

# Q3 2021

Interim report January-September 2021, 21 October 2021



## Interim report for the third quarter 2021

Third quarter 2021 compared with second quarter 2021

- Stable net profit after a strong second quarter
- Continued high mortgage growth and market leader in all home markets
- Solid capital and liquidity buffers
- Dividend of SEK 7.30 proposed
- Net commission income reaches new record level
- Expenses according to plan
- Continued good credit quality

“Another strong quarter with focus on business”

Jens Henriksson,  
President and CEO

Financial information SEKm	Q3 2021	Q2 2021	%	Jan-Sep 2021	Jan-Sep 2020	%
<b>Total income</b>	<b>11 869</b>	<b>11 870</b>	<b>0</b>	<b>35 141</b>	<b>33 912</b>	<b>4</b>
Net interest income	6 590	6 572	0	19 703	20 286	-3
Net commission income	3 799	3 674	3	10 833	9 394	15
Net gains and losses on financial items	553	645	-14	1 783	1 745	2
Other income <sup>1)</sup>	927	979	-5	2 822	2 487	13
<b>Total expenses</b>	<b>5 042</b>	<b>4 989</b>	<b>1</b>	<b>15 005</b>	<b>18 974</b>	<b>-21</b>
of which administrative fine					4 000	
Profit before impairment	6 827	6 881	-1	20 136	14 938	35
Impairment of intangible and tangible assets		56		56	1	
Credit impairment	18	-27		237	3 811	-94
<b>Profit before tax</b>	<b>6 809</b>	<b>6 852</b>	<b>-1</b>	<b>19 843</b>	<b>11 126</b>	<b>78</b>
Tax expense	1 310	1 288	2	3 806	2 707	41
<b>Profit for the period attributable to: Shareholders of Swedbank AB</b>	<b>5 498</b>	<b>5 563</b>	<b>-1</b>	<b>16 036</b>	<b>8 419</b>	<b>90</b>
Earnings per share, SEK, after dilution	4.89	4.95		14.26	7.50	
Return on equity, %	13.6	14.2		13.5	7.8	
Return on equity excl. administrative fine, %	13.6	14.2		13.5	12.7	
C/I ratio	0.42	0.42		0.43	0.56	
C/I ratio excl. administrative fine	0.42	0.42		0.43	0.44	
Common Equity Tier 1 capital ratio, %	18.5	18.5		18.5	16.8	
Credit impairment ratio, %	0.00	-0.01		0.02	0.30	

<sup>1)</sup> 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

Swedbank delivered another strong result with a focus on the business. The quarter was marked by a gradual recovery to a new normal. In Sweden, pandemic restrictions have been lifted and many people have returned to work. In our other home markets – Estonia, Latvia and Lithuania – restrictions remain in place.

Global growth remains at a high level, but growth forecasts have been revised downward. A number of concerns have arisen, including that inflation is on the rise. All indications are that it is a transitory problem tied to rising energy and commodity prices, semiconductor shortages and the labour market mismatch, but there is a risk that it persists. At the same time, there are risks associated with how, and how quickly, government support for households and companies is phased out. The pandemic is still not over.

### Result

Profit amounted to SEK 5.5bn, in line with the previous quarter. Net interest income and net commission income increased. Expenses also increased slightly, in line with our forecast. The cost guidance of SEK 20.5bn excluding investigation expenses for 2021 and 2022 remains unchanged. Our capital and liquidity positions remain strong with a buffer relative to the Swedish FSA's updated capital requirement of nearly 4.8 per cent. In the third quarter, Swedbank's return on equity was 13.6 per cent. The return is being weighed down by undistributed capital.

### Dividend

Swedbank's Board of Directors is proposing an additional dividend to the shareholders of SEK 7.30 per share from the 2019 and 2020 profits. Our strong result and capitalisation, coupled with the Swedish FSA's decision to lift the limit on dividends in the banking sector, have made this possible. The proposed dividend and previous dividends together correspond to 50 per cent of the 2019 and 2020 results.

### Mortgages

The mortgage market has remained very active. We are the biggest in mortgages and Swedbank was the market leader in new sales in all our home markets in June, July and August. The strong growth has benefited us and we are there to assist customers who are buying a new home as well as those who are renovating or rebuilding. We have improved our service to customers. Our pricing strategy has held up. We are neither the most expensive nor the cheapest, but we have the best comprehensive offering.

### Advice

During the quarter, we continued to meet our customers' needs as economic conditions changed. Customer satisfaction with the Internet Bank and app is high. Sustainable savings are attracting more people, especially young people. During the quarter, we also enabled children and young people to become Swedbank customers digitally. To improve their mobile experience, we created a financial glossary especially for them. Corporate clients in all our home markets need advice and financing when economic activity increases.

We provide loans, bridge financing and are participating to a growing extent with capital market financing. We maintain a close dialogue with firms in vulnerable sectors on how they can prepare for a phase-out of government support. Advice is provided through all our channels in more parts of the business and are generating a growing share of digital sales. 90 per cent of transactions involving savings, insurance and pension products in the Group are now made through digital channels.

### Sustainability

The financial sector plays a central role in the transition required to reach the Paris Agreement's climate targets. To strengthen our climate risk management, we have begun collaborating with the Swedish Meteorological and Hydrological Institute (SMHI), the Swedish contact point for the UN climate panel. The collaboration's focus is to better understand how the real estate sector is affected by climate change.

The EU taxonomy for sustainable activities will change how the banking sector operates. The regulation will lead to greater transparency and comparability with regard to sustainability. We are now preparing for the future reporting requirements in the sustainability area.

### Baltic Banking

We are the largest retail bank in all three countries and the largest commercial bank in Estonia. These three home markets are expected to grow more quickly than the Swedish market for many years to come. We are seeing that the demand for savings, insurance and loan products increases as prosperity grows. As proof of our strong position, Swedbank was again named during the Baltic Brand Awards as the "Most loved brand" in Estonia, Latvia and Lithuania.

### Outlook

During my two years as CEO, Swedbank has taken on many challenges and resolved past issues, slowly but surely. We have clearer corporate governance and better control. The business stands strong.

Swedbank is a digital bank with physical meeting points. During the pandemic, customers increasingly interacted with us through our digital channels. The number of digital interactions with our over 7 million customers now numbers 2.7 billion per year. The customer experience is the key to our work going forward.

With a strong business focus, robust profit, costs under control, a solid capital and liquidity situation, high credit quality and strong economic development, I look to the future with confidence.

Our customers' future is our focus.



Jens Henriksson  
President and CEO

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

## Financial overview

Income statement SEKm	Q3 2021	Q2 2020	%	Q3 2020	%	Jan-Sep 2021	Jan-Sep 2020	%
Net interest income	6 590	6 572	0	6 714	-2	19 703	20 286	-3
Net commission income	3 799	3 674	3	3 246	17	10 833	9 394	15
Net gains and losses on financial items	553	645	-14	669	-17	1 783	1 745	2
Other income <sup>1)</sup>	927	979	-5	975	-5	2 822	2 487	13
<b>Total income</b>	<b>11 869</b>	<b>11 870</b>	<b>0</b>	<b>11 604</b>	<b>2</b>	<b>35 141</b>	<b>33 912</b>	<b>4</b>
Staff costs	3 127	3 136	0	2 930	7	9 378	8 668	8
Other expenses	1 915	1 853	3	1 831	5	5 627	6 306	-11
Administrative fine							4 000	
<b>Total expenses</b>	<b>5 042</b>	<b>4 989</b>	<b>1</b>	<b>4 761</b>	<b>6</b>	<b>15 005</b>	<b>18 974</b>	<b>-21</b>
<b>Profit before impairment</b>	<b>6 827</b>	<b>6 881</b>	<b>-1</b>	<b>6 843</b>	<b>0</b>	<b>20 136</b>	<b>14 938</b>	<b>35</b>
Impairment of intangible assets		56				56		
Impairment of tangible assets				1			1	
Credit impairment	18	-27		425	-96	237	3 811	-94
<b>Profit before tax</b>	<b>6 809</b>	<b>6 852</b>	<b>-1</b>	<b>6 417</b>	<b>6</b>	<b>19 843</b>	<b>11 126</b>	<b>78</b>
Tax expense	1 310	1 288	2	1 155	13	3 806	2 707	41
<b>Profit for the period</b>	<b>5 499</b>	<b>5 564</b>	<b>-1</b>	<b>5 262</b>	<b>5</b>	<b>16 037</b>	<b>8 419</b>	<b>90</b>
<b>Profit for the period attributable to: Shareholders of Swedbank AB</b>	<b>5 498</b>	<b>5 563</b>	<b>-1</b>	<b>5 261</b>	<b>5</b>	<b>16 036</b>	<b>8 419</b>	<b>90</b>

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

Key ratios and data per share	Q3 2021	Q2 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
Return on equity, %	13.6	14.2	14.3	13.5	7.8
Earnings per share before dilution, SEK <sup>1)</sup>	4.90	4.96	4.70	14.30	7.52
Earnings per share after dilution, SEK <sup>1)</sup>	4.89	4.95	4.68	14.26	7.50
C/I ratio	0.42	0.42	0.41	0.43	0.56
Equity per share, SEK <sup>1)</sup>	146.8	142.1	134.4	146.8	134.4
Loan/deposit ratio, %	127	128	143	127	143
Common Equity Tier 1 capital ratio, %	18.5	18.5	16.8	18.5	16.8
Tier 1 capital ratio, %	20.3	19.8	18.2	20.3	18.2
Total capital ratio, %	22.6	22.1	20.6	22.6	20.6
Credit impairment ratio, %	0.00	-0.01	0.10	0.02	0.30
Share of Stage 3 loans, gross, %	0.40	0.42	0.75	0.40	0.75
Total credit impairment provision ratio, %	0.35	0.34	0.53	0.35	0.53
Liquidity coverage ratio (LCR), %	149	143	153	149	153
Net stable funding ratio (NSFR), %	124	123	124	124	124

<sup>1)</sup> The number of shares and calculation of earnings per share are specified on page 49.

Balance sheet data SEKbn	30 Sep 2021	31 Dec 2020	%	30 Sep 2020	%
Loans to the public, excl. the Swedish National Debt Office and repurchase agreements	1 653	1 616	2	1 622	2
Deposits from the public, excl. the Swedish National Debt Office and repurchase agreements	1 300	1 131	15	1 132	15
Equity attributable to shareholders of the parent company	165	155	6	151	9
Total assets	3 030	2 595	17	2 696	12
Risk exposure amount	703	690	2	692	2

Definitions of all key ratios can be found in Swedbank's Fact book on page 78.

## Overview

### Market

The global economy continued to recover in the third quarter and by the summer GDP reached pre-crisis levels in many countries. The recovery was stronger in countries with high vaccination rates. Several concerns emerged, however, in the form of global shortages and supply chain problems. As a result, industrial production and economic development slowed. At the same time, there is a risk that new Covid variants will arise. The labour market continued to improve, but there are concerns here as well with growing labour shortages and a skills mismatch.

Inflation is also rising, which is partly due to increased demand after the economic reopening, as well as increased energy prices. Although the higher inflation is expected to at least partly be transitory, several major central banks, including the U.S. Federal Reserve, have signalled that tighter monetary policy is imminent. As a result, interest rates began to rise at the end of the quarter. The US dollar also strengthened slightly against the euro and the Swedish krona. The krona was unchanged against the euro in the quarter.

The Swedish economy continued to recover among other things thanks to the lifting of restrictions and expansionary economic policy. We expect GDP to grow by 4.3 per cent this year. In some impacted sectors, such as hotel and restaurant, revenue rose significantly during the summer. Other parts of the service sector remain negatively affected, however. We expect household service consumption to continue to rise and the labour market in the consumer-related service sector to further improve. The jump in energy prices means, however, that household purchasing power is down slightly.

During the pandemic, government support has helped businesses and households, but now that the pandemic is easing, the support is gradually being eliminated. For next year, however, the government has presented another expansionary budget with SEK 74 billion in unfunded reforms.

Inflation was 2.8 per cent in September, slightly lower than expected but still clearly above the Riksbank's 2 per cent target. The increase is due to higher demand in the economy in general as well as to higher energy and gas prices. We expect inflation to further increase in the next six months but slow in 2022. Our view is that the Riksbank will not raise the repo rate before late 2024 at the earliest. The current plan for asset purchases is expected to be maintained for the rest of the year.

Swedish house prices continued to rise, although the rate of increase was slightly lower in the third quarter. According to Valueguard, prices rose by 13 per cent in August compared with the same month in 2020. Lending for home purchases increased as well, but at a lower rate. In August, lending increased by 6.8 per cent compared with the same period in 2020.

The recovery also continued in the Baltic countries and GDP now exceeds the pre-pandemic level. Economic growth is broad with exports and household consumption rising rapidly. Investments rose as well. Unemployment exceeds the pre-pandemic level, but

employment is growing and labour shortages are mounting in certain sectors. These shortages are speeding up the already high wage growth mainly in Latvia and Lithuania. Wage growth led to higher inflation, which now is nearing 5 per cent in Latvia and over 6 per cent in both Estonia and Lithuania.

### Important to note

Considering the bank's financial strength and the Swedish FSA's decision not to extend its recommendation that banks be restrictive with dividends and share buybacks, the Board of Directors decided to propose a further dividend. The proposed dividend is attributable to the results for the financial years 2019 and 2020 and amounts to SEK 7.30 per share in accordance with the bank's dividend policy to distribute 50 per cent of the annual profit to shareholders.

Swedbank will therefore hold an Extraordinary General Meeting on Monday, 28 October 2021 to vote on additional dividends for 2019 and 2020. Due to the ongoing pandemic, the Board of Directors decided that the EGM would be held without the physical presence of shareholders, proxies or other outside parties and that votes may only be cast by post prior to the EGM. The proposed record date for the dividend is 1 November 2021, which means that the dividend is expected to be paid through Euroclear on 4 November 2021. The last trading day for the Swedbank share including the right to receive the dividend will be 28 October 2021.

The 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 56.

## Group development

### Result third quarter 2021 compared with second quarter 2021

Swedbank's profit decreased slightly in the third quarter to SEK 5 499m (5 564) due to higher expenses and credit impairments. Foreign exchange effects marginally affected profit before impairment.

The return on equity was 13.6 per cent (14.2) and the cost/income ratio was 0.42 (0.42).

Income was unchanged and amounted to SEK 11 869m (11 870). Net interest income and especially net commission income were higher, while net gains and losses on financial items and other income were lower. Income was positively affected because the third quarter had one day more than the previous quarter. Foreign exchange effects marginally affected income.

Net interest income increased slightly in the quarter to SEK 6 590m (6 572). Underlying net interest income was positively affected by higher lending volumes. Lending margins were overall stable. The mortgage margin decreased slightly as customers continued to choose fixed rates to a greater extent than before. Higher margins on corporate lending had an offsetting

effect. The resolution fund fee and deposit guarantee fee increased totalling SEK 32m. The increase in the resolution fund fee was due to a retroactive adjustment in the second quarter, while the increase in the deposit guarantee fee was due to a slightly higher expense in Lithuania from mid-year. Net interest income in the second quarter was positively affected by net income of SEK 73m due to the interest terms for the European Central Bank's and the Riksbank's liquidity loans.

Net commission income increased by 3 per cent to SEK 3 799m (3 674). Asset management income rose due to a continued rise in equity markets and a higher volume of assets under management. Income from cards and payments increased due to the easing of restrictions in Sweden as well as a positive seasonal pattern. Corporate finance income decreased, largely because the second quarter was positively affected by a fee for an IPO in Finland.

Net gains and losses on financial items decreased to SEK 553m (645). The decrease was due to the positive effect in the second quarter of Fastighetsbyrån's shareholding in Hemnet in connection with its IPO. Income within Large Corporates & Institutions increased slightly, mainly in fixed income trading, although customer activity was seasonally low.

Other income decreased by 5 per cent to SEK 927m (979). Profit from the insurance operations in the Baltic countries decreased due to higher claim costs related to seasonal effects and fires as well as floods. Profit from Entercard also decreased slightly.

Expenses rose by 1 per cent to SEK 5 042m (4 989), mainly because of an increase in other expenses due to higher VAT and insurance expenses. IT expenses also increased slightly, while staff costs and consulting expenses decreased due to the lower activity in the summer months. Consulting expenses to manage money laundering related investigations increased to SEK 96m (90). Foreign exchange effects marginally affected expenses.

Credit impairments amounted to SEK 18m (-27). Additional individual provisions were allocated for a few ongoing restructurings in the oil and offshore sector, which was partly offset by reversals due to amortisations of loans in stages 2 and 3.

Credit impairments by business segment SEKm	Q3 2021	Q2 2021	Q3 2020
Swedish Banking	-83	-34	-140
Baltic Banking	-20	-23	43
Estonia	-11	3	35
Latvia	-11	-16	10
Lithuania	2	-10	-2
Large Corporates & Institutions	124	31	521
Group Functions & Other	-3	-1	1
<b>Total</b>	<b>18</b>	<b>-27</b>	<b>425</b>

The tax expense amounted to SEK 1 310m (1 288), corresponding to an effective tax rate of 19.2 per cent (18.8). The comparatively higher tax rate in the third quarter is mainly because the second quarter included deferred tax assets related to previous periods.

## Result January-September 2021 compared with January-September 2020

Swedbank's profit increased to SEK 16 037m (8 419) due to higher income and lower credit impairments, as well as the Swedish FSA's administrative fine charged in the first quarter 2020. The table below shows a simplified income statement adjusted for the Swedish FSA's administrative fine.

Income statement, SEKm	Jan-Sep 2021	Jan-Sep 2020	Jan-Sep 2020
		Excl administrativ e fine	
<b>Total income</b>	<b>35 141</b>	<b>33 912</b>	<b>33 912</b>
<b>Total expenses</b>	<b>15 005</b>	<b>14 974</b>	<b>18 974</b>
of which administrative fine			4 000
Credit impairment and impairment	293	3 812	3 812
<b>Profit before tax</b>	<b>19 843</b>	<b>15 126</b>	<b>11 126</b>
Tax expense	3 806	2 707	2 707
<b>Profit for the period attributable to the shareholders of Swedbank AB</b>	<b>16 036</b>	<b>12 419</b>	<b>8 419</b>
Non-controlling interests	1	0	0
Return on equity, %	13.5	12.7	7.8
Cost/Income ratio	0.43	0.44	0.56

Foreign exchange effects negatively affected profit before impairment by SEK 159m.

The return on equity was 13.5 per cent (7.8) and the cost/income ratio was 0.43 (0.56).

Income increased to SEK 35 141m (33 912) and was positively affected primarily by higher net commission income. Other income also increased, while net interest income decreased. Foreign exchange effects reduced income by SEK 287m.

Net interest income decreased by 3 per cent to SEK 19 703m (20 286). The decrease was mainly the result of lower deposit margins and higher expenses for surplus liquidity after deposits increased faster than lending. The previous year was also positively affected by a one-time effect of SEK 103m. A stronger SEK compared with the previous year negatively affected profit by approximately SEK 230m.

Net commission income increased by 15 per cent to SEK 10 833m (9 394). Income primarily increased from asset management, due to the higher average assets under management, while income from cards was largely unchanged.

Net gains and losses on financial items increased to SEK 1 783m (1 745). The main reason was a positive valuation effect from Fastighetsbyrån's shareholding in Hemnet in connection with its IPO.

Other income increased to SEK 2 822m (2 487), mainly because associated companies were charged with provisions for credit impairments tied to the pandemic outbreak in the previous year.

Expenses decreased to SEK 15 005m (18 974) because of the Swedish FSA's administrative fine of SEK 4 000m which affected the first quarter 2020. Adjusted for the administrative fine, expenses increased marginally. Staff costs increased due to a higher number of employees, while consulting expenses decreased. Foreign exchange effects reduced expenses by SEK 128m.



Credit impairments decreased to SEK 237m (3 811) since credit impairments in 2020 were strongly impacted by the Covid-19 outbreak. Additional provisions in oil and offshore in 2021 were partly offset by reversals due to amortisations of loans in stages 2 and 3 as well as positive rating migrations.

The tax expense amounted to SEK 3 806m (2 707), corresponding to an effective tax rate of 19.2 per cent (24.3). The tax expense in 2020 included among other things the Swedish FSA's fine, which is not tax deductible. The Group's effective tax rate is estimated at 19-21 per cent in the medium term.

## Volume trend by product area

Swedbank's main business is organised in three product areas: lending, payments and savings.

### Lending

Total lending to the public, excluding repos and lending to the Swedish National Debt Office, increased by SEK 16bn to SEK 1 653bn (1 637) compared with the end of the second quarter 2021. Compared with the end of the third quarter 2020 lending increased by SEK 31bn, corresponding to an increase of 2 per cent. Foreign exchange effects positively affected lending volumes by SEK 2bn compared with the end of the second quarter 2021 and negatively by SEK 8bn compared with the end of the third quarter 2020.

Loans to the public excl. the Swedish National Debt Office and repurchase agreements, SEKbn	30 Sep 2021	30 Jun 2021	30 Sep 2020
Loans, private mortgage	975	960	933
of which Swedish Banking	880	867	841
of which Baltic Banking	95	93	92
Loans, private other incl tenant-owner associations	141	142	146
of which Swedish Banking	122	123	127
of which Baltic Banking	17	17	18
of which Large Corporates & Inst.	2	2	1
Loans, corporate	537	535	543
of which Swedish Banking	241	238	243
of which Baltic Banking	80	77	80
of which Large Corporates & Inst.	216	220	220
<b>Total</b>	<b>1 653</b>	<b>1 637</b>	<b>1 622</b>

Lending to mortgage customers within Swedish Banking increased by SEK 13bn to SEK 880bn compared with the end of the second quarter 2021. The market share in mortgages was 23 per cent (23). Other private lending, including lending to tenant-owner associations, decreased by SEK 1bn in the quarter.

Baltic Banking's mortgage volume increased by 2 per cent in local currency to the equivalent of SEK 95bn at the end of the quarter.

Corporate lending in all business segments increased by SEK 2bn in the quarter to SEK 537bn (535). In Sweden, the market share was 16 per cent (16).

Lending volume in Swedbank's green asset portfolio amounted to SEK 40bn (38), corresponding to an increase of nearly 4 per cent. Lending volume increased largely because a number of certified green multi-family housing projects under construction were approved for green financing and added to the asset portfolio. The green asset portfolio consists of qualified green loans according to Swedbank's green bond framework. For more information on the green asset portfolio, see page 70 of the Fact book and pages 215-216 of the annual and sustainability report.

For more information on lending, see page 36 of the Fact book.

### Payments

The total number of Swedbank cards in issue at the end of the quarter was 8.2 million, in line with the end of the second quarter. In Sweden, 4.4 million cards were in issue and in the Baltic countries 3.8 million. Compared with the same quarter in 2020 corporate card issuance in Sweden grew by 1 per cent and private card issuance by 1 per cent.

	30 Sep 2021	30 Jun 2021	30 Sep 2020
<b>Number of cards</b>			
Issued cards, million	8.2	8.1	8.2
of which Sweden	4.4	4.4	4.4
of which Baltic countries	3.8	3.7	3.8

The number of purchases with Swedbank cards increased in Sweden by 6 per cent in the quarter compared with the same quarter in 2020. The total of 361 million card purchases was positively affected by the slowing spread of Covid-19. In the Baltic countries, the number of card purchases increased by 10 per cent in the same period to 200 million in the quarter.

The number of card transactions acquired by Swedbank increased by 6 per cent in the quarter compared with the year-earlier period. In Sweden, Norway, Finland and Denmark, 727 million card transactions were acquired, an increase of 6 per cent against the equivalent period in 2020. In the Baltic countries, the corresponding figure was 139 million transactions, up 8 per cent.

Card transactions acquired in Sweden, Norway, Finland and Denmark amounted to SEK 211bn, an increase of 9 per cent in the quarter compared with the equivalent period in 2020. Transaction volume in the Baltic countries amounted to SEK 25bn, corresponding to an increase of 14 per cent.

The summer holiday months and easing restrictions primarily benefited transactions and transaction volumes in the transport, hotel and restaurant, gas, and travel sectors in the quarter. Other sectors such as groceries, durable goods, and consumer staples also increased volumes both in physical stores and through e-commerce.

In Sweden, there were 211 million domestic payments in the third quarter, a decrease of 4 per cent against the third quarter of 2020. In the Baltic countries, 89 million domestic payments were processed, up 8 per cent compared with the same period in 2020. Swedbank's market share of payments through the Bankgiro system was 35 per cent. The number of international payments in Sweden increased by 10 per cent compared with the same quarter in 2020 to 1.5 million. In the Baltic countries, international payments increased by 24 per cent to 4.6 million.

### Savings

Total deposits within the business segments increased to SEK 1 222bn (1 203). Compared with the end of the third quarter 2020 the increase was SEK 147bn, corresponding to growth of 14 per cent. All business segments contributed to the increase compared to the equivalent period of 2020. Exchange rates positively affected deposits by SEK 2bn compared with the end of the second quarter 2021 and negatively by SEK 11bn compared with the end of the third quarter 2020. Total deposits from the public, including volumes attributable to Group Treasury, amounted to SEK 1 300bn (1 282).

<b>Deposits from the public excl. the Swedish National Debt Office and repurchase agreements, SEKbn</b>	<b>30 Sep 2021</b>	<b>30 Jun 2021</b>	<b>30 Sep 2020</b>
Deposits, private	640	624	577
of which Swedish Banking	454	445	419
of which Baltic Banking	186	179	158
Deposits, corporate	660	658	555
of which Swedish Banking	236	237	208
of which Baltic Banking	115	116	114
of which Large Corporates & Inst.	231	226	176
of which Group Functions & Other	78	79	57
<b>Total</b>	<b>1 300</b>	<b>1 282</b>	<b>1 132</b>

Swedbank's deposits from private customers increased by SEK 16bn in the quarter to SEK 640bn (624). A pension reform in Estonia contributed to increased deposits from private customers, who now have the possibility to manage part of their previously restricted pension capital as they like.

Corporate deposits in the business segments increased in total by SEK 2bn in the quarter.

Swedbank's market share for household deposits in Sweden was unchanged at 19 per cent (19). The market share for corporate deposits was also unchanged at 16 per cent (16). For more information on deposits, see page 37 of the Fact book.

<b>Asset management, SEKbn</b>	<b>30 Sep 2021</b>	<b>30 Jun 2021</b>	<b>30 Sep 2020</b>
<b>Total asset management</b>	<b>1 884</b>	<b>1 862</b>	<b>1 609</b>
<b>Assets under management</b>	<b>1 399</b>	<b>1 388</b>	<b>1 155</b>
Assets under management, Robur	1 398	1 386	1 153
of which Sweden	1 340	1 325	1 095
of which Baltic countries	67	71	63
of which eliminations	-9	-10	-5
Assets under management, Other, Baltic countries	1	2	2
<b>Discretionary asset management</b>	<b>485</b>	<b>474</b>	<b>454</b>

Assets under management in Swedbank Robur rose by 1 per cent in the quarter to SEK 1 398bn (1 386) as of 30 September, of which SEK 1 340bn (1 325) related to the Swedish operations and the remaining SEK 67bn (71) to the Baltic operations. A market upswing increased assets under management in both the Baltic countries and Sweden. This resulted in increased assets under management in Sweden, while net outflows exceeded the market's positive impact in the Baltic countries and resulted in lower assets under management.

The net inflow in the Swedish fund market decreased to SEK 25bn (50). The largest inflow, SEK 28bn, was to fixed income funds, followed by mixed funds and index funds at SEK 9bn and SEK 8bn respectively. Hedge funds and other funds had inflows of SEK 1bn each, while actively managed equity funds had an outflow equivalent to SEK 22bn.

Swedbank Robur's Swedish fund business reported net outflows of SEK 3bn in the quarter, compared with a net inflow of SEK 2bn in the previous quarter. The decrease was mainly due to a lower inflow from the distribution via Swedish Banking and the savings banks and a rise in outflows via the Swedish Pensions Agency. At the same time, the flows from third party distributors improved as withdrawals from short-term fixed income funds decreased. The inflows to short-term fixed income funds from third party distributors were high in 2020.

In the quarter, Swedbank Robur's Swedish fund business saw the largest inflows to fixed income funds at SEK 3bn. Mixed funds had net inflows of SEK 2bn

while there were outflows from actively managed equity funds and tracker funds of SEK 8bn and SEK 1bn respectively.

To meet customer demand for sustainable savings, Swedbank Robur launched the Climate Impact fund. The fund is classified as a dark green fund according to the EU Sustainable Finance Disclosure Regulation (SFDR) and invests in companies that are helping to solve the world's climate challenges, mainly related to the UN's Global Development Goals 7 (Affordable and clean energy) and 13 (Climate action). With this launch, Swedbank Robur is taking another concrete step in its climate strategy. As of 30 September, just over SEK 500m had been invested in the fund.

Net outflows in the Baltic countries amounted to SEK 5bn in the quarter, compared with an inflow of SEK 1bn in the previous quarter. The large withdrawals are due to a pension reform in Estonia, which permits savers to make a one-time withdrawal from their previously restricted savings. A large disbursement was paid out to savers in September. Latvia and Lithuania still have stable inflows.

By assets under management Swedbank Robur is the largest player in the Swedish and Baltic fund markets. As of 30 September, the market share in Sweden was 21 per cent. The market shares in Estonia, Latvia and Lithuania were 39, 41 and 37 percent respectively.

<b>Assets under management, life insurance, SEKbn</b>	<b>30 Sep 2021</b>	<b>30 Jun 2021</b>	<b>30 Sep 2020</b>
Sweden	295	289	235
of which collective occupational pensions	152	148	119
of which endowment insurance	96	94	76
of which occupational pensions	36	36	30
of which other	11	11	10
Baltic countries	8	8	7

Life insurance assets under management in the Swedish operations rose by 2 per cent in the third quarter to SEK 295bn on 30 September. Premium income, consisting of premium payments and capital transfers, amounted to SEK 7bn (7) in the third quarter.

For premium income excluding capital transfers, Swedbank's market share in the second quarter was 7 per cent (7). In the transfer market, Swedbank's market share in the second quarter was 9 per cent (8).

In Estonia, Latvia and Lithuania, Swedbank is the largest life insurance company. The market shares for premium payments in the first 8 months of the year were 48 per cent in Estonia and 25 per cent in Latvia and Lithuania.



## Credit and asset quality

Swedbank's credit quality remained good in the third quarter. The economic recovery continued and the easing restrictions gave sectors hurt by the pandemic, such as tourism, a boost. There are still uncertainties, however, including the outbreak of new Covid-19 variants and the future impact on hard-hit sectors when government support is phased out. The sectors most affected by the pandemic, such as hotel and restaurant, some retail, and passenger travel, account for a limited share of Swedbank's lending.

The total share of loans in stage 2, gross, decreased in the third quarter to 5.9 per cent (6.0), of which 3.7 per cent (3.7) was for private loans and 10.7 per cent (11.2) for corporate loans.

The share of loans in stage 3, gross, was 0.4 per cent (0.4) in the third quarter. The provision ratio for loans in stage 3 was 44 per cent (39).

The quality of Swedbank's mortgage portfolio, which accounts for just over half of total lending, is high and historical credit impairments are very low. Customers' long-term repayment capacity is a critical factor which leads to low risks for both the customer and the bank. The average loan-to-value ratios for the mortgage portfolio were 50 per cent in Sweden, 45 per cent in Estonia, 70 per cent in Latvia and 54 per cent in Lithuania.

Swedbank's lending to the property management sector accounts for approximately 15 per cent of the total loan portfolio. Stable cash flows and the customer's long-term ability to repay interest and amortisation are the key lending factors. In addition, customers should be financially strong and collateral should have low loan-to-value ratios. The average loan-to-value ratio in Sweden was 53 per cent (54) at the end of the third quarter.

Swedbank's oil and offshore lending is limited and the restructuring of the portfolio continues. Investments in the oil and offshore industry remain low and the market situation is challenging, despite oil prices continuing to rise and reaching the same levels as those in autumn 2018. The sector's recovery is uncertain with additional risks due to the global energy transformation.

For more information on credit exposures and credit quality, see notes 9-12 and pages 39-51 of the fact book.

## Operational risks

Covid-19 is still a significant risk for the bank, its employees and customers. Discussions are therefore underway at Group level on future work models with preparations being led by Group HR. The bank's position is to act cautiously. Consequently, measures are being taken to plan the reopening phase and recommendations are being prepared. Swedbank will begin to phase out the Covid-19 restrictions in accordance with updated recommendations from the authorities and in line with other financial institutions and the insurance industry in the Nordic and Baltic regions. The number of employees who work remotely remains stable and the number who for various reasons are not able to work remains low.

A limited number of IT incidents occurred in the third quarter which caused disruptions and affected the availability of payment services. Measures were taken in the quarter to increase IT stability, including improvements related to external suppliers. Swedbank has several ongoing initiatives to further improve operational resilience and ensure a high level of availability for customers.

The value of accurately and securely managed and reported data is becoming increasingly clear in the financial industry. Customers' expectations with regard to transparency on data integrity are increasing, as are the reporting requirements from authorities. These are areas where the bank is working to further strengthen quality through among other things authentication and automation.

## Funding and liquidity

In the third quarter Swedbank issued a USD 500m Additional Tier 1 capital instrument (AT1) to optimise the capital structure. Deposit volumes increased at a slightly slower rate and, in addition, covered bonds were issued in the Swedish market as well as smaller issues of senior non-preferred and non-preferred debt mainly in EUR. The third quarter's total long-term issuance, excluding capital instruments, amounted to SEK 19bn.

The issuance needs for the full-year 2021 is expected to be in line with issuance volume in 2020. The total issuance need is affected by the current liquidity situation, future maturities and changes in deposit and lending volumes, as well as by regulatory requirements and is therefore adjusted over the course of the year. Maturities in 2021 amount to SEK 124bn calculated from the beginning of the year. As of 30 September, short-term funding and commercial paper included in debt securities in issue amounted to SEK 387bn (318). Available cash and balances with central banks and reserves with the Swedish National Debt Office amounted to SEK 646bn (596) and the liquidity reserve amounted to SEK 840bn (783). The Group's liquidity coverage ratio (LCR) was 149 per cent (143) and for USD, EUR and SEK was 165, 228 and 112 per cent respectively. The net stable funding ratio (NSFR) was 124 per cent (123).

For more information on funding and liquidity, see notes 14-16 and pages 55-67 of the fact book.

## Ratings

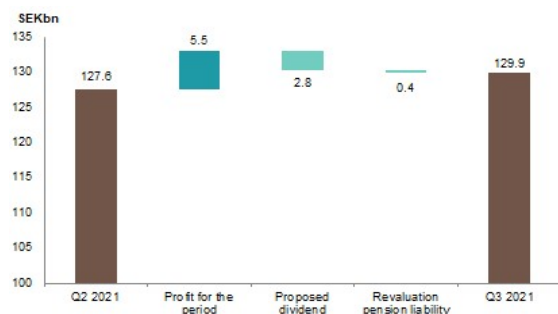
In the third quarter, Fitch revised the outlook for Swedbank's Long-Term Issuer Default Rating (IDR) to positive from stable. For more information on the ratings, see page 67 of the fact book.

## Capital and capital adequacy

### Capital ratio and capital requirement

The Common Equity Tier 1 capital ratio was 18.5 per cent at the end of the quarter (18.5). The total Common Equity Tier 1 capital requirement, including Pillar 2 guidance, was 13.7 per cent (12.4) of the risk exposure amount (REA). Common Equity Tier 1 capital increased to SEK 129.9bn (127.6), mainly due to the quarterly profit after the estimated dividend of SEK 2.7bn.

### Change in Common Equity Tier 1 capital<sup>1</sup>



<sup>1</sup> Refers to Swedbank consolidated situation  
Total REA increased to SEK 703.2bn (688.5) in the third quarter.

REA for credit risk increased due to higher lending. This was offset mainly by improved ratings and collateral as well as shorter maturities on corporate exposures.

REA for market risk decreased mainly through lower specific interest rate risk and lower REA from internal models.

In the third quarter, the Swedish FSA decided to recognise the Norwegian Ministry of Finance's decision to introduce average risk weight floors for retail and corporate real estate exposures in Norway. For Swedbank the regulatory change increased REA for corporate exposures by SEK 3.4bn.

Additional REA for article 3 of the EU's Capital Requirements Regulation (CRR) resulted in an increase of SEK 5.4bn, mainly due to a change in the probability of default in the model for large corporates.

### Change in REA<sup>1</sup>



<sup>1</sup> Refers to Swedbank consolidated situation

The leverage ratio was 4.9 per cent (4.8) and exceeds the leverage ratio requirement including Pillar 2 guidance of 3.45 per cent.

### Capital and resolution regulations

The Swedish FSA announced in the quarter that it was raising the countercyclical buffer rate to 1 per cent of REA. The requirement enters into force in the third quarter 2022.

The Swedish FSA also decided on new Pillar 2 requirements and Pillar 2 guidance after the annual review and assessment process. For Swedbank the risk-based Pillar 2 requirement is 1.7 per cent of REA and the Pillar 2 guidance is 1.5 per cent of REA. Pillar 2 introduces leverage ratio guidance of 0.45 per cent of

the leverage exposure amount. Swedbank has satisfactory buffers relative to the new requirements.

Both the risk-based Pillar 2 guidance and leverage ratio guidance must be met with Common Equity Tier 1 capital. The risk-based Pillar 2 requirement can be met with Common Equity Tier 1, Tier 1 and Tier 2 capital in predetermined proportions.

On 1 July 2021, an amended Resolution Act took effect. The amendments are based on the EU's Bank Recovery and Resolution Directive (BRRD II), which among other things contains provisions on the minimum requirement for own funds and eligible liabilities (MREL). Due to the amended law, the Swedish National Debt Office decided on a new policy on how to implement the MREL on 1 January 2022. The phase-in will be completed by 1 January 2024. Part of the requirement will be met with own funds and subordinated eligible liabilities while the rest will be met with eligible liabilities.

In November 2018, the Swedish FSA published a memorandum explaining its view of the European Banking Authority's (EBA) updated guidelines on banks' internal risk rating based models. In the memorandum the Swedish FSA states that Swedish banks must analyse their internal rating based models to ensure that they continue to live up to the updated requirements. Implementation of the new guidelines was supposed to be completed by the end of 2021, but could be delayed according to the Swedish FSA. The implementation is expected to increase REA.

In December 2017, the Basel Committee presented the finalised Basel III regulations, usually called Basel IV. The regulations contain a number of policy and supervisory actions to strengthen the reliability and comparability of risk-weighted capital ratios and reduce unjustified differences in capital requirements between banks and countries. The actions include revisions to the standardised approaches used to estimate banks' capital requirements for credit risk. A floor was introduced for banks that use internal models to calculate risk-weighted assets. The floor means that risk-weighted assets may not fall below 72.5 per cent of the amount calculated using the standardised approach. The proposed changes would be introduced gradually starting in 2023 and be fully implemented by 2028.

### Investigations

In September 2020, Swedbank was notified by the Swedish FSA that the bank was being investigated for suspected breaches of the Market Abuse Regulation in the period September 2018 – March 2019. The investigation concerns disclosures of insider information and the obligation to establish an insider list in connection with the disclosure of suspected money laundering within the bank. During the quarter, the bank dialogued with the Swedish FSA and provided it with additional information.

Part of the Estonian FSA's investigation was submitted in November 2019 to the Estonian Prosecutor's Office, which is investigating whether money laundering or other criminal activities have taken place in Swedbank AS. The bank has no information as to when this investigation will be completed.

The US authorities continue to investigate Swedbank's historical AML/CTF work and historical information

disclosure. The investigations are progressing and Swedbank is holding discussions with relevant authorities through our US legal advisors. The bank cannot at this point predict when the investigations will be finalised or the results.

The Swedish Economic Crime Authority (EBM) stated that the investigation of historical information disclosures was in its final stage. The bank has no further information as to when the investigation will be completed.

#### Other events

On 21 September, Chief Compliance Officer Ingrid Harbo announced that she had decided to retire. Ingrid Harbo has been a member of the Group Executive Committee since 2019 and will leave Swedbank on

31 March 2022. The process to recruit a successor has begun.

During the quarter, Sustainalytics and MSCI updated Swedbank's sustainability ratings. Swedbank retained its AA rating from MSCI and Sustainalytics' ESG Risk Rating is now 24.8, an improvement of 2.9 points.

#### Events after 30 September 2021

On 1 October, Swedbank AB announced that it has now implemented the previously announced change to Baltic Banking's governance and control. The wholly owned holding company Swedbank Baltics AS became owner of the subsidiary banks in Estonia, Latvia and Lithuania. In this way Swedbank AB formalises the current operating model while increasing the accountability and responsibility of the Baltic Banking management.

## Swedish Banking

- Continued strong volume growth and higher market shares in mortgages
- Increased net commission income with higher income from asset management and card commissions
- Further efforts to improve our mortgage offering

### Income statement

SEKm	Q3 2021	Q2 2021	%	Q3 2020	%	Jan-Sep 2021	Jan-Sep 2020	%
Net interest income	3 725	3 765	-1	4 064	-8	11 411	12 426	-8
Net commission income	2 381	2 302	3	2 015	18	6 786	5 822	17
Net gains and losses on financial items	105	218	-52	104	1	442	260	70
Other income <sup>1)</sup>	513	497	3	528	-3	1 494	1 171	28
<b>Total income</b>	<b>6 724</b>	<b>6 782</b>	<b>-1</b>	<b>6 711</b>	<b>0</b>	<b>20 133</b>	<b>19 679</b>	<b>2</b>
Staff costs	793	790	0	765	4	2 394	2 269	6
Variable staff costs	15	14	7	16	-6	48	30	60
Other expenses	1 780	1 829	-3	1 642	8	5 399	4 875	11
Depreciation/amortisation	9	11	-18	13	-31	30	41	-27
<b>Total expenses</b>	<b>2 597</b>	<b>2 644</b>	<b>-2</b>	<b>2 436</b>	<b>7</b>	<b>7 871</b>	<b>7 215</b>	<b>9</b>
<b>Profit before impairment</b>	<b>4 127</b>	<b>4 138</b>	<b>0</b>	<b>4 275</b>	<b>-3</b>	<b>12 262</b>	<b>12 464</b>	<b>-2</b>
Credit impairment	-83	-34		-140	-41	-110	665	
<b>Profit before tax</b>	<b>4 210</b>	<b>4 172</b>	<b>1</b>	<b>4 415</b>	<b>-5</b>	<b>12 372</b>	<b>11 799</b>	<b>5</b>
Tax expense	777	774	0	862	-10	2 300	2 344	-2
<b>Profit for the period</b>	<b>3 433</b>	<b>3 398</b>	<b>1</b>	<b>3 553</b>	<b>-3</b>	<b>10 072</b>	<b>9 455</b>	<b>7</b>
<b>Profit for the period attributable to:</b>								
<b>Shareholders of Swedbank AB</b>	<b>3 432</b>	<b>3 397</b>	<b>1</b>	<b>3 552</b>	<b>-3</b>	<b>10 071</b>	<b>9 455</b>	<b>7</b>
Non-controlling interests	1	1	0	1	0	1	0	
Return on allocated equity, %	21.3	21.1		20.8		20.7	18.8	
Loan/deposit ratio, %	180	180		193		180	193	
Credit impairment ratio, %	-0.03	-0.01		-0.05		-0.01	0.07	
Cost/income ratio	0.39	0.39		0.36		0.39	0.37	
Loans, SEKbn <sup>2)</sup>	1 243	1 228	1	1 211	3	1 243	1 211	3
Deposits, SEKbn <sup>2)</sup>	691	682	1	627	10	691	627	10
Full-time employees	3 984	3 926	1	3 908	2	3 984	3 908	2

<sup>1)</sup> 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.

<sup>2)</sup> Excluding the Swedish National Debt Office and repurchase agreements.

### Result

#### Third quarter 2021 compared with second quarter 2021

Swedish Banking's profit increased to SEK 3 433m (3 398), mainly due to increased net commission income, lower expenses and lower credit impairments.

Net interest income decreased by 1 per cent to SEK 3 725m (3 765), mainly through lower net interest income on deposits and a lower deposit guarantee fee in the second quarter.

Household mortgage volume increased by SEK 13bn (13) to SEK 880bn. Lending to tenant-owner associations was unchanged at SEK 91bn (91). Corporate lending increased to SEK 241bn (238).

Deposit volume increased to SEK 690bn (682), of which household deposits increased by SEK 8bn.

Net commission income increased to SEK 2 381m (2 302), mainly through higher income from asset management and increased card commissions.

Net gains and losses on financial items decreased to SEK 105m (218), mainly due to higher income in the

second quarter thanks to a positive valuation effect on the shareholding in Hemnet.

Other income increased to SEK 513m (497), mainly due to higher net insurance.

Expenses decreased to SEK 2 597m (2 644), largely due to lower consulting expenses in the quarter.

Credit impairments amounted to SEK -83m (-34), mainly due to reversals of previous expert credit adjustments in sectors that are no longer affected by the pandemic.

#### January-September 2021 compared with January-September 2020

Profit increased to SEK 10 072m (9 455), mainly due to higher net commission income and lower credit impairments.

Net interest income decreased to SEK 11 411m (12 426). Lower average market interest rates negatively affected net interest income, but this was partly offset by higher lending margins.

Net commission income increased to SEK 6 786m (5 822) through higher income from asset management.

Net gains and losses on financial items increased mainly due to a positive valuation effect on the

shareholding in Hemnet, which went public in the second quarter 2021.

Other income increased, mainly due to higher income from Entercard.

Expenses increased by 9 per cent to SEK 7 871m (7 215), mainly due to increased expenses related to compliance as well as higher expense allocations for Group Functions.

Credit impairments amounted to SEK -110m (665), i.e. net recoveries.

### Business development

The economic recovery continued in Sweden in the quarter and more companies are now reporting increased demand. As of 30 June, companies are no longer able to apply for amortisation exemptions and state loan guarantees for companies expired on 30 September. We have not seen any signs yet of higher bankruptcies during the pandemic.

The mortgage market in Sweden continued to grow in the quarter, especially in large urban regions. The market has benefited from continued high demand for larger homes. To speed up the approval of mortgage applications, we added more loan processors and made it easier to transfer loan applications between geographical units. To create a simpler application process for mortgage customers, the availability and design of our app have been improved. Our measures have been successful and Swedbank regained its market-leading position in new mortgage sales in the

quarter with a market share, including the savings banks, of over 20 per cent in August.

We continued to simplify our range of accounts and replaced older types of accounts with new, similar ones. Private customers without a debit card can now order a card in the Internet bank. And parents can apply digitally to open an account for their children instead of having to visit a branch or contact the bank by phone.

The Internet bank for corporate customers has been redesigned. The goal is to provide customers with a clearer overview of their finances and simplify bookkeeping. For our corporate customers, we have also improved the administration of authorisations in the Internet bank.

During the quarter, Swedish Banking announced an organisational change. The purpose of the change is to increase availability and better meet our customers' needs through faster and simpler business processes. The new organisation will take effect on 1 November 2021



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 Sweden's largest bank by number of customers. Through digital channels, the Telephone Bank and our branches, and through the cooperation with the savings banks and franchisees, we are always available. Swedbank is part of the local community. Branch managers have a strong mandate to act in their local communities. The bank's presence and engagement are expressed in various ways. A project called "Young Jobs", which has created thousands of trainee positions for young people, has played an important part in recent years. Swedbank has 153 branches in Sweden.



## Baltic Banking

- Increased lending in local currency and stable margins
- Higher income from cards
- Named the most loved brand in all three Baltic markets for the third year in a row

### Income statement

SEKm	Q3 2021	Q2 2021	%	Q3 2020	%	Jan-Sep 2021	Jan-Sep 2020	%
Net interest income	1 296	1 383	-6	1 309	-1	3 917	4 088	-4
Net commission income	682	651	5	620	10	1 928	1 824	6
Net gains and losses on financial items	88	93	-5	91	-3	272	237	15
Other income <sup>1)</sup>	160	203	-21	216	-26	571	670	-15
<b>Total income</b>	<b>2 226</b>	<b>2 330</b>	<b>-4</b>	<b>2 236</b>	<b>0</b>	<b>6 688</b>	<b>6 819</b>	<b>-2</b>
Staff costs	365	352	4	349	5	1 047	1 017	3
Variable staff costs	13	13	0	10	30	43	29	48
Other expenses	599	543	10	492	22	1 638	1 416	16
Depreciation/amortisation	43	42	2	44	-2	128	133	-4
<b>Total expenses</b>	<b>1 020</b>	<b>950</b>	<b>7</b>	<b>895</b>	<b>14</b>	<b>2 856</b>	<b>2 595</b>	<b>10</b>
<b>Profit before impairment</b>	<b>1 206</b>	<b>1 380</b>	<b>-13</b>	<b>1 341</b>	<b>-10</b>	<b>3 832</b>	<b>4 224</b>	<b>-9</b>
Impairment of tangible assets				1			1	
Credit impairment	-20	-23	-13	43		177	245	-28
<b>Profit before tax</b>	<b>1 226</b>	<b>1 403</b>	<b>-13</b>	<b>1 297</b>	<b>-5</b>	<b>3 655</b>	<b>3 978</b>	<b>-8</b>
Tax expense	207	234	-12	214	-3	613	667	-8
<b>Profit for the period</b>	<b>1 019</b>	<b>1 169</b>	<b>-13</b>	<b>1 083</b>	<b>-6</b>	<b>3 042</b>	<b>3 311</b>	<b>-8</b>
<b>Profit for the period attributable to: Shareholders of Swedbank AB</b>	<b>1 019</b>	<b>1 169</b>	<b>-13</b>	<b>1 083</b>	<b>-6</b>	<b>3 042</b>	<b>3 311</b>	<b>-8</b>
Return on allocated equity, %	16.6	19.4		16.7		16.7	17.1	
Loan/deposit ratio, %	64	63		70		64	70	
Credit impairment ratio, %	-0.04	-0.05		0.09		0.13	0.17	
Cost/income ratio	0.46	0.41		0.40		0.43	0.38	
Loans, SEKbn <sup>2)</sup>	192	187	3	190	1	192	190	1
Deposits, SEKbn <sup>2)</sup>	301	295	2	272	11	301	272	11
Full-time employees	4 251	4 281	-1	4 237	0	4 251	4 237	0

<sup>1)</sup> 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.

<sup>2)</sup> Excluding the Swedish National Debt Office and repurchase agreements.

### Result

#### Third quarter 2021 compared with second quarter 2021

Profit in the third quarter decreased to SEK 1 019m (1 169). Profit decreased in local currency due to lower income and higher expenses. Credit impairments were unchanged and foreign exchange effects increased profit by SEK 1m.

Net interest income decreased by 6 per cent in local currency, mainly due to the positive effect when Swedbank in the previous quarter qualified for the European Central Bank's targeted longer-term refinancing operations (TLTRO3). The margins on mortgages and corporate loans were largely unchanged in the quarter. Foreign exchange effects increased net interest income by SEK 1m.

Lending increased by 2 per cent in the quarter in local currency. Household lending increased by 2 per cent while corporate lending increased by 3 per cent. Foreign exchange effects positively contributed SEK 1bn.

Deposit volume increased by 1 per cent in local currency in the quarter. Corporate deposits decreased while private deposits continued to rise, partly due to a pension reform in Estonia, where the mandatory, funded portion of an occupational pension can now be invested

at the discretion of the participant. Foreign exchange effects positively contributed SEK 2bn.

Net commission income increased by 5 per cent in local currency in the quarter, where primarily card income increased thanks to higher customer activity.

Net gains and losses on financial items decreased by 4 per cent in local currency.

Other income decreased by 21 per cent in local currency due to higher life insurance claims in the quarter.

Expenses increased by 7 per cent in local currency, largely due to higher staff costs and marketing expenses as well as higher legal expenses. Work to strengthen AML functions and improve KYC processes continued in the quarter.

Credit impairments amounted to SEK -20m (-23) i.e. net recoveries.

#### January-September 2021 compared with January-September 2020

Profit amounted to SEK 3 042m (3 311) in the period. Profit decreased in local currency mainly due to higher expenses, which was offset by increased income and lower credit impairments. Foreign exchange effects negatively affected profit by SEK 119m.

Net interest income was unchanged in local currency. Lower deposit margins and income from high-margin lending products were partly offset by a positive effect when Swedbank qualified for the European Central Bank's targeted longer-term refinancing operations (TLTRO3). Foreign exchange effects negatively affected net interest income by SEK 160m.

Lending increased by 5 per cent in local currency. Household lending increased by 7 per cent while corporate lending decreased by 2 per cent. Foreign exchange effects reduced lending growth by SEK 7bn.

Deposits increased by 15 per cent in local currency. Deposits increased in all markets. Foreign exchange effects negatively affected deposits by SEK 11bn.

Net commission income increased by 10 per cent in local currency, mainly due to higher income from the card and payment operations, asset management and other fees.

Net gains and losses on financial items increased by 19 per cent in local currency, largely due to high unrealised losses in asset management and the insurance businesses in 2020.

Other income decreased by 11 per cent in local currency due to a lower result in the insurance business.

Expenses increased by 15 per cent in local currency, mainly due to higher staff costs and expenses related to AML work, increased expenses for risk management and compliance, and higher expense allocations for Group Functions. Expenses for and investments in digital solutions increased as well.

Credit impairments amounted to SEK 177m (245).

## Business development

The economic recovery continued in the quarter with strong GDP growth. At the same time, global supply chain problems and bottlenecks, coupled with the introduction of new restrictions due to the spreading pandemic, increased the risk of slower growth.

As economic growth accelerated, demand for new loans increased. Mortgage demand was especially strong due to an increased willingness to pay more for a higher housing standard.

To follow up on a virtual advisory service previously launched for private customers, a similar offering was added for corporate customers. The launch was a

response to increased demand for remote advice and was well received by customers.

In Estonia, we launched a new form of savings for private customers to meet the increased demand generated by the pension reform. To encourage young people to save for the long term, we launched a campaign called "18<sup>th</sup> birthday gift," where customers who turn 18 receive one free share in the Swedbank Robur Access Edge Global fund.

To improve and strengthen our premium card offering, cardholders in Latvia can now withdraw up to EUR 500 in cash with no fee, anywhere in the world. We had already offered this service to customers in Lithuania.

We continued our local sustainability work in the quarter. In Estonia, Swedbank was one of the arrangers of sTARTUp Day, the largest festival for entrepreneurs in the Baltic countries. In the third quarter, Swedbank also supported the annual democracy LAMPA festival in Latvia. In Lithuania, Swedbank participated in the Millennium Children's Academy project, where employees of the bank led presentations. In Latvia, Swedbank received the LGBT Changemaker Award for our work to promote gender equality.

During the Baltic Brand Awards, Swedbank was named "Most loved brand" in all three countries for the third year in a row. Swedbank was also recognised as the most humane brand in the Baltics.

During the quarter, we saw an increase in attempted digital fraud against our customers. To protect customers, we proactively provided educational material and information, including in the form of press releases and social media posts, to increase awareness of the threat.

Swedbank received approval to establish a Baltic subsidiary in the form of a holding company called Swedbank Baltics AS. Swedbank Baltics AS now owns the subsidiary banks in Estonia, Latvia and Lithuania. The change was implemented on 1 October 2021.



Jon Lidefelt  
Head of Baltic Banking

**Swedbank is the largest bank** by number of customers in Estonia, Latvia and Lithuania, with around 3.3 million private customers and nearly 300 000 corporate customers. According to surveys, Swedbank is also the most popular brand in the Baltic countries. Through digital channels (Telephone Bank, Internet Bank and Mobile Bank) and branches, the bank is always available. Swedbank is part of the local community. Its local social engagement is expressed in many ways, with initiatives to promote education, entrepreneurship and social welfare. Swedbank has 17 branches in Estonia, 21 in Latvia and 42 in Lithuania.

## Large Corporates & Institutions

- Stable net interest income and net commission income
- High demand for complete financing solutions
- Increased customer advice on EU taxonomy

### Income statement

SEKm	Q3 2021	Q2 2021	%	Q3 2020	%	Jan-Sep 2021	Jan-Sep 2020	%
Net interest income	922	909	1	925	0	2 735	2 892	-5
Net commission income	766	781	-2	610	26	2 267	1 787	27
Net gains and losses on financial items	300	284	6	503	-40	933	1 220	-24
Other income <sup>1)</sup>	39	28	39	29	34	93	91	2
<b>Total income</b>	<b>2 027</b>	<b>2 002</b>	<b>1</b>	<b>2 067</b>	<b>-2</b>	<b>6 028</b>	<b>5 990</b>	<b>1</b>
Staff costs	575	623	-8	533	8	1 826	1 675	9
Variable staff costs	28	33	-15	14	100	126	40	
Other expenses	342	357	-4	361	-5	1 007	1 092	-8
Depreciation/amortisation	61	73	-16	61	0	199	183	9
<b>Total expenses</b>	<b>1 006</b>	<b>1 086</b>	<b>-7</b>	<b>969</b>	<b>4</b>	<b>3 158</b>	<b>2 990</b>	<b>6</b>
<b>Profit before impairment</b>	<b>1 021</b>	<b>916</b>	<b>11</b>	<b>1 098</b>	<b>-7</b>	<b>2 870</b>	<b>3 000</b>	<b>-4</b>
Impairment of intangible assets		13				13		
Credit impairment	124	31		521	-76	174	2 888	-94
<b>Profit before tax</b>	<b>897</b>	<b>872</b>	<b>3</b>	<b>577</b>	<b>55</b>	<b>2 683</b>	<b>112</b>	
Tax expense	173	177	-2	-42		530	-418	
<b>Profit for the period</b>	<b>724</b>	<b>695</b>	<b>4</b>	<b>619</b>	<b>17</b>	<b>2 153</b>	<b>530</b>	
<b>Profit for the period attributable to: Shareholders of Swedbank AB</b>	<b>724</b>	<b>695</b>	<b>4</b>	<b>619</b>	<b>17</b>	<b>2 153</b>	<b>530</b>	
Return on allocated equity, %	9.2	8.3		7.3		8.8	2.2	
Loan/deposit ratio, %	95	98		126		95	126	
Credit impairment ratio, %	0.18	0.04		0.57		0.08	1.30	
Cost/income ratio	0.50	0.54		0.47		0.52	0.50	
Loans, SEKbn <sup>2)</sup>	218	222	-2	221	-1	218	221	
Deposits, SEKbn <sup>2)</sup>	231	226	2	176	31	231	176	31
Full-time employees	2 458	2 444	1	2 342	5	2 458	2 342	5

<sup>1)</sup> 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.

<sup>2)</sup> Excluding the Swedish National Debt Office and repurchase agreements.

### Result

#### Third quarter 2021 compared with second quarter 2021

Stable income and seasonally lower expenses increased profit to SEK 724m (695).

Net interest income increased by 1 per cent to SEK 922m (909), mainly due to lower funding expenses. A higher resolution fund fee and lower deposit margins negatively affected net interest income.

Net commission income decreased to SEK 766m (781), partly due to lower income from advisory commissions related to equity issues and lower income from bond issues. This was offset by increased income from asset management and card commissions.

Net gains and losses on financial items increased to SEK 300m (284), mainly due to increased income from fixed income trading. Income from bond issues was seasonally lower and income from FX trading remained high.

Total expenses decreased by 7 per cent to SEK 1 006m (1 086), mainly due to seasonally lower staff costs as well as expenses for IT development and consultants.

Credit impairments amounted to SEK 124m (31). Additional provisions for a few oil-related commitments were partly offset by reversals due to loan repayments.

#### January-September 2021 compared with January-September 2020

Profit increased to SEK 2 153m (530), mainly due to lower credit impairments.

Net interest income decreased by 5 per cent to SEK 2 735m (2 892) due to lower deposit margins.

Net commission income increased by 27 per cent to SEK 2 267m (1 787), partly due to increased income from asset management, custodial services and card acquiring. Higher lending commissions and income from advisory commissions related to bond and equity issues also contributed positively.

Net gains and losses on financial items decreased to SEK 933m (1 220). Decreased income from fixed income trading was offset by derivative valuation adjustments (CVA/DVA) and revaluations of bond holdings in the trading book.

Expenses increased by 6 per cent to SEK 3 158m (2 990), mainly due to a higher number of employees and higher staff costs as well as IT and compliance, which was partly driven by a shift from consultants to

employees. Higher expense allocations for Group Functions also contributed to the increase.

Credit impairments amounted to SEK 174m (2 888).

### Business development

As the pandemic eased, the demand for in-person meetings has rose. To meet this growing need, we arranged a number of such meetings in a safe manner in line with current restrictions. Among other things, we held popular customer events on themes such as EU taxonomy for sustainable activities and the macroeconomic outlook.

EU taxonomy is becoming increasingly important in our advice to clients who are active in the bond market. The new regulation, which enters into force in 2022, affects issuers and investors in capital markets through among other things increased transparency and comparability.

Demand for complete financing solutions for corporate clients remained high in the third quarter. For example, Swedbank coordinated and participated in a SEK 5bn syndicated loan for LKAB. Total lending decreased slightly, largely driven by lower utilisation of credit facilities.

Despite what are traditionally calmer summer months, interest in sustainable bonds remained strong. For example, Swedbank assisted the African Development Bank with a social impact bond to finance infrastructure in the form of electrical power, water and sanitation. Swedbank also assisted Region Stockholm with a green

bond issue and the European Bank for Reconstruction and Development with its first green transition bond, denominated in SEK. Swedbank is pleased to have served as an advisor on an average of two sustainable bond issues per week during the year to date.

Swedbank was also an advisor on a number of other bond issues during the period, including for the real estate companies Sagax, Castellum and Heimstaden, the construction and civil engineering company Peab, and the shipping and logistics company Wallenius Wilhelmsen.

Together with our partner, Kepler Cheuvreux, Swedbank was hired in connection with a number of deals in the equity market. The bank was advisor on among other things the IPO for CTEK, a global market leader in battery chargers.

In Lithuania, the bank served as an advisor to Linas Agro Group in its acquisition of the leading Baltic food and agriculture company KG Group. The acquisition makes it one of the largest listed companies in the region. The bank also advised Tallink Group on a share issue in Finland and Estonia.



Pål Bergström  
Head of Large Corporates & Institutions

**Large Corporates & Institutions** is responsible for Swedbank's offering to customers with revenues above SEK 2 billion and those whose needs are considered complex due to multinational operations or a need for advanced financing solutions. They are also responsible for developing corporate and capital market products for other parts of the bank and the Swedish savings banks. Large Corporates & Institutions works closely with customers, who receive advice on decisions that create long-term profitability and sustainable growth. Large Corporates & Institutions is represented in Sweden, Estonia, Latvia, Lithuania, Norway, Finland, Denmark, the US, China and South Africa.

## Group Functions & Other

### Income statement

SEKm	Q3 2021	Q2 2021	%	Q3 2020	%	Jan-Sep 2021	Jan-Sep 2020	%
Net interest income	651	519	25	421	55	1 652	899	84
Net commission income	-32	-50	-36	-14		-151	-93	62
Net gains and losses on financial items	59	50	18	-29		135	28	
Other income <sup>1)</sup>	340	290	17	255	33	888	729	22
<b>Total income</b>	<b>1 018</b>	<b>809</b>	<b>26</b>	<b>633</b>	<b>61</b>	<b>2 524</b>	<b>1 563</b>	<b>61</b>
Staff costs	1 294	1 278	1	1 212	7	3 805	3 529	8
Variable staff costs	48	37	30	34	41	100	89	12
Other expenses	-1 086	-1 243	-13	-1 020	6	-3 416	-2 121	61
Depreciation/amortisation	289	290	0	278	4	863	816	6
Administrative fine							4 000	
<b>Total expenses</b>	<b>545</b>	<b>362</b>	<b>51</b>	<b>504</b>	<b>8</b>	<b>1 352</b>	<b>6 313</b>	<b>-79</b>
<b>Profit before impairment</b>	<b>473</b>	<b>447</b>	<b>6</b>	<b>129</b>		<b>1 172</b>	<b>-4 750</b>	
Impairment of intangible assets		43				43		
Credit impairment	-3	-1		1		-4	13	
<b>Profit before tax</b>	<b>476</b>	<b>405</b>	<b>18</b>	<b>128</b>		<b>1 133</b>	<b>-4 763</b>	
Tax expense	153	103	49	121	26	363	114	
<b>Profit for the period</b>	<b>323</b>	<b>302</b>	<b>7</b>	<b>7</b>		<b>770</b>	<b>-4 877</b>	
<b>Profit for the period attributable to:</b>								
<b>Shareholders of Swedbank AB</b>	<b>323</b>	<b>302</b>	<b>7</b>	<b>7</b>		<b>770</b>	<b>-4 877</b>	
Full-time employees	5 745	5 705	1	5 520	4	5 745	5 520	4

<sup>1)</sup> 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 Financial Products & Advice and Group Staffs and are allocated to a large extent.

### Result

#### Result

##### Third quarter 2021 compared with second quarter 2021

Profit increased to SEK 323m (302). Income and expenses both increased.

Net interest income increased to SEK 651m (519). Net interest income within Group Treasury increased to SEK 690m (557), mainly driven by lower expenses for long-term financing. The second quarter was charged with a one-time expense of SEK 50m for the Riksbank's liquidity loan.

Net gains and losses on financial items increased to SEK 59m (50). Net gains and losses on financial items within Group Treasury increased to SEK 56m (33), mainly due to a revaluation of the shareholding in the privately held company Yabi.

Expenses increased to SEK 545m (362), mainly due to lower cost allocations to the business areas.

##### January-September 2021 compared with January-September 2020

Profit increased to SEK 770m (-4 877), largely due to the Swedish FSA's administrative fine in the first quarter 2020.

Net interest income increased to SEK 1 652m (899). Group Treasury's net interest income increased to SEK 1 771m (1 022), mainly because short-term market interest rates were lower in the first half of the year and the funding cost for long-term financing fell.

Net gains and losses on financial items increased to SEK 135m (28). Net gains and losses on financial items within Group Treasury increased to SEK 132m (-14), mainly due to lower bond repurchase volumes this year.

Expenses decreased to SEK 1 352m (6 313), mainly due to the Swedish FSA's administrative fine and high money laundering related consulting costs in 2020, as well as higher cost allocations to the business areas this year.

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



## Eliminations

### Income statement

SEKm	Q3 2021	Q2 2021	%	Q3 2020	%	Jan-Sep 2021	Jan-Sep 2020	%
Net interest income	-4	-4	0	-5	-20	-12	-19	-37
Net commission income	2	-10		15	-87	3	54	-94
Net gains and losses on financial items	1					1		
Other income <sup>1)</sup>	-125	-39		-53		-224	-174	29
<b>Total income</b>	<b>-126</b>	<b>-53</b>		<b>-43</b>		<b>-232</b>	<b>-139</b>	<b>67</b>
Staff costs	-4	-4	0	-3	33	-11	-10	10
Other expenses	-122	-49		-40		-221	-129	71
<b>Total expenses</b>	<b>-126</b>	<b>-53</b>		<b>-43</b>		<b>-232</b>	<b>-139</b>	<b>67</b>

<sup>1)</sup> 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 segments.

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

## Income statement, condensed

Group SEKm	Q3 2021	Q2 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
Interest income on financial assets at amortised cost	7 483	7 373	8 027	22 319	24 720
Other interest income	304	317	187	986	967
<b>Interest income</b>	<b>7 787</b>	<b>7 690</b>	<b>8 214</b>	<b>23 305</b>	<b>25 687</b>
Interest expense	-1 197	-1 118	-1 500	-3 602	-5 401
<b>Net interest income (note 5)</b>	<b>6 590</b>	<b>6 572</b>	<b>6 714</b>	<b>19 703</b>	<b>20 286</b>
Commission income	5 743	5 535	4 899	16 386	14 291
Commission expense	-1 944	-1 861	-1 653	-5 553	-4 897
<b>Net commission income (note 6)</b>	<b>3 799</b>	<b>3 674</b>	<b>3 246</b>	<b>10 833</b>	<b>9 394</b>
Net gains and losses on financial items (note 7)	553	645	669	1 783	1 745
Net insurance	361	396	424	1 131	1 110
Share of profit or loss of associates and joint ventures	239	247	231	723	460
Other income	327	336	320	968	917
<b>Total income</b>	<b>11 869</b>	<b>11 870</b>	<b>11 604</b>	<b>35 141</b>	<b>33 912</b>
Staff costs	3 127	3 136	2 930	9 378	8 668
Other general administrative expenses (note 8)	1 513	1 437	1 435	4 407	5 133
Depreciation/amortisation of tangible and intangible assets	402	416	396	1 220	1 173
Administrative fine					4 000
<b>Total expenses</b>	<b>5 042</b>	<b>4 989</b>	<b>4 761</b>	<b>15 005</b>	<b>18 974</b>
<b>Profit before impairment</b>	<b>6 827</b>	<b>6 881</b>	<b>6 843</b>	<b>20 136</b>	<b>14 938</b>
Impairment of intangible assets		56		56	
Impairment of tangible assets			1		1
Credit impairment (note 9)	18	-27	425	237	3 811
<b>Profit before tax</b>	<b>6 809</b>	<b>6 852</b>	<b>6 417</b>	<b>19 843</b>	<b>11 126</b>
Tax expense	1 310	1 288	1 155	3 806	2 707
<b>Profit for the period</b>	<b>5 499</b>	<b>5 564</b>	<b>5 262</b>	<b>16 037</b>	<b>8 419</b>
<b>Profit for the period attributable to:</b>					
<b>Shareholders of Swedbank AB</b>	<b>5 498</b>	<b>5 563</b>	<b>5 261</b>	<b>16 036</b>	<b>8 419</b>
Non-controlling interests	1	1	1	1	0
Earnings per share, SEK	4.90	4.96	4.70	14.30	7.52
Earnings per share after dilution, SEK	4.89	4.95	4.68	14.26	7.50

## Statement of comprehensive income, condensed

Group SEKm	Q3 2021	Q2 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
<b>Profit for the period reported via income statement</b>	<b>5 499</b>	<b>5 564</b>	<b>5 262</b>	<b>16 037</b>	<b>8 419</b>
<b>Items that will not be reclassified to the income statement</b>					
Remeasurements of defined benefit pension plans	-467	296	949	1 413	4 018
Share related to associates and joint ventures:					
Remeasurements of defined benefit pension plans	-35	16	-20	7	76
Change in fair value attributable to changes in own credit risk on financial liabilities designated at fair value through profit and loss	0	0	1	0	4
Income tax	96	-61	-196	-291	-829
<b>Total</b>	<b>-406</b>	<b>251</b>	<b>734</b>	<b>1 129</b>	<b>3 269</b>
<b>Items that may be reclassified to the income statement</b>					
Exchange rate differences, foreign operations:					
Gains/losses arising during the period	251	-583	371	514	499
Hedging of net investments in foreign operations:					
Gains/losses arising during the period	-204	490	-291	-443	-285
Cash flow hedges:					
Gains/losses arising during the period	42	-101	34	90	54
Reclassification adjustments to the income statement, Net gains and losses on financial items	-41	98	-33	-88	-54
Foreign currency basis risk:					
Gains/losses arising during the period	11	-2	-14	6	-18
Share of other comprehensive income of associates and joint ventures	13	-34	-4	82	-90
Income tax	39	-103	67	89	66
<b>Total</b>	<b>111</b>	<b>-235</b>	<b>130</b>	<b>250</b>	<b>172</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-295</b>	<b>16</b>	<b>864</b>	<b>1 379</b>	<b>3 441</b>
<b>Total comprehensive income for the period</b>	<b>5 204</b>	<b>5 580</b>	<b>6 126</b>	<b>17 416</b>	<b>11 860</b>
<b>Total comprehensive income attributable to:</b>					
<b>Shareholders of Swedbank AB</b>	<b>5 203</b>	<b>5 579</b>	<b>6 125</b>	<b>17 415</b>	<b>11 860</b>
Non-controlling interests	1	1	1	1	0

For January-September 2021 a gain of SEK 1 413m (4 018) was recognised in other comprehensive income, relating to remeasurements of defined benefit pension plans. As per 30 September the discount rate used to calculate the closing pension obligation was 2.08 per cent, compared with 1.41 per cent at year end. The inflation assumption was 2.07 per cent compared with 1.48 per cent at year end. The changed assumptions together with gains and losses based on experience represented SEK 653m of the positive result in other comprehensive income. The fair value of plan assets increased during the first nine months of 2021 by SEK 760m. In total, the obligation for defined benefit pension plans exceeded the fair value of plan assets by SEK 2 110m compared with SEK 3 665m at year end.

For January-September 2021 an exchange rate difference of SEK 514m (499) 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 82m (-90) 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 596m is not taxable. The large part of the Group's foreign net investments is hedged against currency risk resulting in a loss of SEK 443m (285) for the hedging instruments.

The revaluation of defined benefit pension plans and translation of net investments in foreign operations can be volatile in certain periods due to movements in the discount rate, inflation and exchange rates.

## Balance sheet, condensed

Group SEKm	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Assets</b>			
Cash and balances with central banks	651 869	293 811	388 491
Treasury bills and other bills eligible for refinancing with central banks, etc.	139 606	137 191	116 060
Loans to credit institutions (note 10)	41 442	47 954	50 839
Loans to the public (note 10)	1 701 232	1 680 987	1 683 986
Value change of interest hedged items in portfolio hedges of interest rate risk	-228	1 774	2 409
Bonds and other interest-bearing securities	66 953	59 975	87 101
Financial assets for which customers bear the investment risk	301 258	252 411	240 129
Shares and participating interests	25 864	17 215	15 203
Investments in associates and joint ventures	7 530	7 287	7 127
Derivatives (note 17)	38 223	52 177	54 218
Intangible assets (note 13)	19 067	18 361	18 482
Tangible assets	5 208	5 421	5 576
Current tax assets	1 826	1 554	2 535
Deferred tax assets	155	124	200
Other assets	28 084	16 483	20 733
Prepaid expenses and accrued income	2 068	1 917	2 661
<b>Total assets</b>	<b>3 030 157</b>	<b>2 594 642</b>	<b>2 695 750</b>
<b>Liabilities and equity</b>			
Amounts owed to credit institutions (note 14)	156 133	150 313	166 237
Deposits and borrowings from the public (note 15)	1 317 921	1 148 240	1 155 921
Financial liabilities for which customers bear the investment risk	302 140	253 229	240 970
Debt securities in issue (note 16)	918 260	732 814	814 976
Short positions, securities	29 989	23 300	25 460
Derivatives (note 17)	24 906	54 380	41 050
Current tax liabilities	760	424	440
Deferred tax liabilities	3 264	2 784	2 514
Pension provisions	2 110	3 665	4 800
Insurance provisions	1 924	1 859	1 951
Other liabilities and provisions	38 169	30 610	50 866
Accrued expenses and prepaid income	4 627	4 038	4 174
Senior non-preferred liabilities (note 16)	37 182	10 359	10 878
Subordinated liabilities (note 16)	28 134	23 434	24 924
<b>Total liabilities</b>	<b>2 865 519</b>	<b>2 439 449</b>	<b>2 545 161</b>
<b>Equity</b>			
Non-controlling interests	26	25	25
Equity attributable to shareholders of the parent company	164 612	155 168	150 564
<b>Total equity</b>	<b>164 638</b>	<b>155 193</b>	<b>150 589</b>
<b>Total liabilities and equity</b>	<b>3 030 157</b>	<b>2 594 642</b>	<b>2 695 750</b>



## 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	Own credit risk reserves	Retained earnings	Total	Non- controlling interests	Total equity
January-September 2021											
Opening balance 1 January 2021	24 904	17 275	4 355	-2 669	1	-62	0	111 364	155 168	25	155 193
Dividends								-8 124	-8 124		-8 124
Share based payments to employees								137	137		137
Deferred tax related to share based payments to employees								18	18		18
Current tax related to share based payments to employees								-2	-2		-2
Total comprehensive income for the period			596	-352	1	5	0	17 165	17 415	1	17 416
of which reported through profit or loss								16 036	16 036	1	16 037
of which reported through other comprehensive income			596	-352	1	5	0	1 129	1 379		1 379
Closing balance 30 September 2021	24 904	17 275	4 951	-3 021	2	-57	0	120 558	164 612	26	164 638
January-December 2020											
Opening balance 1 January 2020	24 904	17 275	6 279	-3 880	8	-33	-5	94 060	138 608	25	138 633
Share based payments to employees								178	178		178
Deferred tax related to share based payments to employees								7	7		7
Current tax related to share based payments to employees								-8	-8		-8
Total comprehensive income for the period			-1 924	1 211	-7	-29	5	17 127	16 383	0	16 383
of which reported through profit or loss								12 929	12 929	0	12 929
of which reported through other comprehensive income			-1 924	1 211	-7	-29	5	4 198	3 454		3 454
Closing balance 31 December 2020	24 904	17 275	4 355	-2 669	1	-62	0	111 364	155 168	25	155 193
January-September 2020											
Opening balance 1 January 2020	24 904	17 275	6 279	-3 880	8	-33	-5	94 060	138 608	25	138 633
Share based payments to employees								95	95		95
Deferred tax related to share based payments to employees								7	7		7
Current tax related to share based payments to employees								-6	-6		-6
Total comprehensive income for the period			409	-223		-14	3	11 685	11 860	0	11 860
of which reported through profit or loss								8 419	8 419	0	8 419
of which reported through other comprehensive income			409	-223		-14	3	3 266	3 441		3 441
Closing balance 30 September 2020	24 904	17 275	6 688	-4 103	8	-47	-2	105 841	150 564	25	150 589

<sup>1)</sup> Other contributed equity consists mainly of share premiums.

## Cash flow statement, condensed

Group SEKm	Jan-Sep 2021	Full-year 2020	Jan-Sep <sup>1)</sup> 2020
<b>Operating activities</b>			
Profit before tax	19 843	16 780	11 126
Adjustments for non-cash items in operating activities	-2 122	447	1 363
Income taxes paid	-3 700	-4 331	-3 012
Increase (-) / decrease (+) in loans to credit institution	6 686	-2 708	-5 278
Increase (-) / decrease (+) in loans to the public	-18 336	-39 022	-32 670
Increase (-) / decrease (+) in holdings of securities for trading	-18 343	-15 081	-17 664
Increase (-) / decrease (+) in other assets	2 710	-17 957	-24 312
Increase (+) / decrease (-) in amounts owed to credit institutions	5 165	82 381	96 114
Increase (+) / decrease (-) in deposits and borrowings from the public	166 564	203 526	198 662
Increase (+) / decrease (-) in debt securities in issue	171 724	-104 629	-44 634
Increase (+) / decrease (-) in other liabilities	4 013	-10 169	20 135
<b>Cash flow from operating activities</b>	<b>334 204</b>	<b>109 237</b>	<b>199 830</b>
<b>Investing activities</b>			
Acquisitions of and contributions to associates and joint ventures	-43	-54	-11
Disposal of shares in associates		76	76
Dividend from associates and joint ventures	587	2	2
Acquisitions of other fixed assets and strategic financial assets	-195	-364	-309
Disposals of/maturity of other fixed assets and strategic financial assets	107	1 723	907
<b>Cash flow from investing activities</b>	<b>456</b>	<b>1 383</b>	<b>665</b>
<b>Financing activities</b>			
Amortisation of lease liabilities	-546	-723	-554
Issuance of senior non-preferred liabilities	26 988		
Redemption of senior non-preferred liabilities	-1	-95	-31
Issuance of subordinated liabilities	4 326		
Redemption of subordinated liabilities	-603	-7 880	-7 480
Dividends paid	-8 124		
<b>Cash flow from financing activities</b>	<b>22 040</b>	<b>-8 698</b>	<b>-8 065</b>
<b>Cash flow for the period</b>	<b>356 700</b>	<b>101 922</b>	<b>192 430</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>293 811</b>	<b>195 286</b>	<b>195 286</b>
Cash flow for the period	356 700	101 922	192 430
Exchange rate differences on cash and cash equivalents	1 358	-3 397	775
<b>Cash and cash equivalents at end of the period</b>	<b>651 869</b>	<b>293 811</b>	<b>388 491</b>

<sup>1)</sup> Presentation of the cash flow statement has been updated, see more in note 26

### 2021

During the year contributions were provided to joint ventures P27 Nordic Payments Platform AB of SEK 25m and Invidem AB of SEK 17 m. During the third quarter additional shares were acquired in associate BGC Holding AB of SEK 1m.

During the third quarter shares in Hemnet Group AB were sold and Swedbank received a cash payment of SEK 27m.

### 2020

During the year contributions were provided to joint ventures Invidem AB of SEK 23m and P27 Nordic Payments Platform AB of SEK 31m.

During the fourth quarter, the Visa Inc. A shares were sold and Swedbank received a cash payment of SEK 794m.

During the third quarter, the shares in the Finnish credit information company Enento Group was sold. Swedbank received a cash payment of SEK 570m.

During the second quarter the associated company Svensk Mäklarstatistik AB was sold. Swedbank received a cash payment of SEK 5m and the capital gain was SEK 3m.

During the first quarter of 2017, the associated company Hemnet AB was sold. Swedbank received parts of the cash payment, SEK 71m, in the first quarter of 2020.

## 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 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 2020, which was prepared in accordance with International Financial Reporting Standards as adopted by the European Union and interpretations thereof. There have been no significant changes to the Group's accounting policies, except for the change as set out below.

### **Amendments for Interest Rate Benchmark Reform (phase 2)**

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 due to the Interest Rate Benchmark Reform – Phase 2 are applied from 1 January 2021.

The amendments address the accounting issues that arise when financial instruments that reference an IBOR interest rate transition to an alternative benchmark rate. The amendments include a practical expedient for modifications required by the Interest Rate Benchmark Reform (the Reform), to be treated as changes to a floating interest rate. They also permit changes required by the Reform to be implemented in hedge designations and hedge documentation without the hedging relationship being discontinued. The adoption did not have any impact on the Group's financial position, results, cash flows or disclosures.

### **Other changes in accounting regulations**

Other amended regulations that have been adopted from 1 January 2021 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 for assets, liabilities and disclosures of contingent assets and liabilities as of the reporting date as well as the recognised income and expenses during the report 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.

Due to the continued uncertainties related to Covid-19 post-model expert credit adjustments to the credit impairment provisions continue to be necessary. 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 2020.

## Note 3 Changes in the Group structure

No significant changes to the Group structure occurred during the first nine months 2021.

## Note 4 Operating segments (business areas)

January-September 2021

SEKm	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Eliminations	Group
<b>Income statement</b>						
Net interest income	11 411	3 917	2 735	1 652	-12	19 703
Net commission income	6 786	1 928	2 267	-151	3	10 833
Net gains and losses on financial items	442	272	933	135	1	1 783
Other income <sup>1)</sup>	1 494	571	93	888	-224	2 822
<b>Total income</b>	<b>20 133</b>	<b>6 688</b>	<b>6 028</b>	<b>2 524</b>	<b>-232</b>	<b>35 141</b>
Staff costs	2 394	1 047	1 826	3 805	-11	9 061
Variable staff costs	48	43	126	100		317
Other expenses	5 399	1 638	1 007	-3 416	-221	4 407
Depreciation/amortisation	30	128	199	863		1 220
<b>Total expenses</b>	<b>7 871</b>	<b>2 856</b>	<b>3 158</b>	<b>1 352</b>	<b>-232</b>	<b>15 005</b>
<b>Profit before impairment</b>	<b>12 262</b>	<b>3 832</b>	<b>2 870</b>	<b>1 172</b>		<b>20 136</b>
Impairment of intangible assets			13	43		56
Credit impairment	-110	177	174	-4		237
<b>Profit before tax</b>	<b>12 372</b>	<b>3 655</b>	<b>2 683</b>	<b>1 133</b>		<b>19 843</b>
Tax expense	2 300	613	530	363		3 806
<b>Profit for the period</b>	<b>10 072</b>	<b>3 042</b>	<b>2 153</b>	<b>770</b>		<b>16 037</b>
<b>Profit for the period attributable to:</b>						
<b>Shareholders of Swedbank AB</b>	<b>10 071</b>	<b>3 042</b>	<b>2 153</b>	<b>770</b>		<b>16 036</b>
Non-controlling interests	1					1
<b>Net commission income</b>						
<b>Commission income</b>						
Payment processing	541	480	468	87	-22	1 554
Cards	1 534	1 178	1 691		-270	4 133
Asset management and custody	5 589	304	1 361	-13	-234	7 007
Lending	155	119	641	2	-5	912
Other commission income <sup>2)</sup>	1 620	405	728	34	-7	2 780
<b>Total Commission income</b>	<b>9 439</b>	<b>2 486</b>	<b>4 889</b>	<b>110</b>	<b>-538</b>	<b>16 386</b>
<b>Commission expense</b>	<b>2 653</b>	<b>558</b>	<b>2 622</b>	<b>261</b>	<b>-541</b>	<b>5 553</b>
<b>Net commission income</b>	<b>6 786</b>	<b>1 928</b>	<b>2 267</b>	<b>-151</b>	<b>3</b>	<b>10 833</b>
<b>Balance sheet, SEKbn</b>						
Cash and balances with central banks	2	3	175	474	-2	652
Loans to credit institutions	7		332	374	-672	41
Loans to the public	1 243	192	266			1 701
Interest-bearing securities		1	55	152	-1	207
Financial liabilities for which customers bears the investment risk	294	7				301
Investments in associates and joint ventures	6			2		8
Derivatives			46	26	-34	38
Tangible and intangible assets	2	12	2	8		24
Other assets	3	119	52	422	-538	58
<b>Total assets</b>	<b>1 557</b>	<b>334</b>	<b>928</b>	<b>1 458</b>	<b>-1 247</b>	<b>3 030</b>
Amounts owed to credit institutions	26		428	356	-654	156
Deposits and borrowings from the public	691	301	257	79	-10	1 318
Debt securities in issue		1	5	914	-2	918
Financial liabilities for which customers bears the investment risk	295	7				302
Derivatives			43	16	-34	25
Other liabilities	481		165	-18	-547	81
Senior non-preferred liabilities				37		37
Subordinated liabilities				28		28
<b>Total liabilities</b>	<b>1 493</b>	<b>309</b>	<b>898</b>	<b>1 412</b>	<b>-1 247</b>	<b>2 865</b>
Allocated equity	64	25	30	46		165
<b>Total liabilities and equity</b>	<b>1 557</b>	<b>334</b>	<b>928</b>	<b>1 458</b>	<b>-1 247</b>	<b>3 030</b>
<b>Key figures</b>						
Return on allocated equity, %	20.7	16.7	8.8	2.8		13.5
Cost/income ratio	0.39	0.43	0.52	0.54		0.43
Credit impairment ratio, %	-0.01	0.13	0.08	-0.01		0.02
Loan/deposit ratio, %	180	64	95	0		127
Loans to the public, stage 3, SEKbn <sup>3)</sup> (gross)	2	1	4			7
Loans to the public, total, SEKbn <sup>3)</sup>	1 243	192	218			1 653
Provisions for loans to the public, total, SEKbn <sup>3)</sup>	1	1	4			6
Deposits from the public, SEKbn <sup>3)</sup>	691	301	231	77		1 300
Risk exposure amount, SEKbn	404	103	168	28		703
Full-time employees	3 984	4 251	2 458	5 745		16 438
Allocated equity, average, SEKbn	65	24	32	36		158

<sup>1)</sup> 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.

<sup>2)</sup> Other commission income includes Service concepts, Insurance, Securities and corporate finance and Other, see note 6.

<sup>3)</sup> Excluding the Swedish National Debt Office and repurchase agreements.

## January-September 2020

SEKm	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Eliminations	Group
<b>Income statement</b>						
Net interest income	12 426	4 088	2 892	899	-19	20 286
Net commission income	5 822	1 824	1 787	-93	54	9 394
Net gains and losses on financial items	260	237	1 220	28		1 745
Other income <sup>1)</sup>	1 171	670	91	729	-174	2 487
<b>Total income</b>	<b>19 679</b>	<b>6 819</b>	<b>5 990</b>	<b>1 563</b>	<b>-139</b>	<b>33 912</b>
Staff costs	2 269	1 017	1 675	3 529	-10	8 480
Variable staff costs	30	29	40	89		188
Other expenses	4 875	1 416	1 092	-2 121	-129	5 133
Depreciation/amortisation	41	133	183	816		1 173
Administrative fine				4 000		4 000
<b>Total expenses</b>	<b>7 215</b>	<b>2 595</b>	<b>2 990</b>	<b>6 313</b>	<b>-139</b>	<b>18 974</b>
<b>Profit before impairment</b>	<b>12 464</b>	<b>4 224</b>	<b>3 000</b>	<b>-4 750</b>		<b>14 938</b>
Impairment of tangible assets		1				1
Credit impairment	665	245	2 888	13		3 811
<b>Profit before tax</b>	<b>11 799</b>	<b>3 978</b>	<b>112</b>	<b>-4 763</b>		<b>11 126</b>
Tax expense	2 344	667	-418	114		2 707
<b>Profit for the period</b>	<b>9 455</b>	<b>3 311</b>	<b>530</b>	<b>-4 877</b>		<b>8 419</b>
<b>Profit for the period attributable to:</b>						
<b>Shareholders of Swedbank AB</b>	<b>9 455</b>	<b>3 311</b>	<b>530</b>	<b>-4 877</b>		<b>8 419</b>
Non-controlling interests	0					0
<b>Net commission income</b>						
<b>Commission income</b>						
Payment processing	533	484	426	73	-23	1 493
Cards	1 648	1 155	1 466		-327	3 942
Asset management and custody	4 334	252	1 026	-9	-194	5 409
Lending	166	127	480	9	-5	777
Other commission income <sup>2)</sup>	1 572	372	706	26	-6	2 670
<b>Total Commission income</b>	<b>8 253</b>	<b>2 390</b>	<b>4 104</b>	<b>99</b>	<b>-555</b>	<b>14 291</b>
<b>Commission expense</b>	<b>2 431</b>	<b>566</b>	<b>2 317</b>	<b>192</b>	<b>-609</b>	<b>4 897</b>
<b>Net commission income</b>	<b>5 822</b>	<b>1 824</b>	<b>1 787</b>	<b>-93</b>	<b>54</b>	<b>9 394</b>
<b>Balance sheet, SEKbn</b>						
Cash and balances with central banks	1	3	123	262	-1	388
Loans to credit institutions	7		97	192	-245	51
Loans to the public	1 211	190	282	2	-1	1 684
Interest-bearing securities		1	82	123	-3	203
Financial liabilities for which customers bears the investment risk	234	6				240
Investments in associates	5			2		7
Derivatives			62	45	-53	54
Tangible and intangible assets	2	12	2	8		24
Other assets	3	93	31	466	-548	45
<b>Total assets</b>	<b>1 463</b>	<b>305</b>	<b>679</b>	<b>1 100</b>	<b>-851</b>	<b>2 696</b>
Amounts owed to credit institutions	30		210	161	-235	166
Deposits and borrowings from the public	627	272	206	59	-8	1 156
Debt securities in issue		1	7	811	-4	815
Financial liabilities for which customers bears the investment risk	235	6				241
Derivatives			65	28	-52	41
Other liabilities	503		157	-18	-552	90
Senior non-preferred liabilities				11		11
Subordinated liabilities				25		25
<b>Total liabilities</b>	<b>1 395</b>	<b>279</b>	<b>645</b>	<b>1 077</b>	<b>-851</b>	<b>2 545</b>
Allocated equity	68	26	34	23		151
<b>Total liabilities and equity</b>	<b>1 463</b>	<b>305</b>	<b>679</b>	<b>1 100</b>	<b>-851</b>	<b>2 696</b>
<b>Key figures</b>						
Return on allocated equity, %	18.8	17.1	2.2	-33.7		7.8
Cost/income ratio	0.37	0.38	0.50	4.04		0.56
Credit impairment ratio, %	0.07	0.17	1.30	0.09		0.30
Loan/deposit ratio, %	193	70	126	0		143
Loans to the public, stage 3, SEKbn <sup>3)</sup> (gross)	3	2	8			13
Loans to the public, total, SEKbn <sup>3)</sup>	1 211	190	221			1 622
Provisions for loans to the public, total, SEKbn <sup>3)</sup>	2	1	6			9
Deposits, SEKbn <sup>3)</sup>	627	272	176	57		1132
Risk exposure amount, SEKbn	400	95	170	27		692
Full-time employees	3 908	4 237	2 342	5 520		16 007
Allocated equity, average, SEKbn	67	26	32	19		144

<sup>1)</sup> 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.

<sup>2)</sup> Other commission income includes Service concepts, Insurance, Securities and corporate finance and Other, see note 6.

<sup>3)</sup> Excluding the Swedish National Debt Office and repurchase agreements.



## 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 half of 2021, minor changes between Swedbank's operating segments were made to coincide with the organisational changes. Comparative figures have been restated.

## Note 5 Net interest income

Group SEKm	Q3 2021	Q2 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
<b>Interest income</b>					
Cash and balances with central banks	-312	-290	-211	-834	-382
Treasury bills and other bills eligible for refinancing with central banks, etc.	18	17	15	49	61
Loans to credit institutions	44	47	56	128	268
Loans to the public	7 674	7 634	8 101	22 967	24 753
Bonds and other interest-bearing securities	42	47	176	136	321
Derivatives <sup>1)</sup>	275	262	78	781	581
Other assets	42	41	42	125	144
<b>Total</b>	<b>7 783</b>	<b>7 758</b>	<b>8 257</b>	<b>23 352</b>	<b>25 746</b>
Deduction of trading-related interests reported in Net gains and losses on financial items	-4	68	43	47	59
<b>Total interest income</b>	<b>7 787</b>	<b>7 690</b>	<b>8 214</b>	<b>23 305</b>	<b>25 687</b>
<b>Interest expense</b>					
Amounts owed to credit institutions	28	92	-1	125	-214
Deposits and borrowings from the public	-130	-126	-148	-293	-623
of which deposit guarantee fees	-142	-136	-119	-313	-354
Debt securities in issue	-1 102	-1 158	-1 594	-3 518	-5 860
Senior non-preferred liabilities	-67	-48	-57	-143	-112
Subordinated liabilities	-198	-170	-183	-538	-651
Derivatives <sup>1)</sup>	568	570	781	1 641	2 889
Other liabilities	-216	-197	-247	-660	-729
of which resolution fund fee	-198	-172	-218	-599	-643
<b>Total</b>	<b>-1 117</b>	<b>-1 037</b>	<b>-1 449</b>	<b>-3 386</b>	<b>-5 300</b>
Deduction of trading-related interests reported in Net gains and losses on financial items	80	81	51	216	101
<b>Total interest expense</b>	<b>-1 197</b>	<b>-1 118</b>	<b>-1 500</b>	<b>-3 602</b>	<b>-5 401</b>
<b>Net interest income</b>	<b>6 590</b>	<b>6 572</b>	<b>6 714</b>	<b>19 703</b>	<b>20 286</b>
Net investment margin before trading-related interests are deducted	0.89	0.94	1.00	0.93	1.02
Average total assets	2 998 524	2 854 333	2 728 877	2 864 253	2 672 347
Interest expense on financial liabilities at amortised cost	1 488	1 464	1 954	4 454	7 398
Negative yield on financial assets	394	348	355	1 024	1 225
Negative yield on financial liabilities	241	300	106	688	333

<sup>1)</sup> 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

Group SEKm	Q3 2021	Q2 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
<b>Commission income</b>					
Payment processing	524	526	499	1 554	1 493
Cards	1 563	1 393	1 380	4 133	3 942
Service concepts	320	318	306	951	930
Asset management and custody	2 477	2 323	1 895	7 007	5 409
Insurance	172	174	168	517	526
Securities and corporate finance	170	248	140	611	511
Lending	320	299	271	912	777
Other	197	254	240	701	703
<b>Total commission income</b>	<b>5 743</b>	<b>5 535</b>	<b>4 899</b>	<b>16 386</b>	<b>14 291</b>
<b>Commission expense</b>					
Payment processing	-325	-331	-277	-966	-843
Cards	-736	-645	-667	-1 990	-1 936
Service concepts	-41	-40	-39	-123	-112
Asset management and custody	-593	-585	-431	-1 696	-1 292
Insurance	-86	-83	-70	-248	-206
Securities and corporate finance	-86	-84	-77	-251	-255
Lending	-39	-39	-32	-110	-83
Other	-38	-54	-60	-169	-170
<b>Total commission expense</b>	<b>-1 944</b>	<b>-1 861</b>	<b>-1 653</b>	<b>-5 553</b>	<b>-4 897</b>
<b>Net commission income</b>					
Payment processing	199	195	222	588	650
Cards	827	748	713	2 143	2 006
Service concepts	279	278	267	828	818
Asset management and custody	1 884	1 738	1 464	5 311	4 117
Insurance	86	91	98	269	320
Securities and corporate finance	84	164	63	360	256
Lending	281	260	239	802	694
Other	159	200	180	532	533
<b>Total Net commission income</b>	<b>3 799</b>	<b>3 674</b>	<b>3 246</b>	<b>10 833</b>	<b>9 394</b>

## Note 7 Net gains and losses on financial items

Group SEKm	Q3 2021	Q2 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
<b>Fair value through profit or loss</b>					
Shares and share related derivatives	73	258	-59	373	241
of which dividend	85	71	13	214	29
Interest-bearing securities and interest related derivatives	85	-91	430	171	494
Financial liabilities	2	1	8	9	30
Other financial instruments	-1	1	-5	-2	-18
<b>Total fair value through profit or loss</b>	<b>159</b>	<b>169</b>	<b>374</b>	<b>551</b>	<b>747</b>
<b>Hedge accounting</b>					
Ineffectiveness, one-to-one fair value hedges	22	-10	76	-4	-55
of which hedging instruments	-1 413	-1 271	-394	-5 710	4 499
of which hedged items	1 435	1 261	470	5 706	-4 554
Ineffectiveness, portfolio fair value hedges	-2	0	-72	19	13
of which hedging instruments	627	478	-166	2 021	-2 125
of which hedged items	-629	-478	94	-2 002	2 138
Ineffectiveness, cash flow hedges	0	0	0	0	-2
<b>Total hedge accounting</b>	<b>20</b>	<b>-10</b>	<b>4</b>	<b>15</b>	<b>-44</b>
<b>Amortised cost</b>					
Derecognition gain or loss for financial assets	46	67	79	156	151
Derecognition gain or loss for financial liabilities	-5	-1	-23	-17	-113
<b>Total amortised cost</b>	<b>41</b>	<b>66</b>	<b>56</b>	<b>139</b>	<b>38</b>
<b>Trading related interest</b>					
Interest income	-4	68	43	47	59
Interest expense	80	81	51	216	101
<b>Total trading related interest</b>	<b>76</b>	<b>149</b>	<b>94</b>	<b>263</b>	<b>160</b>
<b>Change in exchange rates</b>	<b>257</b>	<b>271</b>	<b>141</b>	<b>815</b>	<b>844</b>
<b>Total net gains and losses on financial items</b>	<b>553</b>	<b>645</b>	<b>669</b>	<b>1 783</b>	<b>1 745</b>

## Note 8 Other general administrative expenses

Group SEKm	Q3 2021	Q2 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
Premises	108	95	112	308	296
IT expenses	598	581	566	1 747	1 731
Telecommunications and postage	29	27	31	87	108
Consultants	192	217	215	623	1 274
Compensation to savings banks	56	58	58	171	174
Other purchased services	242	212	218	667	682
Travel	4	2	3	7	57
Entertainment	6	3	4	13	17
Supplies	13	9	17	43	62
Advertising, PR and marketing	58	56	62	153	222
Security transport and alarm systems	18	16	16	52	52
Repair/maintenance of inventories	31	30	21	85	75
Other administrative expenses	131	102	103	347	337
Other operating expenses	27	29	9	104	46
<b>Other general administrative expenses</b>	<b>1 513</b>	<b>1 437</b>	<b>1 435</b>	<b>4 407</b>	<b>5 133</b>

## Note 9 Credit impairment

Group SEKm	Q3 2021	Q2 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
<b>Loans at amortised cost</b>					
Credit impairment provisions - stage 1	-11	-14	-140	-158	416
Credit impairment provisions - stage 2	-117	-295	16	-166	1 032
Credit impairment provisions - stage 3	167	147	-167	-2 224	979
Credit impairment provisions - purchased or originated credit impaired	-1	0	-1	-3	-2
<b>Total</b>	<b>38</b>	<b>-162</b>	<b>-292</b>	<b>-2 551</b>	<b>2 425</b>
Write-offs	61	244	773	3 165	1017
Recoveries	-49	-71	-54	-184	-131
<b>Total</b>	<b>12</b>	<b>173</b>	<b>719</b>	<b>2 981</b>	<b>886</b>
<b>Total - loans at amortised cost</b>	<b>50</b>	<b>11</b>	<b>427</b>	<b>430</b>	<b>3 311</b>
<b>Other assets at amortised cost</b>		<b>-3</b>		<b>-7</b>	
<b>Loan commitments and guarantees</b>					
Credit impairment provisions - stage 1	16	23	-19	-15	144
Credit impairment provisions - stage 2	-36	-70	27	-167	330
Credit impairment provisions - stage 3	-12	12	-10	-4	26
<b>Total</b>	<b>-32</b>	<b>-35</b>	<b>-2</b>	<b>-186</b>	<b>500</b>
Write-offs					
<b>Total - loan commitments and guarantees</b>	<b>-32</b>	<b>-35</b>	<b>-2</b>	<b>-186</b>	<b>500</b>
<b>Total credit impairment</b>	<b>18</b>	<b>-27</b>	<b>425</b>	<b>237</b>	<b>3 811</b>
Credit impairment ratio, %	0.00	-0.01	0.10	0.02	0.30

During the first quarter, the Group reduced the gross exposure in the oil and offshore sector primarily through sales. The sales mean that the losses are established and the unpaid gross exposures are written off. Most of the exposures were previously provisioned.

### Calculation of credit impairment provisions

The measurement of expected credit losses is described in Note G3.1 Credit risks on pages 73-77 of the 2020 Annual and Sustainability Report. There have been no significant changes during the year to the methodology.

### Measurement of 12-month and lifetime expected credit losses

The onset of Covid-19 in 2020 brought a deterioration of macroeconomic indicators – inter alia GDP growth, housing and property prices, unemployment, oil prices and interest rates – that would typically have contributed to increased credit risk. The downturn, however did, not result in the increased credit losses or default rates that would be expected from historical experience of similar economic shocks. Government and regulator support measures have been successful in suppressing the economic impacts of Covid-19 but there is a risk that credit quality may start to deteriorate now that such measures are starting to be phased out. There are also continued uncertainties which could further delay the recovery, including uncertainties relating to unvaccinated populations and the potential for further outbreaks or localised restrictions. As the quantitative risk models do not appropriately incorporate these dynamics, post-model adjustments to increase the credit impairment provisions continue to be deemed necessary.

The post-model expert credit adjustments amounted to SEK 1 877m (SEK 1 533m as of 31 December 2020). The post-model expert credit adjustments are allocated as SEK 554m in stage 1, SEK 1 309m in stage 2 and SEK 14m in stage 3. The most significant impacts are reflected in the shipping and offshore, hotels and restaurants, retails and manufacturing.

### 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 to 2 grades from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with a risk grade between 13 and 21, a downgrade by 3 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 2020 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 13 and 21, an increase of 100-300 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 rating 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 30 Sep 2021	Share of total portfolio in terms of gross carrying amount, % 30 Sep 2021	Impairment provision impact of		Recognised credit impairment provisions 31 Dec 2020	Share of total portfolio in terms of gross carrying amount, % 31 Dec 2020
			Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %			Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %		
13-21	< 0.5	3 - 8 grades	-9.3	6.8	312	28	-7.7	7.0	514	35
9-12	0.5-2.0	1 - 5 grades	-14.8	20.9	181	5	-13.5	13.0	330	7
6-8	2.0-5.7	1 - 3 grades	-7.9	4.9	64	2	-11.5	4.0	84	3
0-5	>5.7 and <100	1 - 2 grades	-1.4	0.0	66	1	-0.9	0.0	141	1
			-10.0	10.3	623	36	-9.0	7.7	1 069	46
Financial instruments with low risk					2	18			17	8
Stage 3 financial instruments					1 786	0			2 207	0
Post model expert credit adjustment <sup>4)</sup>					692				673	
<b>Total<sup>5)</sup></b>					<b>3 103</b>	<b>54</b>			<b>3 966</b>	<b>54</b>

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

<sup>2)</sup> Thresholds vary within given ranges depending on the borrower's geography, segment and internal risk rating.

<sup>3)</sup> The threshold used in the sensitivity analyses is floored to 1 grade.

<sup>4)</sup> Represents post-model expert credit adjustments for stages 1 and 2.

<sup>5)</sup> Of which provisions for off-balance exposures are SEK 393m (499).

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

Internal risk rating grade at initial recognition	Threshold, increase in lifetime PD <sup>6)</sup> , %	Impairment provision impact of		Recognised credit impairment provisions 30 Sep 2021	Share of total portfolio in terms of gross carrying amount, % 30 Sep 2021	Impairment provision impact of		Recognised credit impairment provisions 31 Dec 2020	Share of total portfolio in terms of gross carrying amount, % 31 Dec 2020
		Increase in threshold by 100%, %	Decrease in threshold by 50%, %			Increase in threshold by 100%, %	Decrease in threshold by 50%, %		
13-21	100-300	-3.1	10.8	285	33	-3.1	5.8	340	31
9-12	100-200	-6.7	4.2	293	8	-4.8	2.2	413	8
6-8	50-150	0.7	2.0	141	2	-0.7	0.9	143	3
0-5	50	0.5	0.9	175	1	0.0	0.1	299	1
		-3.0	5.3	894	44	-2.6	2.5	1 195	43
Financial instruments with low risk					9	2		15	3
Stage 3 financial instruments					1 392	0		2 952	0
Post model expert credit adjustment <sup>7)</sup>					1 170			847	
<b>Total<sup>8)</sup></b>					<b>3 465</b>	<b>46</b>		<b>5 009</b>	<b>46</b>

<sup>6)</sup> Thresholds vary within given ranges depending on the borrower's geography, segment and internal risk rating.

<sup>7)</sup> Represents post-model expert credit adjustments for stages 1 and 2.

<sup>8)</sup> Of which provisions for off-balance exposures are SEK 254m (307).

#### Incorporation of forward-looking macroeconomic scenarios

A new Swedbank Economic Outlook was published on 25 August which serves as the base scenario, with an assigned probability weight of 66.6 per cent. Aligned with the updated base scenario, new alternative scenarios were developed, with assigned probability

weights of 16.7 per cent on both the upside and downside scenario. These new macroeconomic scenarios were included in the expected credit losses calculations according to the Group's monthly process.

## IFRS 9 scenarios

30 September 2021	Positive scenario			Baseline scenario			Negative scenario		
	2021	2022	2023	2021	2022	2023 <sup>1)</sup>	2021	2022	2023
<b>Sweden</b>									
GDP (annual % change)	4.3	4.6	2.5	4.2	3.6	2.2	2.6	-5.8	3.4
Unemployment (annual %) <sup>2)</sup>	8.8	7.4	6.9	8.8	7.6	7.2	9.0	10.4	10.8
House prices (annual % change)	14.6	8.5	4.2	14.3	7.4	3.6	12.2	-7.5	-1.7
Stibor 3m (%)	-0.01	0.09	0.23	-0.01	0.09	0.15	-0.05	-0.02	-0.27
<b>Estonia</b>									
GDP (annual % change)	11.4	6.0	3.2	11.1	5.3	3.1	8.8	-2.0	3.4
Unemployment (annual %)	6.6	5.7	5.4	6.6	5.9	5.7	7.0	9.3	8.9
House prices (annual % change)	9.5	9.1	5.9	9.4	7.9	5.0	6.5	-10.0	-2.1
<b>Latvia</b>									
GDP (annual % change)	4.3	5.8	3.5	4.0	5.0	3.5	1.9	-2.6	4.0
Unemployment (annual %)	7.7	6.5	5.8	7.7	6.8	6.0	7.8	10.0	9.4
House prices (annual % change)	5.4	7.7	5.3	5.1	6.2	5.4	2.2	-13.6	1.0
<b>Lithuania</b>									
GDP (annual % change)	4.8	4.2	3.5	4.5	3.5	3.4	2.5	-3.8	3.7
Unemployment (annual %)	7.1	6.4	6.1	7.2	6.7	6.3	7.6	10.6	10.2
House prices (annual % change)	8.8	4.9	5.8	8.7	4.1	4.9	6.2	-15.6	-1.3
<b>Global indicators</b>									
US GDP (annual %)	6.2	5.5	3.1	6.1	4.4	3.3	5.3	-1.9	0.4
EU GDP (annual %)	4.8	5.3	2.4	4.7	4.3	2.2	4.0	-2.9	2.2
Brent Crude Oil (USD/Barrel)	69.0	71.1	67.8	68.5	68.0	64.5	65.4	33.0	30.3
Euribor 6m (%)	-0.50	-0.45	-0.06	-0.50	-0.47	-0.45	-0.43	0.02	-0.44

<sup>1)</sup> The baseline scenario for 2021 and 2022 are based on the published Swedbank Economic Outlook. The baseline scenario variables for 2023 are model-based extrapolations.

<sup>2)</sup> Unemployment rate, 16-64 years

The economic recovery over the past year has been impressive. In many countries, economic output was already back at pre-crisis levels this summer. Stronger-than-expected development during the second quarter has led to an upward revision of the growth outlook for the euro area, as well as the Nordic and Baltic economies, for this year.

The Swedish economic recovery is progressing, and turnover in the services sector improved significantly during the summer. The recovery will continue with full force in the coming years, supported by the easing of pandemic restrictions and an expansive economic

policy. Although unemployment is expected to gradually fall in the coming years, long-term unemployment and unemployment for foreign-born people are expected to remain high.

In the baseline scenario we assume that high vaccination rates, together with the social restrictions still in place, are enough to contain the virus and keep the US and European economies open. The forecast assumes that no significant lockdown measures are reintroduced during the forecast horizon.

## Sensitivity



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

	30 Sep 2021				31 Dec 2020			
	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
Operating segments								
Swedish Banking	1 554	395	1 637	1 524	1 788	424	1 969	1 690
Baltic Banking	914	414	1 005	837	754	242	872	669
LC&I	4 093	1 068	4 755	3 601	6 423	867	7 471	5 640
Group <sup>1)</sup>	6 568	1 877	7 403	5 968	8 975	1 533	10 323	8 010

<sup>1)</sup> Including operating segment Group Functions & Other.

## Note 10 Loans

30 September 2021	Stage 1			Stage 2			Stage 3 <sup>1)</sup>			
Group SEKm	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Total
Loans to the public at amortised cost										
Private customers	1 073 950	114	1 073 836	41 368	274	41 094	1 864	494	1 370	1 116 300
Private mortgage	939 389	48	939 341	34 772	152	34 620	1 296	247	1 049	975 010
Tenant owner associations	89 490	3	89 487	1 170	3	1 167				90 654
Private other	45 071	63	45 008	5 426	119	5 307	568	247	321	50 636
Corporate customers	478 903	590	478 313	57 973	1 922	56 051	4 976	2 519	2 457	536 821
Agriculture, forestry, fishing	57 289	9	57 280	6 762	54	6 708	135	27	108	64 096
Manufacturing	31 420	115	31 305	4 141	155	3 986	164	82	82	35 373
Public sector and utilities	24 917	12	24 905	1 821	15	1 806	16	2	14	26 725
Construction	18 116	13	18 103	4 208	67	4 141	117	30	87	22 331
Retail and wholesale	26 812	72	26 740	4 336	225	4 111	101	39	62	30 913
Transportation	11 037	17	11 020	2 070	40	2 030	19	4	15	13 065
Shipping and offshore	7 786	142	7 644	3 084	700	2 384	3 506	2 077	1 429	11 457
Hotels and restaurants	3 654	65	3 589	3 839	315	3 524	466	70	396	7 509
Information and communication	14 340	14	14 326	475	12	463	6	1	5	14 794
Finance and insurance	19 818	8	19 810	668	3	665	14	3	11	20 486
Property management, including	229 060	98	228 962	20 510	244	20 266	263	139	124	249 352
Residential properties	71 351	24	71 327	7 031	65	6 966	24	9	15	78 308
Commercial	99 030	49	98 981	8 017	91	7 926	178	115	63	106 970
Industrial and Warehouse	37 874	12	37 862	2 444	8	2 436	20	5	15	40 313
Other	20 805	13	20 792	3 018	80	2 938	41	10	31	23 761
Professional services	18 888	11	18 877	2 960	30	2 930	89	21	68	21 875
Other corporate lending	15 766	14	15 752	3 099	62	3 037	80	24	56	18 845
Loans to the public at fair value through profit or loss										173
Loans to the public excluding the Swedish National Debt Office and repurchase agreements										
of which cash collaterals posted	2 038		2 038							2 038
of which customer lending	1 550 815	704	1 550 111	99 341	2 196	97 145	6 840	3 013	3 827	1 651 256
Swedish National Debt Office	3		3							3
Repurchase agreements <sup>2)</sup>										47 935
Loans to the public	1 552 856	704	1 552 152	99 341	2 196	97 145	6 840	3 013	3 827	1 701 232
Banks and other credit institutions	37 894	8	37 886	32		32				37 918
Repurchase agreements <sup>2)</sup>										3 524
Loans to credit institutions	37 894	8	37 886	32		32				41 442
Loans to the public and credit institutions	1 590 750	712	1 590 038	99 373	2 196	97 177	6 840	3 013	3 827	1 742 674
Share of loans, %	93.74			5.86			0.40			100
Credit impairment provision ratio, %	0.04			2.21			44.05			0.35

<sup>1)</sup> Including purchased or originated credit impaired

<sup>2)</sup> At fair value through profit or loss

31 December 2020

31 December 2020	Stage 1			Stage 2			Stage 3 <sup>1)</sup>			
Group SEKm	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Total
Loans to the public at amortised cost										
Private customers	1 036 489	118	1 036 371	42 251	291	41 960	2 152	505	1 647	1 079 978
Private mortgage	902 233	51	902 182	35 323	171	35 152	1 531	290	1 241	938 575
Tenant owner associations	91 286	4	91 282	1 582	5	1 577	109	2	107	92 966
Private other	42 970	63	42 907	5 346	115	5 231	512	213	299	48 437
Corporate customers	468 798	709	468 089	66 009	2 025	63 984	8 378	4 493	3 885	535 958
Agriculture, forestry, fishing	57 258	11	57 247	7 283	57	7 226	204	33	171	64 644
Manufacturing	32 876	133	32 743	5 910	141	5 769	298	97	201	38 713
Public sector and utilities	24 821	13	24 808	990	16	974	53	12	41	25 823
Construction	14 952	32	14 920	4 643	122	4 521	159	40	119	19 560
Retail and wholesale	23 019	67	22 952	5 955	244	5 711	531	216	315	28 978
Transportation	11 480	8	11 472	1 483	28	1 455	19	4	15	12 942
Shipping and offshore	6 634	32	6 602	4 251	560	3 691	6 235	3 917	2 318	12 611
Hotels and restaurants	4 339	49	4 290	4 655	313	4 342	323	27	296	8 928
Information and communication	11 041	10	11 031	2 569	35	2 534	13	3	10	13 575
Finance and insurance	20 083	29	20 054	744	12	732	22	10	12	20 798
Property management, including	224 852	272	224 580	22 533	376	22 157	244	62	182	246 919
Residential properties	65 530	74	65 456	8 517	99	8 418	22	11	11	73 885
Commercial	92 881	125	92 756	7 123	118	7 005	162	40	122	99 883
Industrial and Warehouse	42 009	47	41 962	2 721	18	2 703	33	7	26	44 691
Other	24 432	26	24 406	4 172	141	4 031	27	4	23	28 460
Professional services	17 896	35	17 861	3 283	76	3 207	169	44	125	21 193
Other corporate lending	19 547	18	19 529	1 710	45	1 665	108	28	80	21 274
Loans to the public at fair value through profit or loss										101
Loans to the public excluding the Swedish National Debt Office and repurchase agreements										
of which cash collaterals posted	1 505 287	827	1 504 460	108 260	2 316	105 944	10 530	4 998	5 532	1 616 037
of which customer lending	9 630		9 630							9 630
Swedish National Debt Office	1 495 657	827	1 494 830	108 260	2 316	105 944	10 530	4 998	5 532	1 606 407
Repurchase agreements <sup>2)</sup>	25 003		25 003							25 003
Loans to the public	1 530 290	827	1 529 463	108 260	2 316	105 944	10 530	4 998	5 532	1 680 987
Banks and other credit institutions	46 367	28	46 339	33		33				46 372
Repurchase agreements <sup>2)</sup>										1 582
Loans to credit institutions	46 367	28	46 339	33		33				47 954
Loans to the public and credit institutions	1 576 657	855	1 575 802	108 293	2 316	105 977	10 530	4 998	5 532	1 728 941
Share of loans, %	92.99			6.39			0.62			100
Credit impairment provision ratio, %	0.05			2.14			47.46			0.48

<sup>1)</sup> Including purchased or originated credit impaired<sup>2)</sup> At fair value through profit or loss

30 September 2020

30 September 2020	Stage 1			Stage 2			Stage 3 <sup>1)</sup>			
Group SEKm	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Total
Loans to the public at amortised cost										
Private customers	1 031 434	143	1 031 291	45 895	342	45 553	2 311	517	1 794	1 078 638
Private mortgage	894 789	52	894 737	37 096	185	36 911	1 668	301	1 367	933 015
Tenant owner associations	93 074	8	93 066	3 054	6	3 048	137	5	132	96 246
Private other	43 571	83	43 488	5 745	151	5 594	506	211	295	49 377
Corporate customers	466 584	708	465 876	74 562	1 979	72 583	10 218	5 215	5 003	543 462
Agriculture, forestry, fishing	57 567	23	57 544	8 161	86	8 075	179	29	150	65 769
Manufacturing	33 470	99	33 371	7 280	218	7 062	377	139	238	40 671
Public sector and utilities	23 757	32	23 725	1 064	21	1 043	110	45	65	24 833
Construction	14 824	31	14 793	5 256	161	5 095	404	44	360	20 248
Retail and wholesale	22 142	64	22 078	7 774	325	7 449	590	250	340	29 867
Transportation	12 214	10	12 204	2 387	46	2 341	30	7	23	14 568
Shipping and offshore	7 521	28	7 493	4 827	452	4 375	6 940	4 204	2 736	14 604
Hotels and restaurants	5 646	9	5 637	3 805	59	3 746	357	49	308	9 691
Information and communication	8 842	18	8 824	3 084	52	3 032	17	4	13	11 869
Finance and insurance	17 443	65	17 378	400	3	397	21	8	13	17 788
Property management, including	224 636	269	224 367	25 052	397	24 655	635	172	463	249 485
Residential properties	64 474	67	64 407	8 367	97	8 270	88	20	68	72 745
Commercial	92 582	124	92 458	8 840	129	8 711	465	135	330	101 499
Industrial and Warehouse	43 483	50	43 433	2 764	21	2 743	59	9	50	46 226
Other	24 097	28	24 069	5 081	150	4 931	23	8	15	29 015
Professional services	20 031	44	19 987	3 699	114	3 585	421	226	195	23 767
Other corporate lending	18 491	16	18 475	1 773	45	1 728	137	38	99	20 302
Loans to the public at fair value through profit or loss										120
Loans to the public excluding the Swedish National Debt Office and repurchase agreements										
of which cash collaterals posted	1 498 018	851	1 497 167	120 457	2 321	118 136	12 529	5 732	6 797	1 622 220
of which customer lending	6 193		6 193							6 193
	1 491 825	851	1 490 974	120 457	2 321	118 136	12 529	5 732	6 797	1 616 027
Swedish National Debt Office	2		2							2
Repurchase agreements <sup>2)</sup>										61 764
Loans to the public	1 498 020	851	1 497 169	120 457	2 321	118 136	12 529	5 732	6 797	1 683 986
Banks and other credit institutions	41 946	31	41 915	67	1	66				41 981
Repurchase agreements <sup>2)</sup>										8 858
Loans to credit institutions	41 946	31	41 915	67	1	66				50 839
Loans to the public and credit institutions	1 539 966	882	1 539 084	120 524	2 322	118 202	12 529	5 732	6 797	1 734 825
Share of loans, %	92.05			7.20			0.75			100
Credit impairment provision ratio, %	0.06			1.93			45.75			0.53
<sup>1)</sup> Including purchased or originated credit impaired										
<sup>2)</sup> At fair value through profit or loss										

<sup>1)</sup> Including purchased or originated credit impaired<sup>2)</sup> At fair value through profit or loss

## Note 11 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. Stage transfers are reflected as taking place at the end of the reporting period.

Loans to the public and credit institutions Group SEKm	2021				2020			
	Stage 1	Stage 2	Stage 3 <sup>1)</sup>	Total	Stage 1	Stage 2	Stage 3 <sup>1)</sup>	Total
<b>Carrying amount before provisions</b>								
Opening balance 1 January	1 576 657	108 293	10 530	1 695 480	1 537 745	106 264	13 593	1 657 602
Closing balance 30 September	1 590 750	99 373	6 840	1 696 963	1 539 966	120 524	12 529	1 673 019
<b>Credit impairment provisions</b>								
Opening balance 1 January	855	2 316	4 998	8 169	483	1 348	4 853	6 684
<b>Movements affecting Credit impairment line</b>								
New and derecognised financial assets, net	50	-101	-3 020	-3 071	149	29	-755	-577
Changes in risk factors (EAD, PD, LGD)	-12	-366	4	-374	107	63	20	190
Changes in macroeconomic scenarios	-99	-155	0	-254	172	88	-1	259
Post-model expert credit adjustments	2	329	1	332	253	364	65	682
Individual assessments			644	644			1 452	1 452
Stage transfers	-99	127	208	236	-265	488	328	551
from 1 to 2	-112	263		151	-278	621		343
from 1 to 3	-1		49	48	-2		108	106
from 2 to 1	14	-74		-60	15	-85		-70
from 2 to 3		-71	211	140		-54	286	232
from 3 to 2		9	-45	-36		6	-32	-26
from 3 to 1	0		-7	-7	0		-34	-34
Other			-63	-63			-131	-131
<b>Total movements affecting Credit impairment line</b>	<b>-158</b>	<b>-166</b>	<b>-2 226</b>	<b>-2 550</b>	<b>416</b>	<b>1 032</b>	<b>978</b>	<b>2 426</b>
<b>Movements recognised outside Credit impairment line</b>								
Interest			63	63			131	131
Change in exchange rates	15	46	178	239	-17	-58	-230	-305
<b>Closing balance 30 September</b>	<b>712</b>	<b>2 196</b>	<b>3 013</b>	<b>5 921</b>	<b>882</b>	<b>2 322</b>	<b>5 732</b>	<b>8 936</b>
<b>Carrying amount</b>								
Opening balance 1 January	1 575 802	105 977	5 532	1 687 311	1 537 262	104 916	8 740	1 650 918
Closing balance 30 September	1 590 038	97 177	3 827	1 691 042	1 539 084	118 202	6 797	1 664 083

<sup>1)</sup> 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. Stage transfers are reflected as taking place at the end of the reporting period.

SEKm	2021				2020			
	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	358 988	17 341	542	376 871	322 384	11 325	1 248	334 957
Closing balance 30 September	388 934	15 039	387	404 360	354 348	21 848	1 155	377 351
<b>Credit impairment provisions</b>								
Opening balance 1 January	249	396	161	806	113	144	326	583
<b>Movements affecting Credit impairment line</b>								
New and derecognised financial assets, net	15	-5	-31	-21	49	23	-3	69
Changes in risk factors (EAD, PD, LGD)	-25	-73	30	-68	35	86		121
Changes in macroeconomic scenarios	-39	-41		-80	52	6		58
Post-model expert credit adjustments	33	-40	0	-7	79	109	0	188
Individual assessments							-48	-48
Stage transfers	1	-8	-2	-9	-71	106	77	112
from 1 to 2	-4	12		8	-72	121		49
from 1 to 3	0		1	1	-1		13	12
from 2 to 1	5	-20		-15	2	-5		-3
from 2 to 3		0	1	1		-10	65	55
from 3 to 2		0	-2	-2		0	-1	-1
from 3 to 1	0		-2	-2	0		0	0
Other			-1	-1				
<b>Total movements affecting Credit impairment line</b>	<b>-15</b>	<b>-167</b>	<b>-4</b>	<b>-186</b>	<b>144</b>	<b>330</b>	<b>26</b>	<b>500</b>
<b>Movements recognised outside Credit impairment line</b>								
Change in exchange rates	6	13	8	27	-6	-8	-18	-32
<b>Closing balance 30 September</b>	<b>240</b>	<b>242</b>	<b>165</b>	<b>647</b>	<b>251</b>	<b>466</b>	<b>334</b>	<b>1 051</b>

<sup>1)</sup> Including purchased or originated credit impaired

## Note 12 Credit risk exposures

Group SEKm	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Assets</b>			
Cash and balances with central banks	651 869	293 811	388 491
Interest-bearing securities	206 559	197 166	203 161
Loans to credit institutions	41 442	47 954	50 839
Loans to the public	1 701 232	1 680 987	1 683 986
Derivatives	38 223	52 177	54 218
Other financial assets	28 056	16 451	17 266
<b>Total</b>	<b>2 667 381</b>	<b>2 288 546</b>	<b>2 397 961</b>
<b>Contingent liabilities and commitments</b>			
Guarantees	54 491	50 696	51 461
Loan commitments	349 869	326 175	325 890
<b>Total</b>	<b>404 360</b>	<b>376 871</b>	<b>377 351</b>
<b>Total credit risk exposures</b>	<b>3 071 741</b>	<b>2 665 417</b>	<b>2 775 312</b>

## Note 13 Intangible assets

Group SEKm	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>With indefinite useful life</b>			
Goodwill	13 436	13 327	13 821
Brand name	93	92	92
<b>Total</b>	<b>13 529</b>	<b>13 419</b>	<b>13 913</b>
<b>With finite useful life</b>			
Customer base	262	293	305
Internally developed software	4 951	4 319	3 931
Other	325	330	333
<b>Total</b>	<b>5 538</b>	<b>4 942</b>	<b>4 569</b>
<b>Total intangible assets</b>	<b>19 067</b>	<b>18 361</b>	<b>18 482</b>

During the second quarter 2021, an impairment was recognised for internally developed software of SEK 56m. At 30 September 2021 there was no indication of additional impairment of intangible assets.

## Note 14 Amounts owed to credit institutions

Group SEKm	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Amounts owed to credit institutions</b>			
Central banks	53 442	79 715	84 735
Banks	89 344	60 110	63 484
Other credit institutions	8 011	7 195	5 400
Repurchase agreements	5 336	3 293	12 618
<b>Amounts owed to credit institutions</b>	<b>156 133</b>	<b>150 313</b>	<b>166 237</b>

## Note 15 Deposits and borrowings from the public

Group SEKm	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Deposits from the public</b>			
Private customers	640 188	588 487	577 460
Corporate customers	660 216	542 860	554 507
<b>Deposits from the public excluding the Swedish National Debt Office and repurchase agreements</b>	<b>1 300 404</b>	<b>1 131 347</b>	<b>1 131 967</b>
Swedish National Debt Office	105	69	50
Repurchase agreements - Swedish National Debt Office		0	0
Repurchase agreements	17 412	16 824	23 904
<b>Deposits and borrowings from the public</b>	<b>1 317 921</b>	<b>1 148 240</b>	<b>1 155 921</b>

## Note 16 Debt securities in issue, senior non-preferred liabilities and subordinated liabilities

Group SEKm	30 Sep 2021	31 Dec 2020	30 Sep 2020
Commercial papers	387 450	127 209	158 302
Covered bonds	413 766	471 491	514 109
Senior unsecured bonds	112 672	128 437	136 129
Structured retail bonds	4 372	5 677	6 436
<b>Total debt securities in issue</b>	<b>918 260</b>	<b>732 814</b>	<b>814 976</b>
Senior non-preferred liabilities	37 182	10 359	10 878
Subordinated liabilities	28 134	23 434	24 924
<b>Total debt securities in issue, senior non-preferred liabilities and subordinated liabilities</b>	<b>983 576</b>	<b>766 607</b>	<b>850 778</b>

	Jan-Sep 2021	Full-year 2020	Jan-Sep 2020
<b>Turnover</b>			
<b>Opening balance</b>	<b>766 607</b>	<b>898 493</b>	<b>898 493</b>
Issued	519 638	498 084	403 528
Repurchased	-18 576	-54 877	-49 889
Repaid	-298 628	-555 811	-405 786
Interest	2 518	6 498	5 077
Change in market values or in hedged item in hedge accounting at fair value	-3 282	2 689	2 993
Changes in exchange rates	15 299	-28 469	-3 638
<b>Closing balance</b>	<b>983 576</b>	<b>766 607</b>	<b>850 778</b>

## Note 17 Derivatives

Group SEKm	Nominal amount			Positive fair value			Negative fair value		
	30 Sep 2021	31 Dec 2020	30 Sep 2020	30 Sep 2021	31 Dec 2020	30 Sep 2020	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Derivatives in hedge accounting</b>									
One-to-one fair value hedges, interest rate swaps	482 854	514 849	564 734	9 660	14 953	16 512	706	37	55
Portfolio fair value hedges, interest rate swaps	504 203	457 647	441 812	973	137	64	1 325	2 412	2 986
Cash flow hedges, cross currency basis swaps	8 108	8 500	8 746	33	19	217	175	256	25
<b>Total</b>	<b>995 165</b>	<b>980 996</b>	<b>1 015 292</b>	<b>10 666</b>	<b>15 109</b>	<b>16 793</b>	<b>2 206</b>	<b>2 705</b>	<b>3 067</b>
<b>Non-hedge accounting derivatives</b>	<b>23 194 242</b>	<b>19 302 025</b>	<b>18 294 443</b>	<b>144 992</b>	<b>126 813</b>	<b>132 440</b>	<b>141 141</b>	<b>143 547</b>	<b>135 697</b>
<b>Gross amount</b>	<b>24 189 407</b>	<b>20 283 021</b>	<b>19 309 735</b>	<b>155 658</b>	<b>141 922</b>	<b>149 233</b>	<b>143 347</b>	<b>146 252</b>	<b>138 764</b>
Offset amount	-19 658 073	-16 771 805	-14 883 924	-117 435	-89 745	-95 015	-118 441	-91 872	-97 714
<b>Total</b>	<b>4 531 334</b>	<b>3 511 216</b>	<b>4 425 811</b>	<b>38 223</b>	<b>52 177</b>	<b>54 218</b>	<b>24 906</b>	<b>54 380</b>	<b>41 050</b>

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 18 Fair value of financial instruments

Group SEKm	30 Sep 2021			31 Dec 2020		
	Fair value	Carrying amount	Difference	Fair value	Carrying amount	Difference
<b>Assets</b>						
<b>Financial assets</b>						
Cash and balances with central banks	651 869	651 869		293 811	293 811	
Treasury bills and other bills eligible for refinancing with central banks	139 617	139 606	11	137 206	137 191	15
Loans to credit institutions	41 442	41 442		47 954	47 954	
Loans to the public	1 702 215	1 701 232	983	1 684 884	1 680 987	3 897
Value change of interest hedged items in portfolio hedge	-228	-228		1 774	1 774	
Bonds and interest-bearing securities	66 953	66 953		59 976	59 975	1
Financial assets for which the customers bear the investment risk	301 258	301 258		252 411	252 411	
Shares and participating interest	25 864	25 864		17 215	17 215	
Derivatives	38 223	38 223		52 177	52 177	
Other financial assets	28 056	28 056		16 451	16 451	
<b>Total</b>	<b>2 995 269</b>	<b>2 994 275</b>	<b>994</b>	<b>2 563 859</b>	<b>2 559 946</b>	<b>3 913</b>
<b>Investment in associates</b>		<b>7 530</b>			<b>7 287</b>	
<b>Non-financial assets</b>		<b>28 352</b>			<b>27 409</b>	
<b>Total</b>		<b>3 030 157</b>			<b>2 594 642</b>	
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Amounts owed to credit institutions	156 133	156 133		150 313	150 313	
Deposits and borrowings from the public	1 317 916	1 317 921	-5	1 148 231	1 148 240	-9
Debt securities in issue	921 235	918 260	2 975	738 196	732 814	5 382
Financial liabilities for which the customers bear the investment risk	302 140	302 140		253 229	253 229	
Senior non-preferred liabilities	37 642	37 182	460	10 545	10 359	186
Subordinated liabilities	28 248	28 134	114	23 688	23 434	254
Derivatives	24 906	24 906		54 380	54 380	
Short positions securities	29 989	29 989		23 300	23 300	
Other financial liabilities	38 095	38 095		30 536	30 536	
<b>Total</b>	<b>2 856 304</b>	<b>2 852 760</b>	<b>3 544</b>	<b>2 432 418</b>	<b>2 426 605</b>	<b>5 813</b>
<b>Non-financial liabilities</b>		<b>12 759</b>			<b>12 844</b>	
<b>Total</b>		<b>2 865 519</b>			<b>2 439 449</b>	

The Group uses various methods to determine the fair value of financial instruments depending on the degree of observable market data in the valuation and activity in the market. An active market is considered a regulated or reliable marketplace where quoted prices are easily accessible, and which demonstrates regularity. Activity is continuously evaluated by analysing factors such as differences in bid and ask prices.

The methods are divided into three different levels:

- 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.

When financial assets and financial liabilities in active markets have market risks that offset each other, an average of bid and ask prices is used as a basis to determine the fair value. Where the fair value is derived from a modelling technique, the valuation is performed using mid prices. For any open net position, a bid/ask

adjustment is applied to ensure that long positions are recognised at bid price and short positions - at ask price.

The Group has a continuous process that identifies financial instruments which indicate a high level of internal assumptions or low level of observable market data. The process determines how to make the calculation based on how the internal assumptions are expected to affect the valuation. In cases where internal assumptions have a significant impact on fair value, the financial instrument is reported in level 3. The process also includes an analysis based on the quality of valuation data and whether any types of financial instruments will be transferred between the various levels.

Transfers between fair value hierarchy levels are reflected as taking place at the end of each quarter. During the period, there were no transfers of financial instruments between valuation levels 1 and 2.

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

## Financial instruments recognised at fair value

Group 30 September 2021 SEKm	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Treasury bills etc.	18 852	8 273		27 125
Loans to credit institutions		3 524		3 524
Loans to the public		48 100	8	48 108
Bonds and other interest-bearing securities	27 379	39 574		66 953
Financial assets for which the customers bear the investment risk	301 258			301 258
Shares and participating interests	24 628		1 236	25 864
Derivatives	342	37 881		38 223
<b>Total</b>	<b>372 459</b>	<b>137 352</b>	<b>1 244</b>	<b>511 055</b>
<b>Liabilities</b>				
Amounts owed to credit institutions		5 337		5 337
Deposits and borrowings from the public		17 412		17 412
Debt securities in issue		4 510		4 510
Financial liabilities for which the customers bear the investment risk		302 140		302 140
Derivatives	301	24 605		24 906
Short positions, securities	28 189	1 800		29 989
<b>Total</b>	<b>28 490</b>	<b>355 804</b>		<b>384 294</b>

Group 31 December 2020 SEKm	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Treasury bills etc.	18 968	3 300		22 268
Loans to credit institutions		1 582		1 582
Loans to the public		40 049		40 049
Bonds and other interest-bearing securities	22 676	37 264		59 940
Financial assets for which the customers bear the investment risk	252 411			252 411
Shares and participating interests	16 088		1 127	17 215
Derivatives	85	52 092		52 177
<b>Total</b>	<b>310 228</b>	<b>134 287</b>	<b>1 127</b>	<b>445 642</b>
<b>Liabilities</b>				
Amounts owed to credit institutions		3 294		3 294
Deposits and borrowings from the public		16 824		16 824
Debt securities in issue		6 767		6 767
Financial liabilities for which the customers bear the investment risk		253 229		253 229
Derivatives	69	54 311		54 380
Short positions, securities	22 307	993		23 300
<b>Total</b>	<b>22 376</b>	<b>335 418</b>		<b>357 794</b>

Level 3 primarily contains unlisted equity instruments, where the price is unobservable and the sensitivity in the value to changes in the unobservable parameter is linear in the model applied. To estimate the unobservable price different methods are applied

depending on the type of available data. The primary method is based on executed transactions or quoted share price of similar equities. Other inputs to these methods are primarily prices, proxy prices, market indicators and company information.

Changes in level 3 Group SEKm	2021 Assets			2020 Assets	
	Equity instruments	Loans	Total	Equity instruments	Total
Opening balance 1 January	1 127		1 127	1 854	1 854
Purchases	9		9	9	9
Sale of assets/ dividends received	-11		-11	-2	-2
Conversion Visa Inc shares				-819	-819
Issues		8	8		
Gains or losses	111		111	121	121
of which changes in unrealised gains or losses for items held at closing day	115		115	-42	-42
Closing balance 30 September	1 236	8	1 244	1 163	1 163

The level 3 unlisted equity instruments include strategic investments. Swedbank's holdings in VISA Inc. C shares are subject to selling restrictions for a period of up to 8 years 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. As of 30 September 2021, the carrying amount for the holdings in Visa Inc. C amounts to SEK 666m.

Financial instruments are transferred to or from level 3 depending on whether the internal assumptions have changed in significance to the valuation. There were no transfers of financial instruments to or from level 3 during the period.

During the second quarter Swedbank received a dividend consisting of shares in Hemnet Group AB, related to the shareholding in Care of Hemnet AB, which is reported as Level 3. The new shareholding in Hemnet Group AB is reported as Level 1, as the company is listed on the stock exchange.

## Note 19 Assets pledged, contingent liabilities and commitments

Group SEKm	30 Sep 2021	31 Dec 2020	30 Sep 2020
Loans used as collateral for covered bonds <sup>1)</sup>	471 566	561 209	593 844
Financial assets pledged for insurance policy holders	294 504	247 632	235 633
Other assets pledged	51 616	117 257	117 585
<b>Assets pledged</b>	<b>817 686</b>	<b>926 098</b>	<b>947 062</b>
<b>Nominal amounts</b>			
Guarantees	54 491	50 696	51 461
Other	168	172	184
<b>Contingent liabilities</b>	<b>54 659</b>	<b>50 868</b>	<b>51 645</b>
<b>Nominal amounts</b>			
Loans granted not paid	287 062	259 683	258 248
Overdraft facilities granted but not utilised	62 807	66 492	67 642
<b>Commitments</b>	<b>349 869</b>	<b>326 175</b>	<b>325 890</b>

<sup>1)</sup> 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. The timing of the completion of the investigations is still unknown and the outcome is still uncertain. At present, it is not possible to reliably estimate the amount of any potential settlement or fines, which could be material.

## Note 20 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 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.

Group SEKm	Assets			Liabilities		
	30 Sep 2021	31 Dec 2020	30 Sep 2020	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Financial assets and liabilities, which have been offset or are subject to netting</b>						
Gross amount	253 904	224 363	256 227	206 162	207 455	215 642
Offset amount	-162 263	-133 010	-132 630	-159 472	-135 137	-135 329
<b>Net amounts presented in the balance sheet</b>	<b>91 641</b>	<b>91 353</b>	<b>123 597</b>	<b>46 690</b>	<b>72 318</b>	<b>80 313</b>
<b>Related amounts not offset in the balance sheet</b>						
Financial instruments, netting arrangements	18 102	19 688	30 022	18 102	19 688	30 022
Financial Instruments, collateral	44 545	39 949	59 414	16 801	24 313	33 800
Cash collateral	13 935	15 278	17 640	9 361	15 551	16 014
<b>Total amount not offset in the balance sheet</b>	<b>76 582</b>	<b>74 915</b>	<b>107 076</b>	<b>44 264</b>	<b>59 552</b>	<b>79 836</b>
<b>Net amount</b>	<b>15 059</b>	<b>16 438</b>	<b>16 521</b>	<b>2 426</b>	<b>12 766</b>	<b>477</b>

The amount offset for derivative assets includes offset cash collateral of SEK 1 748m (3 934) derived from the balance sheet item Amounts owed to credit institutions. The amount offset for derivative liabilities includes offset cash collateral of SEK 2 754m (6 061), derived from the balance sheet item Loans to credit institutions. The amount offset for reverse repurchase agreements

includes offset security settlements liabilities of SEK 5 041m, which derive from the balance sheet item Other liabilities. The amount offset for repurchase agreements includes offset security settlement claims of SEK 312m, which derive from the balance sheet item's Other assets.

## Note 21 Capital adequacy, consolidated situation

The 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: [www.swedbank.com/investor-relations/reports-and-presentations/risk-reports](http://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 proportional method instead of the equity method. Otherwise, same principles for consolidations are applied as for the Group.

	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
<b>Consolidated situation, SEKm</b>					
<b>Available own funds</b>					
Common Equity Tier 1 (CET1) capital	129 867	127 551	124 725	120 496	116 418
Tier 1 capital	142 960	136 146	133 548	128 848	125 636
Total capital	158 682	151 840	149 711	144 737	142 350
<b>Risk-weighted exposure amounts</b>					
Total risk exposure amount	703 220	688 517	694 625	689 594	691 535
<b>Capital ratios as a percentage of risk-weighted exposure amount</b>					
Common Equity Tier 1 ratio	18.5	18.5	18.0	17.5	16.8
Tier 1 ratio	20.3	19.8	19.2	18.7	18.2
Total capital ratio	22.6	22.1	21.6	21.0	20.6
<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	1.7	2.0	2.0	2.0	3.3
of which: to be made up of CET1 capital	1.2	1.4	1.4	1.4	3.0
of which: to be made up of Tier 1 capital	1.3	1.7	1.7	1.7	3.1
Total SREP own funds requirements	9.7	10.0	10.0	10.0	11.3
<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	n/a	n/a	n/a	n/a	n/a
Institution specific countercyclical capital buffer	0.0	0.0	0.0	0.0	0.0
Systemic risk buffer	3.0	3.0	3.0	3.0	3.0
Global Systemically Important Institution buffer	n/a	n/a	n/a	n/a	n/a
Other Systemically Important Institution buffer	1.0	1.0	1.0	1.0	0.0
Combined buffer requirement	6.5	6.5	6.5	6.5	5.5
Overall capital requirements	16.2	16.5	16.5	16.5	16.9
CET1 available after meeting the total SREP own funds requirements	8.8	8.5	8.0	7.5	5.5
<b>Leverage ratio <sup>1)</sup></b>					
Total exposure measure	2 927 123	2 838 534	2 779 915	2 526 721	2 636 884
Leverage ratio, %	4.9	4.8	4.8	5.1	4.8
<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	0.0	0.0	n/a	n/a	n/a
of which: to be made up of CET1 capital	0.0	0.0	n/a	n/a	n/a
Total SREP leverage ratio requirements <sup>2)</sup>	3.0	3.0	n/a	n/a	n/a
<b>Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure</b>					
Leverage ratio buffer requirement	3.0	3.0	n/a	n/a	n/a
Overall leverage ratio requirement	3.0	3.0	n/a	n/a	n/a
<b>Liquidity Coverage Ratio</b>					
Total high-quality liquid assets, average weighted value	671 691	609 652	574 930	537 572	502 144
Cash outflows, total weighted value	489 426	453 480	433 130	413 139	398 318
Cash inflows, total weighted value	53 679	58 464	69 439	77 124	82 229
Total net cash outflows, adjusted value	435 747	395 016	363 691	336 015	316 089
Liquidity coverage ratio, %	155.2	155.3	158.5	160.7	159.9
<b>Net stable funding ratio</b>					
Total available stable funding	1 642 641	1 605 176	1 616 476	1 652 303	1 642 142
Total required stable funding	1 328 311	1 308 168	1 316 805	1 316 918	1 325 509
Net stable funding ratio, %	124.0	123.0	123.0	125.0	124.0

<sup>1)</sup> From Q3 2021 Swedbank consolidated situation is subject to Pillar 2 guidance of 0.45 per cent (SEK 13 172m).

<sup>2)</sup> The minimum leverage ratio requirement is 3.00 per cent (SEK 87 814m).

<b>Common Equity Tier 1 capital</b>	<b>30 Sep</b>	<b>31 Dec</b>	<b>30 Sep</b>
<b>Consolidated situation, SEKm</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
Shareholders' equity according to the Group's balance sheet	164 612	155 168	150 564
Anticipated dividend	-16 215	-16 320	-14 065
Deconsolidation of insurance companies			-1 472
Value changes in own financial liabilities	-75	-77	-84
Cash flow hedges	1	2	-5
Additional value adjustments	-683	-478	-605
Goodwill	-13 524	-13 414	-13 907
Deferred tax assets	-120	-78	-154
Intangible assets	-3 975	-4 116	-3 822
Insufficient coverage for non-performing exposures	-1		
Deductions of CET1 capital due to Article 3 CRR	-113	-158	
Shares deducted from CET1 capital	-40	-33	-32
<b>Total Common Equity Tier 1 capital</b>	<b>129 867</b>	<b>120 496</b>	<b>116 418</b>

<b>Risk exposure amount</b>	<b>30 Sep</b>	<b>31 Dec</b>	<b>30 Sep</b>
<b>Consolidated situation, SEKm</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
Risk exposure amount credit risks, standardised approach	50 171	48 309	48 244
Risk exposure amount credit risks, IRB	290 470	299 652	300 776
Risk exposure amount default fund contribution	252	556	681
Risk exposure amount settlement risks	0	0	1
Risk exposure amount market risks	18 481	17 314	20 322
Risk exposure amount credit value adjustment	3 503	4 398	5 480
Risk exposure amount operational risks	73 521	73 521	71 454
Additional risk exposure amount, Article 3 CRR	27 069	19 800	18 840
Additional risk exposure amount, Article 458 CRR	239 753	226 044	225 737
<b>Total risk exposure amount</b>	<b>703 220</b>	<b>689 594</b>	<b>691 535</b>

	<b>SEKm</b>			<b>%</b>		
<b>Capital requirements<sup>1)</sup></b>	<b>30 Sep</b>	<b>31 Dec</b>	<b>30 Sep</b>	<b>30 Sep</b>	<b>31 Dec</b>	<b>30 Sep</b>
<b>Consolidated situation, SEKm / %</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
Capital requirement Pillar 1	102 248	99 991	93 357	14,5	14,5	13,5
of which Buffer requirements <sup>2)</sup>	45 991	44 824	38 034	6,5	6,5	5,5
Capital requirement Pillar 2 <sup>3)</sup>	12 166	13 712	22 986	1,7	2,0	3,3
Pillar 2 guidance <sup>4)</sup>	10 548			1,5		
<b>Total capital requirement including Pillar 2 guidance</b>	<b>124 962</b>	<b>113 703</b>	<b>116 343</b>	<b>17,8</b>	<b>16,5</b>	<b>16,9</b>
<b>Own funds</b>	<b>158 682</b>	<b>144 737</b>	<b>142 350</b>			

<sup>1)</sup> Swedbank's calculation based on the SFSA's announced capital requirements, including Pillar 2 requirements.

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

<sup>3)</sup> Individual Pillar 2 requirement according to decision from SFSA SREP 2021.

<sup>4)</sup> From Q3 2021 Swedbank consolidated situation is subject to Pillar 2 guidance.

## Note 22 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% 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. The methodology serves as a basis of proactive risk and capital management.

As of 30 September 2021, the internal capital assessment for Swedbank's consolidated situation amounted to SEK 36.1bn (SEK 37.0bn as of 31 December 2020). The capital to meet the internal capital assessment, i.e. the Common Equity Tier 1, amounted to SEK 158.7bn (SEK 144.7bn as of 31 December 2020) (see Note 21). 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 is SEK 23.1bn (SEK 25.7bn as of 31 December 2020) and the Common Equity Tier 1 capital amounted to SEK 125.7bn (SEK 118.1bn as of 31 December 2020) (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 report for 2020 as well as in Swedbank's yearly Risk and Capital Adequacy Report, available on [www.swedbank.se](http://www.swedbank.se).

## Note 23 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. Covid-19 may continue to have consequences on Swedbank. Despite the overall positive economic forecasts in our home markets, uncertainty still remains in terms of impacts for many businesses in impacted sectors.

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

For risks related to the ongoing investigations in US related to historic AML compliance and response related to anti-money laundering controls, please refer to Note 19 Assets pledged, contingent liabilities and commitments.

In addition to the observations reported on money laundering and terrorist financing, Swedbank has identified elevated compliance risks within the bank related to internal governance as noted by supervisory authorities in their investigations of money laundering. In this regard, Swedbank assesses that the deficiencies identified by the supervisory authorities have been addressed by the

bank, and that many of them also have been closed. Swedbank has identified elevated compliance risks in the customer protection area, and in the market surveillance area. Work is ongoing within the bank to address the deficiencies identified. Swedbank's Compliance function monitors this work.

### **Interest Rate Benchmark Reform**

The Group's IBOR (Interbank Offered Rate) transition Programme continues to manage transition activities and operational changes necessary for the move from existing IBORs to alternative risk-free rates, also called the IBOR reform. Based on the nominal amounts, significant exposures in the Group's balance sheet that are affected by the IBOR reform are linked to STIBOR (SEK), EURIBOR (EUR), USD LIBOR and NIBOR (NOK). USD LIBOR will cease after 30 June 2023, while the remainder of these IBORs are expected to be available beyond 2021 for the foreseeable future in reformed formats. Other exposures that are affected by the IBOR reform and for which the publication of the benchmark rate will cease are linked to EONIA, CHF LIBOR, EUR LIBOR, GBP LIBOR and JPY LIBOR, which cease after 31 December 2021.



To manage the transition for the benchmark rates which will cease, Swedbank adhered to the ISDA 2020 Benchmark Supplement Protocol for its derivative exposures, which came into effect on 25 January 2021. The Group's current bilateral derivative exposures where counterparties did not adhere to the ISDA 2020 Benchmark Supplement Protocol are insignificant and the Group plans to ensure voluntary transition to alternative benchmark rates ahead of the cessation dates. In addition, Swedbank updated its bond issuance programs with proper fallback language for the benchmark rates expected to cease.

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

In addition to what is stated in this interim report, detailed descriptions are provided in Swedbank's 2020 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).

## Tax

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

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

30 September 2021	< 5 yrs	5-10 yrs	> 10 yrs	Total
SEK	-189	-1 110	332	-967
Foreign currency	656	98	120	874
<b>Total</b>	<b>467</b>	<b>-1 012</b>	<b>452</b>	<b>-93</b>
<b>31 December 2020</b>				
SEK	1 190	-1 202	530	518
Foreign currency	1 355	-13	41	1 383
<b>Total</b>	<b>2 545</b>	<b>-1 215</b>	<b>571</b>	<b>1 901</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.

30 September 2021	< 5 yrs	5-10 yrs	> 10 yrs	Total
SEK	455	-455	158	158
Foreign currency	-890	331	-235	-794
<b>Total</b>	<b>-435</b>	<b>-124</b>	<b>-77</b>	<b>-636</b>
<b>31 December 2020</b>				
SEK	1 131	-1 047	484	568
Foreign currency	-369	341	-224	-252
<b>Total</b>	<b>762</b>	<b>-706</b>	<b>260</b>	<b>316</b>

## Note 24 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 25 Swedbank's share

	30 Sep 2021	31 Dec 2020	30 Sep 2020
<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	-10 571 333	-12 013 947	-12 013 947
<b>Number of outstanding ordinary shares on the closing day</b>	<b>1 121 434 389</b>	<b>1 119 991 775</b>	<b>1 119 991 775</b>
<b>SWED A</b>			
Last price, SEK	177.30	144.12	140.74
<b>Market capitalisation, SEKm</b>	<b>198 830</b>	<b>161 413</b>	<b>157 628</b>

Within Swedbank's share-based compensation programme, Swedbank AB has during 2021 transferred 1 442 614 shares at no cost to employees.

	Q3 2021	Q2 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
<b>Earnings per share</b>					
<b>Average number of shares</b>					
Average number of shares before dilution	1 121 430 775	1 121 383 230	1 119 991 714	1 121 010 415	1 119 629 504
Weighted average number of shares for potential ordinary shares that incur a dilutive effect due to share-based compensation programme	3 494 846	2 075 334	3 264 852	3 316 017	2 934 766
Average number of shares after dilution	1 124 925 621	1 123 458 564	1 123 256 566	1 124 326 432	1 122 564 270
<b>Profit, SEKm</b>					
Profit for the period attributable to shareholders of Swedbank	5 498	5 563	5 261	16 036	8 419
Earnings for the purpose of calculating earnings per share	5 498	5 563	5 261	16 036	8 419
<b>Earnings per share, SEK</b>					
Earnings per share before dilution	4.90	4.96	4.70	14.30	7.52
Earnings per share after dilution	4.89	4.95	4.68	14.26	7.50

## Note 26 Changed presentation, cash-flow statement

From 2020 the cash flows from issued interest-bearing securities and commercial papers, excluding senior non-preferred liabilities and subordinated liabilities, have been transferred from financing activities to operating activities.

Cash flows within the financing activities will going forward be split into senior non-preferred liabilities, subordinated liabilities, leasing liabilities and dividend. The changes are made to the cash flow statement to be more representative of the Group's business model and to align it with our balance sheet.

January-September 2020	Previous reporting	Change	New reporting
<b>Operating activities</b>			
Operating profit	11 126		11 126
Adjustments for non-cash items in operating activities	1 363		1 363
Taxes paid	-3 012		-3 012
Increase (-)/decrease (+) in loans to credit institution	-5 278		-5 278
Increase (-)/decrease (+) in loans to the public	-32 670		-32 670
Increase (-)/decrease (+) in holdings of securities for trading	-17 664		-17 664
Increase (-)/decrease (+) in other assets	-24 312		-24 312
Increase (+)/decrease (-) in amounts owed to credit institutions	96 114		96 114
Increase (+)/decrease (-) in deposits and borrowings from the public	198 662		198 662
Increase (+)/decrease (-) in debt securities in issue		-44 634	-44 634
Increase (+)/decrease (-) in other liabilities	20 135		20 135
<b>Cash flow from operating activities</b>	<b>244 464</b>	<b>-44 634</b>	<b>199 830</b>
<b>Investing activities</b>			
Acquisitions of and contributions to joint ventures	-11		-11
Disposals of shares in associates	76		76
Dividends from associates and joint ventures	2		2
Acquisition of other fixed assets and strategic financial assets	-309		-309
Disposals of/maturity of other fixed assets and strategic financial assets	907		907
<b>Cash flow from investing activities</b>	<b>665</b>		<b>665</b>
<b>Financing activities</b>			
Amortisation of lease liabilities	-554		-554
Issuance of interest-bearing securities	74 161	-74 161	
Redemption of interest-bearing securities	-161 054	161 054	
Issuance of commercial papers	329 367	-329 367	
Redemption of commercial papers	-294 619	294 619	
Redemption of senior non-preferred liabilities		-31	-31
Redemption of subordinated liabilities		-7 480	-7 480
<b>Cash flow from financing activities</b>	<b>-52 699</b>	<b>44 634</b>	<b>-8 065</b>
<b>Cash flow for the year</b>	<b>192 430</b>		<b>192 430</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>195 286</b>		<b>195 286</b>
Cash flow for the year	192 430		192 430
Exchange rate differences on cash and cash equivalents	775		775
<b>Cash and cash equivalents at end of the year</b>	<b>388 491</b>		<b>388 491</b>

## Swedbank AB

### Income statement, condensed

Parent company SEKm	Q3 2021	Q2 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
Interest income on financial assets at amortised cost	2 458	2 466	3 114	7 465	9 920
Other interest income	1 518	1 551	1 384	4 603	4 564
<b>Interest income</b>	<b>3 976</b>	<b>4 017</b>	<b>4 498</b>	<b>12 068</b>	<b>14 484</b>
Interest expense	-336	-421	-637	-1 254	-2 827
<b>Net interest income</b>	<b>3 640</b>	<b>3 596</b>	<b>3 861</b>	<b>10 814</b>	<b>11 657</b>
Dividends received	3 102	3 809	2 930	10 907	8 416
Commission income	2 150	2 164	1 919	6 329	5 702
Commission expense	-526	-527	-511	-1 619	-1 560
<b>Net commission income</b>	<b>1 624</b>	<b>1 637</b>	<b>1 408</b>	<b>4 710</b>	<b>4 142</b>
Net gains and losses on financial items	125	299	439	692	1 448
Other income	578	506	487	1 537	1 243
<b>Total income</b>	<b>9 069</b>	<b>9 847</b>	<b>9 125</b>	<b>28 660</b>	<b>26 906</b>
Staff costs	2 446	2 402	2 141	7 211	6 337
Other expenses	1 347	1 384	1 216	4 121	4 517
Depreciation/amortisation and impairment of tangible and intangible fixed assets	1 234	1 242	1 164	3 718	3 612
Administrative fine					4 000
<b>Total expenses</b>	<b>5 027</b>	<b>5 028</b>	<b>4 521</b>	<b>15 050</b>	<b>18 466</b>
<b>Profit before impairment</b>	<b>4 042</b>	<b>4 819</b>	<b>4 604</b>	<b>13 610</b>	<b>8 440</b>
Credit impairment, net	42	33	385	123	3 503
<b>Operating profit</b>	<b>4 000</b>	<b>4 786</b>	<b>4 219</b>	<b>13 487</b>	<b>4 937</b>
Tax expense	873	888	817	2 613	1 752
<b>Profit for the period</b>	<b>3 127</b>	<b>3 898</b>	<b>3 402</b>	<b>10 874</b>	<b>3 185</b>

### Statement of comprehensive income, condensed

Parent company SEKm	Q3 2021	Q2 2021	Q3 2020	Jan-Sep 2021	Jan-Sep 2020
<b>Profit for the period reported via income statement</b>	<b>3 127</b>	<b>3 898</b>	<b>3 402</b>	<b>10 874</b>	<b>3 185</b>
<b>Total comprehensive income for the period</b>	<b>3 127</b>	<b>3 898</b>	<b>3 402</b>	<b>10 874</b>	<b>3 185</b>

## Balance sheet, condensed

Parent company SEKm	30 Sep 2021	31 Dec 2020	30 Sep 2020
<b>Assets</b>			
Cash and balance with central banks	509 687	167 121	275 699
Loans to credit institutions	664 101	669 495	643 081
Loans to the public	410 846	428 997	430 333
Interest-bearing securities	198 110	192 488	198 487
Shares and participating interests	90 973	82 321	79 983
Derivatives	42 229	59 644	59 588
Other assets	55 774	48 538	47 884
<b>Total assets</b>	<b>1 971 720</b>	<b>1 648 604</b>	<b>1 735 055</b>
<b>Liabilities and equity</b>			
Amounts owed to credit institutions	162 176	246 804	268 188
Deposits and borrowings from the public	1 022 337	869 222	887 673
Debt securities in issue	502 693	259 922	297 558
Derivatives	39 829	74 236	67 766
Other liabilities and provisions	62 353	50 512	70 647
Senior non-preferred liabilities	37 182	10 359	10 878
Subordinated liabilities	28 134	23 434	24 924
Untaxed reserves	10 682	10 682	10 724
Equity	106 334	103 433	96 697
<b>Total liabilities and equity</b>	<b>1 971 720</b>	<b>1 648 604</b>	<b>1 735 055</b>
Pledged collateral	40 498	110 092	109 096
Other assets pledged	11 118	7 149	8 483
Contingent liabilities	227 005	315 206	353 630
Commitments	338 554	324 052	319 999

## Statement of changes in equity, condensed

### Parent company SEKm

	Share capital	Share premium reserve	Statutory reserve	Retained earnings	Total
<b>January-September 2021</b>					
<b>Opening balance 1 January 2021</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>59 355</b>	<b>103 433</b>
Dividend				-8 124	-8 124
Share based payments to employees				137	137
Deferred tax related to share based payments to employees				16	16
Current tax related to share based payments to employees				-2	-2
Total comprehensive income for the period				10 874	10 874
<b>Closing balance 30 September 2021</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>62 256</b>	<b>106 334</b>
<b>January-December 2020</b>					
<b>Opening balance 1 January 2020</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>49 340</b>	<b>93 418</b>
Share based payments to employees				178	178
Deferred tax related to share based payments to employees				7	7
Current tax related to share based payments to employees				-6	-6
Total comprehensive income for the period				9 836	9 836
<b>Closing balance 31 December 2020</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>59 355</b>	<b>103 433</b>
<b>January-September 2020</b>					
<b>Opening balance 1 January 2020</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>49 340</b>	<b>93 418</b>
Share based payments to employees				95	95
Deferred tax related to share based payments to employees				6	6
Current tax related to share based payments to employees				-7	-7
Total comprehensive income for the period				3 185	3 185
<b>Closing balance 30 September 2020</b>	<b>24 904</b>	<b>13 206</b>	<b>5 968</b>	<b>52 619</b>	<b>96 697</b>

## Cash flow statement, condensed

Parent company SEKm	Jan-Sep 2021	Full-year 2020	Jan-Sep 2020
Cash flow from operating activities	309 279	58 388	163 796
Cash flow from investing activities	10 702	9 112	11 818
Cash flow from financing activities	22 585	-7 975	-7 511
<b>Cash flow for the period</b>	<b>342 566</b>	<b>59 525</b>	<b>168 103</b>
Cash and cash equivalents at beginning of period	167 121	107 596	107 596
Cash flow for the period	342 566	59 525	168 103
<b>Cash and cash equivalents at end of period</b>	<b>509 687</b>	<b>167 121</b>	<b>275 699</b>

The cash flow for the period January to September 2020 have been restated for changed presentation of statement of cash flow. Parent company cash flow from operating activities has increased by SEK 38 350m and

cash flow from financing activities has decreased by SEK 38 350m. Refer to note 26 in Group for further information.

## Capital adequacy

Parent company, SEKm	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
<b>Available own funds</b>					
Common equity tier 1 (CET1) capital	96 708	96 366	95 020	93 880	89 317
Tier 1 capital	109 802	104 962	103 843	102 232	98 535
Total capital	125 742	120 808	119 845	118 091	115 108
<b>Risk-weighted exposure amounts</b>					
Total risk exposure amount	355 318	349 604	360 259	358 278	358 186
<b>Capital ratios as a percentage of risk-weighted exposure amount</b>					
Common equity tier 1 ratio	27.2	27.6	26.4	26.2	24.9
Tier 1 ratio	30.9	30.0	28.8	28.5	27.5
Total capital ratio	35.4	34.6	33.3	33.0	32.1
<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	1.5	2.2	2.2	2.2	1.5
of which: to be made up of CET1 capital	1.1	1.4	1.4	1.4	1.0
of which: to be made up of Tier 1 capital	1.2	1.8	1.8	1.8	1.2
Total SREP own funds requirements	9.5	10.2	10.2	10.2	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	n/a	n/a	n/a	n/a	n/a
Institution specific countercyclical capital buffer	0.1	0.1	0.1	0.1	0.1
Systemic risk buffer	0.0	0.0	0.0	0.0	0.0
Global Systemically Important Institution buffer	n/a	n/a	n/a	n/a	n/a
Other Systemically Important Institution buffer	n/a	n/a	n/a	n/a	n/a
Combined buffer requirement	2.6	2.6	2.6	2.6	2.6
Overall capital requirements	12.1	12.8	12.8	12.8	12.1
CET1 available after meeting the total SREP own funds requirements	17.7	17.4	16.2	16.0	15.4
<b>Leverage ratio</b>					
Total exposure measure	1 555 142	1 486 600	1 454 485	1 263 146	1 377 674
Leverage ratio, %	7.1	7.1	7.1	8.1	7.2
<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	0.0	0.0	n/a	n/a	n/a
of which: to be made up of CET1 capital	0.0	0.0	n/a	n/a	n/a
Total SREP leverage ratio requirements <sup>1)</sup>	3.0	3.0	n/a	n/a	n/a
<b>Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure</b>					
Leverage ratio buffer requirement	3.0	3.0	n/a	n/a	n/a
Overall leverage ratio requirement	3.0	3.0	n/a	n/a	n/a
<b>Liquidity coverage ratio</b>					
Total high-quality liquid assets, average weighted value	528 923	474 877	445 488	420 572	401 975
Cash outflows, total weighted value	534 009	507 401	490 377	471 021	442 336
Cash inflows, total weighted value	75 333	93 156	111 442	109 926	100 914
Total net cash outflows, adjusted value	458 676	414 245	378 935	361 095	341 422
Liquidity coverage ratio, %	115.6	115.1	117.6	116.7	118.1
<b>Net stable funding ratio</b>					
Total available stable funding	960 113	935 457	n/a	n/a	n/a
Total required stable funding	545 985	549 105	n/a	n/a	n/a
Net stable funding ratio, %	175.5	170.4	n/a	n/a	n/a

<sup>1)</sup> The minimum leverage ratio requirement is 3.00 per cent (SEK 46 654m).



<b>Risk exposure amount</b>	<b>30 Sep</b>	<b>31 Dec</b>	<b>30 Sep</b>
<b>Parent company, SEKm</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
Risk exposure amount credit risks, standardised approach	85 547	85 062	86 096
Risk exposure amount credit risks, IRB	173 736	189 909	185 472
Risk exposure amount default fund contribution	252	556	681
Risk exposure amount settlement risks	0	0	1
Risk exposure amount market risks	18 759	17 004	20 302
Risk exposure amount credit value adjustment	3 473	4 362	5 452
Risk exposure amount operational risks	39 068	39 068	38 189
Additional risk exposure amount, Article 3 CRR	24 558	17 658	16 658
Additional risk exposure amount, Article 458 CRR	9 925	4 659	5 335
<b>Total risk exposure amount</b>	<b>355 318</b>	<b>358 278</b>	<b>358 186</b>

	<b>SEKm</b>			<b>%</b>		
<b>Capital requirements <sup>1)</sup></b>	<b>30 Sep</b>	<b>31 Dec</b>	<b>30 Sep</b>	<b>30 Sep</b>	<b>31 Dec</b>	<b>30 Sep</b>
<b>Parent company, SEKm / %</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
Capital requirement Pillar 1	37 664	37 977	37 968	10.6	10.6	10.6
of which Buffer requirements <sup>2)</sup>	9 238	9 315	9 313	2.6	2.6	2.6
Capital requirement Pillar 2 <sup>3)</sup>	5 330	8 035	5 266	1.5	2.2	1.5
<b>Total capital requirement including Pillar 2 guidance</b>	<b>42 993</b>	<b>46 012</b>	<b>43 234</b>	<b>12.1</b>	<b>12.8</b>	<b>12.1</b>
<b>Own funds</b>	<b>125 742</b>	<b>118 091</b>	<b>115 108</b>			

<sup>1)</sup> Swedbank's calculation based on the SFSA's announced capital requirements, including Pillar 2 requirements.

<sup>2)</sup> Buffer requirements includes capital conservation buffer and countercyclical capital buffer.

<sup>3)</sup> Individual Pillar 2 requirement according to decision from SFSA SREP 2021.

## Alternative performance measures

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

Measure and definition	Purpose
<p><b>Net investment margin before trading interest is deducted</b></p> <p>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.</p>	<p>Considers all interest income and interest expense, independent of how it has been presented in the income statement.</p>
<p><b>Allocated equity</b></p> <p>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.</p>	<p>Used by Group management for internal governance and operating segment performance management purposes.</p>
<p><b>Return on allocated equity</b></p> <p>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.</p>	<p>Used by Group management for internal governance and operating segment performance management purposes.</p>
<p><b>Income statement measures excluding expenses for the administrative fine</b></p> <p>Amount related to expenses is presented excluding expenses for administrative fine. The amounts are reconciled to the relevant IFRS income statement lines on page 6.</p>	<p>Provides comparability of figures between reporting periods.</p>
<p><b>Return on equity excluding expenses for administrative fine</b></p> <p>Represents profit for the period (annualised) attributable to shareholders excluding expenses for the administrative fine 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 fine are reconciled to Profit for the period allocated to shareholders, the nearest IFRS measure, on page 6.</p>	<p>Provides comparability of figures between reporting periods.</p>
<p><b>Cost/Income ratio excluding expenses for administrative fine</b></p> <p>Total expenses excluding expenses related to administrative fine in relation to total income. Total expenses excluding expense for administrative fine is reconciled to Total expenses, the nearest IFRS measure, on page 6.</p>	<p>Provides comparability of figures between reporting periods.</p>

### Other alternative performance measures

These measures are defined in Fact book on page 78 and are calculated from the financial statements without adjustment.

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

- Share of Stage 1 loans, gross
- Share of Stage 2 loans, gross
- Share of Stage 3 loans, gross
- Cost/Income ratio
- Equity per share
- Credit Impairment 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
- Loan/Deposit ratio

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<sup>1)</sup> The month-end figures used in the calculation of the average can be found on page 71 of the Fact book.

## Signatures of the Board of Directors and the President

The Board of Directors and the President hereby certify that the Interim report for January-September 2021 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, 20 October 2021

Göran Persson  
Chair

Bo Bengtsson  
Board Member

Göran Bengtsson  
Board Member

Annika Creutzer  
Board Member

Hans Eckerström  
Board Member

Kerstin Hermansson  
Board Member

Bengt Erik Lindgren  
Board Member

Josefin Lindstrand  
Board Member

Bo Magnusson  
Board Member

Anna Mossberg  
Board Member

Per Olof Nyman  
Board Member

Biljana Pehrsson  
Board Member

Roger Ljung  
Board Member  
Employee Representative

Ake 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 as of 30 September 2021 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Annual accounts act for credit institutions and securities companies. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

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

### Conclusion

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

Stockholm, 21 October 2021

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 2021 and 2022

Extraordinary General Meeting	28 October 2021
Year-end report 2021	2 February 2022
Annual and sustainability report 2021	23 February 2022
Annual General Meeting	30 March 2022
Interim report for the first quarter 2022	28 April 2022
Interim report for the second quarter 2022	19 July 2022
Interim report for the third quarter 2022	27 October 2022

### For further information, please contact:

Jens Henriksson  
President and CEO  
Telephone +46 8 585 934 82

Anders Karlsson  
CFO  
Telephone +46 8 585 938 75

Annie Ho  
Head of Investor Relations  
Telephone +46 70 343 7815

Erik Ljungberg  
Head of Group Communications  
and Sustainability  
Telephone 08 +46 73-988 35 57

Unni Jerndal  
Press Officer  
Telephone +46 8 585 938 69  
+46 73 092 11 80

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

### Swedbank AB (publ)

Registration no. 502017-7753  
Landsvägen 40  
SE-105 34 Stockholm, Sweden  
Telephone +46 8 585 900 00  
[www.swedbank.com](http://www.swedbank.com)  
[info@swedbank.se](mailto:info@swedbank.se)