 742</b>	<b>1 621 876</b>	<b>168 178</b>	<b>2 868</b>	<b>165 310</b>	<b>5 901</b>	<b>2 132</b>	<b>3 769</b>	<b>1 790 955</b>
Cash collaterals posted	2 427		2 427							2 427
Loans to the public, Swedish National Debt Office	1		1							1
<b>Loans to credit institutions</b>	<b>54 058</b>	<b>39</b>	<b>54 020</b>	<b>133</b>	<b>3</b>	<b>130</b>				<b>54 150</b>
<b>Loans to the public and credit institutions at amortised cost</b>	<b>1 680 105</b>	<b>1 781</b>	<b>1 678 324</b>	<b>168 311</b>	<b>2 871</b>	<b>165 440</b>	<b>5 901</b>	<b>2 132</b>	<b>3 769</b>	<b>1 847 533</b>
Share of loans, %	90.61			9.08			0.32			100
Credit impairment provision ratio, %	0.11			1.71			36.13			0.37

1) Including purchased or originated credit impaired

SEK M	Stage 1			Stage 2			Stage 3 <sup>1</sup>			Total
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
<b>Sector/industry</b>										
<b>Private customers</b>	<b>1 107 994</b>	<b>168</b>	<b>1 107 827</b>	<b>68 617</b>	<b>546</b>	<b>68 071</b>	<b>2 044</b>	<b>676</b>	<b>1 367</b>	<b>1 177 266</b>
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
<b>Corporate customers</b>	<b>552 195</b>	<b>1 330</b>	<b>550 865</b>	<b>69 831</b>	<b>1 858</b>	<b>67 973</b>	<b>3 695</b>	<b>1 445</b>	<b>2 250</b>	<b>621 087</b>
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
<b>Loans to customers</b>	<b>1 660 189</b>	<b>1 498</b>	<b>1 658 691</b>	<b>138 449</b>	<b>2 404</b>	<b>136 044</b>	<b>5 739</b>	<b>2 121</b>	<b>3 617</b>	<b>1 798 353</b>
Cash collaterals posted	3 605		3 605							3 605
Loans to the public, Swedish National Debt Office	10 004		10 004							10 004
<b>Loans to credit institutions</b>	<b>56 454</b>	<b>26</b>	<b>56 428</b>	<b>147</b>	<b>0</b>	<b>146</b>				<b>56 574</b>
<b>Loans to the public and credit institutions at amortised cost</b>	<b>1 730 252</b>	<b>1 524</b>	<b>1 728 728</b>	<b>138 595</b>	<b>2 405</b>	<b>136 191</b>	<b>5 739</b>	<b>2 121</b>	<b>3 617</b>	<b>1 868 536</b>
Share of loans, %	92.30			7.39			0.31			100
Credit impairment provision ratio, %	0.09			1.73			36.97			0.32

1) Including purchased or originated credit impaired

31 March 2022

SEK M	Stage 1			Stage 2			Stage 3 <sup>1</sup>			Total
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
<b>Sector/industry</b>										
<b>Private customers</b>	<b>1 101 646</b>	<b>113</b>	<b>1 101 533</b>	<b>42 886</b>	<b>283</b>	<b>42 604</b>	<b>1 958</b>	<b>498</b>	<b>1 460</b>	<b>1 145 596</b>
Private mortgage	965 074	32	965 041	36 013	141	35 872	1 269	207	1 062	1 001 976
Tenant owner associations	90 920	5	90 916	1 247	4	1 244	29	1	27	92 187
Private other	45 652	76	45 576	5 626	138	5 488	660	290	370	51 433
<b>Corporate customers</b>	<b>522 474</b>	<b>1 064</b>	<b>521 410</b>	<b>54 612</b>	<b>1 203</b>	<b>53 409</b>	<b>4 014</b>	<b>1 655</b>	<b>2 359</b>	<b>577 178</b>
Agriculture, forestry, fishing	56 497	67	56 431	6 499	85	6 414	213	30	183	63 028
Manufacturing	36 978	208	36 769	4 220	157	4 063	172	84	88	40 921
Public sector and utilities	31 988	27	31 961	1 837	36	1 801	12	2	10	33 773
Construction	16 361	66	16 295	2 839	81	2 758	183	42	142	19 195
Retail and wholesale	29 611	143	29 468	3 137	96	3 041	100	45	55	32 565
Transportation	10 760	68	10 692	2 514	74	2 440	30	7	23	13 155
Shipping and offshore	8 202	272	7 930	2 280	257	2 023	2 382	1 214	1 168	11 120
Hotels and restaurants	3 428	24	3 404	3 774	122	3 652	399	54	345	7 400
Information and communication	22 788	27	22 761	867	12	855	3	1	2	23 618
Finance and insurance	22 947	11	22 936	599	8	591	16	3	13	23 540
Property management, including	250 222	125	250 097	22 396	212	22 184	352	130	221	272 502
Residential properties	75 711	28	75 684	6 681	72	6 609	174	20	154	82 447
Commercial	109 103	62	109 041	9 787	104	9 683	146	106	40	118 765
Industrial and Warehouse	39 899	17	39 882	2 991	9	2 981	18	2	16	42 879
Other	25 509	19	25 490	2 938	27	2 911	13	3	10	28 411
Professional services	17 575	11	17 564	2 331	42	2 289	83	24	59	19 912
Other corporate lending	15 118	15	15 103	1 319	22	1 297	69	19	50	16 450
<b>Loans to customers</b>	<b>1 624 120</b>	<b>1 178</b>	<b>1 622 943</b>	<b>97 498</b>	<b>1 486</b>	<b>96 012</b>	<b>5 972</b>	<b>2 153</b>	<b>3 819</b>	<b>1 722 774</b>
Cash collaterals posted	2 189		2 189							2 189
Loans to the public, Swedish National Debt	24		24							24
<b>Loans to credit institutions</b>	<b>48 129</b>	<b>17</b>	<b>48 112</b>	<b>28</b>		<b>28</b>				<b>48 140</b>
<b>Loans to the public and credit institutions at amortised cost</b>	<b>1 674 462</b>	<b>1 195</b>	<b>1 673 267</b>	<b>97 526</b>	<b>1 486</b>	<b>96 040</b>	<b>5 972</b>	<b>2 153</b>	<b>3 819</b>	<b>1 773 127</b>
Share of loans, %	94.18			5.49			0.34			100
Credit impairment provision ratio, %	0.07			1.52			36.06			0.27

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 <sup>1</sup>	Total	Stage 1	Stage 2	Stage 3 <sup>1</sup>	Total
<b>SEKm</b>								
<b>Carrying amount before provisions</b>								
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 31 March	1 680 105	168 311	5 901	1 854 317	1 674 463	97 526	5 972	1 777 961
<b>Credit impairment provisions</b>								
Opening balance 1 January	1 524	2 404	2 121	6 049	806	1 789	2 427	5 022
<b>Movements affecting Credit impairments</b>								
New and derecognised financial assets, net	115	-52	-91	-28	124	-118	-319	-313
Changes in risk factors (EAD, PD, LGD)	37	-34	32	36	-17	-90	-20	-127
Changes in macroeconomic scenarios	159	148	-2	305	77	137	2	216
Changes to models	0	0		0				
Post-model expert credit adjustments	94	100	3	197	239	-282	-42	-85
Individual assessments			10	10			-3	-3
Stage transfers	-147	293	81	228	-43	28	64	49
from 1 to 2	-169	483		314	-63	135		72
from 1 to 3	0		6	6	0		21	21
from 2 to 1	21	-158		-137	21	-96		-75
from 2 to 3		-41	126	85		-14	61	47
from 3 to 2		10	-45	-35		3	-17	-14
from 3 to 1	2		-6	-4	-1		-1	-2
Other			-29	-29			-16	-16
<b>Total movements affecting credit impairments</b>	<b>259</b>	<b>456</b>	<b>4</b>	<b>719</b>	<b>380</b>	<b>-325</b>	<b>-334</b>	<b>-279</b>
<b>Movements recognised outside credit impairments</b>								
Interest			29	29			16	16
Change in exchange rates	-1	11	-24	-14	9	22	44	75
<b>Closing balance 31 March</b>	<b>1 781</b>	<b>2 871</b>	<b>2 132</b>	<b>6 784</b>	<b>1 195</b>	<b>1 486</b>	<b>2 153</b>	<b>4 834</b>
<b>Carrying amount</b>								
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 31 March	1 678 324	165 440	3 769	1 847 533	1 673 268	96 040	3 819	1 773 127

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 <sup>1</sup>	Total	Stage 1	Stage 2	Stage 3 <sup>1</sup>	Total
<b>Nominal amount</b>								
Opening balance 1 January	286 621	23 956	131	310 708	306 298	16 134	221	322 653
Closing balance 31 March	279 091	28 089	137	307 317	301 476	22 549	206	324 231
<b>Credit impairment provisions</b>								
Opening balance 1 January	384	295	34	714	286	273	85	644
<b>Movements affecting Credit impairments</b>								
New and derecognised financial assets, net	29	16	-3	42	26	37	-12	51
Changes in risk factors (EAD, PD, LGD)	-13	-36	-2	-51	-21	-23	8	-36
Changes in macroeconomic scenarios	33	10	0	43	21	13	0	34
Changes to models	0	0		0				
Post-model expert credit adjustments	0	1	0	0	66	-87	-1	-22
<b>Individual assessments</b>								
Stage transfers	-13	30	-3	14	-2	5	0	3
from 1 to 2	-16	38		22	-4	12		8
from 1 to 3	0		0	0	0		0	0
from 2 to 1	2	-7		-5	2	-8		-6
from 2 to 3		0	4	3		0	2	2
from 3 to 2		0	-2	-2		1	-2	-1
from 3 to 1	0		-5	-5	0		0	0
Other								
<b>Total movements affecting credit impairments</b>	<b>35</b>	<b>21</b>	<b>-8</b>	<b>48</b>	<b>90</b>	<b>-55</b>	<b>-5</b>	<b>30</b>
<b>Movements recognised outside credit impairments</b>								
Change in exchange rates	-1	-4	-1	-6	5	3	2	10
<b>Closing balance 31 March</b>	<b>418</b>	<b>312</b>	<b>25</b>	<b>756</b>	<b>381</b>	<b>221</b>	<b>82</b>	<b>684</b>

1) Including purchased or originated credit impaired

## Note 14 Credit risk exposures

SEKm	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>Assets</b>			
Cash and balances with central banks	361 343	365 992	429 475
Interest-bearing securities	362 891	212 780	228 098
Loans to credit institutions	59 316	56 589	53 281
Loans to the public	1 838 152	1 842 811	1 761 481
Derivatives	37 351	50 504	39 299
Other financial assets	28 114	8 215	32 259
<b>Total assets</b>	<b>2 687 168</b>	<b>2 536 891</b>	<b>2 543 892</b>
<b>Contingent liabilities and commitments</b>			
Guarantees	42 136	45 632	54 306
Loan commitments	265 181	265 076	269 925
<b>Total contingent liabilities and commitments</b>	<b>307 317</b>	<b>310 708</b>	<b>324 231</b>
<b>Total</b>	<b>2 994 484</b>	<b>2 847 599</b>	<b>2 868 123</b>

## Note 15 Intangible assets

SEKm	Indefinite useful life			Definite useful life			Total		
	Goodwill & Brand			Other intangible assets			Full year 2022	Jan-Mar 2022	Jan-Mar 2022
	Jan-Mar 2023	Full year 2022	Jan-Mar 2022	Jan-Mar 2023	Full year 2022	Jan-Mar 2022			
<b>Opening balance</b>	<b>13 850</b>	<b>13 594</b>	<b>13 594</b>	<b>6 036</b>	<b>5 894</b>	<b>5 894</b>	<b>19 886</b>	<b>19 488</b>	<b>19 488</b>
Additions				379	1 167	269	379	1 167	269
Amortisation for the period				-138	-525	-119	-138	-525	-119
Impairment for the period		-624			-501			-1 125	
Sales and disposals				-1	-4	-3	-1	-4	-3
Exchange rate differences	175	880	122	1	5	0	176	885	122
<b>Closing balance</b>	<b>14 024</b>	<b>13 850</b>	<b>13 715</b>	<b>6 276</b>	<b>6 036</b>	<b>6 041</b>	<b>20 301</b>	<b>19 886</b>	<b>19 756</b>

As of 31 March 2023, there was no indication of an impairment of intangible assets.

During 2022, impairments were made relating to internally developed software of SEK 501m, of which 238 SEKm was related to PayEx and 263 SEKm was related to internally developed software. Impairment of brand name of SEK 18m was related to PayEx. Of the goodwill impairment of SEK 606m, 425 SEKm was related to PayEx and 191 SEKm referred to the Norwegian operations, which were transferred to Sparebank 1 Markets AS.

## Note 16 Amounts owed to credit institutions

SEKm	31 Mar 2023	31 Dec 2022	31 Mar 2022
Central banks	22 971	12 092	45 821
Banks	76 198	54 857	65 234
Other credit institutions	8 104	5 219	5 412
Repurchase agreements	29 155	659	16 859
<b>Total</b>	<b>136 427</b>	<b>72 826</b>	<b>133 325</b>

## Note 17 Deposits and borrowings from the public

SEKm	31 Mar 2023	31 Dec 2022	31 Mar 2022
Private customers	698 792	703 935	665 912
Corporate customers	604 270	594 343	613 186
<b>Total deposits from customers</b>	<b>1 303 062</b>	<b>1 298 278</b>	<b>1 279 098</b>
Cash collaterals received	4 449	4 754	4 972
Swedish National Debt Office	85	101	68
Repurchase agreements - Swedish National Debt Office	0	1	0
Repurchase agreements	5 482	2 815	16 196
<b>Total borrowings</b>	<b>10 017</b>	<b>7 670</b>	<b>21 235</b>
<b>Deposits and borrowings from the public</b>	<b>1 313 079</b>	<b>1 305 948</b>	<b>1 300 334</b>



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

SEKm	31 Mar 2023	31 Dec 2022	31 Mar 2022
Commercial papers	407 435	316 114	231 275
Covered bonds	331 013	343 284	433 277
Senior unsecured bonds	123 968	122 559	123 744
Structured retail bonds	2 155	2 249	3 247
<b>Total debt securities in issue</b>	<b>864 571</b>	<b>784 206</b>	<b>791 543</b>
Senior non-preferred liabilities	66 774	57 439	47 179
Subordinated liabilities	37 232	31 331	23 797
<b>Total</b>	<b>968 577</b>	<b>872 976</b>	<b>862 519</b>

Turnover	Jan-Mar 2023	Jan-Dec 2022	Jan-Mar 2022
<b>Opening balance</b>	<b>872 976</b>	<b>802 353</b>	<b>802 353</b>
Issued	290 932	1 008 334	282 927
Repurchased	-5 832	-35 067	-10 742
Repaid	-195 532	-927 096	-212 510
Interest, change in fair values or hedged items in fair value hedges and changes in exchange rates	6 033	24 452	491
<b>Closing balance</b>	<b>968 577</b>	<b>872 976</b>	<b>862 519</b>

## Note 19 Derivatives

SEKm	Nominal amount			Positive fair value			Negative fair value		
	31 Mar 2023	31 Dec 2022	31 Mar 2022	31 Mar 2023	31 Dec 2022	31 Mar 2022	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>Derivatives in hedge accounting</b>									
One-to-one fair value hedges <sup>1</sup>	534 771	517 756	532 173	984	738	3 605	26 465	29 094	10 295
Portfolio fair value hedges <sup>1</sup>	400 750	436 005	508 779	18 017	20 289	10 605	43	23	191
Cash flow hedges <sup>2</sup>	8 307	8 179	8 183	731	603	96			38
<b>Total</b>	<b>943 828</b>	<b>961 940</b>	<b>1 049 135</b>	<b>19 732</b>	<b>21 630</b>	<b>14 306</b>	<b>26 508</b>	<b>29 117</b>	<b>10 524</b>
<b>Non-hedge accounting derivatives</b>	<b>32 264 447</b>	<b>29 580 068</b>	<b>27 358 660</b>	<b>1 149 370</b>	<b>1 223 832</b>	<b>534 544</b>	<b>1 158 022</b>	<b>1 236 903</b>	<b>536 898</b>
<b>Gross amount</b>	<b>33 188 666</b>	<b>30 542 008</b>	<b>28 407 795</b>	<b>1 169 102</b>	<b>1 245 462</b>	<b>548 850</b>	<b>1 184 530</b>	<b>1 266 021</b>	<b>547 422</b>
Offset amount				-1 131 750	-1 194 958	-509 551	-1 136 671	-1 197 341	-507 313
<b>Total</b>				<b>37 351</b>	<b>50 504</b>	<b>39 299</b>	<b>47 859</b>	<b>68 679</b>	<b>40 109</b>

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.

## Note 20 Valuation categories for financial instruments

The tables below present the carrying amount and fair value of financial assets and financial liabilities, according to valuation categories. The methodologies to determine the fair value are described in the Annual and Sustainability Report 2022, note G47 Fair value of financial instruments.

31 Mar 2023							
Fair value through profit and loss							
Mandatorily							
SEKm	Amortised cost	Trading	Other	Total	Hedging instruments	Total carrying amount	Fair value
<b>Financial assets</b>							
Cash and balances with central banks	361 343					361 343	361 343
Treasury bills and other bills eligible for refinancing with central banks, etc.	261 926	19 665	8 787	28 452		290 378	290 381
Loans to credit institutions	54 150	5 166		5 166		59 316	59 316
Loans to the public <sup>1</sup>	1 793 382	44 545	224	44 769		1 838 152	1 835 003
Value change of the hedged items in portfolio hedges of interest rate risk	-17 389					-17 389	-17 389
Bonds and other interest-bearing securities		50 361	22 152	72 513		72 513	72 513
Financial assets for which customers bear the investment risk			287 622	287 622		287 622	287 622
Shares and participating interests		10 692	27 203	37 894		37 894	37 894
Derivatives		35 669		35 669	1 682	37 351	37 351
Other financial assets	27 895					27 895	27 895
<b>Total</b>	<b>2 481 308</b>	<b>166 098</b>	<b>345 988</b>	<b>512 086</b>	<b>1 682</b>	<b>2 995 076</b>	<b>2 991 930</b>
<b>Fair value through profit and loss</b>							
	Amortised cost	Trading	Designated	Total	Hedging instruments	Total carrying amount	Fair value
<b>Financial liabilities</b>							
Amounts owed to credit institutions	107 273	29 155		29 155		136 427	136 427
Deposits and borrowings from the public	1 307 597	5 482		5 482		1 313 079	1 313 078
Financial liabilities for which customers bear the investment risk			289 440	289 440		289 440	289 440
Debt securities in issue <sup>2</sup>	862 292	2 155	125	2 279		864 571	864 526
Short position securities		23 986		23 986		23 986	23 986
Derivatives		46 655		46 655	1 204	47 859	47 859
Senior non-preferred liabilities	66 774					66 774	68 544
Subordinated liabilities	37 232					37 232	36 194
Other financial liabilities	44 603					44 603	44 603
<b>Total</b>	<b>2 425 770</b>	<b>107 432</b>	<b>289 565</b>	<b>396 997</b>	<b>1 204</b>	<b>2 823 971</b>	<b>2 824 657</b>

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) Nominal amount of debts securities in issue designated at fair value through profit or loss was SEK 113m.

31 Dec 2022

SEKm	Fair value through profit and loss						Fair value
	Mandatorily				Hedging instruments	Total carrying amount	
	Amortised cost	Trading	Other	Total			
<b>Financial assets</b>							
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 <sup>1</sup>	1 811 962	30 586	264	30 850		1 842 811	1 838 695
Value change of the hedged items 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 <sup>2</sup>			268 594	268 594		268 594	268 594
Shares and participating interests <sup>2</sup>		4 467	25 801	30 268		30 268	30 268
Derivatives		48 980		48 980	1 524	50 504	50 504
Other financial assets <sup>2</sup>	8 024					8 024	8 024
<b>Total</b>	<b>2 354 923</b>	<b>131 628</b>	<b>327 118</b>	<b>458 746</b>	<b>1 524</b>	<b>2 815 193</b>	<b>2 811 079</b>

SEKm	Fair value through profit and loss						Fair value
	Mandatorily				Hedging instruments	Total carrying amount	
	Amortised cost	Trading	Designated	Total			
<b>Financial liabilities</b>							
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 <sup>2</sup>			268 892	268 892		268 892	268 892
Debt securities in issue <sup>3</sup>	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 <sup>2</sup>	26 916					26 916	26 916
<b>Total</b>	<b>2 272 821</b>	<b>100 257</b>	<b>269 014</b>	<b>369 271</b>	<b>1 280</b>	<b>2 643 372</b>	<b>2 646 039</b>

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 inputs to the measurement.

- 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	31 Mar 2023				31 Dec 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets</b>								
Treasury bills etc.	25 058	3 394		28 452	15 630	3 112		18 742
Loans to credit institutions		5 166		5 166		15		15
Loans to the public		44 733	36	44 769		30 817	33	30 850
Bonds and other interest-bearing securities	55 455	17 058		72 513	42 138	19 160		61 298
Financial assets for which the customers bear the investment risk <sup>1</sup>	287 481		141	287 622	268 450		144	268 594
Shares and participating interests <sup>1</sup>	36 767	4	1 123	37 894	29 183	4	1 081	30 268
Derivatives	137	37 214		37 351	179	50 325		50 504
<b>Total</b>	<b>404 898</b>	<b>107 569</b>	<b>1 300</b>	<b>513 768</b>	<b>355 580</b>	<b>103 433</b>	<b>1 258</b>	<b>460 271</b>
<b>Liabilities</b>								
Amounts owed to credit institutions		29 155		29 155		659		659
Deposits and borrowings from the public		5 482		5 482		2 815		2 815
Debt securities in issue		2 279		2 279		2 371		2 371
Financial liabilities for which the customers bear the investment risk <sup>1</sup>		289 299	141	289 440		268 748	144	268 892
Derivatives	159	47 700		47 859	197	68 482		68 679
Short positions, securities	21 663	2 323		23 986	27 014	120		27 134
<b>Total</b>	<b>21 822</b>	<b>376 238</b>	<b>141</b>	<b>398 201</b>	<b>27 211</b>	<b>343 195</b>	<b>144</b>	<b>370 550</b>

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	3	3		6		7	7		14			
Sale of assets/ dividends received	-11		-7	-18		-51			-51			
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	50		4	54	4	111			111			
	50		4	54	4	87			87			
<b>Closing balance 31 March</b>	<b>1 123</b>	<b>36</b>	<b>141</b>	<b>1 300</b>	<b>141</b>	<b>1 344</b>	<b>21</b>	<b>139</b>	<b>1 504</b>	<b>139</b>		

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. During the third quarter 2022, there was a conversion of VISA Inc. C shares to VISA Inc. A. The carrying amount of the holdings in Visa Inc. C amounted as per 31 March 2023 to SEK 467m (SEK 753m 31 March 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 therefore been transferred and 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	31 Mar 2023	31 Dec 2022	31 Mar 2022
Loans used as collateral for covered bonds <sup>1</sup>	371 022	382 095	493 091
Assets recorded in register on behalf of insurance policy holders	304 184	290 678	307 201
Other assets pledged for own liabilities	84 913	82 800	62 596
Other assets pledged	15 398	14 287	8 847
<b>Assets pledged</b>	<b>775 517</b>	<b>769 860</b>	<b>871 736</b>
<b>Nominal amounts</b>			
Guarantees	42 136	45 632	54 306
Other	75	75	162
<b>Contingent liabilities</b>	<b>42 211</b>	<b>45 708</b>	<b>54 468</b>
<b>Nominal amounts</b>			
Loans granted not paid	207 713	202 987	205 736
Overdraft facilities granted but not utilised	57 468	62 089	64 189
<b>Commitments</b>	<b>265 181</b>	<b>265 076</b>	<b>269 925</b>

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. In Q1 2023, Swedbank recognized a provision of SEK 40m related to the ongoing investigation by OFAC.

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. With the exception of OFAC, 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		
	31 Mar 2023	31 Dec 2022	31 Mar 2022	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>Financial assets and liabilities, which have been offset or are subject to netting</b>						
Gross amount	1 292 397	1 362 130	675 026	1 292 412	1 354 318	663 704
Offset amount	-1 202 839	-1 281 853	-589 684	-1 207 759	-1 284 235	-587 446
<b>Net amounts presented in the balance sheet</b>	<b>89 559</b>	<b>80 277</b>	<b>85 342</b>	<b>84 653</b>	<b>70 083</b>	<b>76 258</b>
<b>Related amounts not offset in the balance sheet</b>						
Financial instruments, netting arrangements	29 111	28 509	34 932	29 111	28 509	34 932
Financial Instruments, collateral	42 982	29 865	30 477	35 549	9 100	24 688
Cash collateral	8 217	8 579	8 345	16 002	21 497	12 931
<b>Total amount not offset in the balance sheet</b>	<b>80 310</b>	<b>66 953</b>	<b>73 754</b>	<b>80 662</b>	<b>59 106</b>	<b>72 551</b>
<b>Net amount</b>	<b>9 249</b>	<b>13 324</b>	<b>11 588</b>	<b>3 991</b>	<b>10 977</b>	<b>3 707</b>

The amount offset for derivative assets includes offset cash collateral of SEK 17 214m (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 22 135m (23 213),

derived from the balance sheet item Loans to credit institutions.

As of 31 March 2022, offset amounts for security settlement claims and liabilities are included in the table above.

## 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 1423/2013 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. The EnterCard Group is consolidated by the proportional method instead of the equity method. Otherwise, the same principles for consolidations are applied as for the Group.

	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
<b>Consolidated situation, SEKm</b>					
<b>Available own funds</b>					
Common Equity Tier 1 (CET1) capital	147 702	144 107	139 624	135 943	132 601
Tier 1 capital	162 241	153 320	149 435	145 312	141 306
Total capital	185 944	176 331	174 137	161 879	156 954
<b>Risk-weighted exposure amounts</b>					
Total risk exposure amount	806 178	809 438	753 060	743 767	724 472
<b>Capital ratios as a percentage of risk-weighted exposure amount</b>					
Common Equity Tier 1 ratio	18.3	17.8	18.5	18.3	18.3
Tier 1 ratio	20.1	18.9	19.8	19.5	19.5
Total capital ratio	23.1	21.8	23.1	21.8	21.7
<b>Additional own funds requirements to address risks other than the risk of excessive leverage as a percentage of risk-weighted exposure amount</b>					
Additional own funds requirements to address risks other than the risk of excessive leverage	2.3	2.3	2.3	1.7	1.7
of which: to be made up of CET1 capital	1.5	1.5	1.5	1.2	1.2
of which: to be made up of Tier 1 capital	1.8	1.8	1.8	1.3	1.3
Total SREP own funds requirements	10.3	10.3	10.3	9.7	9.7
<b>Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount</b>					
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	0.9	0.9	0.8	0.1	0.0
Systemic risk buffer	3.0	3.0	3.0	3.0	3.0
Other Systemically Important Institution buffer	1.0	1.0	1.0	1.0	1.0
Combined buffer requirement	7.4	7.4	7.3	6.6	6.5
Overall capital requirements	17.7	17.7	17.6	16.3	16.2
CET1 available after meeting the total SREP own funds requirements	12.3	11.2	12.1	12.0	11.9
<b>Leverage ratio</b>					
Total exposure measure	2 921 562	2 735 019	2 844 556	2 796 534	2 774 716
Leverage ratio, %	5.6	5.6	5.3	5.2	5.1
<b>Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure</b>					
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
<b>Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure</b>					
Leverage ratio buffer requirement					
Overall leverage ratio requirement	3.0	3.0	3.0	3.0	3.0
<b>Liquidity Coverage Ratio</b>					
Total high-quality liquid assets, average weighted value	715 174	716 743	725 870	753 524	743 708
Cash outflows, total weighted value	579 756	578 133	570 543	572 353	553 356
Cash inflows, total weighted value	91 457	80 684	69 997	61 307	55 603
Total net cash outflows, adjusted value	488 298	497 449	500 545	511 046	497 752
Liquidity coverage ratio, %	147.4	145.4	146.4	148.7	150.6
<b>Net stable funding ratio</b>					
Total available stable funding	1 709 056	1 663 231	1 664 570	1 668 633	1 657 266
Total required stable funding	1 418 583	1 404 092	1 420 778	1 402 804	1 359 706
Net stable funding ratio, %	120.5	118.5	117.2	119.0	122.0

<b>Common Equity Tier 1 capital</b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>31 Mar</b>
<b>Consolidated situation, SEKm</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
Shareholders' equity according to the Group's balance sheet	173 334	176 064	154 568
Anticipated dividend	-3 780	-10 967	-2 308
Value changes in own financial liabilities	-227	-339	-186
Cash flow hedges	-11	-13	-3
Additional value adjustments	-803	-576	-984
Goodwill	-14 037	-13 863	-13 711
Deferred tax assets	-41	-106	-80
Intangible assets	-4 320	-4 005	-4 540
Insufficient coverage for non-performing exposures	-9	-11	-1
Deductions of CET1 capital due to Article 3 CRR	-113	-106	-123
Shares deducted from CET1 capital	-39	-40	-32
Pension fund assets	-2 253	-1 930	0
<b>Total</b>	<b>147 702</b>	<b>144 107</b>	<b>132 601</b>

<b>Risk exposure amount</b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>31 Mar</b>
<b>Consolidated situation, SEKm</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
Risk exposure amount credit risks, standardised approach	53 128	54 992	50 804
Risk exposure amount credit risks, IRB	337 809	336 516	295 199
Risk exposure amount default fund contribution	231	149	313
Risk exposure amount market risks	19 837	21 461	24 057
Risk exposure amount credit value adjustment	1 976	3 809	4 653
Risk exposure amount operational risks	79 995	79 995	75 618
Additional risk exposure amount, Article 3 CRR	73 400	71 411	30 848
Additional risk exposure amount, Article 458 CRR	239 802	241 106	242 981
<b>Total</b>	<b>806 178</b>	<b>809 438</b>	<b>724 472</b>

	SEKm			%		
<b>Capital requirements<sup>1</sup></b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>31 Mar</b>
<b>Consolidated situation, SEKm / %</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
Capital requirement Pillar 1	124 354	124 756	105 340	15.4	15.4	14.5
of which Buffer requirements <sup>2</sup>	59 860	60 001	47 382	7.4	7.4	6.5
Capital requirement Pillar 2 <sup>3</sup>	18 300	18 374	12 316	2.3	2.3	1.7
Pillar 2 guidance <sup>4</sup>	8 062	8 094	10 867	1.0	1.0	1.5
<b>Total capital requirement including Pillar 2 guidance</b>	<b>150 716</b>	<b>151 225</b>	<b>128 523</b>	<b>18.7</b>	<b>18.7</b>	<b>17.7</b>
<b>Own funds</b>	<b>185 944</b>	<b>176 331</b>	<b>156 954</b>			

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 2022.

4) From Q3 2021 Swedbank consolidated situation is subject to Pillar 2 guidance.

	SEKm			%		
<b>Leverage ratio requirements<sup>1</sup></b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>31 Mar</b>
<b>Consolidated situation, SEKm / %</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
Leverage ratio requirement Pillar 1	87 647	82 051	83 241	3.0	3.0	3.0
Leverage ratio Pillar 2 guidance	13 147	12 308	12 486	0.5	0.5	0.5
<b>Total capital requirement including Pillar 2 guidance</b>	<b>100 794</b>	<b>94 358</b>	<b>95 728</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>

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 31 March 2023, the internal capital assessment for Swedbank's consolidated situation amounted to SEK 42.0bn (SEK 41.5bn as of 31 December 2022). The capital to meet the internal capital assessment, i.e. the Total capital, amounted to SEK 185.9bn (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 capital 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 28.9bn (SEK 28.8bn as of 31 December 2022) and the total capital amounted to SEK 143.5bn (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 3 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](http://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

Europe has faced several geopolitical risks during the quarter, including the ongoing Russian-attack on Ukraine, climate-related events, unpredictable and increasingly protectionist trade policies, and ongoing pandemic-related economic distortions. Many of the risks are related to the fact that a new geopolitical situation is taking shape due to the war in Ukraine and U.S.-China competition which have fuelled fragmentation and the emergence of geopolitical blocs

### Persistently high inflation

The Russian attack on Ukraine has continued to inflate energy and food prices, leading to cost issues for businesses and higher living costs for consumers during the first quarter of 2023. Consequently, inflation is persistently high, and the quarter was characterised by continued interest rate increases in both Europe and the USA. The combination of high inflation and rising interest rates is expected to result in an economic slowdown globally and in a mild recession in Sweden.

### Turbulence in the banking system

A minor banking crisis occurred when several niche banks in the U.S. faced liquidity concerns triggering sector wide turbulence. The first bank to fail was the cryptocurrency focused Silvergate Bank and only days later, Silicon Valley Bank (SVB), experienced deposit outflows. Market turbulence spread to Signature Bank and due to the rapid development and concerns regarding liquidity and uninsured deposit, both SVB and Signature Bank filed for Chapter 11 bankruptcy protection. Following the U.S. financial turmoil, the Swiss bank UBS acquired Credit Suisse (CS) in an emergency rescue deal.

### Challenges and risk in digitalisation

IT and information security risk management continues to be a priority as the threat to the financial sector remains high, mainly as a result of geopolitical developments. Swedbank continues to monitor the situation and the bank's capacity to manage these risks is good.

Organised crime continues to contribute to an increased risk of fraud. Swedbank together with other banks launched a fraud awareness campaign "Svårlurad" that aims to increase fraud risk awareness. Swedbank has also worked to improve its ability to detect and prevent fraud.

### 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.

Swedbank has identified elevated compliance risks in the financial sanctions area and in the market surveillance area. Work is ongoing within the bank to address the deficiencies identified.

### 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.

### Potential changes in the tax situation in the Baltic countries

The geopolitical situation affects the economies and public finances of the Baltic countries, which may lead to a need for increased taxes. In Estonia, an increase in the corporate tax rate is being discussed. In Lithuania and Latvia, the possibility of introducing a temporary extra tax (bank tax) is being discussed against the background of the impact of higher interest rates on banks' profitability. The bank taxes discussed are linked to the size of the net interest income.

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 disclosure in the Risk Management and Capital Adequacy reports available at [www.swedbank.com](http://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.

31 March 2023	< 5 yrs	5-10 yrs	> 10 yrs	Total
SEK	-1 621	-89	81	-1 629
Foreign currencies	446	90	-79	457
<b>Total</b>	<b>-1 175</b>	<b>1</b>	<b>2</b>	<b>-1 172</b>
<b>31 December 2022</b>				
SEK	-1 423	-251	-7	-1 681
Foreign currencies	747	-69	17	695
<b>Total</b>	<b>-676</b>	<b>-320</b>	<b>10</b>	<b>-986</b>

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.

31 March 2023	< 5 yrs	5-10 yrs	> 10 yrs	Total
SEK	572	-106	176	642
Foreign currencies	-904	211	-100	-793
<b>Total</b>	<b>-332</b>	<b>105</b>	<b>76</b>	<b>-151</b>
<b>31 December 2022</b>				
SEK	701	-249	-7	445
Foreign currencies	-554	-34	29	-559
<b>Total</b>	<b>147</b>	<b>-283</b>	<b>22</b>	<b>-114</b>

## 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

	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>Number of outstanding ordinary shares</b>			
<b>Issued shares</b>			
SWED A	1 132 005 722	1 132 005 722	1 132 005 722
<b>Repurchased shares</b>			
SWED A	-7 446 771	-8 934 918	-9 141 757
<b>Number of outstanding ordinary shares on the closing day</b>	<b>1 124 558 951</b>	<b>1 123 070 804</b>	<b>1 122 863 965</b>
<b>SWED A</b>			
Last price, SEK	170.15	177.30	141.00
<b>Market capitalisation, SEKm</b>	<b>191 344</b>	<b>199 120</b>	<b>158 324</b>

During 2023, within Swedbank's share-based compensation programme, Swedbank AB transferred 1 488 147 shares at no cost to employees.

	Q1 2023	Q4 <sup>1</sup> 2022	Q1 <sup>1</sup> 2022
<b>Earnings per share</b>			
<b>Average number of shares</b>			
Average number of shares before dilution	1 123 704 913	1 123 070 804	1 122 181 797
Weighted average number of shares for potential ordinary shares that incur a dilutive effect due to share-based compensation programme	2 729 989	3 013 948	2 924 129
Average number of shares after dilution	1 126 434 902	1 126 084 752	1 125 105 926
<b>Profit, SEKm</b>			
Profit for the period attributable to shareholders of Swedbank	7 561	6 789	4 484
Earnings for the purpose of calculating earnings per share	7 561	6 789	4 484
<b>Earnings per share, SEK</b>			
Earnings per share before dilution	6.73	6.05	4.00
Earnings per share after dilution	6.71	6.03	3.99

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	Q4 2022			Q1 2022		
	Group SEKm	Previous reporting	Changed presentation	New reporting	Previous reporting	Changed presentation
Interest income on financial assets at amortised cost	17 327		17 327	7 500		7 500
Other interest income	113	-3	110	116	-2	114
<b>Interest income</b>	<b>17 440</b>	<b>-3</b>	<b>17 437</b>	<b>7 616</b>	<b>-2</b>	<b>7 614</b>
Interest expense	-6 519		-6 519	-854		-854
<b>Net interest income (note 5)</b>	<b>10 921</b>	<b>-3</b>	<b>10 918</b>	<b>6 762</b>	<b>-3</b>	<b>6 759</b>
Commission income	5 593	-43	5 550	5 494	-47	5 447
Commission expense	-2 146	18	-2 128	-1 913	17	-1 896
<b>Net commission income (note 6)</b>	<b>3 448</b>	<b>-25</b>	<b>3 422</b>	<b>3 581</b>	<b>-30</b>	<b>3 551</b>
Net gains and losses on financial items (note 7)	763		763	122	17	139
Insurance result		-526	-526		1 471	1 471
Return on assets backing insurance liabilities		760	760		-1 307	-1 307
<b>Net insurance (note 8)</b>	<b>382</b>	<b>-147</b>	<b>235</b>	<b>459</b>	<b>-295</b>	<b>164</b>
Share of profit or loss of associates and joint ventures	194		194	165		165
Other income	415		415	366		366
<b>Total income</b>	<b>16 124</b>	<b>-175</b>	<b>15 947</b>	<b>11 455</b>	<b>-310</b>	<b>11 145</b>
Staff costs	3 475	-109	3 366	3 218	-100	3 118
Other general administrative expenses (note 9)	1 834	-40	1 794	1 457	-48	1 409
Depreciation/amortisation of tangible and intangible assets	441		441	412		412
<b>Total expenses</b>	<b>5 750</b>	<b>-148</b>	<b>5 602</b>	<b>5 087</b>	<b>-149</b>	<b>4 938</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>10 373</b>	<b>-26</b>	<b>10 346</b>	<b>6 368</b>	<b>-162</b>	<b>6 206</b>
Impairment of intangible assets (note 15)	681		681			
Impairment of tangible assets	3		3			
Credit impairment (note 10)	679		679	158		158
Swedish bank tax and resolution fees (note 11)	439		439	456		456
<b>Profit before tax</b>	<b>8 571</b>	<b>-27</b>	<b>8 543</b>	<b>5 754</b>	<b>-162</b>	<b>5 592</b>
Tax expense	1 759	-4	1 755	1 137	-29	1 108
<b>Profit for the period</b>	<b>6 812</b>	<b>-23</b>	<b>6 788</b>	<b>4 617</b>	<b>-133</b>	<b>4 484</b>
Profit for the period attributable to:						
Shareholders of Swedbank AB	6 813	-23	6 789	4 617	-133	4 484
Non-controlling interests	-1		-1	0		0
C/I ratio	0.36	-0.01	0.35	0.44	0.00	0.44
Earnings per share, SEK	6.07	-0.02	6.05	4.11	-0.11	4.00
Earnings per share after dilution, SEK	6.05	-0.02	6.03	4.10	-0.11	3.99

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 first quarter 2022, administrative expenses in the income statement of SEK 149m was reclassified to the Net insurance line. Net insurance, restated for the first quarter 2022 and including the remeasurement impact, was SEK 295m 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			31 Mar 2022		
	Previous reporting	Changed presentation	New reporting	Previous reporting	Changed presentation	New reporting
<b>Assets</b>						
Cash and balances with central banks	365 992		365 992	429 475		429 475
Treasury bills and other bills eligible for refinancing with central banks, etc.	151 483		151 483	148 937		148 937
Loans to credit institutions	56 589		56 589	53 281		53 281
Loans to the public	1 842 811		1 842 811	1 761 481		1 761 481
Value change of interest hedged items in portfolio hedges of interest rate risk	-20 369		-20 369	-11 087		-11 087
Bonds and other interest-bearing securities	61 298		61 298	79 161		79 161
Financial assets for which customers bear the investment risk	290 678	-22 084	268 594	306 856	-23 249	283 607
Shares and participating interests	8 184	22 084	30 268	8 702	23 249	31 951
Investments in associates and joint ventures	7 830		7 830	7 889		7 889
Derivatives (note 19)	50 504		50 504	39 299		39 299
Intangible assets (note 15)	19 886		19 886	19 756		19 756
Tangible assets	5 449		5 449	5 358		5 358
Current tax assets	1 449		1 449	1 357		1 357
Deferred tax assets	159		159	129		129
Pension assets	2 431		2 431			
Other assets	8 474	-230	8 244	32 441	-154	32 287
Prepaid expenses and accrued income	2 028		2 028	2 397		2 397
<b>Total assets</b>	<b>2 854 876</b>	<b>-230</b>	<b>2 854 646</b>	<b>2 885 431</b>	<b>-154</b>	<b>2 885 277</b>
<b>Liabilities and equity</b>						
Amounts owed to credit institutions (note 16)	72 826		72 826	133 325		133 325
Deposits and borrowings from the public (note 17)	1 305 948		1 305 948	1 300 334		1 300 334
Financial liabilities for which customers bear the investment risk	291 993	-23 101	268 892	309 479	-24 066	285 413
Debt securities in issue (note 18)	784 206		784 206	791 543		791 543
Short positions, securities	27 134		27 134	24 716		24 716
Derivatives (note 19)	68 679		68 679	40 109		40 109
Current tax liabilities	1 811		1 811	907		907
Deferred tax liabilities	3 599	16	3 615	3 696	69	3 765
Pension provisions	168		168	1 038		1 038
Insurance provisions	2 041	22 834	24 875	1 923	23 404	25 327
Other liabilities and provisions	26 944	40	26 984	47 184	84	47 268
Accrued expenses and prepaid income	4 664	-7	4 657	5 607	-5	5 602
Senior non-preferred liabilities (note 18)	57 439		57 439	47 179		47 179
Subordinated liabilities (note 18)	31 331		31 331	23 797		23 797
<b>Total liabilities</b>	<b>2 678 784</b>	<b>-218</b>	<b>2 678 566</b>	<b>2 730 837</b>	<b>-513</b>	<b>2 730 324</b>
<b>Equity</b>						
Non-controlling interests	29		29	26		26
Equity attributable to shareholders of the parent company	176 064	-12	176 052	154 568	359	154 927
<b>Total equity</b>	<b>176 092</b>	<b>-12</b>	<b>176 080</b>	<b>154 594</b>	<b>359</b>	<b>154 953</b>
<b>Total liabilities and equity</b>	<b>2 854 876</b>	<b>-230</b>	<b>2 854 646</b>	<b>2 885 431</b>	<b>-154</b>	<b>2 885 277</b>

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 100m 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 25 327m, of which SEK 23 799m has been measured according to the general model with direct participation features.

## Balance sheet, condensed

1 January  
2022

Group SEKm	Previous reporting	Changed presentation	Remeasur- ment	New reporting
<b>Assets</b>				
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 items 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
<b>Total assets</b>	<b>2 750 617</b>	<b>-138</b>	<b>-42</b>	<b>2 750 437</b>
<b>Liabilities and equity</b>				
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
<b>Total liabilities</b>	<b>2 588 921</b>	<b>-138</b>	<b>-526</b>	<b>2 588 257</b>
<b>Equity</b>				
Non-controlling interests	26			26
Equity attributable to shareholders of the parent company	161 670		484	162 155
<b>Total equity</b>	<b>161 696</b>		<b>484</b>	<b>162 181</b>
<b>Total liabilities and equity</b>	<b>2 750 617</b>	<b>-138</b>	<b>-42</b>	<b>2 750 437</b>

## Swedbank AB

### Income statement, condensed

Parent company SEKm	Q1 2023	Q4 2022	Q1 2022
Interest income on financial assets at amortised cost	15 684	11 885	2 649
Other interest income	2 452	2 390	1 459
<b>Interest income</b>	<b>18 136</b>	<b>14 275</b>	<b>4 108</b>
Interest expense	-11 311	-7 534	-251
<b>Net interest income</b>	<b>6 825</b>	<b>6 741</b>	<b>3 857</b>
Dividends received	6 262	4 854	5 769
Commission income	2 201	2 090	2 125
Commission expense	-502	-496	-555
<b>Net commission income</b>	<b>1 699</b>	<b>1 595</b>	<b>1 570</b>
Net gains and losses on financial items	342	587	-926
Other income	923	905	688
<b>Total income</b>	<b>16 051</b>	<b>14 680</b>	<b>10 958</b>
Staff costs	2 883	2 744	2 546
Other expenses	1 557	1 717	1 314
Depreciation/amortisation and impairment of tangible and intangible fixed assets	1 265	1 253	1 248
Administrative fines	890		
<b>Total expenses</b>	<b>6 596</b>	<b>5 713</b>	<b>5 108</b>
<b>Profit before impairments, Swedish bank tax and resolution fees</b>	<b>9 455</b>	<b>8 967</b>	<b>5 850</b>
Credit impairments, net	547	279	107
Impairment of financial assets <sup>1</sup>		1 946	
Swedish bank tax and resolution fees	337	251	279
<b>Operating profit</b>	<b>8 571</b>	<b>6 491</b>	<b>5 464</b>
Appropriations		-5 263	
Tax expense	1 101	2 947	594
<b>Profit for the period</b>	<b>7 471</b>	<b>8 807</b>	<b>4 870</b>

1) Impairment of financial assets during 2022 refers to impairments for Swedbank PayEx Holding AB of SEK 1 940m and FR & R Invest AB of SEK 6m.

### Statement of comprehensive income, condensed

Parent company SEKm	Q1 2023	Q4 2022	Q1 2022
<b>Profit for the period reported via income statement</b>	<b>7 471</b>	<b>8 807</b>	<b>4 870</b>
<b>Total comprehensive income for the period</b>	<b>7 471</b>	<b>8 807</b>	<b>4 870</b>

## Balance sheet, condensed

Parent company SEKm	31 Mar 2023	31 Dec 2022	31 Mar 2022
<b>Assets</b>			
Cash and balances with central banks	218 900	215 314	276 211
Loans to credit institutions	819 143	830 322	782 430
Loans to the public	464 675	470 187	438 271
Interest-bearing securities	357 321	204 942	219 918
Shares and participating interests	77 176	70 434	72 384
Derivatives	53 621	67 764	46 254
Other assets	39 100	39 794	53 283
<b>Total assets</b>	<b>2 029 938</b>	<b>1 898 757</b>	<b>1 888 751</b>
<b>Liabilities and equity</b>			
Amounts owed to credit institutions	186 713	162 348	248 844
Deposits and borrowings from the public	952 674	943 777	983 004
Debt securities in issue	528 185	435 782	356 067
Derivatives	78 986	100 346	59 236
Other liabilities and provisions	65 920	50 865	64 288
Senior non-preferred liabilities	66 774	57 439	47 179
Subordinated liabilities	37 232	31 331	23 797
Untaxed reserves	5 367	5 367	10 630
Equity	108 088	111 502	95 706
<b>Total liabilities and equity</b>	<b>2 029 938</b>	<b>1 898 757</b>	<b>1 888 751</b>
Pledged collateral	84 810	82 473	62 618
Other assets pledged	15 398	14 287	8 847
Contingent liabilities	88 787	132 608	214 086
Commitments	254 058	253 613	259 568



## Statement of changes in equity, condensed

Parent company  
SEKm

	Restricted equity		Non-restricted equity		Total
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	
<b>January-March 2023</b>					
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				74	74
Deferred tax related to share based payments to employees				5	5
Total comprehensive income for the period				7 471	7 471
<b>Closing balance 31 March 2023</b>	<b>24 904</b>	<b>5 968</b>	<b>13 206</b>	<b>64 010</b>	<b>108 088</b>
<b>January-December 2022</b>					
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
<b>Closing balance 31 December 2022</b>	<b>24 904</b>	<b>5 968</b>	<b>13 206</b>	<b>67 424</b>	<b>111 502</b>
<b>January-March 2022</b>					
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				55	55
Deferred tax related to share based payments to employees				-7	-7
Current tax related to share based payments to employees				-1	-1
Total comprehensive income for the period				4 870	4 870
<b>Closing balance 31 March 2022</b>	<b>24 904</b>	<b>5 968</b>	<b>13 206</b>	<b>51 628</b>	<b>95 706</b>

## Cash flow statement, condensed

Parent company SEKm	Jan-Mar 2023	Full-year 2022	Jan-Mar 2022
Cash flow from operating activities	-22 969	-2 081	59 910
Cash flow from investing activities	12 994	12 223	16 784
Cash flow from financing activities	13 562	10 819	5 164
<b>Cash flow for the period</b>	<b>3 587</b>	<b>20 961</b>	<b>81 858</b>
Cash and cash equivalents at beginning of period	215 314	194 353	194 353
Cash flow for the period	3 587	20 961	81 858
<b>Cash and cash equivalents at end of period</b>	<b>218 900</b>	<b>215 314</b>	<b>276 211</b>

## Capital adequacy

Parent company, SEKm	31 Mar 2023	31 Dec 2022	30 Jun 2023	31 Mar 2023	31 Mar 2022
<b>Available own funds</b>					
Common equity tier 1 (CET1) capital	106 324	102 528	100 941	100 550	99 242
Tier 1 capital	120 863	111 742	110 753	109 919	107 947
Total capital	143 484	134 563	135 353	126 835	123 967
<b>Risk-weighted exposure amounts</b>					
Total risk exposure amount	381 565	394 817	395 783	397 501	372 112
<b>Capital ratios as a percentage of risk-weighted exposure amount</b>					
Common equity tier 1 ratio	27.9	26.0	25.5	25.3	26.7
Tier 1 ratio	31.7	28.3	28.0	27.7	29.0
Total capital ratio	37.6	34.1	34.2	31.9	33.3
<b>Additional own funds requirements to address risks other than the risk of excessive leverage as a percentage of risk-weighted exposure amount</b>					
Additional own funds requirements to address risks other than the risk of excessive leverage	2.1	2.1	2.1	1.5	1.5
of which: to be made up of CET1 capital	1.4	1.4	1.4	1.1	1.1
of which: to be made up of Tier 1 capital	1.6	1.6	1.6	1.2	1.2
Total SREP own funds requirements	10.1	10.1	10.1	9.5	9.5
<b>Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount</b>					
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	0.9	0.9	0.8	0.1	0.1
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	3.4	3.4	3.3	2.6	2.6
Overall capital requirements	13.5	13.5	13.4	12.1	12.1
CET1 available after meeting the total SREP own funds requirements	21.9	20.0	19.6	19.7	21.1
<b>Leverage ratio</b>					
Total exposure measure	1 521 947	1 340 798	1 463 298	1 440 224	1 376 279
Leverage ratio, %	7.9	8.3	7.6	7.6	7.8
<b>Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure</b>					
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
<b>Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure</b>					
Leverage ratio buffer requirement					
Overall leverage ratio requirement	3.0	3.0	3.0	3.0	3.0
<b>Liquidity coverage ratio</b>					
Total high-quality liquid assets, average weighted value	560 888	560 040	564 761	593 255	594 925
Cash outflows, total weighted value	597 651	607 726	596 307	607 638	585 494
Cash inflows, total weighted value	90 039	81 543	70 901	62 341	53 941
Total net cash outflows, adjusted value	507 612	526 182	525 406	545 298	531 552
Liquidity coverage ratio, %	111.1	106.7	107.8	108.8	112.1
<b>Net stable funding ratio</b>					
Total available stable funding	1 032 023	1 014 113	1 015 807	996 739	992 003
Total required stable funding	601 344	593 123	598 193	590 330	565 611
Net stable funding ratio, %	171.6	171.0	169.9	168.9	175

<b>Risk exposure amount</b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>31 Mar</b>
<b>Parent company, SEKm</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
Risk exposure amount credit risks, standardised approach	104 306	103 867	86 587
Risk exposure amount credit risks, IRB	175 375	180 802	175 369
Risk exposure amount default fund contribution	231	149	313
Risk exposure amount market risks	19 747	21 352	25 066
Risk exposure amount credit value adjustment	1 968	3 801	4 646
Risk exposure amount operational risks	42 408	42 408	40 218
Additional risk exposure amount, Article 3 CRR	29 358	33 658	29 658
Additional risk exposure amount, Article 458 CRR	8 172	8 782	10 254
<b>Total</b>	<b>381 565</b>	<b>394 817</b>	<b>372 112</b>

	SEKm			%		
<b>Capital requirements<sup>1</sup></b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>31 Mar</b>
<b>Parent company, SEKm / %</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
Capital requirement Pillar 1	43 500	44 870	39 362	11.4	11.4	10.6
of which Buffer requirements <sup>2</sup>	12 975	13 285	9 593	3.4	3.4	2.6
Capital requirement Pillar 2 <sup>3</sup>	8 013	8 291	5 582	2.1	2.1	1.5
<b>Total capital requirement including Pillar 2 guidance</b>	<b>51 513</b>	<b>53 161</b>	<b>44 943</b>	<b>13.5</b>	<b>13.5</b>	<b>12.1</b>
<b>Own funds</b>	<b>143 484</b>	<b>134 563</b>	<b>123 967</b>			

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 2022.

	SEKm			%		
<b>Leverage ratio requirements<sup>1</sup></b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 Dec</b>	<b>31 Mar</b>
<b>Parent company, SEKm / %</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
Leverage ratio requirement Pillar 1	45 658	40 224	41 288	3.0	3.0	3.0
<b>Total leverage ratio requirement including Pillar 2 guidance</b>	<b>45 658</b>	<b>40 224</b>	<b>41 288</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

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.

<b>Measure and definition</b>	<b>Purpose</b>
<b>Net investment margin before trading interest is deducted</b> 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 <sup>1</sup> 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.
<b>Allocated equity</b> 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.
<b>Return on allocated equity</b> 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 <sup>1</sup> 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.
<b>Income statement excluding expenses for the administrative fines</b> 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.
<b>Return on equity excluding expenses for administrative fines</b> 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 <sup>1</sup> 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.
<b>Cost/Income ratio excluding expenses for administrative fines</b> 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.

**Measure and definition****Purpose****Other alternative performance measures**

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

- 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 equity<sup>1</sup>
- Total credit impairment provision ratio

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

<sup>1)</sup> 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-March 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, 26 April 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 31 March 2023 and the three-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, 27 April 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](http://www.swedbank.com/ir)

### Financial calendar 2023

Interim report for the second quarter 2023      18 July 2023

Interim report for the third quarter 2023      26 October 2023

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Information on Swedbank's strategy, values and share is also available on [www.swedbank.com](http://www.swedbank.com).

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