Swedbank

Risk Management and Capital Adequacy Report

Pillar 3 Annual Report 2024

Introduction

This Risk Management and Capital Adequacy Report Q4 2024 provides information on Swedbank's risk management and capital adequacy. The report is based on regulatory disclosure requirements set out in the Regulation (EU) 575/2013 "Capital Requirements Regulation" (CRR) and the Swedish Financial Supervisory Authority (SFSA) regulation FFFS 2014:12.

Swedbank AB (publ) is the parent company in Swedbank's consolidated situation (CS). Information in this report pertains to the conditions for Swedbank's consolidated situation as of 31 December 2024 if not otherwise specified.

The capital adequacy framework builds on three pillars:

Pillar 1 capital requirements represent minimum requirements calculated according to prescribed rules for credit risk, market risk, CVA (Credit Valuation Adjustment) and operational risk.

Pillar 2 ensures that institutions have adequate capital and liquidity to cover all the risks to which they are exposed.

Pillar 3 enables market participants to access information through regulatory disclosure requirements to provide transparency and confidence about an institution's exposure to risk and the overall adequacy of its regulatory capital. This report constitutes the required annual disclosure. Swedbank also publish quarterly Pillar 3 reports on Swedbank's website.

This report is published by Swedbank AB, incorporated in Sweden, a public limited liability company with registration number 502017-7753. This document has not been audited and does not form part of Swedbank AB's audited financial statements.

Swedbank in brief

Swedbank is a full-service bank available to households and businesses having 7.4 million private customers and 550 000 corporate and organisational customers. The customers are served through 214 branches in Swedbank's four home markets Sweden, Estonia, Latvia and Lithuania, where Swedbank is active mainly in lending, payments and savings. Swedbank is also present in Norway, Denmark, Finland, China and the US, via partnerships or own offices.

Swedbank's vision is a financially sound and sustainable society where Swedbank empowers the many people and businesses to create a better future.

Swedbank's business operations are organised in four business areas: Swedish Banking, Baltic Banking, Corporates and Institutions and Premium and Private Banking.

Regulatory Scope

1. Risk management

EU OVA - Institution risk management approach, CRR Article 435(1)(a-d)

Risk governance structure

Risk arises in all financial operations, hence a profound understanding of risks, a sound risk governance structure and solid risk management is vital to ensure sustainable and profitable operations. A robust and sound risk culture throughout the Group is an essential part of risk management and an additional necessity to accomplish a strong long-term risk-adjusted return.

The responsibilities and duties of the Board of Directors of Swedbank AB (publ) (Board) are primarily set out in the Swedish Companies Act, the Banking and Financing Business Act, the Securities Market Act and the Articles of Association of Swedbank. The Board is responsible for ensuring that Swedbank's organisation is properly designed to identify, assess, manage, monitor and report the risks associated with its operations.

To execute its responsibility, the Board ensures that there are adequate and effective governance and internal control structures in place by establishing internal governing documents, for both its own work and the work performed by the organisation.

The CEO has the overall responsibility for ensuring that internal control and governance structures are satisfactory and in accordance with applicable laws, regulations and generally accepted practices or standards. The duties and responsibilities of the CEO are clarified through the Board´s instruction for the CEO. The CEO is responsible for ensuring that the internal control is implemented and well-functioning within the organisation. The CEO has established the Group Executive Committee (GEC) to support in the effective management and governance of the Group. Based on the internal governing documents adopted by the Board, the CEO issues more detailed instructions for the operational management and control of Swedbank's risks. The CEO also sets the details of the operational structure and steering, and delegates authority and responsibilities in the Governance Instruction.

Risk management framework

The Board is also responsible for ensuring that a group-wide risk management framework is established. Through the annually reviewed Policy on Enterprise Risk Management and Risk Appetite Statement Policy the Board defines and communicates the Group's risk strategy and risk appetite as well as provides the foundation of a strong and sound risk culture and risk awareness throughout the organisation. Each licensed subsidiary has mirroring structures and processes in place and the Group's risk management framework, risk strategy and risk appetite, are implemented consistently both on a consolidated and sub-consolidated basis within the Group.

In accordance with its responsibility for ensuring that the risks associated with Swedbank's operations and strategy are managed in accordance with the risk strategy, the Board sets the Group's risk appetite for the risk types defined in the Group's risk taxonomy on an annual basis. The risk appetite is expressed qualitatively and, where applicable, quantitatively through limits in the Risk Appetite Statement Policy adopted by the Board. The risk appetite limits Swedbank's risk-taking and ensure minimum capital and liquidity are kept at adequate levels. The qualitative risk appetites and quantitative board limits are implemented through a risk limit framework. In the risk limit framework, limits, Escalation Triggers (ETs) and Key Risk Indicators (KRI) are decided on CEO level, executive management level and, where applicable, lower management level. The risk limit framework is a tool for monitoring and controlling risk exposures, risk concentrations and risk build-ups. Ultimately, its purpose is to ensure that the risks are kept within the risk appetite.

Main committees

To support the Board in matters related to risk management, governance, capital requirements and remuneration as well as preparing items for decision, the Board has established four Board committees, the Risk and Capital Committee (RCC), the Audit Committee (AC), the Remuneration and Sustainability Committee and the Governance Committee. For further information on these committees, please refer to Swedbank's Corporate Governance Report available in Swedbank's Annual and Sustainability Report for 2024.

In addition to GEC, the Group Risk and Compliance Committee (GRCC), chaired by the Chief Risk Officer (CRO), provide recommendations to the CEO, and supports senior management in decisions about management of non-financial risk and compliance matters. This includes reviewing, monitoring, and challenging of the Group's risks based on trends, stress tests, losses, management actions and actual risk profile versus the applicable risk appetite. The GRCC supports the accurate management of findings by Group Internal Audit, Group Risk and Group Compliance. To further strengthen the risk management arrangements in group functions, business areas and product area, the GRCC is supported by Business Area Risk and Compliance Committees.

The Group Asset Allocation Committee (GAAC) is chaired by the Chief Financial Officer (CFO) and CRO is one of the members. GAAC provides recommendations to the CEO and supports the CFO and senior management in matters related to the management of assets, liabilities, capital, balance sheet structure, as well as support towards maintaining the Group's financial risk exposures within the risk appetite and the distributed risk limits and ensuring that the risk appetite and the level, type and allocation of internal capital adequately cover the underlying financial risks. Each business area has established a Business Area Asset Allocation Committee, which assist heads of business area in discharging their duties related to e.g. volumes, capital, stress tests and business steering.

Three lines of defence

The concept of three lines of defence is the basis for Swedbank's risk management.

First line of defence is accountable for the risks and risk management within their operations. To identify, assess, manage, monitor and report risks in accordance with the risk management framework and to ensure risks are kept within the established risk appetite, business management shall have appropriate processes and internal control structures in place within their respective area of responsibility. Business management is also responsible for communicating to the responsible head of group functions, business areas and product area when they identify risks that will impact areas outside their own responsibility.

Second line of defence consist of the independent internal control functions Group Risk and Group Compliance. The risk management framework, which is defined by these two functions, governs how to identify, assess, monitor, manage and report risks. The functions monitor and assess that effective risk management processes and controls are implemented by the first line of defence. The second line of defence challenges and validates the first line of defence's risk management activities and controls. Further it analyses the Group's material risks and provides independent risk assessment, assurance and reporting to the CEO and the Board.

Third line of defence refers to Group Internal Audit, which is governed by and reports to the Board. Group Internal Audit is independent from the first and second lines of defence and is responsible for evaluating governance, risk management and the internal control processes within the first and second line of defence.

The Board shall on a continuous basis and at least once every year review and evaluate the effectiveness of Swedbank´s first and second lines of defence risk management functions and assess whether there are sufficient resources allocated in that area.

Group Risk and Group Compliance

Swedbank's risk and compliance organisation respectively, are regulated in separate policies adopted by the Board. The heads of Group Risk and Group Compliance, the CRO and the Chief Compliance Officer (CCO), report to the CEO, but are also independently reporting to the RCC, AC (only Group Risk) and to the Board. The above-mentioned policies include delegation of authority and responsibilities from the Board to the CRO and the CCO.

Group Risk and Group Compliance advise and support the business operations by developing and maintaining e.g. internal governing documents and independently monitor that key risks are identified, assessed, and properly managed by the business operations.

Decisions taken within the organisation shall be in line with the established risk strategy and risk appetite. The CRO and the CCO are responsible for critically reviewing and challenging decisions affecting the risk exposure of the Group within their respective areas of responsibility and for having ongoing dialogues with the Board and the CEO regarding these matters. The appointment or removal of the CRO or the CCO, requires prior approval by the Board.

Group Internal Audit

Group Internal Audit is the independent Internal Audit function in Swedbank. The Chief Audit Executive is appointed by and reports to the Board.

Based on the Policy for Internal Audit adopted by the Board, Group Internal Audit provide independent, objective assurance and consulting services designed to add value and improve the Group's operations.

Group Internal Audit evaluates that governance, risk management and internal control processes are adequate and functioning in a manner to ensure inter alia that significant risks are identified and managed to support organisational objectives and align with the organisation's strategy.

Code of Conduct and incident management

Swedbank has established a Group-wide Code of Conduct and has a mandatory annual ethics training and sign off of Code of Conduct for all employees. Swedbank fosters an inclusive workplace where employees are encouraged to act ethically, take responsibility and when necessary, voice concerns and speak up against alleged irregularities and violations of the Code of Conduct, internal rules, laws and regulations.

All employees must be aware of circumstances and events in their daily work which can have a negative impact on the Group. There are internal rules, such as escalation routines, providing guidance for managers and employees on required actions based on the severity of the incident. All incidents must be handled in such a way that the negative impact is minimised.

Employees and other stakeholders have the possibility to report potential or actual irregularities and violations of the Code of Conduct, internal rules, laws and regulations through the internal alerts process, i. e. whistleblowing. The channel is independent, autonomous and provides the possibility to submit alerts outside the regular reporting lines in an open or anonymous manner.

Risk disclosure and/or measurement systems including its main features

In accordance with the Policy for Group Risk, adopted by the Board, the CRO submits a monthly risk report to the CEO, the RCC and the Board. The report includes the risk exposure in relation to the risk appetite per risk type and comments on any risk appetite breach as well as limits and KRIs and recent risk-related events such as incidents. This report is complemented quarterly with results and follow up of assurance reviews and model validation. The assurance reviews are also submitted to the AC.

Detailed descriptions of the scope and nature of risk disclosure and/or measurements systems can be found in the respective chapters for Market risk, Liquidity risk, Credit risk (incl Counterparty credit risk) and Operational risk.

In accordance with the Policy for Group Compliance, adopted by the Board, the CCO provides a Compliance report to the CEO, the RCC and the Board on a quarterly basis. The reports include the quarterly Data Protection Officer report and the status from the AML/CTF Officer for Control and Reporting (OCR). The OCR also issues the Annual Activity Report.

Strategies and processes to manage, hedge and mitigate risks

The Board has the overall responsibility for ensuring that the risks associated with the Group's operations and strategy are satisfactorily managed and controlled. The responsibility and delegation of authority of risk management and internal control within the first line of defence stems from the Board to the CEO and is delegated further by the CEO to the heads of group functions, business areas and product area, who are the risk owners responsible for risk management.

Risk based planning is performed continuously by the internal control functions, Group Risk, Group Compliance, and Group Internal Audit, to identify and plan for the activities to be performed during the upcoming year. The Group Risk Plan, the Compliance Plan and the Group Internal Audit Annual Risk Assessment and Audit Plan are subject to alignment, especially regarding assurance reviews, to ascertain coordination and information-sharing for efficient use of resources and to provide the CEO, the executive management, and the Board with a holistic view of risks as well as risk responses from the assurance providers.

Swedbank has a sound and effective stress test program ensuring that stress tests and scenario analysis are an integral part of risk management. The outcome of the various stress tests will enable a forward-looking view, provide insights for decision making and facilitate preparation for necessary actions. A stress test inventory ensures that the Group has an overview and control of all stress tests performed within the Group. Based on the stress test inventory, a stress test plan is developed presenting a summary of the most significant stress tests to be performed and an overview of any planned or ongoing major developments regarding stress testing within the Group. The results of stress tests are used within risk management to ensure that Swedbank remains within its established risk appetite and serve as inputs for setting the Group's risk appetite and limits.

Swedbank's strategy is to maintain a low-risk profile applicable to all risk types identified in its risk taxonomy. Swedbank has a number of processes and activities in place to mitigate identified risks in order to limit their potential impact. Below it is described on an overall level how Swedbank ensures that risks remain within the defined risk appetite. Risk management per risk type is further described in respective chapter.

Credit risk arises through lending activities and commitments to customers. Swedbank has a low risk-appetite for credit risk. All credit activities strive for long-term customer relationships and rest on sound business acumen to achieve solid profitability and a sound credit expansion for long-term stability. The low risk is maintained through sustainable lending to customers which are expected to meet their obligations, by maintaining a strong collateral position and by portfolio diversification within and between sectors, and geographies. The customers should have a direct link to the Group's four home markets, Sweden, Estonia, Latvia, and Lithuania, or the Group's Nordic branches.

Counterparty credit risk exposure arises mainly as a result of hedging of own positions in market risk and from customer-related trading activities and is integrated in the credit risk limit structure.

Swedbank is willing to accept market risk only as part of managing the Group's own financial risks and to support customer needs. Market risks shall be managed with the aim to have low earnings volatility and to preserve the long-term value creation of the Group.

A strong capital position is essential to the Group's strategy of being a low-risk bank. A range of methodologies are used to identify and manage risk to capital, such as targets and limits, forecasting, modelling, and stress testing.

The liquidity profile shall be resilient towards both short-term and long-term liquidity stress, without relying on forced asset sales or other business disrupting activities. For meeting these requirements, an adequate liquidity generating capacity, properly sized for withstanding adverse circumstances, shall be maintained.

Swedbank strives to have a long-term, stable, well-diversified funding and investor base with a wholesale funding operation that is well diversified across markets, instruments, and currencies. Furthermore, Swedbank strives to avoid maturity mismatch risk in assets funded by unsecured funding. All non-liquid assets, not eligible for covered bond issuance, shall be funded either through customer deposits or through wholesale funding with a maturity, to the largest extent, matching or exceeding that of the assets.

Swedbank seeks to maintain low operational risk exposure taking into account market sentiment and regulations, as well as Swedbank's strategy, rating ambitions and capacity to absorb operational risk losses. Operational risk is considered in business decisions and as far as possible in the pricing of products and services. Managers shall ensure that the operational risks inherent in their respective areas are identified, assessed, and properly managed in the day-to-day operations.

The impact of environmental, social and governance (ESG) factors on existing risk types shall be considered throughout the risk management process. The potential for negative reputational impacts stemming from ESG factors shall be considered in all relevant operations.

To enable managing the compliance risks in accordance with the principles set in relevant rules, regulations, and framework and to uphold the conduct of Swedbank, established risk appetites are coupled with robust and effective compliance risk management processes.

Group Risk and Group Compliance provide assurance to the Board and CEO that the Group´s risk management processes are adequate considering the risk appetite set by the Board.

Swedbank has a Group-wide process for New Product Approval (NPAP) covering all new and materially altered products, services, markets, processes, models, and IT-systems as well as for major operational or organisational changes including outsourcing. To further mitigate risk, protect against potential disruptions and ensure that essential business processes continue to run even in challenging circumstances, Swedbank has established an Instruction on Business Continuity Management.
Swedbank has established a Group-level recovery plan. The recovery plan describes a set of measures that can be applied in severe financial distress to restore the financial position of Swedbank and maintain core business lines and critical functions. The plan also describes the recovery indicators to be monitored to capture potential financial stress in a timely manner. Further, Swedbank's governance structure for escalation and decision-making under stressful conditions are described.

EU OVB - Disclosure on governance arrangements, CRR Article 435(2)(a-e)

Recruitment guidelines and Diversity, Equity and Inclusion policy

In the Policy on Diversity, Equity & Inclusion, Swedbank wants to create a climate where diversity, equity and inclusion are self-evident parts of the organisation. The Board, the subsidiaries' board of directors and the top management shall, with due consideration to local regulations, consist of sufficient diversity concerning for example gender, educational- and professional background. Swedbank aims for a gender balance within 40/60 ratio in leadership and senior positions.

The Board members are proposed by the Nomination Committee and elected at the Annual General Meeting (AGM). The instruction for the Nomination Committee is adopted by the AGM and currently sets out that an even gender representation is to be attained over time.

For 2024, the gender balance of the Board was 50/50, as the Board consisted of five women and five men. Employee Representatives are not included in the calculation, as they are appointed by the Trade unions and Swedbank has no influence over the decision.

On 27 January, 2025, Swedbank's Nomination Committee presented its proposal to the Annual General Meeting on 26 March 2025, encompassing re-election of all current Board members and election of one new Board member. The Nomination Committee's proposal entails that the number of Board members elected by the general meeting should be eleven, i.e. one more than in 2024, resulting in a gender balance of 55/45 as six are men and five are women.

Risk and Capital Committee and the frequency of the meetings

The Board has established the RCC, which held 12 meetings during 2024.

Information flow on risk to the management body

Group Risk and Group Compliance submit regular reports as described under the heading "Risk disclosure and/or measurement systems" above in this chapter.

The CEO and the Board are regularly informed on risks and changes in Swedbank's risk limit framework structure, the overall risk and the exposures for all risk types. Furthermore, the CEO and the Board are provided with information, in case of a limit breach, and required actions to mitigate the breach. In addition, Group Risk and Group Compliance shall promptly inform the CEO and Board on an ad-hoc, event-driven basis of materialising risks and/or urgent extraordinary risk-relevant matters.

Board and CEO table

The Board and CEO table on pages 11-12 below includes, inter alia, the number of directorships held by each member of the Board and the CEO as well as their actual knowledge, skills and expertise.

EU OVA - Institution risk management approach, CRR Article 435(1)(e-f)

The Board of Directors' risk statement and risk declaration

Risk statement

The Board has decided that Swedbank shall have low risk appetite. The risk appetites set boundaries for and provide guidance on risk-taking for Swedbank. Through implementing a low risk appetite, Swedbank strives to ensure low level of losses, stable earnings and to be a financially sound and sustainable bank with the capacity to support customers also in times of stress. The Board advocates a strong risk culture throughout Swedbank and has established a risk strategy, risk appetite statements, risk limits and a risk management framework. A profound understanding of risks is a prerequisite for sound and informed decisions and vital to ensure that Swedbank remains sustainable and profitable. As part of the risk strategy, Swedbank only takes on risks that are well understood and that can be properly managed and controlled. The sound internal risk governance structure and solid risk management within Swedbank underpins the low risk profile.

Sustainable and profitable operations are necessary for Swedbank to be able to fulfil its strategy to make the financial life of the customers easier and empower the many people and business to create a better future. Hence, implementing the low risk appetite as described in the following will enable Swedbank to deliver on its customer promise.

To ensure that Swedbank is well capitalised, has a strong liquidity position in relation to its risk position and regulatory requirements and that it can maintain business under normal and stressed conditions, Swedbank has low risk appetite for risk to capital and liquidity. In 2024, the capital remained stable and with a comfortable distance to the regulatory requirements and the risk appetite. The CET1 capital ratio was 19.8 per cent of the total risk exposure amount (REA) by year-end and the leverage ratio was 6.8 per cent.

Credit risk comprises around 85 per cent of Swedbank's total REA. Swedbank's credit exposure has low risk, which is confirmed in stress tests. Swedbank aims to build long-term relationships with customers in its home markets and assumes credit risks in a conscious and controlled manner to support its customers. Swedbank's customer base, which mainly consists of private individuals and small and medium sized companies in Sweden and the Baltic countries, but also large corporates, is the foundation for the low risk. Private mortgages are Swedbank's largest loan segment and amounted at the end of 2024 to SEK 1 043bn, 58 per cent of Swedbank's total loans to customers. The diversification in terms of number of customers is large and the geographical distribution over Swedbank's home markets is wide.

Swedbank is willing to accept market risk only as part of managing the Group's own financial risks and supporting customer needs. Market Risks shall be managed with the aim of having low earnings volatility and preserving the long-term value of the Group while ensuring regulatory compliance. Risk exposure is governed by the risk appetites, which limit the nature and size of market-risk taking. Both qualitative risk appetite statements and quantitative risk appetites in the form of board limits are set to cover market risk in the Trading Book and Banking Book respectively. The Group's activity is designed to satisfy the long-term needs of customers.

The Group's low risk appetite for liquidity risk ensures that the Group always is able to continue to serve its customers and shall therefore maintain resilience towards both short-term and long-term liquidity stress without relying on forced asset sales or other business disrupting activities. For the purpose of ensuring that liquidity risk stays within appetite, and ultimately for supporting the Group's strategic goals, the maintenance of a liquidity-generating capacity together with funding planning and risk identification, are central processes within Swedbank's liquidity risk management. Throughout 2024, Swedbank's liquidity position was strong with all key metrics remaining well above internal and regulatory requirements.

Swedbank continuously conduct capital and liquidity tests to increase the awareness of potential effects from disruptions in the financial markets. The stress tests focus on both Swedbank specific and market related disruptions, and consider combined effects, i.e. scenarios where multiple disruptions occur simultaneously. A key objective of Swedbank's ICAAP is to ensure that Swedbank's business model remains viable in different scenarios, ranging from adverse to severely adverse developments. In addition to stress testing scenarios, the economic capital calculations consistently demonstrate Swedbank's capital strength.

As a bank for the many private and corporate customers, key operational risks are often those related to the availability of Swedbank's services, fraud prevention and the integrity and confidentiality of the data entrusted to Swedbank. The risk appetite for operational risk is expressed in terms of tolerance for levels and types of risks with respect to Swedbank's overall low operational risk appetite. During 2024 Swedbank has continued to improve Swedbank's operational resilience and high level of availability for the bank's customers. In addition, Swedbank continuously enhances its fraud monitoring system to effectively identify and prevent fraudulent transactions.

The low risk appetite for ESG risks is supported by the Group's commitment to align its business strategy to the Paris Agreement and to contribute to the fulfilment of the UN Sustainability Developments Goals. The impacts of ESG factors on other risks are considered throughout the risk management process.

The low-risk appetite for compliance risks is supported by clear and detailed standards in policies and procedures for the business to adhere to. Furthermore, Group Compliance has the mandate to test and control standards set to create an oversight and assure the Board that the risk appetite is adhered to. Detailed risk appetite statements take its form of e.g. prohibited activities list, restricted activities list and expected controls to be implemented in business. Risk assessments are being conveyed in order to identify risk drivers and risk pockets and to guide further mitigating activities, controls and awareness initiatives. Assurance to the Board is expressed and visualised in the context of the set risk appetite for respective compliance risk area. Heavy focus has in recent years been spent on having control of financial crime, customer protection as well as ethics and Code of Conduct risks.

There has been no transaction of such nature that it has had material impact on Swedbank´s risk profile during 2024.

Risk declaration

Swedbank has established a solid and well-structured risk management framework to ensure that Swedbank's risks are kept within the established risk strategy and risk appetite, and that Swedbank's strategic targets are met.

Board and CEO

Board of Directors[1]	Background	Education	Bank specific experience	Professional experience[3]	Number of directorships[2,3]
Göran Persson	Göran Persson has extensive experience leading the boards of both state-owned and private enterprises. He contributes through his social engagement and large network as well as broad experience of national and international economic issues and sustainable development.	University studies in sociology and political science	Board: 10 years (2015)	Prime Minister of Sweden • Finance Minister of Sweden • LKAB, Chair, JKL Group, Advisor • Scandinavian Biogas Fuels, Chair • Ålandsbanken, Board member •Sveaskog, Chair • Scandinavian Air Ambulance, Chair • Wiklöf Holding AB, Board member	Two Board of Directors assignments.
Biörn Riese	Biörn Riese contributes with a deep knowledge of corporate governance and law in general. He has his own law firm, where he specialises in providing advice and support relating to corporate governance and sustainability, with particular focus on anti-corruption and risk management.	Master of Laws, M.Sc. Business Administration, Stockholm university	Board: 3 year (2022)	Lawyer, Jurie Law AB • Mannheimer Swartling, Chair and Partner •Åbjörnsson & Rausing Advokatbyrå •Court service • Board assignments	Seven Board of Directors assignments (three in organisations with no predominant commercial objective).
Göran Bengtsson	Göran Bengtsson brings to the Board his extensive experience in banking and finance. He has held a number of senior positions at Swedbank and is currently CEO of Falkenbergs Sparbank.	Bachelor's Programme in Business and Economics, University of Borås	Operative: 35 years Board: 4 years (2020)	Regional Head of Credit, Swedbank AB • Head of Corporate Business, Sparbanken Sjuhärad AB	CEO and three Board of Directors assignments (two as part of role as CEO, both in organisations with no predominant commercial objective).
Annika Creutzer	Annika Creutzer contributes with her extensive experience in finance and the media, with a focus on business journalism and public education.	M.Sc. Business Administration, Stockholm university	Operative: 5 years Board: 4 years (2021)	Swedish Pensions Agency, Board member • Påmind startup, Board member • Pengar24, Editor in Chief •Privata Affärer, Editor in Chief • Stockholm Consumer Cooperative Society, Board member • Poppius journalism school, Board member • Skandiabanken, Private economist	CEO and three Board of Directors assignments (one in role as CEO in own company and one in organisation with no predominant commercial objective).
Hans Eckerström	Hans Eckerström, who has an extensive background as a partner and employee of Nordic Capital as well as a director of investment companies, brings to the Board his business acumen and experience in the financial industry.	M.Sc. Mechanical Engineering, Chalmers University of Technology M.Sc. Business Administration, University of Gothenburg School of Business	Board: 5 years (2020)	Henri-Lloyd Group AB, Chair • Aligro Partners Acquisition Company AB, CIO • Nobia AB, Chair • Nordstjernan AB, Board member • Employee and Partner, NC Advisory AB, Nordic Capital •Manager, Arthur D. Little	Four Board of Directors assignments (one in organisation with no predominant commercial objective)
Kerstin Hermansson	Kerstin Hermansson mainly contributes to the Board her expertise in securities and in compliance issues relating to the financial markets. She has many years of experience in the European securities market.	Master of Laws, Lund University	Operative: 9 years Board: 6 years (2019)	Swedish Securities Dealers Association (Svenska Fondhandlarföreningen), CEO • Enskilda Securities AB (subsidiary of SEB Group), Global Head of Legal & Compliance • SEB, Securities lawyer • Jacobsson & Ponsbach Fondkommission AB, Attorney • Member of the Securities and Markets Stakeholder Group of the European Securities and Markets Authority (ESMA), Linnéuniversitetet, Chair	Three Board of Directors assignments (two in organisations with no predominant commercial objective).
Helena Liljedahl	Helena Liljedahl has extensive knowledge and experience of development and management in the real estate sector and consumer-facing companies. She also contributes her experience with developing and implementing business strategies, and experience in asset management (real estate portfolio) and the insurance industry.	M.Sc, Business Administration, University of Örebro	Board: 5 years (2020)	Medmera Bank, Board member • Coeli Fastighet II, Chair • Technopolis Oiy, Board member • Ingka Centres Russia, Head of Commercial Development • Centrumutveckling, Deputy CEO • Alecta, Asset Manager	CEO and two Board of Directors assignments
Bengt Erik Lindgren[1]	Bengt Erik Lindgren has many years of experience as a director in the banking and real estate sectors. He has also held many senior positions at Swedbank, Föreningssparbanken and in the Swedish savings bank movement.	Uppsala University, 2-year combined education (business administration, sociology, human resource management)	Operative: 35 years Board: 12 years (2012)	Humlegården Fastigheter AB, Board member • Prevas AB, Chair • Lansa Fastigheter AB and Lansa Bostads-fastigheter AB, Board member • Läns-försäkringar Bergslagen ömsesidigt, Chair • Länsförsäkringar Bank AB, Board member • Swedbank AB, Deputy CEO, Regional Director Stockholm and Mid-Sweden and Head of Large Customers • Spintab AB, CEO and senior positions at Förenings- sparbanken and in the Swedish savings bank movement	Two Board of Directors assignments.

Roger Ljung	Roger Ljung is an employee repre- sentative and has broad experience in banking from both the private and corporate sectors.	Upper secondary education	Operative: 38 years	Swedbank AB, Personal advisor, branch manager, business advisor	Five Board of Directors assignments (all related to union assignment and four within organisations with no predominant commercial objective).
Anna Mossberg	Anna Mossberg contributes with her experience in and expertise of digital change and AI. She has a long background in the internet and telecom industries, including as Business Area Manager at Google, and has held senior roles for- many years at Telia and Deutsche Telecom AG.	Executive MBA, IE University, Spain • Executive MBA, Stanford University, USA • M.Sc. in Industrial Economics, Lulea University of Technology, Sweden	Board: 7 years (2018)	Orcla ASA, Board member, Schibsted ASA, Board member • Byggfakta Group Nordic AB, Board member • Google Sverige AB, Busi- ness Area Manager • Deutsche Tele- kom AG, Senior Vice President, Strat- egy & Portfolio Mgmt • Bahnhof AB, CEO • Telia International Carrier AB, Vice President • Telia AB, Director Internet Services • Silo AI, MD	Five Board of Directors assignments.
Per Olof Nyman	Per Olof Nyman has been CEO and Group CEO of Lantmännen, Northern Europe's leader in agriculture, machinery, bioenergy and food products. He has extensive knowledge of the agricultural and forestry sector as well as long operational experience from the food and white goods sectors.	M.Sc. in Industrial Economics (Investment and Financing Theory), Linköping University • IFL School of Economics, Accounting & Financing •IT and Commercial Law, Örebro University	Board: 4 years (2021)	HK Scan OY, Intercoop Europe, Chair • Lantmännen, CEO and Group CEO • Lantmännen, Vice President and CFO •Whirlpool Europe, Vice President and CFO; various senior positions within the company	Four Board of Directors assignments.
Biljana Pehrsson	Biljana Pehrsson has an extensive background as a senior executive and director in real estate and private equity. Biljana brings to the Board her expertise and experience in strategy and business, leadership and change as well as the real estate and financial industries.	M.Sc. Engineering, Stockholm Royal Institute of Technology, Stockholm	Board: 5 years (2020)	Nordr AV, CEO, Kungsleden AB, CEO • East Capital Baltic Property Fund (ECBPF I & II & III), Board member • Einar Mattsson AB/Fastighets AB Stadshus, Board member • East Capital Private Equity, Deputy CEO and Head of Real Estate •Centrumutveckling, CEO	CEO and two Board of Directors assignments.
Åke Skoglund	Åke Skoglund is an employee representative with many years of experience from various positions within Swedbank.	Business administration, Stockholm University	Operative: 35 years	Business development • Accounting/annual accounts • Regulatory reporting	Three Board of Directors assignment (two related to union assignment and within organisations with no predominant commercial objective).
Chief executive officer	**Background**	**Education**	**Bank specific experience**		**Number of directorships[2]**
Jens Henriksson	Jens Henriksson has extensive experience from leading roles in government, public institutions and private companies. He has in depth knowledge of financial markets, international economic affairs and public finances, with a broad network within and over several industries.	BA Economics, MSc Electrical Engineering, Control Theory, and Fil. Lic. Economics	Operative: 5 years		Three Board of Directors assignments (two related to his role as CEO of Swedbank, and all within organisations with no predominant commercial objective).

[1]Bengt-Erik Lindgren left Swedbank's Board of Directors as of 27 March 2024.

[2]As per 31 Dec 2024. Includes directorships in Swedbank.

[3]The abbreviation CEO as defined in the table Terminology and abbreviations is not applicable to these columns.

2. Capital position

Table 2.1: EU OV1 - Overview of risk weighted exposure amounts, CRR Article 438(d)

SEKm	Risk weighted exposure amount (RWEA) 31 Dec 2024	Risk weighted exposure amount (RWEA) 30 Sep 2024	Total own funds requirements 31 Dec 2024
Credit risk (excluding CCR)	**731 041**	**724 331**	**58 483**
Of which the standardised approach	59 879	59 305	4 790
Of which the foundation IRB (FIRB) approach	129 776	123 062	10 382
Of which slotting approach	289	204	23
Of which equities under the simple riskweighted approach			
Of which the advanced IRB (AIRB) approach	284 582	281 477	22 767
Counterparty credit risk - CCR	**15 069**	**19 538**	**1 206**
Of which the standardised approach	11 715	14 969	937
Of which internal model method (IMM)			
Of which exposures to a CCP	679	832	54
Of which credit valuation adjustment - CVA	1 085	1 411	87
Of which other CCR	1 590	2 326	127
Empty set in the EU			
Empty set in the EU			
Empty set in the EU			
Empty set in the EU			
Empty set in the EU			
Settlement risk	**0**	**0**	**0**
Securitisation exposures in the non-trading book (after the cap)	**292**	**282**	**23**
Of which SEC-IRBA approach			
Of which SEC-ERBA (including IAA)			
Of which SEC-SA approach	292	282	23
Of which 1250%/ deduction			
Position, foreign exchange and commodities risks (Market risk)	**13 482**	**17 553**	**1 079**
Of which the standardised approach	4 508	7 460	361
Of which IMA	8 974	10 093	718
Large exposures			
Operational risk	**112 018**	**96 123**	**8 961**
Of which basic indicator approach			
Of which standardised approach	112 018	96 123	8 961
Of which advanced measurement approach			
Amounts below the thresholds for deduction (subject to 250% risk weight)	**33 781**	**32 625**	**2 702**
Empty set in the EU			
Empty set in the EU			
Empty set in the EU			
Empty set in the EU			
Total	**871 902**	**857 827**	**69 752**

Total risk exposure amount (REA) increased by SEK 14.1bn in Q4 2024 compared to Q3 2024 with the largest drivers being increased operational risk REA by SEK 15.9bn, increased credit risk REA by SEK 6.7bn and decreased counterparty credit risk (CCR) by SEK 4.5bn and market risk REA by SEK 4.1bn.

Operational risk REA increased total REA by SEK 15.9bn, due to the rolling three-year average of total net income being higher this year compared to last year.

Credit risk (excluding CCR), also includes other risk exposure amounts, that is the REA for the mortgage floor add-on, the add-on for corporate real estate exposures in Norway, CRE & RRE floors (Article 458 CRR) and Article 3 add-on.

The credit risk REA increased by SEK 6.7bn with the largest driver being increase in internal models REA by SEK 9.8bn, which was partially offset by decreases in LGD and corporate maturities of SEK 3.7bn. Standardised model increased REA by SEK 0.6bn. Foundation Internal Ratings-Based (FIRB) REA increased by SEK 6.7bn mainly due to volumes growth in corporate counterparties within Baltic Banking by SEK 3.9bn and FX effect by SEK 1.7bn. Advanced Internal Ratings-Based (AIRB) REA increased by SEK 3.1bn. It was mainly due to inflows with higher risk weights than outflows in corporate counterparties within C&I by SEK 3.3bn, higher volumes in retail counterparties within Baltic Banking by SEK 3.0bn and increase in FX effect by SEK 2.0bn. AIRB REA increases were partially offset by LGD decreases in corporate counterparties within C&I by SEK 1.1bn, in retail counterparties within Baltic Banking by SEK 1.4bn and decrease in corporate maturities within C&I by SEK 1.2bn.

The counterparty credit risk including CVA increased REA by SEK 3.9bn, mainly due increased replacement costs by SEK 1.8bn and potential future exposures by SEK 1.3bn for derivatives and decrease in securities financing transactions (SFTs) by SEK 0.8bn.

Total market risk REA decreased by SEK 4.1bn, mainly due to lower specific interest rate risk within standard model REA by SEK 2.5bn and lower interest rate risk within internal models REA by SEK 1.1bn.

Table 2.2: EU KM1 - Key metrics, CRR Article 447(a-g), 438(b)

SEKm	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
Available own funds (amounts)					
Common Equity Tier 1 (CET1) capital	172 620	174 816	170 511	166 143	160 659
Tier 1 capital	189 809	191 178	192 269	187 988	174 848
Total capital	209 547	211 344	212 259	208 908	195 648
Risk-weighted exposure amounts					
Total risk-weighted exposure amount	871 902	857 827	847 922	859 345	847 121
Capital ratios (as a percentage of risk-weighted exposure amount)					
Common Equity Tier 1 ratio (%)	19.8%	20.4%	20.1%	19.3%	19.0%
Tier 1 ratio (%)	21.8%	22.3%	22.7%	21.9%	20.6%
Total capital ratio (%)	24.0%	24.6%	25.0%	24.3%	23.1%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.8%	2.8%	2.7%	2.7%	2.7%
of which: to be made up of CET1 capital (percentage points)	1.9%	1.9%	1.8%	1.8%	1.8%
of which: to be made up of Tier 1 capital (percentage points)	2.2%	2.2%	2.1%	2.1%	2.1%
Total SREP own funds requirements (%)	10.8%	10.8%	10.7%	10.7%	10.7%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
Institution specific countercyclical capital buffer (%)	1.7%	1.7%	1.7%	1.7%	1.7%
Systemic risk buffer (%)	3.1%	3.1%	3.1%	3.1%	3.1%
Global Systemically Important Institution buffer (%)					
Other Systemically Important Institution buffer	1.0%	1.0%	1.0%	1.0%	1.0%
Combined buffer requirement (%)	8.3%	8.3%	8.3%	8.3%	8.3%
Overall capital requirements (%)	19.1%	19.1%	19.0%	18.9%	19.0%
CET1 available after meeting the total SREP own funds requirements	13.2%	13.8%	13.8%	13.0%	12.4%
Leverage ratio					
Total exposure measure	2 790 854	2 994 068	2 874 539	2 957 209	2 689 307
Leverage ratio (%)	6.8%	6.4%	6.7%	6.4%	6.5%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
Additional own funds requirements to address the risk of excessive leverage (%)					
of which: to be made up of CET1 capital (percentage points)					
Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
Leverage ratio buffer requirement (%)					
Overall leverage ratio requirement (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Liquidity Coverage Ratio[1]					
Total high-quality liquid assets (HQLA) (Weighted value -average)	692 476	679 483	676 585	691 200	709 683
Cash outflows - Total weighted value	467 304	471 365	480 805	499 465	521 325
Cash inflows - Total weighted value	56 180	57 712	56 832	58 558	58 123
Total net cash outflows (adjusted value)	411 124	413 654	423 974	440 907	463 202
Liquidity coverage ratio (%)	169.7%	165.2%	160.9%	158.2%	154.2%
Net Stable Funding Ratio					
Total available stable funding	1 795 743	1 790 578	1 748 751	1 781 575	1 720 299
Total required stable funding	1 418 861	1 421 457	1 413 022	1 415 898	1 390 353
NSFR ratio (%)	126.6%	126.0%	123.8%	125.8%	123.7%

1) The liquidity coverage ratio (LCR) has been recalculated and figures prior to 2024

CET1 ratio decreased by 0.6 per centage points to 19.8 per cent compared to Q3 2024, mainly due to decreased CET1 capital by SEK 2.2bn, which decreased CET1 ratio by 0.3 per centage points. The decrease in CET1 capital was mainly due to changed dividend policy from 50 per cent to 60-70 per cent.

REA increased by SEK 14.1bn, which decreased the CET1 ratio by 0.3 per centage points. REA increased mainly due to Operational Risk REA increase by SEK 15.9bn, due to the rolling tree-year average of total income being higher this year compared to last year, where year 2023 and 2024 income have been significantly higher. Also, REA increased by SEK 6.9bn due to exposure change driven by higher lending growth from increased volumes in corporate and retail counterparties within BB (SEK 6.5bn) and increase in off-balance REA driven by increase in corporate counterparties within C&I (SEK 3.8bn).The effect was partially offset by decrease in CCR by SEK 4.1bn driven by decreases in Replacement Costs (SEK 1.8bn) and Potential Future Exposure (SEK 1.1bn) in corporate and institutional derivatives.

Tier 1 ratio and total capital ratio decreased due to decreased mainly due to CET1 capital.

Leverage ratio increased by 0.4 per centage points to 6.8 per cent compared to Q3 2024 due to decreased leverage ratio exposure measure by SEK 203.2bn.

Table 2.3: EU KM2 - Key metrics, MREL, BRRD Article 45i.3(a and c)

		a	b	c	d	e	f
	Own funds and eligible liabilities, ratios and components	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
SEKm		31 Dec 2024	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023
1	Own funds and eligible liabilities	428 737					
EU-1a	Of which own funds and subordinated liabilities	332 124					
2	Total risk exposure amount of the resolution group (TREA)	871 902					
3	Own funds and eligible liabilities as a percentage of the TREA	49					
EU-3a	Of which own funds and subordinated liabilities	38					
4	Total exposure measure (TEM) of the resolution group	2 790 854					
5	Own funds and eligible liabilities as percentage of the TEM	15					
EU-5a	Of which own funds or subordinated liabilities	12					
6a	Does the subordination exemption in Article 72b(4) of Regulation (EU) No 575/2013 apply? (5% exemption)						
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with Article 72b(3) of Regulation (EU) No 575/2013 is applied (max 3.5% exemption)						
6c	If a capped subordination exemption applies in accordance with Article 72b (3) of Regulation (EU) No 575/2013, the amount of funding issued that ranks *pari passu* with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks *pari passu* with excluded liabilities and that would be recognised under row 1 if no cap was applied (%)						
Minimum requirement for own funds and eligible liabilities (MREL)							
EU-7	MREL expressed as a percentage of the TREA	28					
EU-8	Of which to be met with own funds or subordinated liabilities	21					
EU-9	MREL expressed as a percentage of the TEM	6					
EU-10	Of which to be met with own funds or subordinated liabilities	6					

Table 2.4: EU TLAC1 – Composition, MREL, BRRD Article 45i.3(b)

	a	c
	Minimum requirement for own funds and eligible liabilities (MREL)	Memo item: Amounts eligible for the purposes of MREL, but not of TLAC
Own funds and eligible liabilities and adjustments		
Common Equity Tier 1 capital (CET1)	172 620	**172 620**
Additional Tier 1 capital (AT1)	17 189	**17 189**
Empty set in the EU		
Empty set in the EU		
Empty set in the EU		
Tier 2 capital (T2)	19 738	**19 738**
Empty set in the EU		
Empty set in the EU		
Own funds for the purpose of Articles 92a of Regulation (EU) No 575/2013 and 45 of Directive 2014/59/EU	209 547	**209 547**
Own funds and eligible liabilities: Non-regulatory capital elements		
Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	123 012	**123 012**
Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	0	**0**
Eligible liabilities instruments that are subordinated to excluded liabilities issued prior to 27 June 2019 (subordinated grandfathered)	0	**0**
Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	0	**0**
Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre-cap)	95 390	**95 390**
Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	1 676	**1 676**
Amount of non subordinated eligible liabilities instruments, where applicable after application of Article 72b (3) CRR	97 066	**97 066**
Empty set in the EU		
Empty set in the EU		
Eligible liabilities items before adjustments	220 078	**219 190**
Of which subordinated liabilities items	123 012	**122 576**
Own funds and eligible liabilities: Adjustments to non-regulatory capital elements		
Own funds and eligible liabilities items before adjustments	429 626	**428 737**
(Deduction of exposures between multiple point of entry (MPE) resolution groups)		
(Deduction of investments in other eligible liabilities instruments)	889	
Empty set in the EU		
Own funds and eligible liabilities after adjustments	428 737	**428 737**
Of which: own funds and subordinated liabilities	332 124	
Risk-weighted exposure amount and leverage exposure measure of the resolution group		
Total risk exposure amount (TREA)	871 902	**871 902**
Total exposure measure (TEM)	2 790 854	**2 790 854**
Ratio of own funds and eligible liabilities		
Own funds and eligible liabilities as a percentage of TREA	49	**49**
Of which own funds and subordinated liabilities	38	
Own funds and eligible liabilities as a percentage of TEM	15	**15**
Of which own funds and subordinated liabilities	12	
CET1 (as a percentage of the TREA) available after meeting the resolution group’s requirements	17	
Institution-specific combined buffer requirement		
of which capital conservation buffer requirement		
of which countercyclical buffer requirement		
of which systemic risk buffer requirement		
of which Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		
Memorandum items		
Total amount of excluded liabilities referred to in Article 72a(2) of Regulation (EU) No 575/2013		

Table 2.5: EU TLAC3 – Creditor ranking – Resolution entity, MREL, BRRD Article 45i. 3(b)

EU TLAC3a: creditor ranking - resolution entity

		Insolvency ranking							
		1	2	3	4	5	6	n	
		(most junior)					(most senior)		
1	**Description of insolvency rank (free text)**	Common Equity Tier 1 Capital	Additional Tier 1 capital instruments	Tier 2 capital instruments	Senior unsecured debt and deposits	Senior non-preferred debt			**Sum of 1 to n**
2	Liabilities and own funds	111 813	17 239	18 811	97 066	123 012			367 941
3	of which excluded liabilities	0	0	0	0	0			0
4	Liabilities and own funds less excluded liabilities	111 813	17 239	18 811	97 066	123 012			367 941
5	Subset of liabilities and own funds less excluded liabilities that are own funds and liabilities potentially eligible for meeting [choose as a appropriate: MREL/TLAC]	111 813	17 239	18 811	97 066	123 012			367 941
6	of which residual maturity ≥ 1 year < 2 years	0	0	0	37 429	23 524			60 953
7	of which residual maturity ≥ 2 year < 5 years	0	0	0	51 472	87 576			139 048
8	of which residual maturity ≥ 5 years < 10 years	0	0	0	8 165	11 912			20 077
9	of which residual maturity ≥ 10 years, but excluding perpetual securities	0	0	0	0	0			0
10	of which perpetual securities	111 813	17 239	18 811	0	0			147 863

Table 2.6: EU INS1 - Insurance participations, CRR Article 438(f)

SEKm	Exposure value	Risk exposure amount
Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds		

Swedbank does not deduct investments in insurance undertakings as the sum of such investments is less than 10% of the Common Equity Tier 1. This is in accordance with CRR Article 48 (1)(b) and not from a permission in accordance with Article 49 (1) of the CRR.

Table 2.7: EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio, CRR Article 438(g)

SEKm	
Supplementary own fund requirements of the financial conglomerate (amount)	220 848
Capital adequacy ratio of the financial conglomerate (%)	121.5%

EU OVC – Internal Capital Adequacy Assessment Process, CRR Article 438 (a,c)

The Internal Capital Adequacy Assessment Process (ICAAP) takes into consideration all material risks that arise within the Group. In addition to Pillar 1 risks, all other significant risk types are evaluated in the ICAAP stress tests under Pillar 2 framework. Swedbank's solvency and capital need is captured by Economic Capital (EC) models where it prepares and documents its own methods and processes to evaluate its internal capital need. 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 capital base and risk-weighted assets. The stress test methodology serves as a basis of proactive risk and capital management. Table 2.8 below depicts significant risks identified within the Group.

Table 2.8: Risk types according to the ICAAP process

Pillar 1 risk types	Capital assessment
Credit risk	Yes
Market risk	Yes
Operation risk[1]	Yes
Pillar 2 risk types	
Concentration risk	Yes
Interest rate risk in banking book	Yes
Risks in post employment benefits	Yes
Risk in insurance business[2]	Yes
Liquidity risk[3]	Yes
Business risk[4]	Yes

[1)] Operational risk also includes the risk for potential negative impact from reputational damage.

[2)] Holdings in insurance companies are risk weighted at 250% within the Pillar 1. The insurance companies in Swedbank Group perform an Own Risk and Solvency Assessment (ORSA). The aim of this process is to make a qualitative and quantitative assessment of risks and the solvency position over a business planning period of three years. The calculations are performed by projecting the risk metrics under the base and adverse scenarios. Depending on the outcome of the ORSAs Swedbank might choose to set aside capital within its Economic Capital framework

[3)] Liquidity risks are assessed annually in the Internal Liquidity Adequacy Assessment Process (ILAAP). Refinancing risk is captured in ICAAP stress scenarios.

[4)] Business risks are covered within the scope of the management buffer as part of the normal capital planning process. Economic Capital and adverse Scenario Simulation calculations can be adjusted to reflect a forward-looking perspective.

ICAAP stress test scenario methodologies

Swedbank uses macroeconomic scenario-based stress tests in the ICAAP for the purpose of forecasting its solvency and capital needs. The stress tests are an important means of analysing how Swedbank's portfolios would be affected by adverse macroeconomic developments, including the effects of negative events on Swedbank's total capital and risk profile.

The scenarios developed for the ICAAP stress test rests on a cache of risk factors identified by Swedbank during the risk identification session that precedes the scenario development process. It aims at isolating the global and regional risk factors most relevant to Swedbank's home markets. Among the identified scenario variables are GDP, interest rates, inflation, unemployment rates, real estate, equity prices, and exchange rates. Since climate risk drivers bring about micro prudential risks to financial institutions - the exercise explores the impact of physical risks to real estate values and transition risks to corporate loans.

With the macroeconomic scenario inputs, the development of different income statement items, REA and capital base is simulated over the scenario horizon. Profit and loss items such as net interest income and fees and commissions are modelled as per the scenario. While stressing credit risk, Swedbank uses statistical models that transform the adverse macroeconomic scenarios into loss levels for relevant balance sheet items. After stressed REA changes are accounted for, the total impact on capital adequacy is estimated and conclusions are drawn with reference to the regulatory and internal capital requirements. Finally, the stress test outcomes and the methodology are evaluated and discussed by Swedbank's experts and management to ensure consistency and reliability. The scenarios are presented to the Board for approval along with an assessment of the effects on the main risk types.

Economic Capital

Economic Capital (EC) models are used in conjunction with stress tests to provide an objective internal view of the capital required to manage potential risks affecting Swedbank. In contrast to the capital assessment within Pillar 1, the estimation of Swedbank's EC is not limited by assumptions applied in the capital adequacy framework. Consequently, the EC generates a more accurate assessment of the risk to which Swedbank is exposed.

Within the EC framework, credit risk, market risk, operational risk, business risk and pension risk are considered, while risk in the insurance business is evaluated separately. The insurance companies within Swedbank Group perform an annual Own Risk and Solvency Assessment (ORSA). The ORSA process assesses the risks and solvency positions by projecting the risk metrics under the base and adverse scenarios.

In general, Value-at-Risk (VaR) based models with a confidence level of 99.9 per cent are used to calculate the EC for the different risk types in the ICAAP. The confidence level, which corresponds to the confidence level used in the Basel IRB framework calibration, uses a one-year horizon.

EC models by risk type

Swedbank's EC model for credit risk is based on the similar theoretical foundation as the Basel IRB framework, but while the IRB framework is limited to a one-factor model, Swedbank's EC framework applies a multi-factor model. Accordingly, the actual portfolio setup can be used, and both concentration and diversification effects are taken into account.

The operational loss model is a statistical and mathematical approach based on extreme value theory where historical operational loss data is used. The model has been developed primarily using internal loss data and is complemented with scenario information to capture areas where additional input is required beyond loss data. The main cause for internal operational losses is process risk followed by personnel risk. Since Swedbank is heavily dependent on solid IT-solutions, one of the main drivers for operational risk is also low frequency high impact losses related to information and technology risk which, together with external risk, creates an impact on clients, products and business practices.

The EC for market risk is primarily driven by interest rate risk in the banking book (IRRBB), where an economic value methodology is used. For risk stemming from the trading operations, Swedbank's internal assessment is in line with the view of market risk within Pillar 1. The main difference is that Swedbank uses a standardised approach to calculate specific interest rate risk in Pillar 1, while an internal model is applied within the EC framework. In addition to market risk in the banking and trading books, the EC assessment also accounts for Credit Valuation Adjustment (CVA) risk.

Pension risk type captured within the EC framework is based on the current post-employment benefit plan, where the underlying market risk factors are stressed to evaluate the capital requirement for pension risks under stressed conditions. The Business risk EC model measures the risk of earnings decline due to unexpected changes in the business environment which can result in declining volumes, margins or increased expense.

In 2024, the EC framework and EC models underwent a revision. As of 31 December 2024, the total economic capital demand for Swedbank CS amounted to SEK 65.5bn, which is an increase of 30 per cent compared to SEK 50.5bn in 2023. Credit risk, being the major contributor to the total EC, amounted to SEK 37bn (increase of 5 per cent). Market risk EC more than doubled to SEK 8.9bn in 2024. The change was mainly driven by increased interest rate risk in the banking book and modelling updates which increased VaR. EC for operational risk amounted to SEK 7.3bn, which is 9 per cent higher than a year ago (SEK 6.7bn). Pension risks as of 2024 year-end contributed SEK 3bn to EC. Business risk EC contributed SEK 8.9bn.

Table 2.9: EC by risk type

Risk type		
SEKbn	**2024**	**2023**
Credit risk	37.3	35.6
Market risk	8.9	4.2
Operational risk	7.3	6.7
Risks in post-employment benefits	3.0	3.9
Business risk	8.9	n/a
Total	**65.5**	**50.5**

Table 2.10: EU LI1 - Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories, CRR Article 436(c)

			Carrying values of items:				
SEKm	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset classes according to the balance sheet in the published financial statement							
Cash and balances with central banks	325 604	325 604	325 604				
Treasury bills and other bills eligible for refinancing with central banks, etc.	182 205	181 424	145 290			36 134	
Loans to public and credit institutions	34 068	19 234	8 692	10 542			
Loans to the public	1 882 244	1 897 701	1 814 901	81 347	1 453		
Value change of interest hedged item in portfolio hedge	-2 723	-2 723	-2 723				
Bonds and other interest-bearing	57 790	57 634	23 642			33 992	
Financial assets for which the customers bear the investment risk	394 883						
Shares and participating interests	45 438	16 907	1 902			15 005	
Investments in associates	9 093	6 370	6 311				59
Investments subsidiaries	0	7 692	7 042				651
Derivatives	37 595	37 595		37 595		28 165	
Intangible fixed assets	20 871	20 265	1 952				18 313
Tangible assets	5 200	5 272	5 272				
Current tax assets	2 411	2 403	2 403				
Deferred tax assets	96	17	16				2
Pension assets	3 791	3 791					3 791
Other assets	8 330	9 039	6 770				2 269
Prepaid expenses and accrued income	2 802	2 945	2 945				
Group of assets classified as held for sale							
Total assets	**3 009 697**	**2 591 170**	**2 350 018**	**129 484**	**1 453**	**113 296**	**25 083**
Breakdown by liability classes according to the balance sheet in the published financial statements							
Amounts owed to credit institutions	64 500	64 298					
Deposits and borrowings from the public	1 288 609	1 294 786		72 086			
Value change of the hedged liabilities in portfolio hedges of interest rate risk	549	549					
Financial liabilities for which the customers bear the investment risk	395 800	0					
Debt securities in issue	758 199	758 199					
Short positions securities	16 458	16 458					
Derivatives	35 274	35 274					
Current tax liabilities	3 197	3 020					
Deferred tax liabilities	7 005	6 705					
Pension provisions	180	190					
Insurance provisions	28 260	0					
Other liabilities and provisions	29 170	29 078					
Accrued expenses and prepaid income	5 783	5 869					
Senior non - preferred liabilities	121 204	121 204					
Subordinated liabilities	36 609	36 609					
Liabilities directly associated with group of assets classified as held for sale							
Total liabilities	**2 790 797**	**2 372 239**		**72 085**			

Table 2.11: EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements, CRR Article 436(d)

SEKm	Total	Items subject to: Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework
Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	**2 594 251**	2 350 018	129 484	1 453	113 296
Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	**72 086**		72 086		
Total net amount under regulatory scope of consolidation	**2 666 337**	2 350 018	201 570	1 453	113 296
Off-balance sheet amounts	**383 406**	382 970		436	
Differences in valuations					
Differences due to different netting rules, other than those already included in row 2	**-713 651**		-713 651		
Differences due to consideration of provisions	**6 118**	6 118			
Differences due to the use of credit risk mitigation techniques (CRMs)	**-5 191**		-5 191		
Differences due to credit conversion factors	**-218 996**	-218 996			
Differences due to Securitisation with risk transfer					
Other differences	**528 094**	847	566 875		-39 627
Exposure amounts considered for regulatory purposes	**2 646 118**	**2 520 957**	**49 603**	**1 889**	**73 669**

Table 2.12: EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity), CRR Article 436(b)

Name of the entity	Method of accounting consolidation	Method of prudential consolidation: Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	Description of the entity
Swedbank AB	Full consolidation	X					Credit institution
Swedbank Mortgage AB	Full consolidation	X					Credit institution
Swedbank Robur AB	Full consolidation	X					Holding company
Swedbank Robur Fonder AB	Full consolidation	X					Mutual fund company
Swedbank Investeerimisfondid AS	Full consolidation	X					Investment firm
Swedbank Ieguldijumu Parvaldes Sabierdiba AS	Full consolidation	X					Investment firm
Swedbank investiciju valdymas UAB	Full consolidation	X					Investment firm
SwedLux S A	Full consolidation	X					Credit institution
Sparframjandet Aktiebolag	Full consolidation	X					Ancillary company - Other
Sparia Group Forsakrings AB	Full consolidation			X			Insurance company
Swedbank Fastighetsbyrå AB	Full consolidation	X					Ancillary company - Real estate
Fastighetsbyran The Real Estate Agency S L	Full consolidation	X					Ancillary company - Real estate
Swedbank Pay AB	Full consolidation	X					Credit institution
Swedbank PayEx Holding AB	Full consolidation	X					Holding company
PayEx Norge AS	Full consolidation	X					Ancillary company - Payments
PayEX Danmark AS	Full consolidation	X					Ancillary company - Payments
Swedbank PayEx Collection AB	Full consolidation	X					Ancillary company - Payments
PayEx Sverige AB	Full consolidation	X					Ancillary company - Payments
PayEx Suomi OY	Full consolidation	X					Ancillary company - Payments
PayEx Invest AB	Full consolidation	X					Ancillary company - Real estate
Faktab B1 AB	Full consolidation	X					Ancillary company - Real estate
Faktab V1 AB	Full consolidation	X					Ancillary company - Real estate
Faktab S1 AB	Full consolidation	X					Ancillary company - Real estate
Ektornet AB	Full consolidation	X					Ancillary company - Real estate
Swedbank Försäkring AB	Full consolidation			X			Insurance company
ATM Holding AB	Full consolidation	X					Holding company
Bankomat AB	Equity method			X			Ancillary company - Other
FRoR Invest AB	Full consolidation	X					Ancillary company - Other
First Securities AS	Full consolidation	X					Financial institution
Paywerk AS	Full consolidation	X					Ancillary company - Other
Swedbank AS Latvia	Full consolidation	X					Credit institution
Swedbank Lizings SIA	Full consolidation	X					Financial institution - Leasing
Swedbank Atklatais Pensiju Fonds AS	Full consolidation	X					Investment firm
Swedbank AB Lithuania	Full consolidation	X					Credit institution
Swedbank Lizingas UAB	Full consolidation	X					Financial institution - Leasing
Swedbank AS Estonia	Full consolidation	X					Credit institution
Swedbank Liising AS	Full consolidation	X					Financial institution - Leasing
Ektornet Project Estonia 1 OU	Full consolidation	X					Ancillary company - Real estate
Swedbank Life Insurance SE	Full consolidation			X			Insurance company
Swedbank PoC Insurance AS	Full consolidation			X			Insurance company
Swedbank Support OU	Full consolidation	X					Ancillary company - IT
SK ID Solutions AS	Equity method			X			Ancillary company - Other
EnterCard Group AB	Equity method		X				Financial institution
Sparbanken Sjuhärad AB	Equity method			X			Credit institution
Sparbanken Rekarne AB	Equity method			X			Credit institution
Sparbanken Skåne AB	Equity method			X			Credit institution

Vimmerby Sparbank AB	Equity method			X	Credit institution
Ölands Bank AB	Equity method			X	Credit institution
Finansiell IDTeknik BID AB	Equity method			X	Ancillary company - IT
BGC Holding AB	Equity method			X	Ancillary company - Payments
Getswish AB	Equity method			X	Ancillary company - Payments
USE Intressenter AB	Equity method			X	Investment firm
P27 Nordic Payments Platform AB	Equity method		X		Ancillary company - Payments
Invidem AB	Equity method		X		Ancillary company - Other
Swedbank Baltics AS	Full consolidation	X			Holding company
Tibern AB	Proportional		X		Ancillary company - Real estate
Thylling Insight AB	Equity method			X	Ancillary company - Other
Svenska e-fakturabolaget AB	Equity method		X		Ancillary company - Other

EU LIA - Explanations of differences between accounting and regulatory exposure amounts, CRR Article 436(b)

The regulatory consolidation as of 31 December 2024 comprised the Swedbank Group except for a different consolidation method for EnterCard Group, P27 Nordic Payments Platform, Invidem AB and Insurance undertakings that are consolidated according to the equity method. The EnterCard Group, P27 Nordic Payments Platform AB, Invidem AB are included through the proportionate consolidation method for regulatory purposes, compared to the equity method in Swedbank Group. The total difference between the regulatory and accounting consolidation is SEK 419bn.

Difference between the regulatory and accounting framework as presented in Table 2.8 are explained by different rules set out in IFRS and CRR. The exposure amounts considered for regulatory purposes are original exposures before credit risk mitigation. The main differences for the items subject to credit risk framework are:

- Off-balance sheet amounts are not part of carrying values of asset items but are included in regulatory exposure amounts.
- Provisions are not part of risk-weighting in the IRB framework, therefore are re-integrated to be comparable to carrying amounts that are net of provisions.
- Other differences are due to certain manual adjustments to accounting balances that are not eliminated from regulatory exposures due to late data delivery.

Instruments under the Counterparty credit risk framework in Swedbank include repurchase transactions, security lending and derivatives. The differences arise due to different netting rules between risk and accounting frameworks, as well as different treatment and rules on recognition of collaterals. Additionally, capital has to be set aside for potential future exposure of listed instruments.

EU LIB - Other qualitative information on the scope of application, CRR Article 436(f,g,h)

Impediment to the prompt transfer of own funds or to the repayment of liabilities within the Group
Currently, there is no known or foreseen impediment to the prompt transfer of own funds or to the repayment of liabilities within the Group.

Subsidiaries not included in the consolidation with own funds less than required
All subsidiaries are included in consolidation of the Group in accordance with equity method, proportional or full consolidation as presented in Table 2.13.

Use of derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR
The Group does not use derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR.

Aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation
All subsidiaries are included in consolidation of the Group in accordance with equity method, proportional or full consolidation as presented in Table 2.13.

Table 2.13: EU PV1 - Prudent valuation adjustments (PVA), CRR Article 436(e)

SEKm	Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
Market price uncertainty	22	73	0	240		22	3	180	137	43
Set not applicable in the EU										
Close-out cost	11	154		1		26	3	98	89	9
Concentrated positions	2			16				18	4	14
Early termination										
Model risk		51	0			8	3	31	31	0
Operational risk	2	13	0	13				28	23	5
Set not applicable in the EU										
Set not applicable in the EU										
Future administrative costs	12	20	15	15				61	50	11
Set not applicable in the EU										
Total Additional Valuation Adjustments (AVAs)								**415**	**333**	**82**

Prudent valuation is a regulatory requirement which takes into account uncertainties in the valuation of assets and liabilities carried at fair value. The prudent valuation adjustment is deducted from the CET1 capital in accordance with the CRR Article 105. In addition to the fair value adjustments made in the accounts, Swedbank calculates Additional Valuation Adjustments (AVAs) for fair valued positions in the trading and banking book. The purpose of the prudent valuation adjustment is to ensure, with an appropriate degree of certainty, that the valuations are sufficiently prudent taking into account the factors corresponding to the AVAs.

Table 2.14: EU CC1 - Composition of regulatory own funds, CRR Article 437 (a,d,e,f)

SEKm		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	38 110	26 (1), 27, 28, 29
	of which: Instrument type 1		EBA list 26 (3)
	of which: Instrument type 2		EBA list 26 (3)
	of which: Instrument type 3		EBA list 26 (3)
2	Retained earnings	100 394	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	46 263	26 (1)
EU-3a	Funds for general banking risk		26 (1) (f)
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		486 (2)
5	Minority interests (amount allowed in consolidated CET1)		84
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	10 474	26 (2)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**195 241**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-415	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-18 026	36 (1) (b), 37
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-2	36 (1) (c), 38
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-9	33 (1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts		36 (1) (d), 40, 159
13	Any increase in equity that results from securitised assets (negative amount)		32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33 (1) (b)
15	Defined-benefit pension fund assets (negative amount)	-3 010	36 (1) (e), 41
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-731	36 (1) (f), 42
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36 (1) (g), 44
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		36 (1) (h), 43, 45, 46, 49 (2) (3), 79
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		36 (1) (k)
EU-	of which: qualifying holdings outside the financial sector (negative amount)		36 (1) (k) (i), 89 to 91
EU-20c	of which: securitisation positions (negative amount)		36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258
EU-	of which: free deliveries (negative amount)		36 (1) (k) (iii), 379 (3)
21	Deferred tax assets arising from temporary difference (amount above 10 % threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 48 (1) (a)
22	Amount exceeding the 17,65% threshold (negative amount)		48 (1)
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36 (1) (i), 48 (1) (b)
24	Empty set in the EU		
25	of which: deferred tax assets arising from temporary difference		36 (1) (c), 38, 48 (1) (a)
EU-	Losses for the current financial year (negative amount)		36 (1) (a)
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		36 (1) (l)
26	Empty set in the EU		
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36 (1) (j)
27a	Other regulatory adjustments	-428	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-22 621**	
29	**Common Equity Tier 1 (CET1) capital**	**172 620**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	17 239	51, 52
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		486 (3)
EU-	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
EU-	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties		85, 86
35	of which: instruments issued by subsidiaries subject to phase-out		486 (3)
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**17 239**	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52 (1) (b), 56 (a), 57

38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56 (b), 58
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		56 (c), 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		56 (d), 59, 79
41	Empty set in the EU		
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56 (e)
42a	Other regulatory adjustments to AT1 capital	-50	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-50**	
44	**Additional Tier 1 (AT1) capital**	**17 189**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**189 809**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	18 811	62, 63
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		486 (4)
EU-	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2		
EU-	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88
49	of which: instruments issued by subsidiaries subject to phase out		486 (4)
50	Credit risk adjustments	973	62 (c) & (d)
51	**Tier 2 (T2) capital before regulatory adjustments**	**19 783**	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63 (b) (i), 66 (a), 67
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		66 (b), 68
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		66 (c), 69, 70, 79
54a	Not applicable		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amounts)		66 (d), 69, 79, 477 (4)
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
EU-	Other regulatory adjustments to T2 capital	-45	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-45**	
58	**Tier 2 (T2) capital**	**19 738**	
59	**Total capital (TC = T1 + T2)**	**209 547**	
60	**Total Risk exposure amount**	**871 902**	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	19.8%	92 (2) (a)
62	Tier 1 capital	21.8%	92 (2) (b)
63	Total capital	24.0%	92 (2) (c)
64	Institution CET1 overall capital requirements	14.7%	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2.5%	
66	of which: countercyclical buffer requirement	1.7%	
67	of which: systemic risk buffer requirement	3.1%	
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	1.0%	
67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.9%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	13.2%	CRD 128
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk-weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	725	36 (1) (h), 45, 46, 56 (c), 59, 60, 66 (c), 69, 70
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	13 497	36 (1) (i), 45, 48
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	16	36 (1) (c), 38, 48
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		62

78	Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)	973	62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	4 051	62
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		484 (3), 486 (2) & (5)
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		484 (3), 486 (2) & (5)
82	Current cap on AT1 instruments subject to phase out arrangements		484 (4), 486 (3) & (5)
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		484 (4), 486 (3) & (5)
84	Current cap on T2 instruments subject to phase out arrangements		484 (5), 486 (4) & (5)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		484 (5), 486 (4) & (5)

The CET1 ratio for Swedbank Group decreased by 0.3 percentage points to 19.8 per cent as compared to 20.1 per cent as of Q2 2024. The decrease was due to higher total risk exposure amount by SEK 24.0bn, mainly driven by lending growth, operational risk REA and REA multiplier effect.

Table 2.15: EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements, CRR Article 437(a)

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference to row in disclosure template
SEKm		As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements				
1	Cash and balances with central banks	325 604	325 604	
2	Treasury bills and other bills eligible for refinancing with central banks, etc.	182 205	181 424	
3	Loans to credit institutions	34 068	19 234	
4	Loans to the public	1 882 244	1 897 701	
5	Value change of the hedged assets in portfolio hedges of interest rate risk	-2 723	-2 723	
6	Bonds and other interest-bearing securities	57 790	57 634	
7	Financial assets for which the customers bear the investment risk	394 883	0	
8	Shares and participating interests	45 438	16 907	
9	Investments in associates and joint ventures	9 093	6 370	
10	Investments subsidiaries	0	7 692	
11	Derivatives	72 869	72 869	
12	Intangible assets	20 871	20 265	
	of which: goodwill	14 175	14 262	8
	of which: other intangible assets (under regulatory scope of consolidation includes software assets prudential	6 696	4 760	8
13	Tangible assets	5 200	5 272	
14	Current tax assets	2 411	2 403	
15	Deferred tax assets	96	17	
16	Pension assets	3 791	3 791	0
17	Other assets	8 330	9 039	
18	Prepaid expenses and accrued income	2 802	2 945	
	Total assets	**3 009 697**	**2 591 170**	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements				
1	Amounts owed to credit institutions	64 500	64 298	
2	Deposits and borrowings from the public	1 288 609	1 294 786	
3	Value change of the hedged liabilities in portfolio hedges of	549	549	
4	Financial liabilities for which the customers bear the investment risk	395 800		
5	Debt securities in issue	758 199	758 199	
6	Short positions, securities	16 458	16 458	
7	Derivatives	72 869	72 869	
8	Current tax liabilities	3 197	3 020	
9	Deferred tax liabilities	7 005	6 705	
	of which: deferred tax liabilities associated to other intangible assets	996	996	8
10	Pension provisions	180	190	
11	Insurance provisions	28 260		
12	Other liabilities and provisions	29 170	29 078	
13	Accrued expenses and prepaid income	5 783	5 869	
14	Senior non-preferred liabilities	121 204	121 204	
15	Subordinated liabilities	36 609	36 609	
	of which: Capital instruments and the related share premium accounts AT1	17 239	17 239	30
	of which: Capital instruments and the related share premium accounts AT2	18 811	18 811	46
	Total liabilities	**2 790 797**	**2 372 239**	

Shareholders' Equity				
1	Equity attributable to shareholders of the parent company	218 874	218 905	
	of which: capital instruments and the related share -premium accounts	38 110	38 110	1
	of which: retained earnings	103 699	100 394	2
	of which: accumulated other comprehensive income (and other reserves)	45 544	46 263	3
	of which: profit or loss	34 869	34 869	0
	of which: less anticipated dividends for the year	24 396	24 396	0
	of which: fair value reserves related to gains or losses on cash flow hedges	-9	-9	11
	of which: direct holdings by an institution of own CET1 instruments (negative amount)	-3 348	-731	16
2	Non-controlling interests	28	28	
	Total shareholders' equity	**218 901**	**218 933**	

Table 2.16: EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments, CRR Article 437(b,c)

1	Issuer	Swedbank AB (publ)	Swedbank AB (publ)	Swedbank AB (publ)	Swedbank AB (publ)	Swedbank AB (publ)	Swedbank AB (publ)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SE0000242455	XS2377291963	XS2580715147	XS2759983385	XS1796813589	XS12491158866
2a	Public or private placement	Public	Public	Public	Public	Public	Public
3	Governing law(s) of the instrument	Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes	Yes	Yes
	Regulatory treatment						
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo & consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Share capital as published in Regulation (EU) No 575/2013 article 28	Additional Tier 1 as published in Regulation (EU) No 575/2013 art 52	Additional Tier 1 as published in Regulation (EU) No 575/2013 art 52	Additional Tier 1 as published in Regulation (EU) No 575/2013 art 52	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	SEK 24 904m	SEK 4 795m	SEK 5 418m	SEK 7 027m	SEK 343m	SEK 481m
9	Nominal amount of instrument	SEK 24 904m	USD 500m	USD 500m	USD 650m	JPY 5 000m	JPY 7 000m
EU-9a	Issue price	N/A	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent
EU-9b	Redemption price	N/A	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount
10	Accounting classification	Shareholders' equity	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	N/A	25.Aug.21	23.Feb.23	13.Feb.24	28.Mar.18	16.Jun.22
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Dated	Dated
13	Original maturity date	No maturity	No maturity	No maturity	No maturity	28.Mar.33	16.Jun.32
14	Issuer call subject to prior supervisory	No	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	17-MAR-29 100 per cent of Nominal amount In addition Tax/Regulatory call	17-MAR-28 100 per cent of Nominal amount In addition Tax/Regulatory call	17-MAR-30 100 per cent of Nominal amount In addition Tax/Regulatory call	28-MAR-28 100 per cent of Nominal amount In addition Tax/Regulatory call	16-JUN-27 100 per cent of Nominal amount In addition Tax/Regulatory call
16	Subsequent call dates, if applicable	N/A	Any Reset Date after first call date	Any Reset Date after first call date	Any Reset Date after first call date	N/A	N/A
	Coupons / dividends						
17	Fixed or floating dividend/coupon	N/A	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	N/A	Fixed 4.0 per cent per annum to call date (equiv to USD Swap Rate +2.864 per cent per annum), thereafter reset Fixed rate equiv to USD Swap Rate +2.864 per cent per annum	Fixed 7.625 per cent per annum to call date (equiv to USD Swap Rate +3.589 per cent per annum), thereafter reset Fixed rate equiv to USD Swap Rate +3.589 per cent per annum	Fixed 7.75 per cent per annum to call date (equiv to USD Swap Rate +3.589 per cent per annum), thereafter reset Fixed rate equiv to USD T +365.7bps per cent per annum	Fixed 0.9 per cent per annum payable in arrear on each Interest Payment Date, thereafter reset Fixed rate equivalent to JPY 6M Swap Rate +0.6425 per cent per annum	Fixed 1.45 per cent per annum payable in arrear on each Interest Payment Date, thereafter reset Fixed rate equivalent to JPY 6M Swap Rate +1.46 per cent per annum
19	Existence of a dividend stopper	N/A	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to	N/A	No	No	No	No	No
22	Noncumulative or cumulative	N/A	Non cumulative	Non cumulative	Non cumulative	Cumulative	Cumulative

23	Convertible or non-convertible	N/A	Convertible	Convertible	Convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	8% CET1 ratio on consolidated	8% CET1 ratio on consolidated	8% CET1 ratio on consolidated	N/A	N/A
25	If convertible, fully or partially	N/A	Fully	Fully	Fully	N/A	N/A
26	If convertible, conversion rate	N/A	The greater of the current	The greater of the current	The greater of the current	N/A	N/A
27	If convertible, mandatory or optional	N/A	Mandatory	Mandatory	Mandatory	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	Ordinary Share	Ordinary Share	Ordinary Share	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	Swedbank AB (publ)	Swedbank AB (publ)	Swedbank AB (publ)	N/A	N/A
30	Write-down features	N/A	No	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible	N/A	N/A	N/A	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	3	3	3	4	4
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1	Tier 2	Tier 2	Tier 2	Senior debt	Senior debt
36	Non-compliant transitioned features	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	Link	Link	Link	Link	Link

'N/A' if the item is not applicable

1	Issuer	Swedbank AB (publ)	Swedbank AB (publ)	Swedbank AB (publ)	Swedbank AB (publ)	Swedbank AB (publ)	Swedbank AB (publ)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2522879654	XS2555706337	XS2626017656	XS2633856674	XS2633859777	XS2633860783
2a	Public or private placement	Public	Public	Public	Public	Public	Public
3	Governing law(s) of the instrument	English/Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish	English/Swedish
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes	Yes	Yes
	Regulatory treatment						
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	SEK 8 445m	SEK 5 502m	SEK 685m	SEK 1 528m	SEK 1 247m	SEK 580m
9	Nominal amount of instrument	EUR 750m	GBP 400m	JPY 10 000m	SEK 1 500m	SEK 1 250m	NOK 600m
EU-9a	Issue price	99.686 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent

EU-9b	Redemption price	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount
10	Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	23.Aug.22	15.Nov.22	25.May.23	09.Jun.23	09.Jun.23	09.Jun.23
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	23.Aug.32	15.Nov.32	25.May.33	09.Jun.33	09.Jun.33	09.Jun.33
14	Issuer call subject to prior supervisory	Yes	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	23-AUG-27 100 per cent of Nominal amount In addition Tax/Regulatory call	15-NOV.27 100 per cent of Nominal amount In addition Tax/Regulatory call	25-MAY-28 100 per cent of Nominal amount In addition Tax/Regulatory call	09-JUN-28 100 per cent of Nominal amount In addition Tax/Regulatory call	09-JUN-28 100 per cent of Nominal amount In addition Tax/Regulatory call	09-JUN-28 100 per cent of Nominal amount In addition Tax/Regulatory call
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A	N/A
	Coupons / dividends						
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Floating	Floating
18	Coupon rate and any related index	Fixed 3.625 per cent per annum to call date (equivalent to Euro Swap Rate +1.545 per cent per annum), thereafter reset Fixed rate equivalent to Euro Swap Rate +2.150 per cent per annum	Fixed 7.272 per cent per annum payable semi-annually in arrear on each Interest Payment Date, thereafter reset Fixed rate equivalent to UK Gilt Rate +3.8 per cent per annum	Fixed 2.00 per cent per annum payable in arrear on each Interest Payment Date, thereafter reset Fixed rate equivalent to JPY 6M Swap Rate +1.905 per cent per annum	Fixed 5.793 per cent per annum to call date payable in arrear on each Interest Payment Date, thereafter reset Floating rate equivalent to 3M Stibor+2.75 per cent per annum	Floating 3M Stibor+2.75 per cent per annum payable in arrear on each Interest Payment Date	Floating 3M Nibor+2.75 per cent per annum payable in arrear on each Interest Payment Date
19	Existence of a dividend stopper	No	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to	No	No	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	No	No	No	No	No	No
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible	N/A	N/A	N/A	N/A	N/A	N/A
EU-34b	Ranking of the instrument in normal	4	4	4	4	4	4
35	Position in subordination hierarchy in liquidation (specify instrument type	Senior debt	Senior debt	Senior debt	Senior debt	Senior debt	Senior debt
36	Non-compliant transitioned features	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	Link	Link	Link	Link	Link	Link

Table 2.17: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer, CRR Article 440(a)

Breakdown by country	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
SEKm	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Sweden	43 729	1 544 015	31 632			1 619 376	38 718	251		38 969	487 113	67.8%	2.0%
Estonia	9 048	120 652	144			129 844	4 963	1		4 964	62 050	8.6%	1.5%
Latvia	1 291	57 489	80			58 860	3 434	0		3 434	42 925	6.0%	0.5%
Lithuania	3 563	116 769	28		1 888	122 248	5 094	0	23	5 117	63 963	8.9%	1.0%
Norway	6 542	48 836	337			55 715	1 977	2		1 979	24 738	3.4%	2.5%
Finland	483	33 294	896			34 673	1 225	10		1 235	15 438	2.1%	
Denmark	4 287	4 868	88			9 243	385	1		386	4 825	0.7%	2.5%
USA	348	7 094				7 442	297			297	3 713	0.5%	
Great Britain	116	1 896				2 012	63			63	788	0.1%	2.0%
Luxemburg	633	8 552	6			9 191	411	1		412	5 150	0.7%	0.5%
Other countries	2 423	10 127	100		0	12 650	592	2	0	595	7 438	1.0%	
Total	**72 463**	**1 953 592**	**33 311**		**1 888**	**2 061 254**	**57 159**	**268**	**23**	**57 451**	**718 138**	**100.0%**	

The countercyclical capital buffer (CCyB) requirement in Latvia increased from 0 per cent to 0.5 per cent during Q4 2024, but this increase did not have a significant impact on own funds requirements.

Table 2.18: EU CCyB2 - Amount of institution-specific countercyclical capital buffer, CRR Article 440(b)

SEKm	
Total risk exposure amount	871 902
Institution specific countercyclical capital buffer rate	1.7%
Institution specific countercyclical capital buffer requirement	15 000

The Institution specific countercyclical capital buffer requirement increased by SEK 0.5bn compared to Q2 2024.

Table 2.19: EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures, CRR Article 451 (1)(b)

SEKm	Applicable amount
Total assets as per published financial statements	3 009 697
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-418 527
(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	
(Adjustment for temporary exemption of exposures to central bank (if applicable))	
(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but	
Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	
Adjustment for eligible cash pooling transactions	
Adjustments for derivative financial instruments	7 311
Adjustment for securities financing transactions (SFTs)	73 182
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	158 381
(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	
(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	
(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	
Other adjustments	-39 190
Total exposure measure	**2 790 854**

The Leverage ratio exposure measure decreased by SEK 83.7bn, as compared to Q2 2024. Leverage ratio exposure measure decrease is in line with total assets decrease.

Table 2.20: EU LR2 - LRCom: Leverage ratio common disclosure, CRR Article 451 (1)(a,b,c), 451(2)(3)

SEKm		CRR leverage ratio exposures	
On-balance sheet exposures (excluding derivatives and SFTs)		**31 Dec 2024**	**30 Jun 2024**
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	2 478 527	2 565 075
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-19 867	-26 755
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	-22 450	-21 202
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**2 436 210**	**2 517 118**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	12 236	7 062
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	33 362	35 396
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-692	-1 030
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	**Total derivatives exposures**	**44 906**	**41 428**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	145 618	155 066
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	Counterparty credit risk exposure for SFT assets	5 986	6 322
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	**Total securities financing transaction exposures**	**151 604**	**161 388**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	383 399	378 046
20	(Adjustments for conversion to credit equivalent amounts)	-225 018	-223 270
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	**Off-balance sheet exposures**	**158 381**	**154 776**
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-248	-172
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		

EU-22k	**(Total exempted exposures)**	**-248**	**-172**
Capital and total exposure measure			
23	**Tier 1 capital**	**189 809**	**192 269**
24	**Total exposure measure**	**2 790 854**	**2 874 539**
Leverage ratio			
25	Leverage ratio	6.8%	6.7%
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans)(%)	6.8%	6.7%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)(%)	6.8%	6.7%
26	Regulatory minimum leverage ratio requirement (%)	3.0%	3.0%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	of which: to be made up of CET1 capital (percentage points)		
27	Leverage ratio buffer requirement (%)		
EU-27a	Overall leverage ratio requirement (%)	3.0%	3.0%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	186 775	181 761
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	145 618	155 066
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	2 832 010	2 901 233
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	2 832 010	2 901 233
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.7%	6.6%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.7%	6.6%

The Leverage ratio increased by 0.1 percentage points and reached 6.8 per cent as compared to Q2 2024, mainly due to decrease in Leverage exposure measure by SEK 83.7bn, driven by decreased on-balance sheet exposures by SEK 80.9bn.

Table 2.21: EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures), CRR Article 451 (1)(b)

SEKm	CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	2 458 661
Trading book exposures	90 433
Banking book exposures, of which:	2 368 228
Covered bonds	13 896
Exposures treated as sovereigns	480 839
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	5 551
Institutions	12 024
Secured by mortgages of immovable properties	1 099 303
Retail exposures	97 608
Corporates	596 738
Exposures in default	10 728
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	51 541

The total on balance sheet exposures decreased by SEK 80.0bn as compared to Q2 2024 mainly due to decreased sovereign exposures by SEK 31.2bn and trading book exposures by SEK 36.8bn.

EU LRA - Disclosure of LR qualitative information, CRR Article 451(1)(d,e)

Swedbank takes the risk of excessive leverage into account in the forward-looking capital planning process by forecasting the leverage ratio at least on a quarterly basis. Other business steering or asset-and-liability management tools are also considered as means to affect the total exposure measure and may be accessed, should such a need arise. As a part of the capital planning process, Swedbank performs an assessment if the entire Group, as well as the parent company and its subsidiaries, are adequately capitalised. In case of a deterioration, Swedbank Group can also increase the Tier 1 capital by issuing Additional Tier 1 capital. Likewise, a capital injection to support subsidiaries may be performed. In addition to the injection of equity capital, the total capital in a subsidiary may also be strengthened through subordinated loans within the Group. To the extent that non-restricted equity is available in subsidiaries, funds can be transferred back to the parent company as dividends. Swedbank regularly reviews the capitalisation of the Group and the individual legal entities. The outcome of such reviews may trigger adjustments deemed necessary to ensure compliance with regulatory requirements and an efficient capital management within the Group. Further, there are no current or foreseen material practical or legal impediments to the prompt transfer of own funds or repayment of liabilities to or from the parent company and its subsidiaries.

The leverage ratio increased by 30 bps from 6.5 per cent to 6.8 per cent during 2024. The Tier 1 capital increased by SEK 15.0bn, whereof CET1 capital increased by SEK 12.0bn and AT1 capital increased by SEK 3.0bn. The leverage ratio exposure amount increased by SEK 101.5bn, where the main driver was other assets which increased by SEK 74.7bn mainly due to increased cash and balances with central banks and Receivables for cash variation margin provided in derivatives transactions offset by decreased loans to the public. Other drivers which increased the leverage ratio exposure amount were increased SFTs (SEK 15.7bn) and derivatives (SEK 3.1bn).

3. Credit risk

EU CRA - General qualitative information about credit risk, CRR Article 435(1)(a,b,d,f)

Credit risk appetite

Swedbank's credit risk appetite is aligned with the overall risk strategy and risk appetite, which is described in EU OVA - Institution risk management approach.

Swedbank's risk appetite for credit risk is low. Customers shall demonstrate sustainable repayment ability and adequate financial position. The Group shall only enter into transactions or agreements where the bank and the customer fully understand and are aware of the risk involved, aiming for long-term relationships. Customers shall be clearly connected to Swedbank's four home markets or its Nordic branches.

The Group shall avoid unwanted risk concentrations. Diversification shall be obtained through distribution in terms of sectors, geography, instruments, and counterparties. ESG factors shall be considered, including assessing and managing the risks and opportunities linked to customers' transition to a sustainable society and mitigation of physical impact from climate change.

Processes to manage credit risk

Swedbank's overall risk management processes are described in EU OVA - Institution risk management approach. Within credit risk, the most important processes are outlined below.

Credit policy – The credit policy establishes and describes the high-level principles and rules within the Group on credit risk management and credit operations.

It provides basis for the Group´s credit strategy and serves as a guide to create long-term customer relationship and maintain a low risk in the credit portfolio as well as good risk-adjusted profitability.

Prudent banking is one of the main governing principles. It means sound and reasonable risk management practices in line with Swedbank values and low risk appetite. It also considers responsible lending from a consumer protection perspective as well as from a societal perspective.

The credit portfolio shall have low risk and be well-diversified. Diversification is obtained by geographical and industrial spread, a diversified customer base and by avoiding undesirable risk concentrations of any kind. Low risk is developed and maintained through relevant credit risk steering principles as well as clear credit strategy and appropriate targets within each business unit that are in line with the strategy and risk appetite of the Group. A continuous and structured monitoring of the credit portfolio is essential to maintain a desired risk level and long-term quality of the business relations.

The credit operations shall strive towards long-term customer relationships and rest on sound business acumen to achieve solid profitability. A customer's sustainable cash flow, solvency and collateral are always key lending variables. Credits shall only be granted to customers with a demonstrated repayment ability and a sufficient financial situation.

Duality and segregation of duties are essential in all credit operations within the Group to ensure sound credit operations including well-founded decisions. It shall be reflected in the organisation of the credit risk management with an independent credit function and applied in decision-making and otherwise in the credit process.

The credit framework shall always be read in conjunction with policies, position statements and other internal guidelines in the ESG area. The ESG risk perspective shall be an integrated part of all credit risk assessments to mitigate such risk and identify opportunities.

Credit operations processes – The main processes of the credit operations include credit risk assessment, decision on credit risk, and credit monitoring and review, as described below.

Credit risk assessment, including business analysis, is the basis for a credit decision. The credit assessment covers the counterparty's capacity to repay. It also includes collateral considerations and other risk mitigating actions, as well as terms and conditions for the credit arrangement. Risk-classification of the counterparty is an important part of the credit risk assessment. Relevant ESG aspects is included in the analysis of the counterparty´s opportunities and risks.

Decisions on credit proposals are made according to an established structure of credit decision-making bodies. The primary credit decision is made in a credit decision-making body within the business area responsible for the borrower and its credit risk. Credit proposals implying higher risks are reassessed and finally decided by an upper credit committee. For smaller standardised credits automated solutions for credit assessment and decision-making may be used.

Credit monitoring and review of individual credit risk exposures is performed continuously to early identify any change in credit risk. In addition to continuous monitoring, corporate customers, financial institutions, and sovereigns are also reviewed at least annually. If a counterparty's risk has deteriorated, several corrective measures are considered and implemented, with the objective to avoid impairment, and/or minimise the risk of loss in case of default.

Hedging and mitigation of credit risk – There are several ways to mitigate credit risk, including mainly:

- The credit policy and credit strategy with a clear guidance on Swedbank's low risk appetite.

- The credit risk limit framework including key risk indicators to monitor and protect against unwanted risk-taking.
- The use of financial and physical collateral valued using Group common valuation methodologies, risk transfer mechanisms such as guarantees and insurance, and covenants in credit documentation.
- The use of hedging strategies, netting agreements, and clearing through central counterparties.
- Diversification or increasing the portfolio mix of customers.

The main types of collateral, collateral valuation and netting policies are described in EU CRC – Qualitative disclosure requirements related to CRM techniques.

Credit risk limits – The purpose of the risk limit framework is to integrate the risk appetite into the Group's daily operations and to facilitate effective and structured monitoring and reporting to keep the Group's risk exposure within the established Group risk appetite. The framework includes risk limits, escalation triggers, and key risk indicators, which are defined on Group level and business area level.

The CRO has overall responsibility for the risk limit framework, which is reviewed annually to secure that set limits reflect that Swedbank operates within the risk appetite. The risk limits are decided by the CEO and by executive management.

Control and monitoring of credit exposures against risk limits are performed monthly and reported to the CRO, risk limit issuers and risk owning managers in a credit risk limit report. In case of a limit breach, the risk owner reports the incident and mitigating actions to the risk organisation and relevant managers.

Monitoring and reporting of credit risk – Group Risk oversees the Group's credit risk development and reports monthly to the CRO, who informs the CEO and the Board. Important parts of the monthly risk reports are credit portfolio trends, findings from stress tests and other analysis, and the credit risk limit report.

Group Risk annually performs a thorough and comprehensive stress test of the entire Group, the ICAAP, described in EU OVC - Internal Capital Adequacy Assessment Process", which includes a credit loss stress of the total credit portfolio. In addition, Group Risk conducts stress tests on selected sectors, typically the largest sectors, and specific segments or exposure types with potentially increased risks.

Credit governance structure and responsibilities

Swedbank's governance structure for risk management including the three lines of defence is described in EU OVA - Institution risk management approach. In the credit risk area, the governance structure details as follows.

The business units, the first line of defence, are responsible for the operational credit management of their customers and own all credit risks that arise within their area of operation. The head of the unit ensures that all credits are assessed, decided, administrated, and followed-up in accordance with the credit framework, including establishing an integrated internal control of high quality in the credit process. The head of each business unit shall also make sure that the credit transactions are in line with Swedbank's strategies, policies, and instructions. The business unit is furthermore accountable for the profitability connected to the credit decision.

Group Risk, the second line of defence, is responsible for independent monitoring and control of the credit risk management carried out by the business operations. This includes verification that internal rules and processes defined in the credit risk framework are complied with, and that the first line of defence has adequate controls in place. Group Risk also has the responsibility to maintain, develop and monitor the risk classification system, and the responsibility to perform independent assessment of challenging credit proposals. Group Risk shall independently report relevant risk information to the CEO and the Board.

Group Compliance, also within the second line of defence, is in the credit risk area responsible for screening and control of regulatory compliance.

Group Internal Audit, the third line of defence, is governed by and reports to the Board. It performs independent periodic reviews of the credit management, and the credit control processes within the first and second line of defence.

EU CRB - Additional disclosure related to the credit quality of assets, CRR Article 442(a-b)

Past due and impaired exposures

Past due exposures refer to exposures where amounts due for payment have not been paid in accordance with the payment terms of the credit agreements.

Credit-impaired exposures are exposures for which it is unlikely that the payments will be received in accordance with the contractual terms and where there is a risk that Swedbank will not receive full payment. Credit-impaired exposures are moved to stage 3 according to the accounting framework IFRS 9.

Swedbank's IFRS 9 definitions of default and credit-impaired exposures are aligned to its regulatory definition of default according to CRR.

A credit exposure is regarded to be in default, and credit-impaired, if any of the following criteria are met:

- The borrower is past due more than 90 days on any material credit obligation to Swedbank Group.
- The Group considers that the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security.

When assessing whether a borrower is unlikely to pay its obligations, Swedbank assesses both qualitative and quantitative factors, including but not limited to, overdue status, non-payment on other obligations of the same borrower, bankruptcy filing, and breaches of financial covenants.

For sovereign and financial institutions exposure classes, the trigger of default and credit-impaired status is based on manual decisions rather than strictly 90 days past due.

Methods for determining credit risk adjustments

Credit impairment provisions are measured according to an expected credit loss model in line with the accounting standard IFRS 9. All exposures, performing as well as non-performing, will carry a credit impairment provision (loss allowance) depending on their stage allocation.

The exposures are allocated to one of three stages:

- Stage 1 – Performing exposures where the credit risk has not increased significantly since initial recognition.
- Stage 2 – Performing exposures where the risk of default has increased significantly since initial recognition, but the asset is still not classified as credit-impaired.
- Stage 3 – Credit-impaired exposures.

Regardless of which stage an exposure is allocated to, provisions will be calculated according to Swedbank's models. The key inputs used in the quantitative models are probability of default (PD), loss given default (LGD), exposure at default (EAD) and expected lifetime. Expected credit losses reflect both historical data and probability weighted forward-looking scenarios. For large exposures in stage 3, the provisioning will be assessed manually by using scenario-based cash flows and then decided by the relevant credit decision-making body.

More details about credit impairment provisions are found in the Annual Report, note G2 (3.8) and note G3 (3.1.4).

Forborne exposures

Forborne exposures refer to exposures where the contractual terms have been changed due to the customer's financial difficulties. The purpose of forbearance measures is to enable the borrower to make full payments again and to avoid foreclosure, or when this is not considered possible, to maximise the repayment of outstanding exposures. Changes in contractual terms include various forms of concessions such as amortisation suspensions, reductions in interest rates to below market rate, forgiveness of all or part of the exposure, or issuance of new loans to pay overdue amounts.

Depending on when the forbearance measures are taken and the severity of the financial difficulties of the borrower, the forborne exposure could either be classified as performing or non-performing.

Table 3.1: EU CR1 - Performing and non-performing exposures and related provisions, CRR Article 442(c,f)

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
SEKm		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Cash balances at central banks and other demand deposits	**323 918**	**323 918**													
Loans and advances	**1 824 477**	**1 653 159**	**170 863**	**14 042**		**13 987**	**-4 362**	**-1 416**	**-2 945**	**-3 533**		**-3 532**		**1 663 372**	**7 007**
Central banks															
General governments	8 470	8 384	85				-1	-1	0			0		1 372	
Credit institutions	11 003	10 867	136				-24	-21	-3					27	
Other financial corporations	21 245	20 533	712	1		1	-50	-39	-11	0		0		12 374	1
Non-financial corporations	605 889	524 615	80 892	5 944		5 944	-2 761	-851	-1 909	-1 280		-1 280		523 130	2 572
Of which SMEs	336 144	287 829	47 933	2 684		2 684	-1 251	-357	-893	-545		-545		326 326	2 074
Households	1 177 870	1 088 760	89 038	8 097		8 042	-1 526	-504	-1 022	-2 253		-2 252		1 126 469	4 434
Debt securities	**168 122**	**139 914**												**127**	
Central banks	139 914	139 914													
General governments	13 038													127	
Credit institutions	15 170														
Other financial corporations															
Non-financial corporations															
Off-balance-sheet exposures	**379 106**	**290 183**	**38 188**	**849**		**839**	**-896**	**-291**	**-605**	**-116**		**-116**		**22 609**	**44**
Central banks															
General governments	27 391	27 368	6				0	0	0					16	
Credit institutions	17 923	17 673	250				-19	-18	-1						
Other financial corporations	17 182	15 195	1 949	0		0	-35	-16	-19	0		0		967	
Non-financial corporations	228 262	187 120	34 916	843		833	-814	-236	-578	-115		-115		19 764	44
Households	88 348	42 827	1 067	6		6	-28	-21	-7	-1		-1		1 862	
Total	**2 695 623**	**2 407 174**	**209 051**	**14 891**		**14 826**	**-5 258**	**-1 707**	**-3 550**	**-3 649**		**-3 648**		**1 686 108**	**7 051**

Performing exposures decreased by SEK 42bn compared to Q2 2024. Performing loans and advances decreased by SEK 24bn, mainly due to reduced exposures in non-financial corporations and general governments, partly offset by increases in households and other counterparty sectors. Debt securities decreased by SEK 31bn, mainly from central banks. Performing off-balance sheet exposures increased by SEK 4.2bn, mainly in non-financial corporations and credit institutions, partly offset by a decrease in households.

Stage 2 (significantly increased credit risk) loans and advances decreased by SEK 1.3bn. Decrease in non-financial corporations was mainly explained by improved macro scenarios and amortisations, while increase in households was mainly explained by increased amortisation deferrals of Swedish private mortgage loans. Stage 2 off-balance exposures increased by SEK 8.1bn, mainly in non-financial corporations.

Non-performing (stage 3) loans and advances increased by SEK 2.4bn, mainly in non-financial corporations driven by a few large customers. The quality of Swedbank's exposures is high with less than 1 per cent non-performing exposures.

Table 3.2: EU CR1-A - Maturity of exposures, CRR Article 442(g)

	Net exposure value					
SEKm	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	430	271 474	452 516	1 106 204	0	1 830 624
Debt securities	0	129 675	29 825	8 622	0	168 122
Total	**430**	**401 149**	**482 341**	**1 114 826**	**0**	**1 998 746**

A major part of loans and advances, 60 per cent (59 per cent as of Q2 2024), has a maturity exceeding five years. These are mainly private mortgage loans.

Table 3.3: EU CR2 - Changes in the stock of non-performing loans and advances, CRR Article 442(f)

SEKm	Gross carrying amount
Initial stock of non-performing loans and advances	**9 598**
Inflows to non-performing portfolios	10 176
Outflows from non-performing portfolios	-5 732
Outflows due to write-offs	-1 836
Outflow due to other situations	-3 896
Final stock of non-performing loans and advances	**14 042**

Non-performing loans and advances increased by SEK 4.4bn compared to Q4 2023. The increase is mainly in non-financial corporations and households. The increase in households were mainly in the first half of the year and explained by weaker household finances and granted amortisation deferrals not passing a new household affordability calculation.

Table 3.4: EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries, CRR Article 442(c,f)

According to CRR, EU CR2a is applicable to institutions with a threshold ratio on non-performing loans and advances (NPL ratio) of 5 per cent or above. Swedbank's NPL ratio is below 5 per cent.

Table 3.5: EU CQ1 - Credit quality of forborne exposures, CRR Article 442(c)

SEKm	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
			Of which defaulted	Of which impaired				
Cash balances at central banks and other demand deposits								
Loans and advances	14 953	4 037	4 037	4 037	-140	-595	17 398	3 024
Central banks								
General governments	84				0			
Credit institutions								
Other financial corporations								
Non-financial corporations	2 819	1 174	1 174	1 174	-111	-335	3 343	783
Households	12 050	2 863	2 863	2 863	-29	-260	14 055	2 241
Debt Securities								
Loan commitments given	519	656	656	654	-9	-79	41	3
Total	**15 472**	**4 693**	**4 693**	**4 691**	**-149**	**-674**	**17 439**	**3 027**

Performing forborne loans and advances increased by SEK 0.9bn compared to Q2 2024. An increase in households, by SEK 2.7bn, mainly explained by increased amortisation deferrals in Swedish private mortgage loans, was partly offset by a decrease in non-financial corporations. The amount of non-performing forborne loans was almost unchanged, where a small increase in non-financial corporations was offset by a decrease in households.

Table 3.6: EU CQ2 - Quality of forbearance, CRR Article 442(c)

According to CRR, EU CQ2 is applicable to institutions with a threshold ratio on non-performing loans and advances (NPL ratio) of 5 per cent or above. Swedbank’s NPL ratio is below 5 per cent.

Table 3.7: EU CQ3: Credit quality of performing and non-performing exposures by past due days, CRR Article 442(d)

SEKm	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits	323 918	323 918										
Loans and advances	1 824 477	1 822 799	1 678	14 042	9 118	1 178	1 396	1 310	987	17	35	14 042
Central banks												
General governments	8 470	8 470										
Credit institutions	11 003	11 003										
Other financial corporations	21 245	21 245		1	1							1
Non-financial corporations	605 889	605 565	324	5 944	5 076	413	209	178	63	2	2	5 944
Of which SMEs	336 144	335 840	303	2 684	1 997	236	206	178	63	2	2	2 684
Households	1 177 870	1 176 516	1 354	8 097	4 041	765	1 187	1 132	924	15	33	8 097
Debt securities	168 122	168 122										
Central banks	139 914	139 914										
General governments	13 038	13 038										
Credit institutions	15 170	15 170										
Other financial corporations												
Non-financial corporations												
Off-balance-sheet exposures	379 106			849								849
Central banks												
General governments	27 391											
Credit institutions	17 923											
Other financial corporations	17 182			0								0
Non-financial corporations	228 262			843								843
Households	88 348			6								6
Total	**2 695 623**	**2 314 839**	**1 678**	**14 891**	**9 118**	**1 178**	**1 396**	**1 310**	**987**	**17**	**35**	**14 891**

Performing exposures past due more than 30 days, and less or equal to 90 days, were stable compared to Q4 2023. Non-performing exposures increased by SEK 4.5bn, of which past due more than 90 days increased by SEK 0.9bn. Total exposures past due remained on a low level with less than 1 per cent of total loans and advances past due more than 30 days.

Table 3.8: EU CQ4 - Quality of non-performing exposures by geography, CRR Article 442(c,e)

SEKm	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which subject to impairment			
			Of which defaulted				
On-balance-sheet exposures	**2 006 641**		**14 042**		**-7 895**		
Sweden	1 613 328		12 272		-5 802		
Norway	43 351		257		-449		
Denmark	7 553		99		-184		
Finland	23 314		18		-127		
Estonia	123 834		667		-489		
Latvia	54 775		228		-265		
Lithuania	110 900		492		-486		
USA	8 736		0		-2		
Other countries	20 850		9		-91		
Off-balance-sheet exposures	**379 955**		**849**			**-1 012**	
Sweden	251 929		817			-715	
Norway	25 786					-53	
Denmark	3 599					-4	
Finland	27 704					-31	
Estonia	17 405		24			-42	
Latvia	10 778		6			-10	
Lithuania	17 890		2			-46	
USA	4 243					0	
Other countries	20 621					-111	
Total	**2 386 596**		**14 891**		**-7 895**	**-1 012**	

The exposures are geographically concentrated to Swedbank's four home markets. As of Q4 2024, 78 per cent of total exposures were in Sweden, 14 per cent in the Baltic countries, and the rest mainly in other Nordic countries.

Defaulted exposures increased by SEK 1.4bn compared to Q2 2024, driven by increase of on-balance sheet exposures in Sweden, mainly in non-financial corporations, partly offset by decrease of off-balance sheet exposures.

The defaulted exposures are less than 1 per cent of total exposures.

According to CRR, the columns "of which non-performing" and "of which subject to impairment" in EU CQ4, are applicable to institutions with a threshold ratio on non-performing loans and advances (NPL ratio) of 5 per cent or above. Swedbank's NPL ratio is below 5 per cent.

Table 3.9: EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry, CRR Article 442(c,e)

SEKm	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		of which: loans and advances subject to impairment		
			Of which defaulted			
Agriculture, forestry and fishing	15 301		102		-162	
Mining and quarrying	688		107		-83	
Manufacturing	41 479		1 213		-1 089	
Electricity, gas, steam and air conditioning supply	23 716		9		-59	
Water supply	3 420		7		-22	
Construction	18 686		413		-279	
Wholesale and retail trade	42 645		393		-452	
Transport and storage	17 146		51		-133	
Accommodation and food service activities	5 012		38		-33	
Information and communication	12 400		43		-137	
Financial and insurance activities	12 373		1 761		-280	
Real estate activities	386 071		1 341		-1 014	
Professional, scientific and technical activities	14 201		50		-82	
Administrative and support service activities	8 461		26		-79	
Public administration and defense, compulsory social security	56		0		0	
Education	1 211		2		-19	
Human health services and social work activities	4 279		6		-34	
Arts, entertainment and recreation	3 194		380		-81	
Other services	1 494		2		-3	
Total	**611 833**		**5 944**		**-4 041**	

Industry distribution in EU CQ5 is according to NACE industry classification and differs from the sector distribution used by Swedbank in annual and interim reports.

Loans and advances to non-financial corporations, decreased by SEK 24bn compared to Q2 2024. Defaulted exposures increased by SEK 2.0bn, mainly in financial and insurance activities and manufacturing.

Real estate activities (including tenant-owner associations) is the largest industry sector, 63 per cent of gross carrying amount of loans and advances to non-financial corporations.

According to CRR, the columns "of which non-performing" and "of which loans and advances subject to impairment" in EU CQ5, are applicable to institutions with a threshold ratio on non-performing loans and advances (NPL ratio) of 5 per cent or above. Swedbank's NPL ratio is below 5 per cent.

Table 3.10: EU CQ6 - Collateral valuation - loans and advances, CRR Article 442(c)

According to CRR, EU CQ6 is applicable to institutions with a threshold ratio on non-performing loans and advances (NPL ratio) of 5 per cent or above. Swedbank's NPL ratio is below 5 per cent.

Table 3.11: EU CQ7 - Collateral obtained by taking possession and execution processes, CRR Article 442(c)

	Collateral obtained by taking possession	
SEKm	**Value at initial recognition**	**Accumulated negative changes**
Property, plant and equipment (PP&E)		
Other than PP&E	47	0
Residential immovable property	5	0
Commercial Immovable property	8	
Movable property (auto, shipping, etc.)	34	
Equity and debt instruments		
Other collateral		
Total	**47**	**0**

The total value at initial recognition of collateral obtained by taking possession increased by SEK 11m, mainly in commercial immovable property in business area Baltic Banking.

Table 3.12: EU CQ8 - Collateral obtained by taking possession and execution processes – vintage breakdown, CRR Article 442(c)

According to CRR, EU CQ8 is applicable to institutions with a threshold ratio on non-performing loans and advances (NPL ratio) of 5 per cent or above. Swedbank's NPL ratio is below 5 per cent.

EU CRC – Qualitative disclosure requirements related to CRM techniques, CRR Article 453(a-e)

Netting policies

Swedbank enters into master netting agreements (MNAs) with counterparties with whom derivatives or securities financing transactions are made. The main types of MNAs are the ISDA Master Agreement, used for derivatives, the Global Master Repurchase Agreement (GMRA), used for repurchase agreements, and the Global Master Securities Lending Agreement (GMSLA), used for securities financing transactions. All are global standards commonly used for documenting transactions of respective type.

The use of MNAs allows for novation of individual transactions into one single contract instead of treating all transactions individually.

Management and valuation of eligible collateral

Swedbank has internal policies stipulating the eligibility requirements of different types of credit protection that need to be fulfilled in order to achieve credit risk mitigation in the calculation of capital requirements. These requirements are aligned with the regulatory requirements stipulated in CRR. Every type of collateral has specific requirements, however in general all types of credit protection arrangement must have their legal certainty verified by obtaining a legal opinion. This legal opinion should verify that the credit protection agreement is legally effective and enforceable in the relevant jurisdictions and whether the credit protection arrangement meets the specific conditions for each specific type of credit protection.

For collateral types which are eligible as part of Swedbank's permissions to use own estimates of loss given default (LGD) parameter, the effect of those collateral types may be recognised through the use of modelled LGD. For other cases and collateral types where own LGD estimates are not used, the method for recognition used is the prescribed regulatory approach as set out by the CRR.

Collateral is valuable from a risk perspective even if the credit protection is not eligible for capital adequacy purposes. When granting credits, Swedbank applies adequate credit protection, e.g. pledged collateral and guarantees. The collateral, its value and risk mitigating effect are considered through the credit process.

The valuation of collateral is based on a thorough review and analysis of the pledged assets and is an integrated part of the credit risk assessment. The establishment of the collateral value is part of the credit decision. The value of the collateral is reassessed as part of periodic credit reviews and in situations where Swedbank has reason to believe that the value has deteriorated, or the exposure has become non-performing. For financial collateral, such as debt securities and equities, valuation is normally performed daily and reduced by haircuts when applicable.

The established value of the collateral shall correspond to the most likely sales price at the date of valuation estimated in a qualitative process and characterised by prudence. The risk mitigating effect of the collateral shall be considered. If the risk mitigating effect is limited, the value shall be reduced accordingly.

Real estate valuation shall be based on facts concerning the object, circumstances in the local market and an adequate estimation of all relevant factors which may affect the market value in a situation where the collateral is sold. The estimated value shall correspond to the market value and be based on fair assumptions, a conservative approach, and a reliable outlook. Uncertain conditions that may have an impact on the value must be reported in a sensitivity analysis that illustrates the impact that changes in these conditions may have on the proposed market value. Risks associated with sustainability and environmental issues, such as pollutions or contamination of a property, shall be taken into consideration when setting market value of the property.

For commercial real estate (cash-flow generating properties), the cash-flow shall be analysed to ensure that the property over time generates a positive net operating income that covers the financial costs. Cash-flow calculations shall be based on market rents and complemented with current rental agreements for the contract period.

For private housing, including tenant-owner rights, the market valuation is normally based on sales comparison. This can be made either by an individual analysis and valuation, or by using an automated valuation model (AVM) based on qualitative and quantitative information about the objects and the sales. These market values are updated on a regular basis through indices.

Main types of collateral

The most common types of pledged collateral used by Swedbank are private housing including tenant-owner rights, commercial real estate, floating charge, and financial instruments.

Credits without collateral are mainly granted for small loans to private customers or loans to large companies with very solid repayment capacity. For the latter, special loan covenants are commonly created which entitle Swedbank to renegotiate or terminate the agreement if the borrower’s repayment capacity deteriorates, or if the covenants are otherwise breached.

Collaterals used to mitigate counterparty credit risk exposures are described in EU CCRA - Qualitative disclosure related to CCR.

Guarantors and credit derivative counterparties

Main types of guarantees used in the credit risk mitigation are guarantees provided by parent companies to subsidiaries. Other types of guarantees used are those received from export credit agencies as part of the trade finance activities and sovereign guarantees provided to particular types of loans. For a guarantee to be effective in the credit risk mitigation, the credit worthiness of the guarantor must be superior to the obligor and the guarantor cannot be in default state.

In special circumstances, Swedbank may buy credit derivatives or financial guarantees to hedge the credit risk, but this is not part of Swedbank’s normal lending operations. Credit derivatives are currently not being used as a risk mitigation technique for credit risk.

Credit risk concentrations within mitigation instruments

Approximately 58 per cent of Swedbank’s total loans to customers have private housing collateral indicating a high concentration risk. However, the composition of the portfolio, with a large number of customers, in all four home markets and a variation between customers in larger city areas and countryside as well as relatively small amounts on each borrower, mitigates the risks. Another 22 per cent of the loans have other types of real estate collateral. This portfolio is spread over a large number of customers, several geographies and different property segments.

Table 3.13: EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques, CRR Article 453(f)

SEKm	Unsecured carrying amount	Secured carrying amount			
			Of which secured by collateral	Of which secured by financial guarantees	
					Of which secured by credit derivatives
Loans and advances	509 709	1 665 599	1 602 237	63 362	
Debt securities	198 847	122		122	
Total	**708 556**	**1 665 721**	**1 602 237**	**63 484**	
Of which non-performing exposures	4 259	7 374	6 989	385	
Of which defaulted	4 259	7 374			

In table EU CR3, the item loans and advances includes cash balances at central banks of SEK 324bn. Excluding the cash balances, 91 per cent of Swedbank's loans and advances had at least one credit risk mitigation mechanism (collateral, financial guarantees) as of Q4 2024 (90 per cent as of Q2 2024). The major part is secured by collateral in private housing or other real estate.

EU CRD – Qualitative disclosure requirements related to standardised model, CRR Article 444(a-d)

External ratings used

Swedbank uses ratings assigned by Standard & Poor's, and in the Baltic subsidiaries also ratings assigned by Moody's and Fitch.

Exposure classes using external ratings

Ratings are required to be used in the calculation of risk weights for central governments and central banks, regional governments and local authorities, institutions, and corporate exposure classes.

Process used to determine the risk weight

In the standardised approach, fixed risk weights are applied to each exposure class split into credit quality steps, based on ratings assigned by external credit rating agencies. Each exposure is assigned to a credit quality step, and dependent on exposure class, a risk weight associated with the credit quality step. The risk weights are in some cases also affected by maturity. When an external credit rating is not available, a default treatment is applied.

Mapping of external ratings to credit quality steps

External ratings for the nominated external credit assessment institutions (ECAI) and corresponding credit quality steps and risk weights are shown in the tables below.

Table 3.14 Credit quality steps and external credit ratings

Credit quality step	External credit ratings		
	S&P	Moody's	Fitch
Step 1	AAA to AA-	Aaa to Aa3	AAA to AA-
Step 2	A+ to A-	A1 to A3	A+ to A-
Step 3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
Step 4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
Step 5	B+ to B-	B1 to B3	B+ to B-
Step 6	CCC+ and below	Caa1 and below	CCC+ and below

Table 3.15 Credit quality steps and risk weights

Credit quality step	Exposure classes		
	Corporates	Central governments and central banks	Regional and local authorities, Institutions
Step 1	20%	0%	20%
Step 2	50%	20%	50%
Step 3	100%	50%	50%
Step 4	100%	100%	100%
Step 5	150%	100%	100%
Step 6	150%	150%	150%
Unrated	100%	100%	100% or other RW derived from central governments ratings

Table 3.16: EU CR4 - Standardised approach - Credit risk exposure and CRM effects, CRR Article 453(g,h,i), 444(e)

Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
SEKm	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWA density (%)
Central governments or central banks	110		110			0.0%
Regional government or local authorities	5 544	339	5 566	125	860	15.1%
Public sector entities	10	1 770	10	865	177	20.2%
Multilateral development banks	3 747	1	3 820	17	3	0.1%
International organisations						
Institutions	659	0	659	0	134	20.3%
Corporates	3 618	2 844	3 546	524	3 883	95.4%
Retail	23 282	20 489	22 747	431	16 603	71.6%
Secured by mortgages on immovable property	2 541	0	2 541	0	889	35.0%
Exposures in default	1 073	12	1 073	6	1 116	103.4%
Exposures associated with particularly high risk						
Covered bonds	287		287		29	10.1%
Institutions and corporates with a short term credit assessment						
Collective investment undertakings	1		1		17	1700.0%
Equity	15 228		15 228		35 222	231.3%
Other items	958		958		946	99.0%
Total	**57 058**	**25 455**	**56 546**	**1 968**	**59 879**	**102.3%**

The exposures in the standardised approach constitute a minor part of Swedbank's total credit risk exposure. REA under standardised approach increased by SEK 3.5bn compared to Q2 2024, mainly due to an increase in equity exposures in insurance undertakings.

Table 3.17: EU CR5 - Standardised approach, CRR Article 444(e)

Exposure classes	Risk Weight															Total	Of which unrated
SEKm	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
Central governments or central banks	110															110	
Regional government or local authorities	1 393				4 298											5 691	
Public sector entities					869		7									876	
Multilateral development banks	3 834									3						3 837	
International organisations																	
Institutions					653		6									659	
Corporates										4 070						4 070	
Retail									23 178							23 178	
Exposures secured by mortgages on immovable property						2 541										2 541	
Exposures in default										1 007	73					1 080	
Exposures associated with particularly high risk																	
Covered bonds				287												287	
Exposures to institutions and corporates with a short term credit																	
Units or shares in collective investment undertakings														1		1	
Equity exposures										1 914		13 312		2		15 228	
Other items	10				0					948						958	
Total	**5 347**			**287**	**5 820**	**2 541**	**13**		**23 178**	**7 942**	**73**	**13 312**		**3**		**58 516**	

The exposures in the standardised approach constitute a minor part of Swedbank's total credit risk exposure. This table shows exposures post CCF (credit conversion factor) and post CRM (credit risk mitigation), EAD, distributed by exposure class and risk-weight.

EU CRE -Qualitative disclosure requirements related to IRB approach, CRR Article 452(1)(a-f)

Scope of IRB approaches

The IRB approach is applied for a vast majority, 98 per cent, of Swedbank's credit risk exposures. Swedbank has approval from the SFSA to use the IRB approach as described below.

For the retail exposure class in Sweden and the Baltic countries, Swedbank has approval to use the IRB approach. For corporate exposures in Sweden and Norway, Swedbank has approval to use the advanced IRB approach. For corporate exposures in other countries, including the Baltic countries, and for institutions and sovereign exposures, Swedbank uses the foundation IRB approach, and calculates its own PD estimates, but uses prescribed levels for the parameters LGD and credit conversion factor (CCF) in calculating capital requirements.

For non-IRB approved parts of Swedbank's credit portfolio, and where an exception has been granted by the regulatory supervisory college, Swedbank uses the standardised approach to calculate capital requirements for credit risks.

The scope of the use of IRB and standardised approaches is disclosed in table EU CR6-A. This table also disclose the parts under IRB roll-out plans.

Control mechanisms for the risk classification system

Swedbank defines its risk classification system in its governing documents. The overarching rules are established by the Board of Directors, with more detailed regulations issued by the CEO, CRO, or Chief Credit Officer, respectively. These regulations contain rules as to how models should be structured and validated and stipulate regular quality controls. The controls are carried out in several processes performed in different parts of the organisation to ensure independency.

Tests are conducted during the model development to ensure that the model design is robust and minimises future model performance risks. The evaluation procedures are used when determining if models are acceptable to model developers, model owners and model users. In addition, the validation function reviews new models when they are finalised.

Existing models are reviewed according to each model's individual review cycle. Regular calibration of models is done on a periodic basis. The models are also regularly monitored, assessing performance of models and their stability over time. The outcome of the monitoring process is part of the regular review of estimates for credit risk.

Quantitative and qualitative validations of the models are performed regularly and at least yearly. The validation is prepared by an independent validation function within Group Risk, which is separated from the functions responsible for model development and calibration. All validation reports shall be approved by the CRO.

Risk-based reviews of the implementation, use and adequacy of the risk classification system is made by a credit risk control function within Group Risk. As a second line of defence unit, it is independent from the functions responsible for originating and renewing exposures, in line with Article 190 of the CRR.

The Group Internal Audit, the third line of defence, performs independent audits on the risk classification system at least on an annual basis and in specific cases related to model updates and applications.

Responsibilities for the risk classification system

The CRO is responsible for the credit risk models and related methods used in Swedbank's risk classification system. The CRO appoints units within Group Risk responsible for managing the different stages in the model life cycle, as described below, and for setting detailed Group standards within their respective area.

The unit Credit Risk Modelling is the owner of credit risk models and the associated risks. It has the responsibility to set up and monitor the model life cycle management of credit risk models and coordinate that models are developed, validated, implemented, and used appropriately and in line with relevant regulatory requirements. The unit Credit Risk Modelling is also responsible for the model development as well as model implementation.

The credit risk control function is responsible for performing risk-based reviews of the implementation, use and adequacy of the risk classification system.

The validation function is responsible for model validation, including to secure that model validation methods are compliant with regulatory requirements.

The Board of Directors approves major changes of the risk classification systems. Subsequent changes to the models are handled by the unit Credit Risk Modelling and are approved by the CRO.

Management reporting on risk classification system

Each year the Board receives an evaluation of the risk classification system on the design and performance of the risk classification system, as well as areas of improvement. It also includes an assessment of to what extent internal principles are fulfilled and relevant information about measures taken to further develop the risk classification system.

The CRO is responsible for ensuring that all risk classification systems and sub-systems are operating properly and that the Board of Directors regularly receives information in these matters, in line with Article 189 in CRR.

Characteristics of the risk classification models

Swedbank's internal risk classification system is a central component in the credit process. The system aims to measure the risk that a customer or a contract will default and, in that case, what the losses would be for Swedbank.

Swedbank uses a number of internal rating systems for different exposures classes, which can be grouped into systems relying on expert models and systems relying on statistical models. The models are adapted to the geography in which the customer operates. In addition, for private persons and small-sized companies in the retail segment there are different models for existing customers (portfolio scoring) and for new customers (application scoring system). The systems used for different exposure types are summarised in the tables below.

Table 3.18: Risk classification systems in Sweden

Customer types	Definition	PD dimension		LGD dimension	CCF dimension
		Application	Portfolio		
Credit institutions	All	Rating System for Countries, Bank Systems and Banks		–	–
Sovereigns	All	Rating System for Central Governments and Central Banks, Regional Governments and Local Authorities*		–	–
Insurance companies	All	Rating System for Insurance Companies		–	–
Corporates	Asset > SEK 1bn or Revenue > SEK 0.5bn	Corporate Rating System		Corporate LGD Models	Corporate CCF Models
Medium-sized companies (SMEs)	Exposure > SEK 1m	SME Application and Portfolio Scoring System			
Small-sized companies (SSEs)	Exposure < SEK 1m	SSE Application Scoring System	SSE Portfolio Scoring System	Retail LGD Models	Retail CF Models
Private individuals	All	Application Scoring System for Private Individuals	Portfolio Scoring System for Private Individuals		

System relying on expert models
System relying on statistical models
* Only Regional Governments and Local Authorities which, according to EBA, may be treated as exposures to Central Governments are in the scope of the model.

Table 3.19: Risk classification systems in the Baltic countries

Customer types	Definition	PD dimension		LGD dimension	CCF dimension
		Application	Portfolio		
Credit institutions	All	Rating System for Countries, Bank Systems and Banks		–	–
Sovereigns	All	Rating System for Central Governments and Central Banks		–	–
Corporates	Exposure > EUR 0.8m	Corporate Rating System		–	–
Medium-sized companies (SMEs)	Exposure > EUR 0.2m and <= EUR 0.8m	SME Application Scoring System*	SME Portfolio Scoring System		
Small-sized companies (SSEs)	Exposure <= EUR 0.2m	SSE Application Scoring System	SSE Portfolio Scoring System	Retail LGD Models	Retail CCF Models
Private individuals	All	Application Scoring System for Private Individuals	Portfolio Scoring System for Private Individuals		

System relying on expert models
System relying on statistical models
* SME PD Models are not pure statistical models, but also incorporate expert judgement.

Rating systems (expert-based) – A rating system generates a risk rating for a counterparty with the help of an expert-based system, through which each selected criterion is weighted and converted into a risk grade. Rating systems are mainly used for large exposures where a thorough understanding of the risks is needed to ensure sound credit decisions. In these cases, Swedbank always conducts an extensive individual analysis before granting credits and updates the ratings at least annually.

The main characteristics of Swedbank's different rating systems can be described as follows:

- Sovereigns: The rating is based on an assessment of a number of parameters that, combined, describe the level of development, stability, and financial strength of the sovereign (government) in question.
- Credit institutions: The rating is based on a total appraisal of the sovereign's (government's) rating and the level of risk in the banking system and the specific bank. The level of risk in the banking system is determined by weighing several parameters that reflect its development, stability, and financial strength. The level of risk of the specific bank is calculated by weighing the financial strength, strategy, and risk level of its operations.
- Insurance companies: Insurance companies are rated by independent analysts. The risk classification is an expert-based assessment of variables such as financial key ratios, management of and access to capital, market position, country risk and regulatory compliance risk. The assessment is done for life and non-life insurance companies.
- Large corporates: The rating is based on a total appraisal of a quantitative assessment of the company's financial strength, and a qualitative component that assesses the position of the industry, as well as the company's market position and strategy.

Scoring systems (statistical) – In a scoring system, the risk grade of the counterparty (or contract) is based on the statistical relation between a number of selected variables and defaults. Scoring systems are mainly used in portfolios with large numbers of smaller exposures where statistical relationships between different variables and default help to identify potential high-risk customers. When granting loans to counterparties in this type of portfolio, a credit process with a highly automated risk evaluation process is applied.

Swedbank's scoring systems are organised as follows:

- Medium-sized companies: The system comprises a combination of different scoring models and an expert component. In the statistical component, the risk assessment is based on information regarding the borrower's financial status and behaviour. Market conditions and the borrower's strategy are considered through the expert component.
- Retail exposures (private individuals and small companies): The system comprises a number of different statistical scoring models where each model is designed to provide an effective instrument in its area. The risk assessment is based on information regarding the borrower's financial status and credit behaviour.

Probability of default (PD) – PD estimates the risk that a counterparty or contract will default within a twelve-month period. PD is measured through Swedbank's different rating and scoring systems.

When calculating capital requirements, Swedbank uses a through-the-cycle (TtC) perspective, aiming at producing PD values that indicate the average twelve-month default frequency across a full business cycle. PD values also include a safety margin to account for the statistical uncertainty in the estimates. Thus, TtC-adjusted PD figures should remain stable across a business cycle at the portfolio level, while reflecting underlying long-term trends in the credit risk of the portfolio and taking a conservative view in estimated level of defaults. If the cyclical aspect is ignored, the result is a point-in-time PD (PiT), which is not used in capital requirement calculations, but when calculating the present risk level in a credit portfolio.

Swedbank uses a scale of 22 grades to classify the risk that a customer defaults, where grade 21 represents the lowest risk of default and grade 0 represents the highest risk. In addition, there is a default grade. Based on the PD estimate calculated using the TtC method, Swedbank assigns the customer, or exposure, a value on this risk scale.

Loss given default (LGD) – LGD measures what proportion of the exposure amount would be lost in case of default. Swedbank uses its own LGD estimates for retail exposures. Swedbank has an approval to apply its own LGD estimates to corporate exposures in Sweden and Norway. These estimates are in turn based on internal historic loss data. The LGD estimate depends on factors such as the counterparty's financial status, the value of the collateral, and on assumptions of how much can be recovered through the sale of any collateral based on historical outcomes and other factors. For corporate exposures not covered by the advanced IRB approval as well as for institutions and sovereign exposures, prescribed LGD values are used.

Capital requirements are based on LGD estimates which are representative for a severe economic downturn. This means that they correspond to a degree of loss incurred under economic stress and cannot be directly compared to current loss levels. The LGD values also include a safety margin that takes into account the statistical uncertainty in the estimates.

Credit conversion factor (CCF) – A credit conversion factor is used when calculating capital requirements for off-balance exposures and typically estimates the percentage of a credit limit that is utilised by the time an obligor goes into default.

Internal models for CCF are applied on all portfolios with an advanced IRB permit (similar to LGD), whereas all other portfolios use prescribed CCF values. Safety margins and downturn adjustments are managed similarly to LGD and the measure should be conservative enough to capture a severe economic downturn.

Table 3.20: EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range, CRR Article 452(g)

A-IRB SEKm	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Exposure classes AIRB													
Corporate: SME													
	0.00 to <0.15	77 546	263	75.2%	77 289	0.1%	3 180	14.5%	4.8	6 707	8.7%	9	-7
	0.00 to <0.10	43 891	179	84.9%	43 700	0.1%	2 097	13.6%	4.9	3 121	7.1%	4	-1
	0.10 to <0.15	33 655	85	54.7%	33 589	0.1%	1 083	15.6%	4.7	3 586	10.7%	6	-5
	0.15 to <0.25	12 900	1 802	47.4%	13 801	0.2%	425	16.1%	3.4	1 657	12.0%	4	-3
	0.25 to <0.50	40 874	1 648	58.0%	42 300	0.4%	1 821	13.0%	3.3	5 781	13.7%	21	-20
	0.50 to <0.75	23 499	1 109	61.5%	23 726	0.6%	1 296	15.0%	3.0	4 420	18.6%	21	-21
	0.75 to <2.50	62 272	4 390	57.4%	63 815	1.4%	3 881	15.3%	3.1	16 376	25.7%	139	-229
	0.75 to <1.75	51 229	3 616	55.1%	53 080	1.2%	3 216	15.4%	3.0	13 225	24.9%	101	-147
	1.75 to <2.5	11 042	773	68.7%	10 735	2.4%	665	14.8%	3.4	3 151	29.4%	38	-82
	2.50 to <10.00	20 942	2 158	71.8%	19 709	5.1%	1 479	16.0%	3.0	7 542	38.3%	162	-307
	2.5 to <5	15 611	1 563	71.9%	14 499	4.0%	1 139	15.8%	3.1	5 235	36.1%	94	-182
	5 to <10	5 332	595	71.4%	5 210	7.9%	340	16.7%	2.7	2 306	44.3%	69	-125
	10.00 to <100.00	4 197	317	50.4%	3 637	24.6%	147	13.7%	2.6	1 885	51.8%	117	-145
	10 to <20	1 797	211	49.4%	1 519	17.4%	101	15.9%	3.0	876	57.7%	41	-62
	20 to <30	1 916	98	52.6%	1 630	27.2%	36	12.3%	2.5	796	48.8%	55	-71
	30.00 to <100.00	484	8	44.2%	487	38.4%	10	11.2%	1.8	214	43.9%	21	-12
	100.00 (Default)	1 988	41	48.7%	1 961	100.0%	96	18.9%	3.3	2 247	114.6%	253	-287
Corporate: SME - Sub total		**244 219**	**11 728**		**246 239**	**2.1%**	**12 325**	**14.7%**	**3.7**	**46 615**	**18.9%**	**726**	**-1 020**
Corporate: Other													
	0.00 to <0.15	16 369	25 638	38.7%	27 007	0.1%	100	32.1%	2.1	4 252	15.7%	6	-7
	0.00 to <0.10	9 213	17 304	38.6%	16 670	0.1%	69	35.7%	1.8	2 282	13.7%	4	-4
	0.10 to <0.15	7 156	8 334	38.9%	10 337	0.1%	31	25.9%	2.6	1 970	19.1%	3	-3
	0.15 to <0.25	16 471	39 513	39.9%	31 755	0.2%	99	31.5%	2.8	10 254	32.3%	18	-35
	0.25 to <0.50	57 434	41 528	39.8%	74 842	0.4%	189	24.3%	2.4	24 123	32.2%	62	-148
	0.50 to <0.75	30 144	17 818	38.6%	37 088	0.6%	103	21.8%	2.1	12 801	34.5%	47	-77
	0.75 to <2.50	99 838	39 301	42.5%	117 569	1.2%	470	19.2%	2.4	48 257	41.0%	280	-565
	0.75 to <1.75	93 849	37 796	42.4%	110 982	1.1%	401	18.9%	2.4	43 816	39.5%	240	-426
	1.75 to <2.5	5 989	1 504	44.6%	6 588	2.4%	69	25.5%	2.7	4 441	67.4%	40	-140
	2.50 to <10.00	20 136	3 856	45.7%	20 972	4.7%	165	23.6%	2.0	15 087	71.9%	228	-677
	2.5 to <5	16 993	2 538	48.3%	17 583	4.0%	123	23.1%	2.0	11 778	67.0%	161	-494
	5 to <10	3 143	1 318	40.4%	3 389	7.9%	42	26.2%	1.6	3 309	97.6%	67	-182
	10.00 to <100.00	3 567	1 207	50.2%	4 449	20.7%	43	23.2%	1.8	5 215	117.2%	195	-322
	10 to <20	1 798	694	52.3%	2 441	13.7%	25	29.5%	1.7	3 465	142.0%	99	-197
	20 to <30	1 496	376	38.7%	1 642	27.2%	9	12.3%	1.5	1 093	66.6%	55	-68
	30.00 to <100.00	272	137	69.0%	367	38.4%	9	29.5%	4.0	657	179.0%	42	-57
	100.00 (Default)	3 287	717	38.8%	3 188	100.0%	17	33.1%	2.2	6 712	210.5%	638	-796
Corporate: Other - Sub total		**247 245**	**169 578**	**40.4%**	**316 870**	**2.2%**	**1 186**	**23.6%**	**2.3**	**126 701**	**40.0%**	**1474**	**-2 628**
Secured by real estate property SME													
	0.00 to <0.15	5 336			5 322	0.1%	3 482	17.2%		148	2.8%	1	0
	0.00 to <0.10	3 602			3 598	0.1%	2 194	15.5%		73	2.0%	0	0
	0.10 to <0.15	1 734			1 724	0.1%	1 288	20.9%		74	4.3%	0	0
	0.15 to <0.25	844			826	0.2%	753	19.4%		54	6.5%	0	0
	0.25 to <0.50	1 852	0	81.0%	1 821	0.4%	1 233	20.9%		207	11.4%	1	-1

0.50 to <0.75	699	0	81.0%	687	0.6%	424	23.1%		117	17.0%	1	-1
0.75 to <2.50	1 570	8	68.2%	1 556	1.6%	1 352	22.7%		548	35.2%	6	-5
0.75 to <1.75	1 132	4	74.7%	1 116	1.2%	911	22.6%		325	29.1%	3	-3
1.75 to <2.5	438	3	59.8%	440	2.4%	441	22.9%		223	50.7%	2	-2
2.50 to <10.00	777	13	68.9%	774	5.0%	864	25.4%		682	88.1%	10	-6
2.5 to <5	590	13	68.9%	587	4.1%	652	25.8%		482	82.1%	6	-4
5 to <10	187			187	8.0%	212	24.2%		201	107.5%	4	-2
10.00 to <100.00	145	11	56.3%	148	22.4%	131	29.5%		264	178.4%	10	-5
10 to <20	106	5	67.5%	106	17.0%	89	29.9%		189	178.3%	5	-3
20 to <30	6	6	47.0%	9	27.2%	11	24.5%		15	166.7%	1	0
30.00 to <100.00	33	0	69.0%	33	38.4%	31	29.5%		60	181.8%	4	-2
100.00 (Default)	32			32	100.0%	29	33.7%		69	215.6%	6	-6
Secured by real estate property SME - Subtotal	**11 254**	**32**	**64.5%**	**11 166**	**1.3%**	**8 268**	**19.9%**		**2 089**	**18.7%**	**35**	**-23**
Secured by real estate property Non-SME												
0.00 to <0.15	854 245	37 586	30.4%	865 653	0.1%	1 470 718	9.7%		12 601	1.5%	46	-62
0.00 to <0.10	706 076	34 051	30.3%	716 395	0.0%	1 237 393	9.6%		8 716	1.2%	30	-38
0.10 to <0.15	148 169	3 535	30.8%	149 257	0.1%	233 325	10.1%		3 885	2.6%	16	-24
0.15 to <0.25	47 419	5 221	34.3%	49 210	0.2%	85 480	14.0%		2 636	5.4%	12	-16
0.25 to <0.50	56 856	6 375	64.5%	60 965	0.4%	84 519	15.6%		6 712	11.0%	35	-15
0.50 to <0.75	20 583	1 209	37.6%	21 038	0.6%	33 006	17.9%		3 717	17.7%	23	-11
0.75 to <2.50	81 497	2 124	47.7%	82 528	1.4%	105 509	19.4%		26 563	32.2%	218	-137
0.75 to <1.75	69 444	1 944	47.0%	70 375	1.2%	89 512	19.4%		20 886	29.7%	161	-94
1.75 to <2.5	12 053	180	55.0%	12 152	2.4%	15 997	19.3%		5 677	46.7%	56	-44
2.50 to <10.00	20 075	724	45.1%	20 401	5.2%	28 072	19.5%		14 196	69.6%	203	-164
2.5 to <5	13 587	562	42.3%	13 825	3.9%	18 905	19.9%		8 729	63.1%	107	-90
5 to <10	6 487	162	55.0%	6 577	7.9%	9 167	18.7%		5 467	83.1%	96	-75
10.00 to <100.00	5 411	395	31.9%	5 537	23.3%	9 171	16.3%		5 324	96.2%	213	-132
10 to <20	3 125	81	43.6%	3 160	15.9%	4 935	16.1%		2 868	90.8%	81	-63
20 to <30	1 092	32	40.7%	1 105	27.2%	1 889	15.5%		1 053	95.3%	47	-36
30.00 to <100.00	1 194	282	27.6%	1 272	38.4%	2 347	17.3%		1 403	110.3%	86	-33
100.00 (Default)	4 994	3	100.0%	4 997	100.0%	7 579	12.4%		3 915	78.3%	656	-639
Secured by real estate property Non-SME - Subtotal	**1 091 079**	**53 638**	**35.9%**	**1 110 329**	**0.8%**	**1 824 054**	**11.3%**		**75 664**	**6.8%**	**1406**	**-1 176**
Retail other SME												
0.00 to <0.15	235	92	99.7%	326	0.1%	756	41.2%		30	9.2%	0	0
0.00 to <0.10	27	14	97.9%	41	0.1%	94	47.0%		3	7.3%	0	
0.10 to <0.15	208	78	100.0%	285	0.1%	662	40.4%		27	9.5%	0	0
0.15 to <0.25	1 347	1 110	100.0%	2 429	0.2%	6 416	36.6%		307	12.6%	2	-1
0.25 to <0.50	2 621	1 648	97.6%	4 199	0.4%	8 628	39.8%		862	20.5%	7	-3
0.50 to <0.75	2 160	1 627	96.6%	3 684	0.6%	6 483	38.6%		931	25.3%	9	-4
0.75 to <2.50	12 140	4 869	83.2%	16 121	1.6%	48 065	33.6%		5 710	35.4%	86	-42
0.75 to <1.75	8 472	3 241	83.0%	11 106	1.3%	28 852	34.3%		3 666	33.0%	47	-22
1.75 to <2.5	3 667	1 628	83.5%	5 016	2.4%	19 213	31.9%		2 044	40.7%	38	-20
2.50 to <10.00	8 626	1 855	68.9%	9 854	5.3%	53 149	30.4%		4 398	44.6%	155	-83
2.5 to <5	5 829	1 322	69.6%	6 715	4.1%	40 079	30.8%		2 916	43.4%	82	-41
5 to <10	2 796	534	67.3%	3 139	7.9%	13 070	29.5%		1 482	47.2%	73	-42
10.00 to <100.00	1 758	261	64.6%	1 898	23.2%	7 146	29.6%		1 304	68.7%	131	-89
10 to <20	1 069	144	58.8%	1 139	15.6%	4 426	29.4%		691	60.7%	53	-29
20 to <30	255	35	56.6%	268	27.2%	1 020	29.1%		201	75.0%	21	-13
30.00 to <100.00	434	83	78.0%	491	38.4%	1 700	30.4%		412	83.9%	57	-47

	100.00 (Default)	530	60	85.6%	566	100.0%	1 838	38.7%		1 262	223.0%	140	-136
Retail other SME - Subtotal		**29 417**	**11 522**	**86.2%**	**39 076**	**4.7%**	**132 481**	**34.0%**		**14 804**	**37.9%**	**529**	**-358**
Retail other Non-SME													
	0.00 to <0.15	8 506	3 232	78.9%	11 029	0.1%	258 304	37.0%		751	6.8%	3	-8
	0.00 to <0.10	6 036	2 483	85.7%	8 148	0.1%	174 748	37.4%		462	5.7%	2	-5
	0.10 to <0.15	2 471	749	56.6%	2 881	0.1%	83 556	36.2%		290	10.1%	1	-3
	0.15 to <0.25	5 634	1 416	56.7%	6 321	0.2%	203 296	45.0%		1 167	18.5%	5	-21
	0.25 to <0.50	6 481	1 239	56.0%	7 026	0.4%	211 591	43.2%		2 012	28.6%	11	-33
	0.50 to <0.75	3 986	565	65.9%	4 229	0.6%	101 938	34.5%		1 351	31.9%	9	-12
	0.75 to <2.50	14 487	2 017	64.4%	15 271	1.4%	443 458	34.6%		7 706	50.5%	74	-76
	0.75 to <1.75	11 695	1 765	64.8%	12 409	1.2%	379 580	35.3%		6 024	48.5%	52	-59
	1.75 to <2.5	2 793	253	61.8%	2 862	2.4%	63 878	31.5%		1 683	58.8%	22	-18
	2.50 to <10.00	5 602	649	52.1%	5 531	5.0%	351 257	36.7%		4 031	72.9%	100	-111
	2.5 to <5	4 226	496	51.4%	4 108	3.9%	312 734	36.6%		2 956	72.0%	58	-55
	5 to <10	1 376	153	54.3%	1 423	7.9%	38 523	37.0%		1 075	75.5%	42	-56
	10.00 to <100.00	1 297	91	69.7%	1 313	23.4%	29 822	36.1%		1 403	106.9%	112	-131
	10 to <20	753	54	66.2%	769	16.1%	16 200	35.7%		721	93.8%	44	-67
	20 to <30	212	17	80.9%	222	27.2%	4 096	35.1%		257	115.8%	21	-29
	30.00 to <100.00	332	20	69.7%	322	38.4%	9 526	37.7%		425	132.0%	47	-34
	100.00 (Default)	778	3	79.6%	772	100.0%	10 952	48.1%		287	37.2%	392	-392
Retail other Non-SME - Subtotal		**46 772**	**9 211**	**66.5%**	**51 491**	**3.2%**	**1 610 618**	**38.0%**		**18 709**	**36.3%**	**705**	**-783**
Total all exposures AIRB		**1 669 986**	**255 710**	**43.3**	**1 775 171**	**1.4%**	**3 588 932**	**15.4%**	**2.9**	**284 582**	**16.0%**	**4874**	**-5 988**

F-IRB **SEKm**	**PD range**	**On-balance sheet exposures**	**Off-balance-sheet exposures pre-CCF**	**Exposure weighted average CCF**	**Exposure post CCF and post CRM**	**Exposure weighted average PD (%)**	**Number of obligors**	**Exposure weighted average LGD (%)**	**Exposure weighted average maturity (years)**	**Risk weighted exposure amount after supporting factors**	**Density of risk weighted exposure amount**	**Expected loss amount**	**Value adjustments and provisions**
Exposure classes FIRB													
Central governments or central banks													
	0.00 to <0.15	476 835	27 445	74.3%	504 013	0.0%	299	45.0%	1.3	6 142	1.2%	5	-6
	0.00 to <0.10	476 835	27 445	74.3%	504 013	0.0%	299	45.0%	1.3	6 142	1.2%	5	-6
	0.10 to <0.15												
	0.15 to <0.25												
	0.25 to <0.50							45.0%	2.5				
	0.50 to <0.75												
	0.75 to <2.50												
	0.75 to <1.75												
	1.75 to <2.5												
	2.50 to <10.00	149	7	69.4%	156	3.1%	17	45.0%	2.5	214	137.2%	2	0
	2.5 to <5	149	7	69.4%	156	3.1%	17	45.0%	2.5	214	137.2%	2	0
	5 to <10												
	10.00 to <100.00												
	10 to <20												
	20 to <30												
	30.00 to <100.00												
	100.00 (Default)												
Central governments or central banks - Subtotal		**476 984**	**27 453**	**74.3%**	**504 169**	**0.0%**	**316**	**45.0%**	**1.3**	**6 356**	**1.3%**	**7**	**-6**
Institutions													

0.00 to <0.15	21 838	14 148	56.8%	30 296	0.0%	295	34.9%	2.5	4 700	15.5%	5	-14
0.00 to <0.10	19 232	10 738	54.6%	25 508	0.0%	193	32.9%	2.5	2 979	11.7%	2	-2
0.10 to <0.15	2 606	3 410	63.8%	4 788	0.1%	102	45.0%	2.5	1 721	35.9%	2	-12
0.15 to <0.25	117	1 955	20.9%	527	0.2%	67	45.0%	2.5	317	60.2%	1	-3
0.25 to <0.50	728			728	0.4%	1	45.0%	2.5	498	68.4%	1	-4
0.50 to <0.75	11	158	20.3%	43	0.6%	11	45.0%	2.5	44	102.3%	0	-1
0.75 to <2.50	0			0	1.7%	1	45.0%	2.5	0	0.0%	0	0
0.75 to <1.75	0			0	1.7%	1	45.0%	2.5	0	0.0%	0	0
1.75 to <2.5												
2.50 to <10.00	24	112	20.0%	38	4.0%	16	44.0%	2.5	58	152.6%	1	-7
2.5 to <5	24	112	20.0%	38	4.0%	16	44.0%	2.5	58	152.6%	1	-7
5 to <10												
10.00 to <100.00												
10 to <20												
20 to <30												
30.00 to <100.00												
100.00 (Default)												
Institutions - Sub total	**22 718**	**16 373**	**51.9%**	**31 631**	**0.1%**	**391**	**35.2%**	**2.5**	**5 617**	**17.8%**	**7**	**-30**
Corporate: SME												
0.00 to <0.15	390	24	8.3%	390	0.1%	34	38.9%	2.5	59	15.1%	0	0
0.00 to <0.10	225	4		218	0.1%	21	37.1%	2.5	26	11.9%	0	0
0.10 to <0.15	164	20	8.3%	172	0.1%	13	41.2%	2.5	33	19.2%	0	0
0.15 to <0.25	366	38	19.6%	325	0.2%	21	37.3%	2.5	105	32.3%	0	0
0.25 to <0.50	457	107	35.2%	367	0.4%	75	43.4%	2.5	204	55.6%	1	0
0.50 to <0.75	905	136	51.1%	965	0.6%	198	40.9%	2.5	506	52.4%	2	-1
0.75 to <2.50	2 706	747	49.2%	3 015	1.7%	1 258	43.7%	2.5	2 713	90.0%	22	-12
0.75 to <1.75	1 839	529	49.3%	2 079	1.3%	907	43.4%	2.5	1 780	85.6%	12	-4
1.75 to <2.5	866	218	48.9%	937	2.4%	351	44.2%	2.5	933	99.6%	10	-8
2.50 to <10.00	3 377	373	47.5%	3 447	5.3%	940	39.7%	2.5	3 809	110.5%	75	-23
2.5 to <5	2 611	256	47.0%	2 672	4.5%	711	39.0%	2.5	2 624	98.2%	47	-8
5 to <10	765	117	48.4%	775	8.1%	229	43.7%	2.5	1 185	152.9%	27	-15
10.00 to <100.00	244	63	60.9%	258	21.5%	83	43.7%	2.5	547	212.0%	24	-11
10 to <20	168	41	61.6%	174	16.7%	58	43.4%	2.5	356	204.6%	13	-6
20 to <30	45	13	64.8%	52	27.2%	14	45.0%	2.5	111	213.5%	6	-3
30.00 to <100.00	31	8	50.9%	32	38.4%	11	44.2%	2.5	80	250.0%	5	-1
100.00 (Default)	6	7	53.6%	10	100.0%	12	42.0%	2.5		0.0%	4	-2
Corporate: SME - Subtotal	**8 450**	**1 496**	**45.9%**	**8 776**	**3.5%**	**2 621**	**41.1%**	**2.5**	**7 943**	**90.5%**	**128**	**-48**
Corporate: Other												
0.00 to <0.15	21 150	12 206	42.5%	26 239	0.1%	184	44.8%	2.5	7 459	28.4%	10	-4
0.00 to <0.10	6 954	6 311	46.0%	9 762	0.1%	56	44.7%	2.5	2 132	21.8%	2	-1
0.10 to <0.15	14 196	5 894	38.8%	16 477	0.1%	128	45.0%	2.5	5 328	32.3%	8	-3
0.15 to <0.25	12 572	8 454	43.0%	16 313	0.2%	150	44.7%	2.5	7 309	44.8%	14	-18
0.25 to <0.50	1 240	9 109	35.0%	4 408	0.4%	34	45.0%	2.5	2 777	63.0%	7	-26
0.50 to <0.75	21 027	4 448	43.7%	22 871	0.6%	419	44.7%	2.5	17 328	75.8%	61	-15
0.75 to <2.50	35 363	15 948	32.2%	40 283	1.5%	946	44.5%	2.5	41 535	103.1%	262	-148
0.75 to <1.75	30 414	13 140	29.5%	34 175	1.3%	702	44.5%	2.5	34 309	100.4%	197	-125
1.75 to <2.5	4 949	2 808	45.1%	6 108	2.4%	244	44.4%	2.5	7 226	118.3%	65	-23
2.50 to <10.00	6 536	3 810	43.6%	7 927	5.3%	8 756	43.2%	2.5	11 105	140.1%	182	-199
2.5 to <5	3 777	3 216	44.1%	5 002	4.0%	8 629	43.3%	2.5	6 463	129.2%	87	-120
5 to <10	2 759	594	40.9%	2 925	7.5%	127	43.1%	2.5	4 642	158.7%	95	-79
10.00 to <100.00	2 917	2 330	30.1%	3 604	22.5%	65	44.2%	2.5	8 753	242.9%	359	-427

10 to <20	1 905	1 567	27.2%	2 320	18.6%	38	43.8%	2.5	5 724	246.7%	189	-234
20 to <30	966	219	22.1%	1 012	27.2%	21	44.9%	2.5	2 313	228.6%	123	-147
30.00 to <100.00	46	543	41.6%	272	38.4%	6	45.0%	2.5	716	263.2%	47	-45
100.00 (Default)	440	65	25.0%	425	100.0%	29	44.9%	2.5		0.0%	191	-216
Corporate: Other - Subtotal	**101 244**	**56 369**	**38.1%**	**122 071**	**2.0%**	**10 583**	**44.6%**	**2.5**	**96 266**	**78.9%**	**1087**	**-1 053**
Total all exposures FIRB	**609 396**	**101 690**	**50.4%**	**666 647**	**0.4%**	**13 911**	**44.0%**	**1.6**	**116 182**	**17.4%**	**1231**	**-1 136**

This table provides information on the main parameters used for calculation of capital requirements for the IRB approach distributed by PD range and exposure class.

Table 3.21: EU CR6-A – Scope of the use of IRB and SA approaches, CRR Article 452(b)

SEKm	Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to IRB Approach (%)	Percentage of total exposure value subject to a roll-out plan (%)
Central governments or central banks	497 571	499 992	1.7%	61.3%	37.1%
Of which Regional governments or local authorities		24 787	18.9%	77.1%	4.0%
Of which Public sector entities		8			100.0%
Institutions	31 220	30 814	5.6%	92.0%	2.4%
Corporates	699 026	712 061	0.1%	83.6%	16.3%
Of which Corporates - Specialised lending, excluding slotting approach					
Of which Corporates - Specialised lending under slotting approach		328		100.0%	
Retail	1 213 865	1 229 806	1.8%	97.6%	0.5%
of which Retail – Secured by real estate SMEs		135 728		100.0%	
of which Retail – Secured by real estate non-SMEs		982 041	0.1%	99.7%	0.2%
of which Retail – Qualifying revolving					
of which Retail – Other SMEs		44 702	1.1%	88.3%	10.7%
of which Retail – Other non-SMEs		67 334	31.8%	68.1%	0.1%
Equity		15 228	100.0%		
Other non-credit obligation assets	20 272	21 230	4.5%	46.8%	48.7%
Total	**2 461 954**	**2 509 131**	**0.0%**	**85.3%**	**12.7%**

The IRB approach is applied for the vast majority of Swedbank's credit risk exposures. For non-IRB approved parts of Swedbank's credit portfolio, and where an exception has been granted by the regulatory supervisory college, Swedbank uses the standardised approach. The standardised approach is mainly used for smaller retail portfolios and equity exposures. The parts under IRB roll-out plans also include exposures in F-IRB where Swedbank plans to apply A-IRB in the future. The largest change compared to Q4 2023 was due to the change in exposure classification of Swedish tenant-owner associations from retail to corporate exposure class in 2024.

Table 3.22: EU CR7 - IRB approach - Effect on the RWEAs of credit derivatives used as CRM techniques, CRR Article 453(j)

SEKm	Pre-credit derivatives risk weighted exposure amount	Actual risk weighted exposure amount
Exposures under F-IRB	116 470	116 470
Central governments and central banks	6 356	6 356
Institutions	5 617	5 617
Corporates	104 498	104 498
of which Corporates - SMEs	7 943	7 943
of which Corporates - Specialised lending	289	289
Exposures under A-IRB	284 582	284 582
Central governments and central banks		
Institutions		
Corporates	173 316	173 316
of which Corporates - SMEs	46 615	46 615
of which Corporates - Specialised lending		
Retail	111 266	111 266
of which Retail – SMEs - Secured by immovable property collateral	2 089	2 089
of which Retail – non-SMEs - Secured by immovable property collateral	75 664	75 664
of which Retail – Qualifying revolving		
of which Retail – SMEs - Other	14 804	14 804
of which Retail – Non-SMEs- Other	18 709	18 709
Total (including F-IRB exposures and A-IRB exposures)	**401 053**	**401 053**

Credit derivatives are not used as CRM techniques in the capital requirement reporting of Swedbank.

Table 3.23: EU CR7-A - IRB approach - Disclosure of the extent of the use of CRM techniques, CRR Article 453(g)

A-IRB	Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
SEKm		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
Central governments and central banks														
Institutions														
Corporates	563 109	0.0%	63.7%	59.9%	0.3%	3.5%	0.0%	0.0%	0.0%	0.0%	7.2%	0.0%	173 541	173 316
of which Corporates - SMEs	246 239	0.0%	88.2%	83.5%	0.3%	4.5%	0.0%	0.0%	0.0%	0.0%	4.7%	0.0%	48 457	46 615
of which Corporates - Specialised lending														
of which Corporates – Other	316 870	0.0%	44.6%	41.6%	0.4%	2.7%	0.0%	0.0%	0.0%	0.0%	9.1%	0.0%	125 084	126 701
Retail	1 212 062	0.0%	89.9%	88.7%	0.1%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	111 284	111 266
of which Retail – Immovable property SMEs	11 166	0.0%	96.0%	96.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2 093	2 089
of which Retail – Immovable property non-SMEs	1 110 329	0.0%	95.6%	95.5%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	75 664	75 664
of which Retail – Qualifying revolving														
of which Retail – Other SMEs	39 076	0.0%	17.9%	0.0%	1.7%	16.1%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	14 818	14 804
of which Retail – Other non-SMEs	51 491	0.0%	19.9%	6.9%	0.0%	13.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18 709	18 709
Total	**1 775 171**	**0.0%**	**81.6%**	**79.5%**	**0.1%**	**1.9%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**2.3%**	**0.0%**	**284 825**	**284 582**

F-IRB SEKm	Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
		Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by Cash on deposit (%)	Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)	Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)		
Central governments and central banks	504 169	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%	0.0%	6 209	6 356
Institutions	31 631	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%	0.0%	5 507	5 617
Corporates	131 200	0.4%	4.2%	2.2%	1.7%	0.3%	0.0%				1.0%	0.0%	104 512	104 498
of which Corporates - SMEs	8 776	0.7%	29.2%	25.1%	1.2%	2.9%	0.0%				4.7%	0.0%	7 951	7 943
of which Corporates - Specialised lending	353	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				0.0%	0.0%	289	289
Of which Corporates – Other	122 071	0.3%	2.4%	0.6%	1.8%	0.1%	0.0%				0.7%	0.0%	96 272	96 266
Total	**667 000**	**0.1%**	**0.8%**	**0.4%**	**0.3%**	**0.1%**	**0.0%**				**0.2%**	**0.0%**	**116 228**	**116 471**

Swedbank mainly uses immovable property collaterals as credit risk mitigation technique. Exposures under A-IRB are covered by immovable property collaterals to 80 per cent. Exposures under F-IRB are mainly attributable to central governments and central banks.

Table 3.24: EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach, CRR Article 438(h)

SEKm	Risk weighted exposure amount
Risk weighted exposure amount as at the end of the previous reporting period	**404 743**
Asset size (+/-)	9 625
Asset quality (+/-)	-2 146
Model updates (+/-)	
Methodology and policy (+/-)	
Acquisitions and disposals (+/-)	
Foreign exchange movements (+/-)	3 698
Other (+/-)	-1 273
Risk weighted exposure amount as at the end of the reporting period	**414 647**

The REA reported under IRB increased by SEK 9.9bn compared to Q3 2024.

Asset size changes increased REA by SEK 9.6bn, mainly driven by volume growth in corporate and retail exposures in business area Baltic Banking, and higher risk weights for inflows compared to outflows for corporate exposures in business area Corporates and Institutions.

Asset quality changes decreased REA by SEK 2.1bn, mainly explained by positive LGD changes for retail exposures in business area Baltic Banking and increased collaterals for corporate exposures in business area Corporates and Institutions.

Foreign exchange movements increased REA by SEK 3.7bn, mainly driven by depreciation of SEK towards EUR.

Other effects decreased REA by SEK 1.3bn, mainly due to shorter maturities for corporate exposures in business area Corporates and Institutions.

Table 3.25: EU CR9 – IRB approach – Back-testing of PD per exposure class (fixed PD scale), CRR Article 452(h)

A-IRB Exposure class	PD range	Number of obligors at the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
Corporates - Of Which: SME							
	0.00 to <0.15	92			0.1%	0.1%	
	0.00 to <0.10	60			0.1%	0.1%	
	0.10 to <0.15	32			0.1%	0.1%	
	0.15 to <0.25	269			0.2%	0.2%	0.1%
	0.25 to <0.50	1 529	3	0.2%	0.4%	0.4%	0.3%
	0.50 to <0.75	1 140	6	0.5%	0.6%	0.6%	0.5%
	0.75 to <2.50	4 361	47	1.1%	1.4%	1.4%	0.8%
	0.75 to <1.75	3 624	35	1.0%	1.2%	1.2%	0.7%
	1.75 to <2.5	737	12	1.6%	2.4%	2.4%	1.3%
	2.50 to <10.00	1 258	53	4.2%	5.1%	5.1%	3.4%
	2.5 to <5	900	20	2.2%	4.0%	4.0%	2.0%
	5 to <10	358	33	9.2%	7.9%	7.8%	6.9%
	10.00 to <100.00	155	37	23.9%	24.6%	20.4%	17.1%
	10 to <20	109	24	22.0%	17.4%	16.2%	13.4%
	20 to <30	33	7	21.2%	27.2%	27.2%	24.7%
	30.00 to <100.00	13	6	46.2%	38.4%	38.4%	28.5%
	100.00 (Default)	1			100.0%	100.0%	
Corporates - Of Which: Other							
	0.00 to <0.15	108	1	0.9%	0.1%	0.1%	0.6%
	0.00 to <0.10	73	1	1.4%	0.1%	0.1%	0.6%
	0.10 to <0.15	35			0.1%	0.1%	0.6%
	0.15 to <0.25	138	2	1.5%	0.2%	0.2%	0.9%
	0.25 to <0.50	342	3	0.9%	0.4%	0.4%	0.5%
	0.50 to <0.75	183			0.6%	0.6%	0.3%
	0.75 to <2.50	522	10	1.9%	1.2%	1.4%	1.1%
	0.75 to <1.75	437	9	2.1%	1.1%	1.2%	1.2%
	1.75 to <2.5	85	1	1.2%	2.4%	2.4%	0.5%
	2.50 to <10.00	199	6	3.0%	4.7%	5.2%	5.4%
	2.5 to <5	146	4	2.7%	4.0%	4.1%	5.0%
	5 to <10	53	2	3.8%	7.9%	8.0%	6.7%
	10.00 to <100.00	52	14	26.9%	20.7%	27.0%	16.3%
	10 to <20	18	4	22.2%	13.7%	17.3%	13.0%
	20 to <30	19	7	36.8%	27.2%	27.2%	10.2%
	30.00 to <100.00	15	3	20.0%	38.4%	38.4%	28.0%

100.00 (Default)	98			100.0%	100.0%	
Retail - Secured by real estate property SME						
0.00 to <0.15	13 105	4	0.0%	0.1%	0.1%	0.0%
0.00 to <0.10	8 730			0.1%	0.1%	0.0%
0.10 to <0.15	4 375	4	0.1%	0.1%	0.1%	0.0%
0.15 to <0.25	824	4	0.5%	0.2%	0.2%	0.1%
0.25 to <0.50	3 450			0.4%	0.4%	0.0%
0.50 to <0.75	3 882	1	0.0%	0.6%	0.6%	0.0%
0.75 to <2.50	9 859	16	0.2%	1.6%	1.4%	0.2%
0.75 to <1.75	8 033	11	0.1%	1.2%	1.2%	0.1%
1.75 to <2.5	1 826	5	0.3%	2.4%	2.4%	0.3%
2.50 to <10.00	2 494	67	2.7%	5.0%	4.9%	1.1%
2.5 to <5	1 920	46	2.4%	4.1%	4.0%	0.8%
5 to <10	574	21	3.7%	8.0%	7.9%	2.1%
10.00 to <100.00	385	51	13.3%	22.4%	22.4%	10.3%
10 to <20	245	20	8.2%	17.0%	15.6%	8.0%
20 to <30	53	12	22.6%	27.2%	27.2%	13.0%
30.00 to <100.00	87	19	21.8%	38.4%	38.4%	15.3%
100.00 (Default)	159			100.0%	100.0%	
Retail Secured by real estate property Non-SME						
0.00 to <0.15	1 479 575	1 985	0.1%	0.1%	0.1%	0.1%
0.00 to <0.10	1 246 198	1 533	0.1%	0.0%	0.0%	0.1%
0.10 to <0.15	233 377	452	0.2%	0.1%	0.1%	0.1%
0.15 to <0.25	88 894	428	0.5%	0.2%	0.2%	0.2%
0.25 to <0.50	73 014	161	0.2%	0.4%	0.4%	0.1%
0.50 to <0.75	34 948	52	0.2%	0.6%	0.6%	0.1%
0.75 to <2.50	91 031	570	0.6%	1.4%	1.4%	0.4%
0.75 to <1.75	77 304	415	0.5%	1.2%	1.2%	0.4%
1.75 to <2.5	13 727	155	1.1%	2.4%	2.4%	0.8%
2.50 to <10.00	24 335	731	3.0%	5.2%	5.3%	2.2%
2.5 to <5	16 300	358	2.2%	3.9%	4.0%	1.7%
5 to <10	8 035	373	4.6%	7.9%	7.9%	3.4%
10.00 to <100.00	8 331	1 125	13.5%	23.3%	24.6%	10.5%
10 to <20	4 297	457	10.6%	15.9%	16.1%	7.6%
20 to <30	1 673	313	18.7%	27.2%	27.2%	12.5%
30.00 to <100.00	2 361	355	15.0%	38.4%	38.4%	14.4%
100.00 (Default)	5 088			100.0%	100.0%	
Other Retail SME						
0.00 to <0.15	108			0.1%	0.1%	
0.00 to <0.10	83			0.1%	0.1%	
0.10 to <0.15	25			0.1%	0.1%	
0.15 to <0.25	315			0.2%	0.2%	
0.25 to <0.50	1 617	1	0.1%	0.4%	0.4%	0.0%
0.50 to <0.75	3 688	17	0.5%	0.6%	0.6%	0.3%
0.75 to <2.50	39 552	122	0.3%	1.6%	1.8%	0.2%
0.75 to <1.75	24 639	40	0.2%	1.3%	1.4%	0.2%
1.75 to <2.5	14 913	82	0.6%	2.4%	2.4%	0.4%
2.50 to <10.00	45 149	442	1.0%	5.3%	5.1%	0.7%
2.5 to <5	35 051	232	0.7%	4.1%	4.3%	0.5%
5 to <10	10 098	210	2.1%	7.9%	7.9%	1.6%
10.00 to <100.00	6 431	558	8.7%	23.2%	22.7%	7.3%
10 to <20	4 091	133	3.3%	15.6%	15.7%	3.2%
20 to <30	746	52	7.0%	27.2%	27.2%	6.7%
30.00 to <100.00	1 594	373	23.4%	38.4%	38.4%	18.1%
100.00 (Default)	864			100.0%	100.0%	
Other Retail Non-SME						
0.00 to <0.15	318 209	293	0.1%	0.1%	0.1%	0.1%
0.00 to <0.10	223 391	179	0.1%	0.1%	0.1%	0.0%
0.10 to <0.15	94 818	114	0.1%	0.1%	0.1%	0.1%
0.15 to <0.25	202 054	551	0.3%	0.2%	0.2%	0.2%
0.25 to <0.50	209 995	695	0.3%	0.4%	0.4%	0.2%
0.50 to <0.75	116 592	230	0.2%	0.6%	0.6%	0.2%
0.75 to <2.50	459 539	1 812	0.4%	1.4%	1.3%	0.4%
0.75 to <1.75	390 530	1 439	0.4%	1.2%	1.2%	0.3%
1.75 to <2.5	69 009	373	0.5%	2.4%	2.4%	0.6%
2.50 to <10.00	263 921	1 911	0.7%	5.0%	4.3%	0.6%
2.5 to <5	222 499	873	0.4%	3.9%	3.6%	0.3%
5 to <10	41 422	1 038	2.5%	7.9%	7.8%	2.1%
10.00 to <100.00	30 309	3 824	12.6%	23.4%	24.1%	10.2%
10 to <20	17 107	1 324	7.7%	16.1%	15.8%	5.8%
20 to <30	4 124	544	13.2%	27.2%	27.2%	9.9%
30.00 to <100.00	9 078	1 956	21.6%	38.4%	38.4%	18.5%
100.00 (Default)	12 448			100.0%	100.0%	

F-IRB Exposure class	PD range	Number of obligors at the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
Central governments or central banks							
	0.00 to <0.15	265	2	0.8%	0.0%	0.0%	0.3%
	0.00 to <0.10	265	2	0.8%	0.0%	0.0%	0.3%
	0.10 to <0.15						
	0.15 to <0.25						
	0.25 to <0.50						
	0.50 to <0.75						
	0.75 to <2.50						
	0.75 to <1.75						
	1.75 to <2.5						
	2.50 to <10.00	2			3.1%	3.1%	
	2.5 to <5	2			3.1%	3.1%	
	5 to <10						
	10.00 to <100.00						
	10 to <20						
	20 to <30						
	30.00 to <100.00						
	100.00 (Default)						
Institutions							
	0.00 to <0.15	276			0.0%	0.1%	
	0.00 to <0.10	180			0.0%	0.0%	
	0.10 to <0.15	96			0.1%	0.1%	
	0.15 to <0.25	59			0.2%	0.2%	
	0.25 to <0.50				0.4%		
	0.50 to <0.75	16			0.6%	0.6%	
	0.75 to <2.50	4			1.7%	1.7%	
	0.75 to <1.75	4			1.7%	1.7%	
	1.75 to <2.5						
	2.50 to <10.00	10			4.0%	4.2%	
	2.5 to <5	10			4.0%	4.2%	
	5 to <10						
	10.00 to <100.00						
	10 to <20						
	20 to <30						
	30.00 to <100.00						
	100.00 (Default)						
Corporates Of Which: SME							
	0.00 to <0.15	12			0.1%	0.1%	
	0.00 to <0.10	3			0.1%	0.1%	
	0.10 to <0.15	9			0.1%	0.1%	
	0.15 to <0.25	27			0.2%	0.2%	
	0.25 to <0.50	84			0.4%	0.4%	0.3%
	0.50 to <0.75	135			0.6%	0.6%	
	0.75 to <2.50	978			1.7%	1.6%	0.2%
	0.75 to <1.75	713			1.3%	1.3%	0.2%
	1.75 to <2.5	265			2.4%	2.4%	0.4%
	2.50 to <10.00	525	4	0.8%	5.3%	5.0%	0.5%
	2.5 to <5	392	2	0.5%	4.5%	4.0%	0.3%
	5 to <10	133	2	1.5%	8.1%	7.9%	1.1%
	10.00 to <100.00	70	1	1.4%	21.5%	21.6%	2.8%
	10 to <20	47	1	2.1%	16.7%	15.5%	0.9%
	20 to <30	9			27.2%	27.2%	1.7%
	30.00 to <100.00	14			38.4%	38.4%	9.8%
	100.00 (Default)				100.0%		
Corporates Of Which: Other							
	0.00 to <0.15	139			0.1%	0.1%	
	0.00 to <0.10	57			0.1%	0.1%	
	0.10 to <0.15	82			0.1%	0.1%	
	0.15 to <0.25	98			0.2%	0.2%	
	0.25 to <0.50	35			0.4%	0.4%	0.9%
	0.50 to <0.75	280			0.6%	0.6%	0.5%
	0.75 to <2.50	600	3	0.5%	1.5%	1.6%	0.2%
	0.75 to <1.75	462	3	0.7%	1.3%	1.3%	0.3%
	1.75 to <2.5	138			2.4%	2.4%	
	2.50 to <10.00	237	3	1.3%	5.3%	5.2%	1.2%

2.5 to <5	165	1	0.6%	4.0%	4.0%	0.6%
5 to <10	72	2	2.8%	7.5%	7.9%	2.4%
10.00 to <100.00	48	3	6.3%	22.5%	25.2%	11.8%
10 to <20	17			18.6%	18.2%	1.1%
20 to <30	26	3	11.5%	27.2%	27.2%	15.8%
30.00 to <100.00	5			38.4%	38.4%	27.1%
100.00 (Default)				100.0%		

This table provides back-testing information for PD used in the IRB approach, distributed by PD range and exposure class. It compares the observed average default rate with the five-year historical average. For A-IRB approach, the number of defaults increased for all segments compared to Q4 2023. The largest increase was in retail non-SME segments (retail secured by real estate property and retail other) that carry mostly loans to private individuals, and was strongly impacted by the implementation of a new definition of default, but also by increased number of past due loans. For F-IRB approach, there were no significant changes compared to previous reporting period.

Table 3.26: EU CR9.1 – IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR), CRR Article452(h),180(1)

According to CRR, EU CR9.1 is applicable to institutions that map its internal grades to the scale used by an ECAI or similar organisations and then attribute the default rate observed for the external organisation's grades to the institution's grades. Swedbank does not use default rates from external rating scales in its internal rating models.

Table 3.27-3.31: EU CR10 – Specialised lending and equity exposures under the simple risk-weighted approach, CRR Article 438(e)

There are no significant changes in the total exposure in specialised lending compared to Q2 2024. Swedbank has no equity exposures under the simple risk-weighted approach.

Table 3.27: EU CR10.1 - Specialised lending: Project finance (Slotting approach), CRR Article 438(e)

SEKm	Specialised lending: Project finance (Slotting approach)						
Regulatory categories	Remaining maturity	On- balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	RWEA	Expected loss amount
Category 1	Less than 2.5 years			50%			
	Equal to or more than 2.5 years			70%			
Category 2	Less than 2.5 years			70%			
	Equal to or more than 2.5 years			90%			
Category 3	Less than 2.5 years			115%			
	Equal to or more than 2.5 years			115%			
Category 4	Less than 2.5 years			250%			
	Equal to or more than 2.5 years			250%			
Category 5	Less than 2.5 years			-			
	Equal to or more than 2.5 years			-			
Total	**Less than 2.5 years**						
	Equal to or more than 2.5 years						

Table 3.28: EU CR10.2 - Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach), CRR Article 438(e)

SEKm	Specialised lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)						
Regulatory categories	Remaining maturity	On- balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Category 1	Less than 2.5 years	1	2	50%	2	1	
	Equal to or more than 2.5 years	0		70%	0	0	
Category 2	Less than 2.5 years	229	101	70%	296	207	1
	Equal to or more than 2.5 years	3		90%	3	2	0
Category 3	Less than 2.5 years	33	4	115%	36	41	1
	Equal to or more than 2.5 years	3		115%	3	4	0
Category 4	Less than 2.5 years	10		250%	10	26	1
	Equal to or more than 2.5 years	3		250%	3	7	0
Category 5	Less than 2.5 years			-			
	Equal to or more than 2.5 years			-			
Total	**Less than 2.5 years**	**273**	**107**		**344**	**275**	**3**
	Equal to or more than 2.5 years	**9**			**9**	**14**	**0**

Table 3.29: EU CR10.3 - Specialised lending: Object finance (Slotting approach), CRR Article 438(e)

SEKm	Specialised lending: Object finance (Slotting approach)						
Regulatory categories	Remaining maturity	On- balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Category 1	Less than 2.5 years			50%			
	Equal to or more than 2.5 years			70%			
Category 2	Less than 2.5 years			70%			
	Equal to or more than 2.5 years			90%			
Category 3	Less than 2.5 years			115%			
	Equal to or more than 2.5 years			115%			
Category 4	Less than 2.5 years			250%			
	Equal to or more than 2.5 years			250%			
Category 5	Less than 2.5 years			-			
	Equal to or more than 2.5 years			-			
Total	**Less than 2.5 years**						
	Equal to or more than 2.5 years						

Table 3.30: EU CR10.4 - Specialised lending: Commodities finance (Slotting approach), CRR Article 438(e)

SEKm	Specialised lending: Commodities finance (Slotting approach)						
Regulatory categories	Remaining maturity	On- balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Category 1	Less than 2.5 years			50%			
	Equal to or more than 2.5 years			70%			
Category 2	Less than 2.5 years			70%			
	Equal to or more than 2.5 years			90%			
Category 3	Less than 2.5 years			115%			
	Equal to or more than 2.5 years			115%			
Category 4	Less than 2.5 years			250%			
	Equal to or more than 2.5 years			250%			
Category 5	Less than 2.5 years			-			
	Equal to or more than 2.5 years			-			
Total	**Less than 2.5 years**						
	Equal to or more than 2.5 years						

Table 3.31: EU CR10.5 - Equity exposures under the simple risk-weighted approach, CRR Article 438(e)

SEKm	Equities exposures under the simple risk-weighted approach					
Categories	On- balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
Private equity exposures			190%			
Exchange-traded equity exposures			290%			
Other equity exposures			370%			
Total						

EU CCRA - Qualitative disclosure related to CCR, CRR Article 439(a-d)

Risk management objectives and policies

Management of counterparty credit risk – Counterparty credit risk (including settlement risk) is the risk that a counterparty to a trading transaction would not meet its final obligations towards Swedbank and that collateral held would not be enough to cover the claims. This definition encompasses derivatives and securities financing transactions. The majority of Swedbank's counterparty credit risk emanates primarily from two units: Corporates & Institutions and Group Treasury. Counterparty credit exposure arises mainly as a result of hedging of own positions in market risk in foreign exchange, interest rate and other derivatives from customer-related trading activities. As for products, most counterparty credit risk derives from interest rate swaps, cross-currency basis swaps, and FX swaps.

Measurement of counterparty credit risk – Derivative and securities financing transactions market value fluctuates over time to maturity and requires that the uncertainty of the future market potential conditions is taken into account and estimated when measuring the exposure. For risk management purposes, counterparty credit risk in derivatives is measured as potential future exposure (PFE) at the 95th percentile using an advanced simulation-based framework covering a majority of the counterparty credit risk in the group. For transactions not included in the simulation-based calculation Swedbank uses enhanced versions of the measures used to calculate regulatory capital exposures, where several adaptations have been made for the approaches to fit the purpose of internal risk management and exposure calculations. The risk models for derivatives take close-out netting and collateral agreements into account. Risk measurement and evaluation is an ongoing process and Swedbank makes regular assessments. Follow-up and measurement of counterparty credit risk exposure against approved limits is performed in a system specific to the task.

Methodology to assign internal capital and credit limits for counterparty credit risk

Internal capital –Swedbank applies the standardised approach for counterparty credit risk (SA-CCR) method to calculate the Pillar 1 exposure amounts for derivative contracts concerning counterparty credit risk. In addition, derivative transactions are subject to capital requirements for credit value adjustment (CVA) risk where the standardised method is used as well. For the purposes to assign internal capital, as well as profitability steering, Swedbank distribute regulatory capital for each customer and contract to affected unit respectively.

Credit limits – Limits for counterparty credit exposures are assessed, set, and allocated in the regular credit process using the calculated estimates of maximum potential future exposure after recognition of netting agreements and collateral as appropriate. Limits are also established for exposure in specific countries and/or areas, and for FX settlement risk. Moreover, relevant credit risk limits that include counterparty credit risk are allocated to certain customer segments. The risk exposure is measured, monitored, and reported daily. Counterparty credit risk is reported monthly to the CRO Financial Risk Committee and to the Board.

Policies on credit risk mitigation

Swedbank uses a variety of tools to mitigate counterparty credit risk of which the most important is close-out netting agreements, whereby all positive and negative derivative market values under an agreement at a counterparty level can be netted. Swedbank strives to have ISDA master agreements supplemented with credit support annex (CSA) agreements where appropriate to ensure a well-functioning netting and collateral management process. The vast majority of the current received, and pledged collateral is cash, but interest-bearing securities are also used. The range of financial collateral selection accepted is specified in credit policies and for each counterparty the credit memo provided in the credit process specifies what collateral is accepted. Financial collateral is subject to daily monitoring and an independent valuation.

Other actions to mitigate counterparty credit risk include steering exposure and risks to clearing houses, which is standard procedure and mandatory for a range of products, to reduce bilateral counterparty credit risk. The counterparty credit risk can also be closed out through various portfolio compression activities.

A very small part of the counterparty credit risk is reduced by credit derivatives. Swedbank conducts credit derivative transactions primarily in connection with counterparty credit risk and mainly trades with counterparties where an ISDA CSA agreement has been established. Rather than using credit derivatives to mitigate counterparty credit risk in its trading operations, Swedbank prefers to make use of collateral arrangements.

Wrong-way risk

Wrong-way risk (WWR) is the risk that arises when exposure to a counterparty increases while the counterparty´s creditworthiness deteriorates, i.e., negatively correlated. WWR is divided into specific and general WWR. Specific WWR is identified by monitoring counterparties and transactions to capture any trade where there is a legal connection between the counterparty and the underlying issuer. Specific WWR is considered in the credit review process. General WWR is measured via a range of stress test scenarios.

Impact of the amount of collateral to provide if credit rating was downgraded

Swedbank has a very limited number of netting and collateral agreements with rating triggers. Rating-based threshold amounts are only accepted for a restricted number of counterparties, hence the impact, if Swedbank was to be downgraded, would be limited. Rating triggers may apply to the ratings of one or both parties in the agreement.

In the event of a downgrade, Swedbank would need to provide additional collateral of approximately SEK 39m for a one-notch long-term downgrade, and SEK 40m for a two-notch downgrade.

Table 3.32: EU CCR1 - Analysis of CCR exposure by approach, CRR Article 439(f,g,k)

SEKm	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU - Original Exposure Method (for derivatives)				1.4				
EU - Simplified SA-CCR (for derivatives)				1.4				
SA-CCR (for derivatives)	12 239	21 250		1.4	106 029	46 877	43 617	12 081
IMM (for derivatives and SFTs)								
Of which securities financing transactions netting sets								
Of which derivatives and long settlement transactions netting sets								
Of which from contractual cross-product netting sets								
Financial collateral simple method (for SFTs)								
Financial collateral comprehensive method (for					217 693	5 986	5 986	1 637
VaR for SFTs								
Total					**323 722**	**52 864**	**49 603**	**13 718**

REA for derivatives increased by SEK 0.1bn compared to Q2 2024.

Table 3.33: EU CCR2 - Transactions subject to own funds requirements for CVA risk, CRR Article 439(h)

SEKm	Exposure value	RWEA
Total transactions subject to the Advanced method		
(i) VaR component (including the 3× multiplier)		
(ii) stressed VaR component (including the 3× multiplier)		
Transactions subject to the Standardised method	19 395	1 085
Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
Total transactions subject to own funds requirements for CVA risk	**19 395**	**1 085**

CVA REA decreased by SEK 0.5bn compared to Q2 2024, mainly due to decreased EAD.

Table 3.34: EU CCR3 - Standardised approach - CCR exposures by regulatory exposure class and risk weights, CRR Article 439(l)

Exposure classes	Risk Weight											Total exposure value
SEKm	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
Central governments or central banks												
Regional government or local authorities					2							2
Public sector entities												
Multilateral development banks	3 616											3 616
International organisations												
Institutions		10 656			631							11 287
Corporates									2 128			2 128
Retail												
Institutions and corporates with a short-term credit assessment												
Other items												
Total exposure value	**3 616**	**10 656**			**632**				**2 128**			**17 033**

Exposure value for CCR exposures in Standardised approach decreased by SEK 2.2bn compared to Q2 2024 mainly due to decreased derivatives EAD of CCPs (institutions with 2 per cent risk weight).

Table 3.35: EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale, CRR Article 439(l)

SEKm	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amounts
Central governments or central banks (F-IRB)								
	0.00 to <0.15	3 093	0.0%	33	45.0%	2.3	106	3.4%
	0.15 to <0.25							
	0.25 to <0.50	13	0.5%	1	45.0%	2.5	10	72.3%
	0.50 to <0.75							
	0.75 to <2.50							
	2.50 to <10.00	14	3.1%	2	45.0%	2.5	19	137.3%
	10.00 to <100.00							
	100.00 (Default)							
Central governments or central banks (F-IRB) - Sub total		3 120	0.0%	36	45.0%	2.3	134	4.3%
Central governments or central banks (A-IRB)								
	0.00 to <0.15							
	0.15 to <0.25							
	0.25 to <0.50							
	0.50 to <0.75							
	0.75 to <2.50							
	2.50 to <10.00							
	10.00 to <100.00							
	100.00 (Default)							
Central governments or central banks (A-IRB) - Sub total								
Institutions (F-IRB)								
	0.00 to <0.15	15 884	0.1%	124	45.0%	2.5	3 894	24.5%
	0.15 to <0.25	26	0.2%	12	45.0%	2.5	12	48.0%
	0.25 to <0.50							
	0.50 to <0.75	98	0.6%	2	45.0%	2.5	78	80.0%
	0.75 to <2.50	100	1.7%	4	45.0%	2.5	116	116.1%
	2.50 to <10.00	1	3.4%	1	45.0%	2.5	1	141.0%

	10.00 to <100.00							
	100.00 (Default)							
Institutions (F-IRB) - Sub total		16 109	0.1%	143	45.0%	2.5	4 102	25.5%
Institutions (A-IRB)								
	0.00 to <0.15							
	0.15 to <0.25							
	0.25 to <0.50							
	0.50 to <0.75							
	0.75 to <2.50							
	2.50 to <10.00							
	10.00 to <100.00							
	100.00 (Default)							
Institutions (A-IRB) - Sub total								
Corporates (F-IRB)								
	0.00 to <0.15	1 591	0.1%	17	45.0%	2.5	532	33.4%
	0.15 to <0.25	380	0.2%	6	45.0%	2.5	201	52.9%
	0.25 to <0.50							
	0.50 to <0.75	121	0.6%	9	45.0%	2.5	98	81.0%
	0.75 to <2.50	399	1.3%	34	45.0%	2.4	430	107.8%
	2.50 to <10.00	18	5.9%	6	45.0%	1.8	32	177.8%
	10.00 to <100.00							
	100.00 (Default)							
Corporates (F-IRB) - Sub total		2 510	0.4%	72	45.0%	2.5	1 294	51.6%
Corporates (A-IRB)								
	0.00 to <0.15	2 720	0.1%	49	36.6%	1.5	426	15.7%
	0.15 to <0.25	1 421	0.2%	51	36.6%	2.0	488	34.3%
	0.25 to <0.50	1 837	0.4%	90	36.6%	2.6	1 024	55.7%
	0.50 to <0.75	2 028	0.6%	53	38.0%	2.7	1 404	69.2%
	0.75 to <2.50	2 073	1.3%	150	36.9%	2.6	1 743	84.1%
	2.50 to <10.00	305	4.2%	36	38.2%	1.1	312	102.3%
	10.00 to <100.00	24	15.2%	7	36.8%	1.3	40	166.7%
	100.00 (Default)		#REF!	#REF!				
Corporates (A-IRB) - Sub total		10 407	0.6%	436	37.0%	2.2	5 438	52.3%
Retail (A-IRB)								
	0.00 to <0.15							
	0.15 to <0.25	2	0.2%	6	45.0%	0.0	0	0.0%
	0.25 to <0.50							
	0.50 to <0.75							
	0.75 to <2.50	3	1.7%	11	42.5%	0.0	2	66.7%
	2.50 to <10.00	419	4.8%	303	44.2%	0.0	279	66.6%
	10.00 to <100.00	0	13.6%	1	45.0%	0.0	0	104.5%
	100.00 (Default)							
Retail (A-IRB) - Sub total		424	0.0%	0	0.0%	0.0	0	66.3%
Total (all CCR relevant exposure classes)		**32 570**	**0.3%**	**1008**	**42.4%**	**2.4**	**11 250**	**34.5%**

REA under internal approach increased by SEK 0.2bn compared to Q2 2024.

Table 3.36: EU CCR5 - Composition of collateral for CCR exposures, CRR Article 439(e)

Collateral type	Collateral used in derivative transactions				Collateral used in SFTs			
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
SEKm	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic		12 090		4 041				
Cash – other currencies		9 497		17 129				
Domestic sovereign debt	1 623	626	1 623	4 989		34 437		40 072
Other sovereign debt	63	1 397						
Government agency debt								
Corporate bonds								
Equity securities	74		74			101		4
Other collateral	1 178	2 008	6 135	17		113 195		31 894
Total	**2 938**	**25 618**	**7 832**	**26 176**		**147 733**		**71 970**

The table presents the fair values of collateral (posted or received) used in CCR exposures related to derivative transactions and SFTs.

Table 3.37: EU CCR6 - Credit derivatives exposures, CRR Article 439(j)

SEKm	Protection bought	Protection sold
Notionals		
Single-name credit default swaps		
Index credit default swaps	27 913	24 984
Total return swaps		
Credit options		
Other credit derivatives		
Total notionals	27 913	24 984
Fair values		
Positive fair value (asset)		916
Negative fair value (liability)	-993	

Table 3.38: EU CCR7 - RWEA flow statements of CCR exposures under the IMM, CRR Article 438(h)

Swedbank AB does not have an approved internal model method (IMM) for measuring EAD of exposures subject to the CCR framework and therefore table EU CCR7 is not populated with any information.

Table 3.39: EU CCR8 - Exposures to CCPs, CRR Article 439(i)

SEKm	Exposure value	RWEA
Exposures to QCCPs (total)		679
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	4 089	216
(i) OTC derivatives	3 520	205
(ii) Exchange-traded derivatives		
(iii) SFTs	569	11
(iv) Netting sets where cross-product netting has been approved		
Segregated initial margin	7 770	
Non-segregated initial margin	8 980	196
Prefunded default fund contributions	770	266
Unfunded default fund contributions	770	
Exposures to non-QCCPs (total)		
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
(i) OTC derivatives		
(ii) Exchange-traded derivatives		
(iii) SFTs		
(iv) Netting sets where cross-product netting has been approved		
Segregated initial margin		
Non-segregated initial margin		
Prefunded default fund contributions		
Unfunded default fund contributions		

Exposure value for QCCPs decreased mainly due to lower EAD for OTC derivatives. REA decreased by SEK 0.1bn compared to Q2 2024.

EU-SECA – Qualitative disclosure requirements related to securitisation exposures, CRR Article 449(a-i)

Swedbank has not sponsored or originated any securitisation transactions and does not have any securitisation exposures in the trading book.

Swedbank's only securitisation exposure is an investment made in April 2022 in a senior securitisation position of a traditional non-STS securitisation, aimed at financing the renovation of multi-apartment buildings in Lithuania. SEC-SA approach is used to calculate REA for this transaction and amortised cost accounting methodology is used.

Table 3.40: EU SEC1 - Securitisation exposures in the non-trading book, CRR Article 449(j)

	Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
	Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
	STS		Non-STS			of which SRT		STS	Non-STS			STS	Non-STS		
SEKm		of which SRT		of which SRT											
Total exposures													**1 888**		
Retail (total)													1 888		
residential mortgage															
credit card															
other retail exposures													1 888		
re-securitisation															
Wholesale (total)															
loans to corporates															
commercial mortgage															
lease and receivables															
other wholesale															
re-securitisation															

In April 2022 Swedbank invested in a traditional securitisation financing the renovation of multi-apartment buildings in Lithuania.

Table 3.41: EU SEC2 - Securitisation exposures in the trading book, CRR Article 449(j)

Swedbank has no securitisation exposures in the trading book.

Table 3.42: EU SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor, CRR Article 449(k(i))

Swedbank has no sponsored or originated securitisation transactions.

Table 3.43: EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor, CRR Article 449(k(ii))

	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
SEKm	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW
Total exposures	**1 888**							**1 888**				**292**				**23**	
Traditional securitisation	1 888							1 888				292				23	
Securitisation	1 888							1 888				292				23	
Retail underlying	1 888							1 888				292				23	
Of which STS																	
Wholesale																	
Of which STS																	
Re-securitisation																	
Synthetic transactions																	
Securitisation																	
Retail underlying																	
Wholesale																	
Re-securitisation																	

Swedbank has invested SEK 1.9bn in a senior securitisation position. Swedbank's RWEA of the securitisation position was calculated using the SEC-SA approach and amounted to SEK 0.3bn.

Table 3.44: EU SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments, CRR Article 449(l)

Swedbank has not securitised any exposures.

4. Market risk

EU MRA - Qualitative disclosure requirements related to market risk, CRR Article 435(1) (a-d)

The majority of Swedbank's market risk is structural or strategic in nature and emerges within Group Treasury. Market risk also arises in the Trading book as a consequence of daily market-making and client facilitation activities. Swedbank's trading operations are managed within the business areas Corporates and Institutions and Baltic Banking primarily to fulfil the clients' transaction requirements in the financial markets.

Swedbank has established strategies and processes for the overall management of the market risks that emerge within the Trading and Banking book, with the ERM Policy as the starting point. The Market Risk Instruction, which originates from the ERM Policy is reviewed and adopted at least annually by the CEO. All internal regulations and processes are reviewed on a regular basis by Group Risk, internal and external auditors, and supervisors.

The Group's total risk-taking is governed by the risk appetites including risk limits decided by the Board, which limit the nature and size of market risk-taking. Only risk-taking units, i.e. units approved for risk-taking by the CEO, are permitted to take market risk. The Board's risk appetites, including the board limits, are implemented by the CEO through the risk limit framework. The risk limit framework can include limits as well as escalation triggers (ETs) and key risk indicators (KRIs) decided by the CEO. CEO limits are in turn allocated to the CFO for further allocation. To supplement limits allocated by the CEO, additional limits are set by executive management to avoid building risk concentrations. CFO limits are allocated to the Head of Corporates and Institutions, Head of Baltic Banking and the Head of Group Treasury, respectively. Limits are further allocated within respective business area or group function. Additional limits could be assigned to specific desks, subsidiaries or organisational units.

There are other units within the Group where arising banking book market risk, for various practical purposes, cannot efficiently be transferred in its entirety to Group Treasury. In these cases, the Head of Group Treasury can grant market risk mandates to such units in the form of administrative limits, ETs or KRIs.

Group Treasury, as well as Corporates and Institutions and Baltic Banking, monitor and manage their market risks within the given mandates and have the possibility to use different types of derivative contracts, mainly interest rate and cross currency swaps, foreign exchange forwards and swaps as well as forward rate agreements, to mitigate currency and interest rate risks. In those cases where hedge accounting is applied, the effectiveness of the hedge is continuously monitored by evaluating the changes in fair values or cash flows of the hedged item compared with the changes in fair values or cash flows of the hedging instrument.

New products have to be pre-approved in the New Product Approval Process (NPAP), where some of the key stakeholders besides the business are the risk, compliance, and finance organisations. The process is a way of ensuring, for example, that all positions in the trading book are tradable or can be hedged.

Group Risk performs limit monitoring, in-depth analysis, frequent stress testing and reporting of Swedbank's market risks. Internal reporting of market risk exposure and follow-up on limit usage is performed on a daily basis and delivered to various stakeholders, such as the risk-taking units and the senior management of Swedbank. Group Risk has established sound escalation principles for limit breaches in which the market risk-takers, as well as Swedbank's senior management, are informed of the incident as well as mitigation actions.

EU MRB - Qualitative disclosure requirements for institutions using the internal market risk models, CRR 455(a,b,c,f)

Measurement of market risk at Swedbank is performed using a variety of risk measures, both statistical such as various Value-at-Risk (VaR) as well as non-statistical measures. In the trading book, VaR and Stressed VaR (SVaR) are used for the daily risk measurement as well as for calculating regulatory capital. In the banking book, VaR and sensitivities are used for risk monitoring in addition to a historical simulation that is used for calculating Economic Capital. Non-statistical measures such as sensitivity analyses and stress tests are important complementary measures that provide a better understanding of specific market risk factors or possible tail scenarios. Materiality is considered when analysing and measuring the risks, paying extra attention to the largest exposures. New products have to be pre-approved by Group Risk in the NPAP to ensure that all risk factors associated with the new product are identified and can be managed in the risk measurement. The use of products that contain fundamentally new market risk characteristics, such as new asset classes, requires explicit approval by the CEO. The risk system is subject to a continuous maintenance process and a yearly validation process to ensure that a relevant set of risk factors is being used as the nature and volume of trades may vary over time.

VaR and SVaR

Swedbank's VaR model (using Monte Carlo simulations and a 99 per cent confidence level over a one-day time horizon) is a useful tool for comparing risk levels across different asset classes such as interest rate, credit spread, foreign exchange or equity; and thus, gives insight into each asset class as well as into their relative risk levels. VaR does not include strategic currency risk, since a VaR measure on a one-day time horizon is not relevant for positions which are meant to be held strategically for longer periods of time. VaR does, however, include positions that are designated as “Held to maturity” or are in a hedging relationship (“Hedge accounting”) and therefore have no direct impact on Swedbank’s net gains and losses on financial items at fair value.

Estimates of the parameters included in the VaR model are updated on a daily basis. Both absolute and relative returns are used when simulating potential movements in risk factors. A full revaluation approach is used for both VaR and SVaR, with a few exceptions such as structured equity products and interest rate products in the Baltic subsidiaries, for which the valuation is based on approximations. Since VaR is premised on model assumptions, Swedbank conducts daily backtesting to assess the accuracy and relevance of the model. Swedbank has an approval to partially use an Internal Models Approach (IMA) when calculating regulatory capital requirements regarding market risk for Swedbank CS and Swedbank AB.

The approval is based on VaR and SVaR models. For both Swedbank CS and Swedbank AB, the approval covers general interest rate risk, general equity risk, specific equity risk and currency risk in the trading book for the Swedish operations. For Swedbank CS, the approval also covers general interest rate risk and currency risk in the trading book for the Baltic subsidiaries. The IMA VaR and SVaR models differ from the VaR and SVaR models used for internal risk management purposes as they do not include credit spread risk. The SVaR model uses market data from the one-year period covering early 2008 to 2009, a period deemed to be of significant stress. The VaR model uses market data from one year back, with unweighted returns, but can use a shorter time period than one year in times of significant upsurge in price volatility. The 10-day VaR is determined by scaling one-day VaR by the square root of 10. The same methodology applies when calculating the 10-day SVaR.

In addition to the Monte Carlo-based VaR and SVaR models, Swedbank also runs historical VaR, and other variants such as exponential VaR and expected shortfall, for further complementary monitoring and analysis.

Sensitivity analysis

Swedbank uses various sensitivity measures in order to grasp each portfolio’s sensitivity to changes in one or more market risk factors. For example, measures used for interest rate sensitivities may include one basis point shifts along various parts of the curve to capture basis risk or a 100 basis point parallel shift of the full curve which attempts to capture convexity effects. Another example is an FX risk matrix which shows each foreign currency’s sensitivity to changes in both price and volatility. Together, these sensitivity measures provide important information to risk analysts who monitor changes, trends and anomalies. These measures also form the building blocks of important risk limits that guide Swedbank’s trading activities and banking operations.

Stress tests

Several stress tests are performed and reported to various stakeholders on a daily basis. The various statistical and sensitivity measures described above have known shortfalls and limitations. For example, the VaR model inputs are based on market data from the past year which might not include stressed market conditions, i.e. VaR figures may not capture hypothetical extreme market movements. Moreover, the VaR model does not accurately capture correlation breakdown during extreme financial market stress. Additionally, sensitivity measures only show general sensitivity to movements but provide no historical context for the figures. To address these limitations, Swedbank has a comprehensive set of stress tests which are broadly categorised into scenarios: (i) historical, (ii) hypothetical, and (iii) method and model. The stress tests (and the scenarios on which they are based) are meant to cover significant movements in market risk factors and to highlight mismatches in open positions that might cause large-scale losses.

Historical stress tests attempt to capture various effects on the current portfolio using past market data from periods of particular stress. In effect, these tests present the possible losses to the current portfolio if history were to repeat itself. The set of historical scenarios and relevant market data goes as far back as 30 years. It covers financial and non-financial events.

Hypothetical stress tests attempt to quantify the change in portfolio value that would result from hypothetical and extreme shifts in risk factors. These tests include standardised single or cross-asset tests with large but possible shifts that are historically informed. Other forward-looking tests can include more customised tests which may be run on an ad-hoc basis, or the EBA stress test performed every second year. Some customised tests may be more routinely established, such as the reverse stress tests.

Method and model stress tests measure how statistical measures (such as VaR and Expected Shortfall) respond to changes in assumptions, parameters and market conditions. The purpose is partly to capture the uncertainty in reported risk figures due to assumptions and parameter estimations, and partly to capture how dependent the reported risk figures are on current market conditions (such as interest rate levels and risk factor covariance).

Table 4.1: EU MR1 - Market risk under the standardised approach, CRR Article 445

SEKm	RWEAs
Outright products	
Interest rate risk (general and specific)	3 467
Equity risk (general and specific)	36
Foreign exchange risk	1 005
Commodity risk	
Options	
Simplified approach	
Delta-plus method	
Scenario approach	
Securitisation (specific risk)	
Total	**4 508**

Table 4.2: EU MR2-A - Market risk under the internal Model Approach (IMA), CRR Article 455(e)

SEKm		RWEAs	Own funds requirements
1	**VaR** (higher of values a and b)	2 223	178
(a)	Previous day's VaR (VaRt-1)		54
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		178
2	**SVaR** (higher of values a and b)	6 751	540
(a)	Latest available SVaR (SVaRt-1))		157
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		540
3	**IRC** (higher of values a and b)		
(a)	Most recent IRC measure		
(b)	12 weeks average IRC measure		
4	**Comprehensive risk measure** (higher of values a, b and c)		
(a)	Most recent risk measure of comprehensive risk measure		
(b)	12 weeks average of comprehensive risk measure		
(c)	Comprehensive risk measure Floor		
5	Other		
6	**Total**	**8 974**	**718**

Table 4.3: EU MR2-B - RWEA flow statements of market risk exposures under the IMA, CRR Article 438(h)

SEKm	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWEAs	Total own funds requirements
RWEAs at previous period end	**2 954**	**7 139**				**10 093**	**807**
Regulatory adjustment	2 018	4 674				6 692	535
RWEAs at the previous quarter-end (end of the day)	936	2 465				3 401	272
Movement in risk levels	-259	-505				-764	-61
Model updates/changes							
Methodology and policy							
Acquisitions and disposals							
Foreign exchange movements							
Other							
RWEAs at the end of the disclosure period (end of the day)	677	1 960				2 637	211
Regulatory adjustment	1 546	4 791				6 337	507
RWEAs at the end of the disclosure period	**2 223**	**6 751**				**8 974**	**718**

Table 4.4: EU MR3 - IMA values for trading portfolios, CRR Article 455(d)

SEKm	
VaR (10 day 99%)	
Maximum value	89
Average value	68
Minimum value	45
Period end	54
SVaR (10 day 99%)	
Maximum value	240
Average value	179
Minimum value	135
Period end	157
IRC (99.9%)	
Maximum value	
Average value	
Minimum value	
Period end	
Comprehensive risk measure (99.9%)	
Maximum value	
Average value	
Minimum value	
Period end	

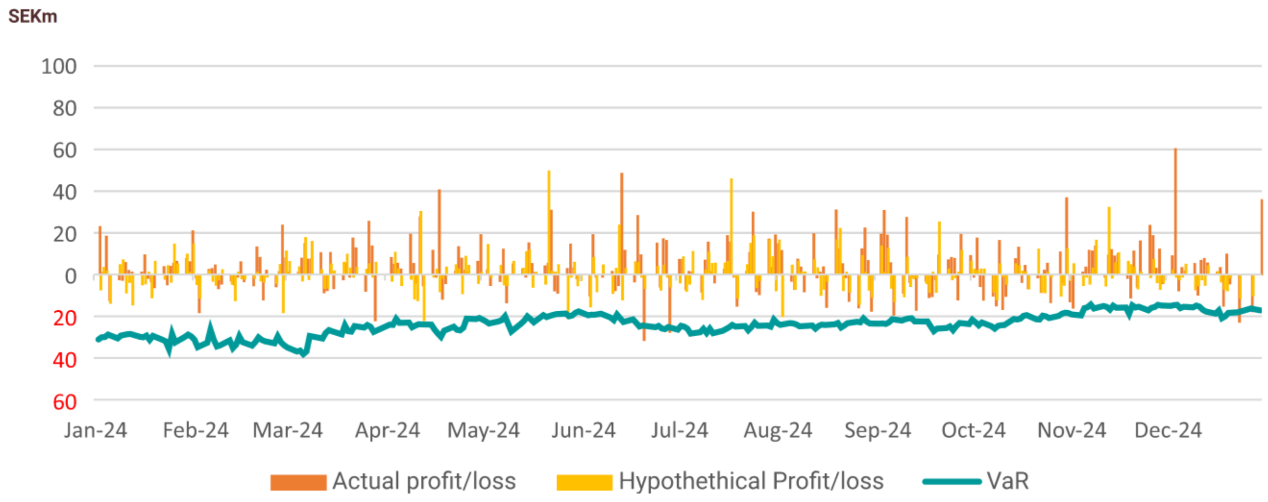
Capital requirements for market risk may be based either on a standardised model or on an internal VaR model (IMA).

As of Q4 2024 Swedbank REA for market risk, based on calculations according to the standardised approach, was SEK 4.5bn (SEK 7.2bn in Q2 2024). The decrease was primarily due to specific interest rate risk in the Trading book which decreased by SEK 3.0bn, which was primarily attributable to decreased positions in Swedish institutions' debt instruments. The decrease was offset by foreign exchange risk in the Banking book which increased by SEK 0.2bn, which was primarily due to increased exposure towards EUR.

As of Q4 2024, the REA for Swedbank's market risk based on calculations according to the IMA, was SEK 9.0bn (SEK 10.1bn in Q3 2024). The decrease was mainly due to decreased interest rate risk.

Table 4.5: (chart): EU MR4 - Comparison of VaR estimates with gains/losses, CRR Article 455(g)

Backtesting
Swedbank conducts both actual and hypothetical backtesting. Actual backtesting uses the trading operations' actual daily results, cleaned from commissions and fees. The hypothetical backtesting uses close-of-business positions and revalues the portfolio with the latest market data to obtain a hypothetical result. The actual, as well as the hypothetical result, is then compared with VaR to ensure the validity of the IMA VaR model. If actual or hypothetical losses exceed the calculated value at risk estimated losses, it is considered an "exception". Backtesting exceptions impact the IMA REA. Given the confidence level of 99 per cent, this would statistically imply 2-3 exceptions per year. Swedbank had one exception in the hypothetical backtesting and four in the actual backtesting in the last 12 months. The backtesting exceptions were mainly related to interest rate risk movements.



EU IRRBBA - Qualitative information on interest rate risk of non-trading book activities, CRR Article 448

In Swedbank, the IRRBB is defined as the risk to economic value, earnings and capital arising from adverse movements in interest rates that affect the bank's banking book positions.

When it comes to the management of the IRRBB, different management layers and independent committees are established to monitor and control the IRRBB with the ultimate responsibility residing with the Board. A three lines of defence model with different authorities and responsibilities is adopted to manage the risk, subject to a well-defined structure of risk appetite and limits. The risk appetite and limits are reviewed at least on an annual basis while ad hoc updates are made when deemed necessary.

The interest rate risk in the banking book is transferred, via a Funds Transfer Pricing mechanism, from business units to Group Treasury where it is centrally managed. Interest rate swaps are the main hedging instruments used to mitigate the interest rate risk, while future and forward contracts may also be considered. Risk identification, measurement, monitoring, and control are always performed from both economic value and earnings perspectives. Stress testing and reverse stress testing are periodically performed to explore possible adverse impacts on the bank's economic value and earnings and to identify potential vulnerabilities.

Swedbank uses various sensitivity measures that are calculated daily in order to assess each portfolio's sensitivity to changes in one or more interest rate risk factors. For example, measures used for interest rate sensitivities may include one basis point shifts along various parts of the curve to capture convexity effects, and also 100 basis point parallel shift which attempts to capture general interest-rate risk. Additionally, supervisory outlier test scenarios are calculated in accordance with the prescribed methodology, along with different stress test scenarios.

There is also behavioural modelling of non-maturity deposits included in the calculation of the different sensitivity measures. For the modelled non-maturity deposits the average repricing maturity assigned to the core part is 2.7 years while the average and longest repricing maturity including all non-maturity deposits is 0.8 and 15 years, respectively.

Net Interest Income risk (as disclosed in Table 4.6: EU IRRBB1 - Interest rate risks of non-trading book activities, CRR Article 448) estimates sensitivity of the net interest income following a sudden shift in interest rates over a 12-months horizon. The estimation is made under the assumption of a constant balance sheet. The model uses forward rates, the modelling of non-maturing deposits as well as instrument-specific behavioural assumptions on loans and deposits. Aside from the modelling of non-maturing deposits, one of the most material assumptions is floor assumptions on loans and deposits, as these constitute the largest parts of the bank's balance sheet. To formulate its hedging strategy Swedbank considers its current interest rate risk profile, from both economic value and earnings perspectives, the anticipated balance sheet developments, and their impact on interest rate risk metrics along with the economic and market developments. Swedbank also balances the potential impacts of the hedging on the risk metrics along with the execution costs and the potential income implications. Interest rate swaps (IRS) are primarily employed for mitigating interest rate risk arising from funding instruments but also for mitigating interest rate risk arising from a portfolio of fixed rate mortgage lending.

To mitigate profit or loss volatility arising from fair value changes in derivatives used to hedge interest rate risk in the banking book, Swedbank has elected to apply hedge accounting. For fair value hedges of interest rate risk related to portfolios of financial assets (e.g. fixed rate mortgages) and liabilities (e.g. non-maturing deposits), Swedbank follows the hedge accounting requirements of IAS 39. For fair value hedges of interest rate risk associated to financial instruments held at amortized cost (e.g. issued debt) Swedbank follows the IFRS9 requirements.

The IRS currencies depend on the currency of the hedged exposure and the market conditions. The IRS used for interest rate risk hedging, except for basis swaps, are cleared through CCPs and in this way the counterparty credit risk is eliminated.

Table 4.6: EU IRRBB1 - Interest rate risks of non-trading book activities, CRR Article 448

Supervisory shock scenarios	Changes of the economic value of equity		Changes of the net interest income	
SEKm	**Current period**	**Last period**	**Current period**	**Last period**
Parallel up	3 271	-2 217	1 429	1 022
Parallel down	-4 969	1 868	-9 875	-6 051
Steepener	1 767	-893		
Flattener	-1 838	-1 001		
Short rates up	185	-2 039		
Short rates down	-827	-1 256		

5. Liquidity risk

EU LIQA – Liquidity risk management, CRR article 435 (1), 451a (4)

Strategies and processes in liquidity risk management
The liquidity risk that is acceptable for achieving the strategic goals of the Group, risk appetite, is defined by the Board. The risk appetite comprises of both qualitative risk appetite statements and board limits. The Group has a low appetite for liquidity risk to ensure that the Group always should be able to continue to serve its customers and therefore maintains resilience towards both short-term and long-term liquidity stress without relying on forced asset sales or other business disrupting activities.

For the purpose of ensuring that liquidity risk stays within the risk appetite, and ultimately for supporting the Group's strategic goals, the maintenance of a liquidity-generating capacity, together with funding planning and risk identification, are key processes within Swedbank's liquidity risk management.

The liquidity-generating capacity comprises two components. First, the Group's liquid assets, which comprise the liquidity reserve, i.e., liquid assets under the direct control of Group Treasury, as well as eligible unencumbered assets held elsewhere in the Group. Second, over-collateralisation in the cover pool, which also represents liquidity-generating capacity as it can be used to issue covered bonds.

The inclusion criteria for liquid assets correspond to the definition of High-Quality Liquid Assets (HQLA) in the delegated regulation on the Liquidity Coverage Ratio (LCR). The size and currency distribution of the reserve is determined by the maturity structure and composition of asset and liabilities and internal and external requirements, e.g., risk appetite, limits, and regulations applicable for Group and its subsidiaries.

Swedbank's funding strategy is based on three objectives: diversification, commitment, and proactivity. Funding shall be diversified based on long-term and short-term debt, different products, the maturity profile, geographies, and the currency distribution. Commitment is shown by maintaining a regular presence in the chosen markets and by providing liquidity. In order to be proactive in funding decisions, the Group monitors market developments and trends in the capital markets, including regulatory requirements, accounting changes and demands from rating agencies and investors. The funding strategy supports liquidity risk management, as it aims to ensure reliable access to funding markets.

The Group's funding strategy forms the basis for a more granular and tactical funding plan for issuance of debt where planned actions and activities are outlined. The funding plan spans a three-years period and is revised at least yearly, or when deemed appropriate due to changes in internal or external circumstances.

Liquidity risk identification is mainly managed through the Risk Identification Process, which is an annual process where liquidity risk topics are discussed. As part of this, a gross risk inventory is established and maintained. Liquidity risk factors stemming from on- and off-balance sheet items are well known and covered by the risk inventory.

Structure and organisation of the liquidity risk management function
Group Risk is responsible for ensuring that liquidity risks are identified and properly managed by Group Treasury and for this purpose have the responsibility to develop and maintain internal Group-wide methods for liquidity risk measurement and a limit framework. Group Risk is responsible for governance and strategies within the area of liquidity risk control and provides independent review of liquidity risk management. The division of responsibilities between Group Treasury and Group Risk with respect to liquidity risk management and control are regulated by internal policies.

The Baltic subsidiary banks have separate risk functions. The Baltic subsidiary banks' risk functions are responsible for ensuring that liquidity risks are identified and properly managed by Treasury function in subsidiaries and for governance and strategies within the area of liquidity risk control. Local liquidity risk control operate within governance and strategies set on Group level.

Centralisation of liquidity management and interaction between the Group's units
Swedbank Group employs a centralised liquidity management, in the sense that regardless of where the liquidity reserve is located, Group Treasury is responsible for monitoring and coordinating the management of the reserve in different legal entities. Regulatory or other reasons are taken into account in the allocation of liquidity, why parts of the liquidity reserve may be held by different legal entities within the Group when deemed necessary.

Besides the central Group Treasury function, Treasury functions in subsidiaries are established with responsibilities for local liquidity management. Due to the centralised approach, the Group Treasury function operates in close collaboration with the subsidiaries.

Scope and nature of liquidity risk reporting and measurement systems
The liquidity position is regularly reported to the management body through a range of channels. The monthly reports by the CFO and CRO target different committees and are reported to the Board. The scope covers the key liquidity metrics, including point in time outcomes, historical comparisons and forward-looking perspectives. In addition, the ILAAP and the Risk Management and Capital Adequacy reports are well anchored throughout the management lines and is ultimately targeting the Board. Besides the internal risk

reporting, external reporting is made to supervisors and other stakeholders.

The liquidity systems provide information required in supporting the liquidity risk management processes and cater for measurement of key external and internal liquidity metrics as well as for data for analysis. The system solutions source relevant information and logic for generating cash flows and for structuring and compiling the data in accordance with common rules.

Mitigating liquidity risk
Internal rules and a risk limit framework aim to ensure that risks stay within appetite. The limits are decided by the CEO and allocated to the relevant executive management (the CFO in the case of liquidity risk). Executive management then allocates the limit to the risk-owner, which in the case of liquidity risk is the head of Group Treasury. Executive management may also impose limits in addition to the ones decided by the CEO.

Through the risk limit framework, the risk appetite determines minimums for the earlier described liquidity-generating capacity.

The risk appetite is limited by the regulatory metrics Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), and by survival periods, as measured by the internal survival horizon metric. The liquidity positions as captured by the limiting metrics are monitored daily.

The Survival horizon metric is central in the management of liquidity. The survival period in the survival horizon answer to the question: "for how many days would the bank survive assuming liquidity was under severe pressure?". In addition to estimating the survival period itself, the liquidity position is evaluated at certain key horizons.

The survival period is determined by the liquidity-generating capacity and the scenario-determined projected stressed cash flows. The projected cash flows cause the liquidity position to either increase or decrease over the scenario horizon. The survival period is defined as the number of consecutive days for which the liquidity position is non-negative. Cash flows are projected using stressed assumptions, meaning for instance that wholesale funding is not, or is only partially, rolled over. Other key assumptions are that significant deposit withdrawals occur, and a severe decline in house prices.

Business continuity
Swedbank maintains Business Continuity Plans (BCPs) to manage liquidity disruptions and incidents. The BCPs specify the situations under which Group Treasury's Crisis Management Team would be activated, and the range of actions that then may be taken to restore the situation.

A primary objective of the BCP for liquidity is to ensure that action is taken in an early phase, avoiding activation of the Recovery Plan. To this end, Group Treasury maintains limits and targets for Recovery indicators set above their Recovery trigger levels.

Should the situation nevertheless become more severe, the CEO summons the Recovery Committee, and more far-reaching recovery options become available.

There is also a BCP dedicated to intraday liquidity management which covers routines activated in the event of disruptions to critical IT systems used in the intraday liquidity management process, and in the event of an intraday liquidity crisis. BCPs are also established in the Baltic subsidiaries.

Stress testing
The risk appetite for liquidity risk is the range of adverse scenarios the bank shall have a capacity to withstand. The lower the risk appetite, the more adverse a scenario the bank must be able to manage.

In stress testing, scenarios that are more severe than envisioned in the risk appetite are imposed. The liquidity position in those severely adverse scenarios is compared to the board limits. The assessment is an attempt to answer the question – "given the current risk appetite, how would Swedbank fare if the materialised stress was significantly more severe than envisioned in the metrics used for daily liquidity steering?".

The stress test also assesses whether and when recovery triggers and/or regulatory requirements are breached for metrics such as the Survival horizon, LCR and NSFR.

In addition to the annual ILAAP stress test, quarterly stress tests (using the ILAAP scenario) and sensitivity analyses are conducted to continually attempt to identify weaknesses.

Risk declaration
Swedbank has, through its established risk management processes and governance framework, adequate arrangements for liquidity risk management and for maintaining the low risk appetite.

Risk statement
Risk appetite is the level of liquidity risk that is acceptable for achieving the strategic goals of the Group. The Group has a low risk appetite for liquidity risk to ensure that the Group always can continue to serve its customers and shall therefore maintain resilience towards both short-term and long-term liquidity stress without relying on forced-asset sales or other business disrupting activities.

For the purpose of ensuring that liquidity risk stays within the risk appetite, and ultimately for supporting the Group's strategic goals, the maintenance of a liquidity-generating capacity, together with funding planning and risk identification, are central processes within Swedbank's liquidity risk management.

Throughout 2024 Swedbank's liquidity position was strong with all key metrics remaining well above internal and regulatory requirements.

Table 5.1: EU LIQ1 - Quantitative information of LCR, CRR Article 451a(2)

Quarter ending on SEKm	Total unweighted value (average)[1]				Total weighted value (average)[1]			
	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA)					692 476	679 483	676 585	691 200
CASH - OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	888 142	879 738	877 185	876 700	58 165	57 595	57 367	57 256
Stable deposits	659 413	653 547	652 568	653 449	32 971	32 677	32 628	32 672
Less stable deposits	228 729	226 192	224 616	223 251	25 194	24 917	24 739	24 584
Unsecured wholesale funding	547 507	549 643	561 116	582 839	323 683	327 473	338 189	356 131
Operational deposits (all counterparties) and deposits in networks of cooperative banks	306 760	305 005	306 787	312 495	116 006	116 201	117 951	120 557
Non-operational deposits (all counterparties)	180 249	183 703	192 205	201 848	147 178	150 338	158 115	167 078
Unsecured debt	60 498	60 935	62 123	68 496	60 498	60 935	62 123	68 496
Secured wholesale funding					3 370	3 460	3 466	4 249
Additional requirements	366 836	365 197	364 714	364 243	78 407	79 818	79 179	78 967
Outflows related to derivative exposures and other collateral requirements	49 426	50 760	49 267	47 768	45 874	47 616	46 966	46 828
Outflows related to loss of funding on debt products								
Credit and liquidity facilities	317 411	314 437	315 447	316 475	32 533	32 202	32 213	32 139
Other contractual funding obligations	12 445	12 501	12 569	12 752	2 406	2 304	2 426	2 861
Other contingent funding obligations	43 529	43 687	44 402	44 686	1 273	715	178	
TOTAL CASH OUTFLOWS					467 304	471 365	480 805	499 465
CASH - INFLOWS								
Secured lending (e.g. reverse repos)	117 008	113 753	107 804	99 585	16 385	14 923	13 390	12 309
Inflows from fully performing exposures	37 665	39 990	40 407	40 615	28 021	29 789	30 228	30 590
Other cash inflows	11 774	13 000	13 213	15 659	11 774	13 000	13 213	15 659
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
(Excess inflows from a related specialised credit institution)								
TOTAL CASH INFLOWS	166 447	166 743	161 424	155 859	56 180	57 712	56 832	58 558
Fully exempt inflows								
Inflows subject to 90% cap								
Inflows subject to 75% cap	166 447	166 743	161 424	155 859	56 180	57 712	56 832	58 558
TOTAL ADJUSTED VALUE								
Liquidity buffer					692 476	679 483	676 585	691 200
Total net cash outflows					411 124	413 654	423 974	440 907
Liquidity coverage ratio (LCR)					170%	165%	161%	158%

1) The liquidity coverage ratio (LCR) has been recalculated and figures prior to 2024 have been adjusted.

EU LIQB on qualitative information on LCR, which complements template EU LIQ1, CRR article 451a(2)

The average LCR (liquidity buffer divided by total net cash outflows over the next 30 calendar days) increased, mainly due to an increase in liquidity reserve and a decrease in cash outflows.

Swedbank's funding is diversified. Low level of concentration is maintained by the large and broad base of depositors, and by wholesale funding that is diversified across investors, instrument types and currencies.

Swedbank's liquid assets consist to a large extent of central bank assets. Residual assets of size in the reserve are government bonds and extremely high quality covered bonds. A minor part is also held in Level 2 assets. For assessing potential additional outflows from derivatives and other collateral requirements, the historical look-back approach is used, together with estimated effects from eventual rating downgrades.

Swedbank is required to comply with LCR requirements for significant currencies and actively manages currency mismatches.

There are no other material items in Swedbank's LCR that are not captured in the disclosure template.

Table 5.2: EU LIQ2 – Net Stable Funding Ratio, CRR Article 451a(3)

SEKm	Unweighted value by residual maturity				Weighted value
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items					
Capital items and instruments	**211 492**			**18 765**	**230 257**
Own funds	211 492			18 765	230 257
Other capital instruments					
Retail deposits		912 975			855 441
Stable deposits		675 277			641 513
Less stable deposits		237 698			213 929
Wholesale funding:		744 411	99 900	494 496	708 803
Operational deposits		205 588			102 794
Other wholesale funding		538 823	99 900	494 496	606 009
Interdependent liabilities					
Other liabilities:	**156**	**85 566**		**1 241**	**1 241**
NSFR derivative liabilities	156				
All other liabilities and capital instruments not included in the above categories		85 566		1241	1241
Total available stable funding (ASF)					**1 795 743**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					**5 565**
Assets encumbered for more than 12m in cover pool				**292 613**	**248 721**
Deposits held at other financial institutions for operational purposes					
Performing loans and securities:		**218 707**	**82 021**	**1 356 245**	**1 068 544**
Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		12 522			
Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		101 645	7 678	18 732	28 086
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		90 106	63 005	385 338	402 551
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		94	312	7 713	5 216
Performing residential mortgages, of which:		11 923	10 323	934 418	621 296
With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		10 171	9 050	920 411	607 878
Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		2 511	1 015	17 756	16 611
Interdependent assets					
Other assets:		**44 874**		**70 809**	**75 776**
Physical traded commodities					
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				15 863	13 483
NSFR derivative assets					
NSFR derivative liabilities before deduction of variation margin		25 738			1 287
All other assets not included in the above categories		**19 135**		**54 947**	**61 005**
Off-balance sheet items		**77 102**	**32 676**	**255 561**	**20 255**
Total RSF					**1 418 861**
Net Stable Funding Ratio (%)					**127%**

The Net Stable Funding Ratio (NSFR) has increased slightly during 2024, from 124% to 127%. The main driver behind this change has been a slight increase in the Available Stable Funding (ASF), mainly due to an increase in own capital and deposits and a smaller increase in Required Stable Funding (RSF), mainly due to an increase in mortgage loans.

The ASF is mostly composed of funding from deposits and long-term issued debt.

The RSF is mostly composed of funding needed to give out residential mortgage loans and loans to non-financial corporate clients. It is relevant to note that there is a slight interdependence between residential mortgage loans and long-term issued debt in the form of covered bonds. When a covered bond is issued, more stable funding is made available in the category wholesale funding. However, this also encumbers a corresponding volume of residential mortgage loans that then receive a slightly higher factor weight which in turn increases the required funding.

Table 5.3: EU AE1 - Encumbered and unencumbered assets, CRR Article 443

SEKm	Carrying amount of encumbered assets	of which notionally elligible EHQLA and HQLA	Fair value of encumbered assets	of which notionally elligible EHQLA and HQLA	Carrying amount of unencumbered assets	of which EHQLA and HQLA	Fair value of unencumbered assets	of which EHQLA and HQLA
Assets of the disclosing institution	**455 454**	**46 067**			**2 212 518**	**578 805**		
Equity instruments					17 425		17 425	
Debt securities	46 067	46 067	46 442	46 442	258 295	248 290	258 808	248 756
of which: covered bonds	26 052	26 052	26 352	26 352	31 890	31 723	32 192	32 024
of which: securitisations								
of which: issued by general governments	16 024	16 024	16 135	16 135	19 028	19 028	19 168	19 168
of which: issued by financial corporations	26 779	26 779	27 081	27 081	49 774	41 111	50 215	41 474
of which: issued by non-financial corporations					3 438	471	3 455	475
Other assets	414 254				1 937 957	319 574		

Table 5.4: EU AE2 - Collateral received and own debt securities issued, CRR Article 443

SEKm	Fair value of encumbered collateral received or own debt securities issued	of which notionally elligible EHQLA and HQLA	Unencumbered: Fair value of collateral received or own debt securities issued available for encumbrance	of which EHQLA and HQLA
Collateral received by the disclosing institution	26 716	26 716	97 533	80 630
Loans on demand				
Equity instruments			1 685	
Debt securities	26 716	26 716	83 922	80 630
of which: covered bonds	9 144	9 144	71 328	68 437
of which: securitisations				
of which: issued by general governments	17 194	17 194	5 845	5 845
of which: issued by financial corporations	10 325	10 325	76 599	73 838
of which: issued by non-financial corporations			399	
Loans and advances other than loans on demand			16 328	
Other collateral received			600	
Own debt securities issued other than own covered bonds or asset-backed securities				
Own covered bonds and securitisations issued and not yet pledged			5 420	
TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	482 170	72 783		

Table 5.5: EU AE3 - Sources of encumbrance, CRR Article 443

SEKm	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	461 070	463 402

EU AE4 – Accompanying narrative information, CRR article 443

A large share of Swedbank's assets is unencumbered, as can be seen in table 5.3. These assets provide flexibility and can be used if need would arise.

The main source of asset encumbrance is mortgages, which become encumbered when they are used as collateral when issuing covered bonds. Apart from these loans, assets are also encumbered as a natural consequence of derivative and repo transactions, with most of such encumbrance stemming from Swedbank AB. Unencumbered assets under "other assets" include assets not eligible for pledging in central banks such as intangible assets. See table 5.3 illustrating Swedbank's current and potential level of asset encumbrance

6. Operational risk

EU ORA Qualitative information on operational risk, CRR Article 435(1), 446, 454

Operational risks are inherent in all Swedbank's business activities. It is not cost-efficient to attempt to eliminate all operational risks, nor is it possible to do so. Swedbank seeks to maintain low operational risk exposure, taking into account market sentiment and regulations, as well as Swedbank's strategy, rating ambition and capacity to absorb operational risk losses. Larger losses of material significance are rare and Swedbank aims to reduce the likelihood of such losses through operational risk management and control, as well as continuity management to maintain readiness for events that could cause financial losses or reputational damage or could impact the availability of significant customer-facing services.

Operational risks are considered in business decisions and, as far as possible, in the pricing of products and services.

The Board has defined the overall aim and principles for identification, analysis and reporting, monitoring, and measurement of operational risk in the Policy on Enterprise Risk Management (ERM Policy), the Policy for Group Risk as well as in the Policy for Operational Risk which is supplemented and supported by additional directives, instructions, and guidelines.

Management of operational risk

Every business area, product area, group function, as well as the Swedbank branches and subsidiaries own the operational risks inherent in their operations. All managers throughout Swedbank have the responsibility for the continuous and active operational risk management as part of their first line risk management.

Business managers, in their capacity as first line of defence, own the risks within their respective areas of responsibility. They are responsible for ensuring that there are appropriate processes and internal control structures in place to secure operational risk identification, assessment, management, monitoring, and reporting. Business managers are also responsible for monitoring that operational risk exposures are being kept within the boundaries of operational risk appetite and in alignment with the operational risk management framework. Risk managers are embedded within the first line of defence and are dedicated to assist business managers in their day-to-day operational risk management to ensure an effective implementation of operational risk management and the internal control framework.

Group Operational Risk is an independent second line of defence function which is responsible for maintaining the Group Operational Risk management framework, setting minimum requirements in operational risk management, and uniform and Group-wide measurement and reporting of operational risk. At least annually or when major changes occur, Group Operational Risk reviews its operational risk taxonomy and significant risks to which the Group is exposed to. Reporting is done periodically and, when needed, to local management and the Risk and Capital Committee as well as the Board, CEO and Swedbank's executive management.

Swedbank's overall risk management framework integrates and includes Information and Communication Technology (ICT) risk management, which serves as purpose to ensure a high level of digital operational resilience. The ICT risk management parts of the framework include strategies, policies, procedures and tools that are necessary to protect all information assets and IT assets. The framework and reporting structures enable the Group to provide complete and updated information on ICT risk exposure.

Risk Assessment

The same methods to self-assess operational risks, such as risk assessments, are applied throughout the Group. These methods are used on a regular basis to cover among others all significant processes within the Group and include identification of significant risks, action planning and monitoring to manage any risks that may arise.

Scenario Analysis

The Group performs scenario analysis to identify and assess scenarios based on risks with a severe financial or non-financial impact and a low probability to materialise. Analysing these scenarios contribute to increased resilience and understanding of the key impacts from, and preparedness for, unusual risk events if they should potentially materialise, as well as identifying and mitigating existing control gaps.

New Product Approval Process

Swedbank has a Group-wide process for New Product Approval (NPAP) covering all new and materially altered products, services, markets, processes, models, and IT-systems as well as for major operational or organisational changes including outsourcing. The purpose is to ensure that the Group does not engage in activities containing unintended risks and that accepted risks are adequately managed and controlled when launching new or materially altered products or services. The process is designed to emphasise the responsibility and accountability of the business areas for continuous overview of initiated NPAPs and continuous risk identification, analysis, and mitigating actions. Group Risk and Group Compliance contribute with an independent evaluation of the risk analysis process and the residual risks, and both Group Risk and Group Compliance have the mandate to object to changes where risks exceed the risk appetite and the underlying limits.

Business Continuity and Crisis management

The principles for incident, continuity and crisis management are defined in a Group-level framework. Crisis Management teams are available both on a Group and on a local level to lead, direct and control the coordinated activities with regard to crisis. Business Continuity Management (BCM) includes continuity and recovery plans for critical processes within scope of BCM, IT-systems and essential services in Swedbank's operating countries. These plans, outline how Swedbank will maintain operations during severe business disruptions or potential crisis.

Process and control management

An internal regulation on managing processes and process control has been adopted. It includes a process universe, with information on process ownership for significant processes as support to operational risk management and risk control activities. Specific framework for internal controls over financial reporting is applied for the processes concerned.

Incident management

Swedbank works proactively to prevent and strengthen its resilience and ability to manage all types of incidents, such as IT disruptions, natural disasters, financial market disturbances, act of terrorism and pandemics, which may affect the Group's ability to provide services and offerings continually at an acceptable level. Swedbank has established routines and system support to facilitate reporting and following up on incidents. Each business area is responsible for reporting, analysing, and drafting action plans to ensure that underlying causes are identified, and suitable actions are taken. Incidents and operational risk losses are reported in a central database for further analysis.

ESG aspects within operational risk

The S (Social) and G (Governance) aspects of ESG are closely interlinked with operational risk. Swedbank identifies relevant ESG factors within the operational risk subtypes and assess their materiality. The material ESG factors are considered and handled within existing strategy and procedures related to operational risk subtypes, as well as within operational risk scenarios.

Insurance policies

Swedbank has insurance protection for significant parts of its operations and maintains several insurance programmes to mitigate operational risks (and other types of risks). These insurance programmes consist of external insurance solutions, internal captive solutions, and externally reinsured captive solutions. The external programmes include crime, professional liability, directors' and officers' liability, property insurance, and cyber insurance.

IT risk

Swedbank has a structured approach to manage IT risks. IT serves a vital role in Swedbank, enabling the bank and its subsidiaries to run their business operations in a cost efficient, secure, and scalable manner. Swedbank has well-documented and implemented processes and procedures that define how the Group operates, monitors and controls IT systems and services. Swedbank's Tech & Data Strategy outlines the technical capabilities needed to support its Group Strategic Direction and other core strategies. The strategy is based on Swedbank's low risk position and defined risk appetite and a stable foundation as prerequisites.

Information security risk

Swedbank has a structured approach to protect information. To strengthen these efforts, processes and routines are being constantly reviewed to improve and complement the bank's management system for information security. The management system is a tool to manage and coordinate the Group's long-term efforts in a structured and methodical way.

Swedbank's activities continue to be exposed to a risk of cyber-attacks, the nature of which is continually evolving. Digital developments, together with Swedbank's size and market share, make it a potential target for cybercrime. Information security is a high-priority area for Swedbank to ensure stable infrastructure, reliable digital performance and products and services to be available on demand. With increasing digitalisation, it is crucial to manage digital vulnerabilities, particularly related to new types of online and cloud services.

Third Party risk

All sourcing arrangements, including outsourcing and intra-group outsourcing, are associated with risks. Swedbank remains fully responsible and accountable for all outsourced processes, services, or activities. Standards on sourcing as well as outsourcing are defined to ensure that all arrangements are conducted in controlled manner and related risks are identified and adequately managed.

Legal risk

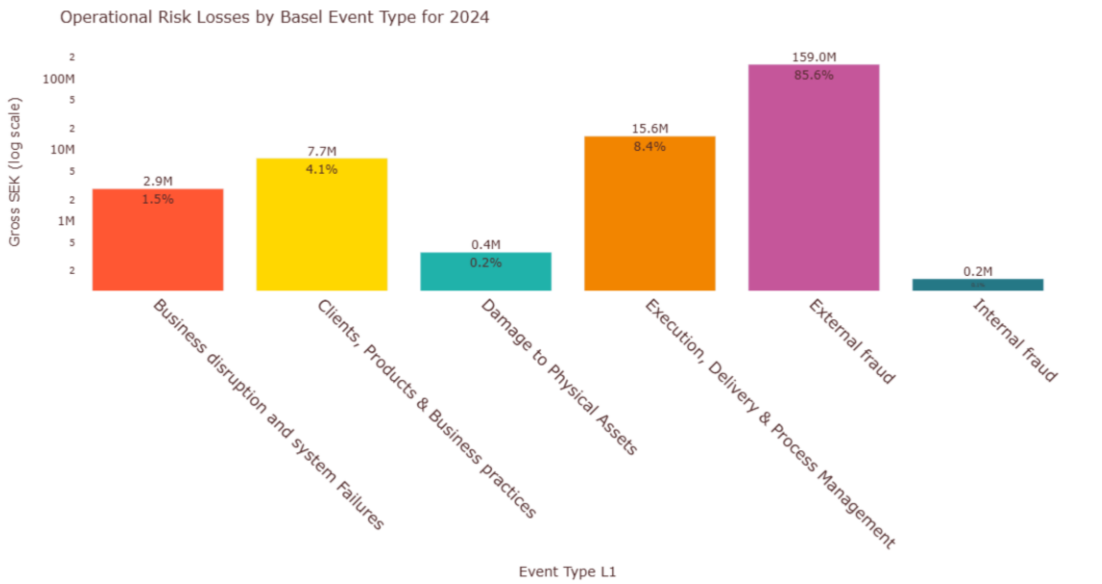
Swedbank has legal counsels dedicated to major business areas, group products and group functions with specialisation in core areas of Swedbank's operations. The legal counsels provide legal advice by supporting and acting upon the need of the concerned operations. There are also internal rules on escalation, information-sharing, and reporting of legal risks and lawsuits. Regular reviews are carried out to identify and follow-up on actual and/or potential legal risks, so that practices can be modified to ensure adherence with regulatory requirements.

Table 6.1: EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts, CRR Article 446,454

	Relevant indicator			Own fund requirements	Risk weighted exposure amount
SEKm	2022	2023	2024		
Banking activities subject to basic indicator approach (BIA)					
Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	53 614	74 415	75 240	8 961	112 018
Subject to TSA:	53 614	74 415	75 240		
Subject to ASA:					
Banking activities subject to advanced measurement approaches AMA					

Annual review of Operational Risk increased REA by SEK 15.9bn, due to the rolling three-year average of total income being higher this year compared to last year.

Figure 6.1: Operational risk losses during 2024 by Basel Event Types



During the year, total gross operational risk losses (before any recoveries) amounted to SEK 186m with most losses caused by External Fraud. Preventing fraud is essential to future proof Swedbank's business and maintain our position as a trusted and caring bank. During the year, Swedbank has continued to invest in fraud prevention capabilities and increased resources and system support to further strengthen Group' s three defence layers, prevent, detect, and respond.

Capital requirements for operational risk

Pillar 1 capital

Swedbank calculates operational risk capital requirements using the standardised approach. As such, the standardised approach assigns multipliers determined by the capital adequacy regulation (beta factors) expressing the capital requirement in relation to gross income for each business line. A new standardised method to calculate the operational risk capital requirements as a part of the amended CRR will be implemented on 1 January 2025.

7. Compliance risk

Compliance risk, CRR Article 431

Management of compliance risks

Group Compliance is responsible for providing assurance to the Board and CEO that the Group's Risk Management within the Compliance scope is in line with Swedbank´s risk appetite set by the Board. The Board has defined the overall aim and principles for identification, assessment, measuring, monitoring, managing and reporting risks in the ERM policy, the Policy for Group Compliance, the Group Policy on Financial Crime Risk, the Group Policy for Conduct Risk, the Group Policy on Conflict of Interests, Group Policy on Personal Account Dealing and the Code of Conduct. The policies are supplemented by additional internal regulations.

The first line of defence, the business, owns the compliance risks inherent in their operations. All managers throughout Swedbank have the responsibility for the active compliance risk management as part of their first line risk management.

Compliance processes

Core compliance processes have been established to cater for effective management of compliance risks across the Group.

Group Compliance has set up a risk-based planning process in order to identify material compliance risks and plan adequate control activities to address these risks. Coordination and information sharing with Group Risk and Group Internal Audit is an essential part of the process.

A key element for Group Compliance to promote sound and sustainable business, in line with the regulatory expectations on the Group, is to provide advice and support to the Board, the CEO and employees within the Group. The advice and support cover laws, statutes and other regulations applicable to the licensed operations.

Through in-depth testing, so called monitoring activities, Group Compliance assesses how the Group complies with applicable external and internal regulations.

The main purpose of the regulatory screening and control process is to support Swedbank to identify and take action on new or amended external regulations. In addition, the process provides support with the purpose to ensure that changes are implemented adequately and timely.

Through the process for interaction with regulators Swedbank achieves an oversight of supervisory matters and upholds high quality and consistent standards in its dialogues with the supervisory authorities overseeing the Group. The process also serves to provide an oversight of all material supervisory matters between the Group and its supervisors.

Mandatory compliance related trainings are essential to foster a good compliance culture and create awareness within the Group. Group Compliance regularly reviews and updates the trainings.

Management of regulatory compliance risk

Regulatory Compliance risk is the risk associated with risk of failure by the Group to fulfil and meet all external and internal regulations applicable to the Group's licensed operations. This risk may have a severe negative financial, reputational, legal or regulatory impact to the Group. Group Compliance is overall accountable for the aggregated monitoring, control, oversight and reporting of Regulatory Compliance Risk.

Management of conduct risk

Conduct risk emerges if Swedbank fails to act in accordance with customers' best interests, fair market practices, Data Protection legislation and the Code of Conduct. Group Compliance is responsible for standard setting obligations and oversight of the risks connected to Swedbank´s or the employees conduct as well as monitoring and evaluate risk mitigation. Swedbank continuously addresses risks related to the conduct of the Bank and its employees by emphasising the importance of adherence to the Code of Conduct, sound ethics and mitigating conflicts of interest.

Conflicts of interest

Swedbank has implemented conflicts of interest processes to identify, document and mitigate actual and potential conflicts of interest related to the organisation, executives, and key function holders.

Internal alerts (whistleblowing)

Swedbank's internal alerts process allows employees and other stakeholders (both internal and external) to report and raise concerns of potential or actual irregularities, violations of the Code of Conduct, internal rules, laws and regulations.

Management of financial crime risk

Group Compliance is responsible for standard setting obligations and risk oversight connected to the areas within financial crime risk, including the risk of money laundering, terrorist financing, sanctions violations, bribery and corruption and facilitation of client tax evasion.

The Group Financial Crime framework aims to ensure a clear financial crime risk strategy and risk appetite. Combined with a strong and coherent organisation and processes, it ultimately aims to ensure an effective overall financial crime risk management.

Risk assessments and risk-based approach

Through enterprise-wide risk assessments the Group identifies financial crime risks, and these shall set the foundation for routines, processes and measures in the Group to ensure that measures taken are commensurate with the risks that Swedbank is exposed to. Know-your-customer measures are performed risk-based and the minimum requirements are outlined in the Group framework. Swedbank performs risk-based transaction monitoring of its customer activities to detect suspicious activities, behaviours or transactions which could be related to money-laundering or terrorist financing.

Geopolitical tensions and organised crime continued to be main drivers for increased financial crime risks during 2024.

Financial sanctions screening

The Group takes a risk-based approach to financial sanctions screening in line with the established low risk appetite. Swedbank performs group-wide daily screening of all international payments, trade finance messages and the registers of new and existing customers, to ensure that Swedbank is not assisting with any transactions or retaining any business engagements that are subject to EU, UN and relevant US and/or UK sanctions.

Group Financial Crime Committee

The Group Specially Appointed Executive is the chair of the Group Financial Crime Committee, which has been established to ensure adequate and effective management of financial crime risks in the Group.

8. ESG risk

Qualitative information on Environmental, Social and Governance risk, CRR Article 449a

Strategy and business processes

Swedbank Strategic Direction
Sustainability, including the management of ESG risks, is an integrated part of Swedbank's long-term Strategic Direction as outlined by Swedbank's vision of "A financially sound and sustainable society". The vision subsequently cascades down into the strategy. The strategy is reviewed annually and assesses the external business environment, including for example customer demand and behaviour, the regulatory environment, and the macroeconomic environment.
Business activity and financial planning is the business process that defines ESG activities in the short- to mid-term, on Group-wide level, as well as in respective business areas and Group Functions. The planning related to ESG is supported across the bank by the centralised Group Sustainability function, to support the transformation journey across the bank and ensure cross-group coordination.

Climate targets for the lending portfolio
As part of the commitment to the Net-Zero Banking Alliance, Swedbank has committed to setting decarbonisation targets aiming to achieve net-zero emissions from own operations as well as from lending and investment activities by 2050 at the latest. Swedbank during 2022 adopted its first round of decarbonisation targets for the lending portfolio. The targets are in line with the global 1.5° C target and have been set for 2030 for the following sectors: mortgages, commercial real estate, oil & gas, power generation and steel. In May 2024, Swedbank adopted a new climate target for its shipping portfolio, aligned with the most ambitious decarbonisation pathway of the International Maritime Organization.
Swedbank has also set environmental targets for its own operations, including direct greenhouse gas (GHG) emissions and energy consumption.

Credit strategy, engagement policies and business processes
Swedbank has steering documents for sustainability consisting of policies, instructions, directives and guidelines that have their basis in the UN Global Compact's ten principles. Swedbank's policies include Policy on Diversity and Inclusion, Environmental Policy, Sustainability Policy and Policy on Human Rights. The Position statement on climate change restricts or sets out conditions for the engagement with companies with carbon-intensive activities, and states among others that the bank shall advocate that its counterparties adopt a climate strategy and climate goals aligned with the Paris Agreement.

To support ESG risk assessment, Swedbank has developed additional guidelines and supporting tools to enable better insight into the sustainability issues faced by different industries, and to provide guidance on elements that can be discussed with clients, suppliers and other business partners.

In the procurement process all suppliers must sign Swedbank´s Code of Conduct and undergo a Sustainability Assessment before entering a contract. All suppliers who do not accept Swedbank Code of Conduct are escalated to the Procurement Sustainability Committee.

Internal governance

As a risk type in Swedbank's Risk Taxonomy, ESG risk is integrated into the risk management process, with roles and responsibilities allocated in accordance with the three lines of defence concept.

To drive and coordinate specific group-wide efforts in the overall sustainability area, the Group Sustainability function has been established and is, inter alia, responsible for:

- Swedbank Sustainable Funding Framework (together with Group Treasury).
- Sustainability-related policies and position statements.
- A transformation plan centred on operationalising the sustainability aspects of the Strategic Direction and on stronger sustainability management.

Swedbank's sustainability statement is prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and the Annual Accounts Act, adjusted for the Corporate Sustainability Reporting Directive (CSRD).

Remuneration and Sustainability Committee
The Board of Directors' Remuneration and Sustainability Committee monitors and evaluates the Group's sustainability work and verifies that remuneration system in the bank generally conforms to effective risk management.

Swedbank Sustainability Committee
The Sustainability Committee manages sustainability-related matters on Group-wide level. The Sustainability Committee is led by the Head of Group Brand, Communication and Sustainability with a mandate from the CEO. The members include representatives at the management level from the bank's various business areas and Group Functions. The Chair of the Sustainability Committee issues recommendations and matters can also be escalated to the CEO.

Other committees
In each Baltic country, local Sustainability Committees are established following the same working principles and process as the Sustainability Committee at the Group-level. The Procurement Sustainability Committee handles procurement-related, escalated sustainability issues where the Head of Group Sustainability is also involved.

The Sustainable Bond Committee has been established as the decision-making body that approves the proposed loan’s eligibility as a green or social asset and thus the inclusion in Swedbank’s Sustainable Asset Register.

Risk management

ESG risk is a driver of other risk types in Swedbank’s Risk Taxonomy. It can materialise through one or several transmission channels, including the financial position of counterparties, real estate values, household wealth, operational failures, and employee or customer dissatisfaction. All risk types in the Risk Taxonomy are subject to an ESG risk relevance assessment with the purpose of determining if the development of ESG factors is likely to have a potential impact on the risk type. ESG factors are relevant for most risk types, and in particular for credit risk and operational risk.

Although all ESG factors may in principle drive risks, the emphasis is currently on environmental factors and in particular on climate change. Climate and environmental risks have distinctive characteristics demanding special considerations, including a potentially large impact, an uncertain and longer-term time horizon during which they could materialise, and the dependency on short-term action. Thus, despite some risks being more likely to materialise in the medium and long term, they require risk management today.

Swedbank has established methods to assess ESG risks through three key approaches: portfolio alignment, exposure assessment, and risk framework analysis. The portfolio alignment method measures financed emissions and sets climate targets; the exposure method uses an ESG analysis tool for evaluating corporate customers; and the risk framework method employs scenario analysis and stress testing to identify and manage potential risks.

ESG risk in the Internal Capital Adequacy Assessment Process (ICAAP)
In Swedbank’s simulated stressed ICAAP scenarios, it was postulated that strong, and to some extent disorderly, public policy actions to combat climate change can introduce stress on Swedbank’s loan assets. For base-line scenarios, climate risks are not expected to lead to such significant deterioration of credit quality to warrant increases in PD or LGD, but this is an area subject to further analysis and improvement of risk modelling within Swedbank.

Monitoring climate-related risks in the credit portfolio
Swedbank has implemented limits, escalation triggers (ETs) and Key Risk Indicators (KRIs) to monitor the lending exposure to portfolios where significant transition risk has been identified. The identification and materiality assessment has been made mainly through scenario analysis as part of Swedbank´s Double Materiality Assessment process.

Table 8.1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity, CRR Article 449a

Sector/subsector	Gross carrying amount (SEKm)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (SEKm)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<=5 years	>5 year <= 10 years	>10 year <= 20 years	>20 years	Average weighted maturity
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
Exposures towards sectors that highly contribute to climate change	554 165	12 044	5 547	68 304	3 675	-3 326	-1 612	-988	6 220 778	3 644 538	4.9%	367 107	25 899	32 553	128 614	7
A - Agriculture, forestry and fishing	15 301			2 411	102	-162	-66	-18	642 162	138 197	0.9%	13 036	1 054	163	1 049	1
B - Mining and quarrying	688	100		188	107	-83	-8	-73	41 474	15 870	2.4%	628	58	0	1	1
B.05 - Mining of coal and lignite																
B.06 - Extraction of crude petroleum and natural gas																
B.07 - Mining of metal ores	56					0			1 268	463	27.0%	55			1	3
B.08 - Other mining and quarrying	298			59	3	-2	0	-1	14 753	6 124	0.6%	240	58	0	0	2
B.09 - Mining support service activities	333	100		129	104	-80	-8	-72	25 454	9 283		333			0	0
C - Manufacturing	41 479	16	614	8 889	1 213	-1 089	-458	-499	1 817 076	1 496 978	8.4%	39 232	2 044	27	184	1
C.10 - Manufacture of food products	5 524		0	2 323	111	-193	-125	-58	533 747	487 400	2.9%	5 415	95	1	12	0
C.11 - Manufacture of beverages	161			35	6	-3	-1	-1	6 737	5 318		152	10		0	1
C.12 - Manufacture of tobacco products	14					0			805	616		14				3
C.13 - Manufacture of textiles	206			71	3	-3	-1	-1	4 410	3 627	0.2%	194	11	0	1	1
C.14 - Manufacture of wearing apparel	455			296	1	-32	-27	0	5 584	4 247		455			0	0
C.15 - Manufacture of leather and related products	32			3		0	0		1 019	834		32			0	3
C.16 - Manufacture of wood and of products of wood and cork, except	5 668			2 193	47	-199	-165	-16	142 569	103 573	9.1%	5 573	94	0	2	2
C.17 - Manufacture of pulp, paper and paperboard	1 401		1	309	23	-14	-2	-11	55 138	38 098	0.7%	791	609		2	3
C.18 - Printing and service activities related to printing	417			73	0	-4	-1	0	9 329	6 633	0.1%	408	9	1	0	1
C.19 - Manufacture of coke oven products	16	8		0		0			2 802	2 300	10.8%	16			0	2
C.20 - Production of chemicals	1 326	7	0	133		-6	-4		58 667	33 394	23.0%	1 320	4		1	0
C.21 - Manufacture of pharmaceutical preparations	2 573			1		-17	0		77 990	55 139	0.2%	2 572			0	3
C.22 - Manufacture of rubber products	3 109			335	2	-23	-7	-1	97 774	77 697	0.1%	3 052	50	4	3	1
C.23 - Manufacture of other non-metallic mineral products	574		0	41	29	-11	-1	-8	38 721	18 120	5.6%	510	63		1	1
C.24 - Manufacture of basic metals	812		35	38		-5	0		39 702	22 127	59.0%	754	19	1	38	3
C.25 - Manufacture of fabricated metal products, except machinery and	3 564		1	968	67	-92	-44	-38	120 075	105 621	8.9%	3 018	474	3	78	2
C.26 - Manufacture of computer, electronic and optical products	1 764		4	34	29	-7	-1	-3	55 532	41 187	4.5%	1 757	5		2	2
C.27 - Manufacture of electrical equipment	1 525		1	96	870	-363	-6	-355	66 802	51 753	0.8%	1 528	10		1	3

C.28 - Manufacture of machinery and equipment n.e.c.	2 516		353	259	0	-27	-21	0	52 298	45 065	3.0%	2 432	78	1	8	1
C.29 - Manufacture of motor vehicles, trailers and semi-trailers	531			73	13	-5	-1	-3	219 248	218 096	21.6%	508	30		1	1
C.30 - Manufacture of other transport equipment	1 238		181	271	0	-9	-6	0	21 776	16 734	8.7%	1 203	1		8	1
C.31 - Manufacture of furniture	2 023		1	1 102	7	-43	-36	-2	50 393	38 551	15.9%	1 987	32	1	3	1
C.32 - Other manufacturing	5 175		35	44	1	-18	-1	0	139 558	107 064	16.6%	4 747	425	3	1	2
C.33 - Repair and installation of machinery and equipment	856		3	191	2	-13	-9	0	16 398	13 785	11.1%	794	27	13	23	2
D - Electricity, gas, steam and air conditioning supply	23 716	11 814	2 514	627	10	-59	-34	-3	904 357	312 286	52.6%	16 430	7 202	56	28	3
D35.1 - Electric power generation, transmission and distribution	20 038	9 589	2 498	600	3	-52	-34	-1	696 817	250 539	57.8%	13 348	6 613	56	22	3
D35.11 - Production of electricity	15 066	7 853	2 498	568	2	-49	-34	-1	499 769	182 344	65.3%	8 436	6 613	16	1	4
D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	2 724	1 956		3	0	-4	-1	0	174 255	51 655	8.6%	2 187	537		0	1
D35.3 - Steam and air conditioning	954	269	17	24	7	-3	0	-2	33 285	10 092	69.2%	895	53		6	0
E - Water supply; sewerage, waste management and remediation activities	3 420		576	536	7	-22	-11	-1	56 039	33 950	1.0%	3 099	233	30	57	1
F - Construction	18 686		127	3 849	413	-279	-135	-87	332 779	288 352	13.6%	17 162	986	123	414	2
F.41 - Construction of buildings	7 794		23	1 795	59	-144	-91	-17	100 461	87 416	11.7%	7 256	254	72	211	2
F.42 - Civil engineering	2 286		85	272	24	-15	-3	-8	46 385	38 821	24.9%	2 184	81	3	17	1
F.43 - Specialised construction activities	8 606		20	1 782	331	-120	-41	-62	185 932	162 115	12.2%	7 722	651	48	186	2
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	42 645	115	61	6 655	393	-451	-251	-115	1 323 713	991 078	8.2%	40 520	1 193	96	837	0
H - Transportation and storage	17 146		182	3 081	51	-133	-100	-12	640 741	288 202	29.5%	14 575	1 837	361	373	0
H.49 - Land transport and transport via pipelines	7 603		182	1 722	46	-110	-83	-11	212 489	92 332	26.9%	6 037	794	336	357	2
H.50 - Water transport	4 877			1 032		-11	-8		367 272	144 848	58.4%	4 208	679	2	1	0
H.51 - Air transport	9			1	1	0	0	0	83	29	5.9%	8	1		0	0
H.52 - Warehousing and support activities for transportation	4 572			314	4	-12	-9	-1	60 831	50 944	3.8%	4 245	363	23	15	2
H.53 - Postal and courier activities	85			13	0	0	0	0	66	49	1.1%	77	1		0	2
I - Accommodation and food service activities	5 012			1 267	38	-33	-20	-9	38 234	30 720	0.1%	4 363	233	122	295	1
L - Real estate activities	386 073	0	1 472	40 800	1 341	-1 014	-531	-172	424 204	48 905	0.0%	218 063	11 059	31 575	125 376	9
Exposures towards sectors other than those that highly contribute to climate	58 101	0	8	12 677	2 269	-715	-297	-292				53 150	2 181	483	2 286	2
K - Financial and insurance activities	12 802			1 460	1 761	-280	-26	-217				11 758	48	176	820	2
Exposures to other sectors (NACE codes J, M - U)	45 298	0	8	11 217	508	-435	-271	-74				41 392	2 133	307	1 466	2
TOTAL	612 266	12 044	5 555	80 980	5 944	-4 041	-1 909	-1 280	6 863 020	4 060 121	5.6%	420 257	28 080	33 036	130 899	6

* In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

Notes to the table

Figures are rounded and the sum of exposures at NACE level 2 may not always add up to the corresponding exposure at NACE level 1.

Development over the year
The overall corporate credit portfolio decreased by 3.6 per cent, or SEK 23bn, during the second half of the year. Exposures towards sectors that highly contribute to climate change amount to 91 per cent of the overall credit portfolio (90 per cent in June 2024).

The largest sector is Real estate activities, accounting for 63 per cent of total corporate exposures. Exposures to this sector decreased by SEK 25bn, reflecting a 6 per cent decrease. Exposures to Electricity, gas, steam and air conditioning supply grew by SEK 4.7bn, indicating a 25 per cent increase. Notable changes in sub-segments include Electric power generation, transmission and distribution, which increased by 27 per cent, and Production of electricity, which increased by 44 per cent. Exposures to Wholesale and retail trade; repair of motor vehicles and motorcycles increased by SEK 4.1bn, an increase of 11 per cent.

Exposures to companies excluded from Paris-aligned benchmarks
Gross carrying amounts in column (a) comprise all corporate customers whose primary business activity is associated the listed NACE codes. Given the limitations of available data on counterparty-level, reporting on column (b) is done on a best-efforts basis, based on primary business activity defined by the relevant NACE codes, complemented by internal data collection, as well as available third-party data.

The current quality of available data can cause under- or over-reporting of exposures to counterparties that are excluded from Paris-aligned benchmarks. Data availability is expected to improve over time.

Financed emissions
Financed emission are emission coming from a financed asset or customer operations multiplied by an attribution factor towards the bank.

Financed emissions calculations for the Group’s lending portfolio are generally aligned with the standards set by the Partnership for Carbon Accounting Financials (PCAF) with certain deviations and own methods applied for shipping vessels, Agriculture industry and real estate in Sweden with available EPCs. Method applied to shipping vessels follows the vessel level annual data required by International Maritime Organization. Method applied for Agriculture follows top-down estimates using the relevant country National Inventory Reports, market share and financing information. Method applied to real estate in Sweden with available EPCs follows the guidance developed by Swedish Bankers Association. While the Greenhouse Gas (GHG) emissions data are primarily estimated based on region-specific and industry-level proxy information provided through PCAF, customer reported GHG emissions data is used as well. The customer's reported figures, both financial and related to GHG emissions, are based on the latest available full-year data. All Scope 1, Scope 2 and Scope 3 GHG emissions for all Statistical classification of economic activities in the European Community (NACE) sectors are estimated, except for Commercial Real Estate (CRE) and Motor Vehicle methods, where PCAF does not provide scope 3 estimates for them. Small CRE portfolio without CRE as collateral or other rules not following CRE method specification follows the Business Loan method described by PCAF. For column k the calculations are based on availability of customer data for any of the scopes.

This template covers only loans and financed emissions related to non-financial corporates as defined in FINREP. The calculations are based on gross carrying amount volume in the attribution factor rather than on- and off-balance exposure. Therefore, total financed emissions disclosed in this template will deviate from financed emissions shown in other reporting published by the Group.

Going forward, the aim is to continue improving the data quality. Sector split is based on NACE codes and subject to further harmonisation with other financial reporting.

Table 8.2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral, CRR Article 449a

Counterparty sector	Gross carrying amount (SEKm)															
		Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
Total EU area	1 242 205	129 438	941 291	127 162	25 168	2 163	16 983	38 171	60 045	95 620	133 142	154 622	74 431	33 870	652 305	100%
Of which Loans collateralised by commercial immovable property	205 685	38 388	71 114	66 325	12 509	1 734	15 615	12 103	14 683	17 659	25 501	27 596	13 207	8 213	86 722	100%
Of which Loans collateralised by residential immovable property	1 036 601	91 050	870 258	60 837	12 659	430	1 367	26 067	45 362	77 961	107 640	127 026	61 224	25 657	565 664	100%
Of which Collateral obtained by taking possession: residential and commercial immovable properties																
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated[1]	652 385	28 398	571 685	29 974	5 337	307	16 684								652 305	100%
Total non-EU area	17 450	102	17 275	39	26	1	8	36	40	39	15	24	12	28	17 255	100%
Of which Loans collateralised by commercial immovable property	16 573		16 573												16 573	100%
Of which Loans collateralised by residential immovable property	877	102	701	39	26	1	8	36	40	39	15	24	12	28	682	100%
Of which Collateral obtained by taking possession: residential and commercial immovable properties																
Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	17 255	33	17 199	12	3		8								17 255	100%

1) The shift in energy efficiency categories compared to the last reporting period is attributed to aligning with PCAF standards, which now include occupants' energy consumption for Swedish properties. Additionally, there has been clarification regarding the rules on energy consumption for Tenant Owner Associations and Tenant Owner Rights

Figures are rounded which may cause sums to not add up where they otherwise should.

In Sweden, the energy efficiency of a real estate collateral is determined by referencing Energy Performance Certificates (EPCs) whenever they are available. Otherwise, the energy efficiency is estimated using the Partnership for Carbon Accounting Financials (PCAF) European building emission factor database. In the Baltic countries, energy performance estimates from PCAF database are used also in cases where EPCs exists. If a collateral lacks an EPC label and its energy efficiency cannot be estimated, a conservative approach is taken, assigning the loan to the category representing energy performance exceeding 500 kWh/m2. When multiple collaterals are associated with a loan, allocation to energy efficiency categories is done on a pro rata basis.

Table 8.3: Banking book- Climate change transition risk: Alignment metrics, CRR Article 449a

	a	b	c	d	e	f	g
	Sector	NACE Sectors (a minima) Please refer to the list below*	Portfolio gross carrying amount (SEKm)	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
1	Power	2712, 3314, 3511, 3512, 3513, 3514, 3530, 4321	18 996 552	t CO2/MWh	2022	8,7	
2	Fossil fuel combustion	0610, 0620, 0910, 1920, 2014, 3521, 3522, 3523, 4612, 4671	2 197 128				
3	Automotive	2815, 2910, 2920, 2931, 2932	501 116				
4	Aviation	3030, 3316, 5110, 5121, 5223, 7735	510 535				
5	Maritime transport	3011, 3012, 3315, 5010, 5020, 5030, 5040, 5222, 5224, 5229	4 373 628				
6	Cement, clinker and lime production	0811, 2351, 2352, 2361, 2362, 2363, 2364, 2365, 2369	351 073				
7	Iron and steel, coke, and metal ore production	0510, 0520, 0729, 2410, 2420, 2431, 2432, 2433, 2434, 2442, 2444, 2445, 2451, 2452, 2511, 4672	1 775 319	t CO2/t	2022	-8,5	
8	Chemicals	2012, 2013, 2014, 2015, 2016, 2017, 2020, 2030, 2041, 2042, 2051, 2052, 2053, 2059, 2060, 2110, 2120, 2211, 2219, 2221, 2222, 2223, 2229	5 948 931				

*** Point in Time (PiT) distance to 2030 NZE2050 scenario in % (for each metric)

Swedbank Group has committed to becoming a net-zero bank by 2050 by the latest and align our lending portfolio with the 1.5°C scenario.

Disclosures included in this template relate to the sectors covered by Swedbank's climate targets and that can be directly compared against metrics in the IEA NZE2050 scenario, covering power generation and steel sectors. Remaining sectors have been excluded due to limited exposure or lack of relevant metric to compare against in the IEA NZE2050 scenario.

Swedbank's climate targets on corporate lending portfolio include:
Power generation: Swedbank has set a climate target to reduce financed emission intensity by 59 per cent 2030 (compared to baseline 2019). The target covers producers of electricity and/or heat and counterparty's scope 1 emissions. The target has been set based upon committed exposure (as opposite to gross carrying amount). The 2030 target level is based upon One Earth Climate Model (OECM). 10 per cent reduction was achieved between 2019-2022 (Swedbank Annual and Sustainability Report 2023). Note that emission intensity of portfolio (0,15 t CO2/MWh) includes electricity and heat production and is compared against emission intensity of electricity (0,138 t CO2/MWh by 2030) according to the IEA NZE2050 scenario.

Steel: Swedbank has set climate target to reduce financed emissions intensity (t CO2e/t) by 29 per cent 2030 (compared to baseline 2019). The target covers producers of steel and counterparty's scope 1 and 2 emissions. The target has been set based upon committed exposure (as opposite to gross carrying amount). The 2030 target level is based upon a combination of One Earth Climate Model (OECM) and International Energy Agency (IEA) Net-Zero 2050 pathway. 6 per cent reduction was achieved between 2019-2022 (Swedbank Annual and Sustainability Report 2023).

Fossil fuel combustion: Swedbank has set a climate target to reduce absolute financed emissions (Mt CO2/y) by 50 per cent 2030 (compared to baseline 2019). The target covers counterparties involved in exploration, production and refining of oil and gas and counterparty’s scope 1, 2 and 3 emissions. The target has been set based upon committed exposure (as opposite to gross carrying amount) and the 2030 target level is based upon One Earth Climate Model (OECM). 55 per cent reduction was achieved between 2019-2022 (Swedbank Annual and Sustainability Report 2023). Alignment metric and distance to IEA NZE2050 were excluded as no direct comparable metric against IEA NZE2050 scenario could be found. Swedbank's reduction of 55 per cent between 2019 - 2022 can be compared against IEA's reduction of absolute CO2 emissions 2019-2030 by 29 per cent, referring to NZE 2050 scenario for combustion activities (oil & natural gas).

Maritime transport: Swedbank has set climate target to reach 0 per cent alignment delta against Poseidon Principles' striving trajectory by 2030. The target covers ship collateral >5,000 gross tonnage. The alignment delta in 2022 (baseline) was 40 per cent. The alignment metric and distance to IEA NZE2050 were excluded as no direct comparable metric against IEA NZE2050 scenario could be found (portfolio emissions data based on DWT meaning max theoretical capacity of the ship and not the weight of actual carried cargo as used in the IEA NZE2050 scenario).

Commercial Real Estate: Swedbank has set a climate target to reduce financed emissions intensity (kg CO2e/m2) by 43 per cent 2030 (compared to baseline 2019). The target covers counterparty’s scope 1 and 2 emissions, and the 2030 target level is based upon the Carbon Risk Real Estate Monitor’s (CRREM) 1.5 °C-aligned pathways. 17 per cent reduction was achieved between 2019-2022 (Swedbank Annual and Sustainability Report 2023). The alignment metric and distance to IEA NZE2050 were excluded as no direct comparable metric against IEA NZE2050 scenario could be found.

* List of NACE sectors to be considered

IEA sector	Column b - NACE Sectors (a minima) - Sectors required		**Examples of metrics - non-exhaustive list. Institutions shall apply metrics defined by the IEA scenario
Sector in the template	sector	code	
Maritime transport	shipping	301	Average tonnes of CO2 per passenger-km Average gCO_2/MJ and Average share of high carbon technologies (ICE).
Maritime transport	shipping	3011	
Maritime transport	shipping	3012	
Maritime transport	shipping	3315	
Maritime transport	shipping	50	
Maritime transport	shipping	501	
Maritime transport	shipping	5010	
Maritime transport	shipping	502	
Maritime transport	shipping	5020	
Maritime transport	shipping	5222	
Maritime transport	shipping	5224	
Maritime transport	shipping	5229	
Maritime transport	shipping	5030	
Maritime transport	shipping	5040	
Power	power	27	Average tonnes of CO2 per MWh and Average share of high carbon technologies (oil, gas, coal).
Power	power	2712	

Power	power	3314	
Power	power	35	
Power	power	351	
Power	power	3511	
Power	power	3512	
Power	power	3513	
Power	power	3514	
Power	power	4321	
Power	power	3530	
Fossil fuel combustion	oil and gas	91	Average tons pf CO2 per GJ. and Average share of high carbon technologies (ICE).
Fossil fuel combustion	oil and gas	910	
Fossil fuel combustion	oil and gas	192	
Fossil fuel combustion	oil and gas	1920	
Fossil fuel combustion	oil and gas	2014	
Fossil fuel combustion	oil and gas	352	
Fossil fuel combustion	oil and gas	3521	
Fossil fuel combustion	oil and gas	3522	
Fossil fuel combustion	oil and gas	3523	
Fossil fuel combustion	oil and gas	4612	
Fossil fuel combustion	oil and gas	4671	
Fossil fuel combustion	oil and gas	6	
Fossil fuel combustion	oil and gas	61	
Fossil fuel combustion	oil and gas	610	
Fossil fuel combustion	oil and gas	62	
Fossil fuel combustion	oil and gas	620	
Iron and steel, coke, and metal ore production	steel	24	Average tonnes of CO2 per tonne of output and Average share of high carbon technologies (ICE).
Iron and steel, coke, and metal ore production	steel	241	
Iron and steel, coke, and metal ore production	steel	2410	
Iron and steel, coke, and metal ore production	steel	242	
Iron and steel, coke, and metal ore production	steel	2420	
Iron and steel, coke, and metal ore production	steel	2431	

Iron and steel, coke, and metal ore production	steel	2432	
Iron and steel, coke, and metal ore production	steel	2433	
Iron and steel, coke, and metal ore production	steel	2434	
Iron and steel, coke, and metal ore production	steel	244	
Iron and steel, coke, and metal ore production	steel	2442	
Iron and steel, coke, and metal ore production	steel	2444	
Iron and steel, coke, and metal ore production	steel	2445	
Iron and steel, coke, and metal ore production	steel	245	
Iron and steel, coke, and metal ore production	steel	2451	
Iron and steel, coke, and metal ore production	steel	2452	
Iron and steel, coke, and metal ore production	steel	25	
Iron and steel, coke, and metal ore production	steel	251	
Iron and steel, coke, and metal ore production	steel	2511	
Iron and steel, coke, and metal ore production	steel	4672	
Iron and steel, coke, and metal ore production	coal	5	
Iron and steel, coke, and metal ore production	coal	51	
Iron and steel, coke, and metal ore production	coal	510	
Iron and steel, coke, and metal ore production	coal	52	
Iron and steel, coke, and metal ore production	coal	520	
Iron and steel, coke, and metal ore production	steel	7	
Iron and steel, coke, and metal ore production	steel	72	
Iron and steel, coke, and metal ore production	steel	729	
Fossil fuel combustion	coal	8	Average tons pf CO2 per GJ. and Average share of high carbon technologies (ICE).
Fossil fuel combustion	coal	9	
Cement, clinker and lime production	cement	235	Average tonnes of CO2 per tonne of output and Average share of high carbon technologies (ICE).
Cement, clinker and lime production	cement	2351	
Cement, clinker and lime production	cement	2352	
Cement, clinker and lime production	cement	236	
Cement, clinker and lime production	cement	2361	
Cement, clinker and lime production	cement	2362	
Cement, clinker and lime production	cement	2363	

Cement, clinker and lime production	cement	2364	
Cement, clinker and lime production	cement	2365	
Cement, clinker and lime production	cement	2369	
Cement, clinker and lime production	cement	811	
Cement, clinker and lime production	cement	89	
aviation	aviation	3030	Average share of sustainable aviation fuels and Average tonnes of CO2 per passenger-km
aviation	aviation	3316	
aviation	aviation	511	
aviation	aviation	5110	
aviation	aviation	512	
aviation	aviation	5121	
aviation	aviation	5223	
aviation	aviation	7735	
automotive	automotive	2815	Average tonnes of CO2 per passenger-km and Average share of high carbon technologies (ICE).
automotive	automotive	29	
automotive	automotive	291	
automotive	automotive	2910	
automotive	automotive	292	
automotive	automotive	2920	
automotive	automotive	293	
automotive	automotive	2931	
automotive	automotive	2932	
Chemicals	Chemicals	2012	
Chemicals	Chemicals	2013	
Chemicals	Chemicals	2014	
Chemicals	Chemicals	2015	
Chemicals	Chemicals	2016	
Chemicals	Chemicals	2017	
Chemicals	Chemicals	2020	
Chemicals	Chemicals	2030	
Chemicals	Chemicals	2041	

Chemicals	Chemicals	2042	
Chemicals	Chemicals	2051	
Chemicals	Chemicals	2052	
Chemicals	Chemicals	2053	
Chemicals	Chemicals	2059	
Chemicals	Chemicals	2060	
Chemicals	Chemicals	2110	
Chemicals	Chemicals	2120	
Chemicals	Chemicals	2211	
Chemicals	Chemicals	2219	
Chemicals	Chemicals	2221	
Chemicals	Chemicals	2222	
Chemicals	Chemicals	2223	
Chemicals	Chemicals	2229	
Commercial Real Estate	Commercial Real Estate	5210	
Commercial Real Estate	Commercial Real Estate	6810	
Commercial Real Estate	Commercial Real Estate	6820	
Commercial Real Estate	Commercial Real Estate	6831	
Commercial Real Estate	Commercial Real Estate	6832	

Table 8.4: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms, CRR Article 449a

Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included

*For counterparties among the top 20 carbon emitting companies in the world

As of Q4 2024, Swedbank had no exposures to the top 20 companies listed in the Carbon Disclosure Project's Carbon Majors Database.

Table 8.5: Banking book - Climate change physical risk: Exposures subject to physical risk - Sweden, CRR Article 449a

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount (SEKm)[1]													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
Sweden		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
A - Agriculture, forestry and fishing	6 283	6		11	52	23		69		13	0	0	0	0
B - Mining and quarrying	569													
C - Manufacturing	26 932	68	23	3	3	4	33	64		34		-1	0	
D - Electricity, gas, steam and air conditioning supply	8 451			0		19		0				0		
E - Water supply; sewerage, waste management and remediation activities	2 545													
F - Construction	15 426	107	15	39		7	24	138		10		0	0	
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	27 803	34	28	9	22	11	22	70		33		-1	-1	
H - Transportation and storage	9 240	8	1	1	2	7	6	4		1		0	0	
L - Real estate activities	352 485	5 060	356	806	3 017	11	5 941	3 272	25	855	61	-16	-8	-1
Loans collateralised by residential immovable property	907 580	727	1 494	8 955	26 941	23	9 430	28 269	418	2 032	142	-35	-10	-23
Loans collateralised by commercial immovable property	153 733	2 795	334	203	1 427	10	3 140	1 619		806	9	-14	-8	-1
Repossessed collaterals														
Other relevant sectors (breakdown below where relevant)														

1) Values reported in the column 'Gross carrying amount' on rows 1-9 comprise all types of loan exposures. The assessment of exposures subject to physical risk comprises only loan exposures collateralised by immovable property. The values are therefore not directly comparable.

Table 8.6: Banking book - Climate change physical risk: Exposures subject to physical risk - Estonia, CRR Article 449a

Estonia	Gross carrying amount (SEKm)													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
A - Agriculture, forestry and fishing	4 588													
B - Mining and quarrying	60													
C - Manufacturing	5 124													
D - Electricity, gas, steam and air conditioning supply	6 003													
E - Water supply; sewerage, waste management and remediation activities	328													
F - Construction	1 598													
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	4 812													
H - Transportation and storage	4 387													
L - Real estate activities	17 839													
Loans collateralised by residential immovable property	51 323	58	162	642	689	18		1 552		155	6			
Loans collateralised by commercial immovable property	29 646													
Repossessed collaterals														
Other relevant sectors (breakdown below where relevant)														

Table 8.7: Banking book - Climate change physical risk: Exposures subject to physical risk - Latvia, CRR Article 449a

Latvia	Gross carrying amount (SEKm)													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
A - Agriculture, forestry and fishing	3 309													
B - Mining and quarrying	52													
C - Manufacturing	3 237													
D - Electricity, gas, steam and air conditioning supply	3 025													
E - Water supply; sewerage, waste management and remediation activities	394													
F - Construction	381													
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2 667													
H - Transportation and storage	1 425													
L - Real estate activities	4 616													
Loans collateralised by residential immovable property	22 645	2	2	7	1	12		11		4				
Loans collateralised by commercial immovable property	10 999													
Repossessed collaterals														
Other relevant sectors (breakdown below where relevant)														

Table 8.8: Banking book - Climate change physical risk: Exposures subject to physical risk - Lithuania, CRR Article 449a

Lithuania	Gross carrying amount (SEKm)													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
A - Agriculture, forestry and fishing	1 122													
B - Mining and quarrying	7													
C - Manufacturing	6 186													
D - Electricity, gas, steam and air conditioning supply	6 236													
E - Water supply; sewerage, waste management and remediation activities	152													
F - Construction	1 280													
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	7 364													
H - Transportation and storage	2 094													
L - Real estate activities	11 133													
Loans collateralised by residential immovable property	55 930	0	2	11	12	20		25		4				
Loans collateralised by commercial immovable property	27 880													
Repossessed collaterals														
Other relevant sectors (breakdown below where relevant)														

The identification of properties more sensitive to impact from climate change physical risk events was carried out by evaluating the development of physical risk indicators under certain carbon-concentration pathways. The analysis was underpinned by dataset comprising a grid of 11x11km squares containing climate indicators across Sweden, provided by the Swedish Meteorological Hydrological Institute (SMHI).

The UN Intergovernmental Panel on Climate Change (IPCC) presented four Representative Concentration Pathways (RCP) in 2014. The RCP scenarios describe the results of the emissions, the so-called radiation balance in the atmosphere, up to the year 2100. For the purposes of this table, the RCP 8.5 scenario with a time horizon up to 2040 was used. RCP 8.5 is a high-end scenario, where emissions continue to accelerate and where the temperature stabilises at just below 4° C.

Physical risks and their associated indicators were selected based on their potential impact on real estate and include rising temperatures, rising sea level, heatwave, drought, and flooding; caused by either increasing rain, heavy rain or flooding caused by more run-off.

The magnitude of change for each indicator in each grid square is divided across three groups. The first group correspond to today's climate. Indicator outcomes within this group are not linked to climate change but are part of natural variation of today's climate. Group 2 represent outcomes that occur less frequently than every twenty years and up to every ten thousand years and rarely seen today. Practically it means events that today occur less frequently than every twenty years will be the new normal for this level of change. Group 3 represent outcomes that in principle have never been seen before by humanity in that area; values that today only can be seen less often than every ten thousand years. It means a completely new type of climate for the geographical area will be typical for the area.

Figures reported as sensitive to physical risk are those exposures that are collateralised by immovable property located in areas that fall within either group 2 or group 3 for at least one of the seven risk indicators. Loan gross carrying amounts are being reported without adjustment, meaning that the figures shall not be interpreted as measurements of risk. They only indicate the amount of lending in areas sensitive to climate change physical risk under the specified scenario.

For Sweden, 4 per cent of loans collateralised by immovable properties face increased sensitivity to physical climate change risk in the scenario. 3 per cent were sensitive to acute physical risk. In the Baltic region, 1 per cent of loans collateralised by residential immovable property face increased sensitivity to physical climate change risk. The indicator sea level rise was not computed for the Baltic region.

Table 8.9: Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures, CRR Article 449a

	KPI			% coverage (over total assets)*
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	
GAR stock	3.5%	0.0%	3.5%	53.3%
GAR flow	3.0%		3.0%	45.9%

* % coverage over total asset in Pillar 3 is defined according to Pillar 3 ITS which differs from the definition of %coverage over total asset in the EU Taxonomy."

The largest increase compared to the last reporting period for taxonomy-aligned tables 8.9, 8.10 – Mitigating actions: Assets for the calculation of the GAR and 8.11 – Mitigating actions – GAR (%), is explained by improved data quality, which allows for the demonstration of taxonomy alignment for more collateralised household loans. Another contributing factor is the improved key performance indicators from NFRD/CSRD companies, which now include all six environmental objectives.

Table 8.10: Mitigating actions: Assets for the calculation of GAR, CRR Article 449a

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		2024															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
	SEKm				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1243882	1055790	64071	58221	79	1455	618	0			0	1056408	64071	58221	79	1455
2	**Financial corporations**	13663	2682	294		9	25		0				2682	294		9	25
3	Credit institutions	12092	2661	275		9	12		0				2661	275		9	12
4	Loans and advances	223	84	4		0	0		0				84	4		0	0
5	Debt securities, including UoP	11647	2565	270		9	12						2565	270		9	12
6	Equity instruments	222	12	0			0						12	0			0
7	Other financial corporations	1571	20	19		0	13						20	19		0	13
8	of which investment firms																
9	Loans and advances																
10	Debt securities, including UoP																
11	Equity instruments																
12	of which management companies	1	0										0				
13	Loans and advances	1	0										0				
14	Debt securities, including UoP																
15	Equity instruments																
16	of which insurance undertakings	1	0	0		0	0						0	0		0	0
17	Loans and advances	1	0	0		0	0						0	0		0	0
18	Debt securities, including UoP																
19	Equity instruments																
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	38981	14091	5555		70	1429	618	0			0	14709	5555		70	1429
21	Loans and advances	38980	14091	5555		70	1429	618	0			0	14709	5555		70	1429
22	Debt securities, including UoP																
23	Equity instruments	0	0										0				
24	**Households**	1185967	1039004	58221	58221								1039004	58221	58221		
25	of which loans collateralised by residential immovable property	1037478	1037478	58221	58221								1037478	58221	58221		
26	of which building renovation loans	248	248										248				
27	of which motor vehicle loans	12399	1278										1278				
28	**Local governments financing**	5259															
29	Housing financing																
30	Other local governments financing	5213															
31	Collateral obtained by taking possession: residential and commercial immovable properties	12	12										12				

32	**TOTAL GAR ASSETS**	1243882	1055790	64071	58221	79	1455	618	0		0	1056408	64071	58221	79	1455
	Assets excluded from the numerator for GAR calculation (covered in the denominator)															
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**	570434														
34	Loans and advances	570036														
35	Debt securities															
36	Equity instruments	399														
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**	2859														
38	Loans and advances	2817														
39	Debt securities															
40	Equity instruments	42														
41	Derivatives															
42	On demand interbank loans															
43	Cash and cash-related assets	4209														
44	Other assets (e.g. Goodwill, commodities etc.)	35188														
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**	1856572														
	Other assets excluded from both the numerator and denominator for GAR-calculation															
46	Sovereigns	16249														
47	Central banks exposure	461309														
48	Trading book															
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**	477558														
50	**TOTAL ASSETS**	2334130														

Table 8.11: Mitigating actions – GAR (%), CRR Article 449a

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		2024: KPIs on stock															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of total assets covered
			Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
	% (compared to total covered assets in the denominator)			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling	
1	**GAR**	56.9%	3.5%	3.1%	0.0%	0.1%	0.0%	0.0%			0.0%	56.9%	3.5%	3.1%	0.0%	0.1%	53.3%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	56.9%	3.5%	3.1%	0.0%	0.1%	0.0%	0.0%			0.0%	56.9%	3.5%	3.1%	0.0%	0.1%	53.3%
3	Financial corporations	0.1%	0.0%		0.0%	0.0%		0.0%				0.1%	0.0%		0.0%	0.0%	0.6%
4	Credit institutions	0.1%	0.0%		0.0%	0.0%		0.0%				0.1%	0.0%		0.0%	0.0%	0.5%
5	Other financial corporations	0.0%	0.0%		0.0%	0.0%						0.0%	0.0%		0.0%	0.0%	0.1%
6	of which investment firms																
7	of which management companies																0.0%
8	of which insurance undertakings	0.0%	0.0%		0.0%	0.0%						0.0%	0.0%		0.0%	0.0%	0.0%
9	Non-financial corporations subject to NFRD disclosure obligations	0.8%	0.3%		0.0%	0.1%	0.0%	0.0%			0.0%	0.8%	0.3%		0.0%	0.1%	1.7%
10	Households	56.0%	3.1%	3.1%								56.0%	3.1%	3.1%			50.8%
11	of which loans collateralised by residential immovable property	55.9%	3.1%	3.1%								55.9%	3.1%	3.1%			44.4%
12	of which building renovation loans	0.0%										0.0%					0.0%
13	of which motor vehicle loans	0.1%										0.1%					0.5%
14	Local government financing																0.2%
15	Housing financing																
16	Other local governments financing																0.2%
17	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%										0.0%					0.0%

	% (compared to total covered assets in the denominator)	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		2024: KPIs on flows															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of total new assets covered
			Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling	
1	**GAR**	35.5%	3.0%	2.7%	0.0%	0.1%						35.5%	3.0%	2.7%	0.0%	0.1%	45.9%
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	35.5%	3.0%	2.7%	0.0%	0.1%						35.5%	3.0%	2.7%	0.0%	0.1%	45.9%
3	Financial corporations	0.0%	0.0%		0.0%	0.0%						0.0%	0.0%		0.0%	0.0%	0.3%
4	Credit institutions	0.0%	0.0%		0.0%	0.0%						0.0%	0.0%		0.0%	0.0%	0.1%
5	Other financial corporations	0.0%	0.0%			0.0%						0.0%	0.0%			0.0%	0.3%
6	of which investment firms																
7	of which management companies	0.0%										0.0%					0.0%
8	of which insurance undertakings																
9	Non-financial corporations subject to NFRD disclosure obligations	1.0%	0.3%		0.0%	0.1%						1.0%	0.3%		0.0%	0.1%	
10	Households	34.5%	2.7%	2.7%								34.5%	2.7%	2.7%			41.9%
11	of which loans collateralised by residential immovable property	34.3%	2.7%	2.7%								34.3%	2.7%	2.7%			34.2%
12	of which building renovation loans	0.0%										0.0%					0.0%
13	of which motor vehicle loans	0.2%										0.2%					1.5%
14	Local government financing																0.3%
15	Housing financing																
16	Other local governments financing																0.3%
17	Collateral obtained by taking possession: residential and commercial immovable properties																

Table 8.12: Other climate change mitigating actions that are not covered in the EU Taxonomy, CRR Article 449a

Type of financial instrument	Type of counterparty	Gross carrying amount (SEKm)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	1 204	Yes	No	Green bonds in the liqudity portfolio
	Non-financial corporations	3 960	Yes	No	
	Of which Loans collateralised by commercial immovable property				
	Other counterparties		Yes	No	
Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	6 138	Yes	No	Loans disclosed in this table the green assets in the sustainable asset registry, sustainability-linked loans and other green lending to households and corporates. Taxonomy-aligned loans are deducted.
	Non-financial corporations	91 996	Yes	No	
	Of which Loans collateralised by commercial immovable property	33 902			
	Households	4 465	Yes	No	
	Of which Loans collateralised by residential immovable property	2 298			
	Of which building renovation loans	248			
	Other counterparties	54	Yes	No	

During the reporting period, certain exposures previously classified under 'Other counterparties' and 'Non-Financial corporations' have been reclassified to 'Financial corporations' to better reflect the nature of these transactions. This reclassification aligns with updated internal reporting methodologies and does not impact the total reported exposure.

9. Remuneration

EU REMA Remuneration policy, CRR Article 450(1) (a-f,j,k), 450 (2)

The Remuneration Policy states the foundations and principles for establishing remuneration within the Group, how the policy should be applied and followed-up as well as how the Group identifies which employees professional activities have a material impact on the risk profile (Material Risk Takers). In order for the bank to be able to identify, measure, direct and report internally and to control the risks its business is involved in, remuneration should counteract excessive risk taking and incentivise employees to deliver sustainable performance that is consistent with strategic goals as well as sound and effective risk management. Remuneration to individual employees shall be aligned with the bank's long-term strategy and shall not counteract the bank's long-term interests.

The Remuneration Policy is reviewed on an annual basis and at other times if necessary. The Board's decision to introduce the Remuneration Policy was preceded by and based on an analysis of the risks associated with the Group's remuneration system. The most recent Remuneration Policy was adopted on 26 June 2024.

The CEO and executives who are members of the Group Executive Committee, are subject to the Guidelines for remuneration of top executives. These guidelines are adopted by the general meeting in Swedbank AB pursuant to chapter 7 section 61 of the Companies Act.

Decision making process
Group HR & Facility Management is responsible for preparing Remuneration Policy proposals. The CEO together with GEC recommends proposals for submission to the Board's Remuneration and Sustainability Committee. The Remuneration Policy is prepared by the Remuneration Committee and Sustainability Committee prior to a decision by the Board.

The Remuneration and Sustainability Committee is the Board committee which deals with matters concerning remuneration. The Board appoints the members of the committee. It consists of a minimum of three and a maximum of five board members. The committee's members shall be independent from Swedbank and the Group's executive management. The Chair of the committee should have knowledge and experience from risk analysis and the committee's members shall have requisite knowledge of and experience in matters regarding remuneration of top executives and risk management. The Remuneration and Sustainability Committee prepares matters concerning remuneration prior to discussion and decisions by the Board. The Remuneration and Sustainability Committee also prepares matters concerning remuneration to be decided by the Annual General Meeting. The Remuneration and Sustainability Committee held seven meetings during 2024.

The CEO together with GEC evaluate the fulfilment of targets that form the basis of variable remuneration in each business area and prepare and recommend proposals on payments, policies and guidelines for submission to the Remuneration and Sustainability Committee.

The heads of business areas provide the CEO with supporting information for decisions in each business area.

Group functions consist of among others of HR, Finance, Risk, Legal and Compliance. Their aim is to support the CEO and other decision makers in composing instructions and detailed provisions for variable remuneration within the Group. Some of the functions are also responsible for monitoring and reporting.

Remuneration in Swedbank
All employees in Swedbank are to be encouraged to perform according to Swedbank's goals and strategic direction. The remuneration shall also encourage employees to act according to Swedbank's values (open, simple and caring) since this is considered to be the foundation for a successful, sustainable and long-term business. Further, the total remuneration shall be designed in a way that makes Swedbank attract employees with the needed skills within the existing margins of cost.

Most of the Material Risk Takers have remuneration with one fixed and one variable part which, together with other benefits, make up the employee's total remuneration. The goal is to reach a healthy balance between variable and fixed remuneration. Benefits including pension are granted in accordance with collective bargaining agreements, the bank's principles and market practice in the country where each employee is a permanent resident.

Variable remuneration in Swedbank
Variable remuneration is a component of remuneration which aims to incentivise specific behaviours and desired results, create an alignment between the rewards and risk exposure to those of the shareholders and provide motivation and foster a performance driven culture in the Group.

Variable remuneration is tied to individual performance, the Group's total result and the business area result during the performance year. Variable remuneration is based on relevant, predetermined, and measurable criteria, set with the purpose of increasing the Group's long-term value. Both current and future risks will be taken into consideration as well as actual costs for capital and liquidity. Further, a multiple-year perspective shall be applied to ensure long-term sustainability of profits considering underlying business cycles and risks at the time of pay-out. In the event when subjective assessments are used for adjusting profit based on risk, factors forming the basis for the adjustment must be well balanced and documented. Variable remuneration will primarily be based on a common risk-adjusted measure of profit. Allotments of variable remuneration are contingent on a positive economic profit (operating profit after deducting company tax and the cost of capital) at the bus Group level.

Within Swedbank's Performance Development process, individual performance criteria are set to contribute and support Swedbank's overall strategic direction, in which sustainability is an important part. The individual performance criteria will include desired results as well as a behavioural part to ensure that individual behaviours are consistent with Swedbank's values (open, simple and caring). Further, sustainability risks are integrated in Swedbank's remuneration practices by including qualitative individual performance criteria as basis for allotment of variable remuneration for all employees, e.g. as adherence with Swedbank's values, as well as applying deferral periods and the delivery of variable remuneration in instruments for the majority of the employees. Lack of compliance with external or internal regulations or deficiencies in risk management capabilities are such circumstances that are considered inconsistent with Swedbank's values.

Swedbank has sustainability KPIs and targets on CEO and GEC level that are followed up by the Board in the performance management framework. The KPIs include prioritised sustainability areas and are linked to Swedbank´s long-term sustainability performance, such as improving employee engagement and increasing the volume of sustainable financing. The overall targets are cascaded from the CEO to the top executives in the bank and downwards as applicable to each part of the organisation and their role to enable the bank to deliver on the set Strategic Decision. Top executives´ performance is assessed based on results and behaviours that ensure long-term and sustainable results for the bank; their performance is an element that impacts their remuneration through fixed salary over the time.

Swedbank currently has two variable remuneration programs in which Material Risk Takers may participate. A) For the majority of the Material Risk Takers and other employees included in the Group common performance and share based program, Eken 2024, 100 per cent of the variable remuneration will be deferred for three years, whereas five years (including one year retention period) is applicable for Material Risk Takers with higher levels of remuneration and paid out in Swedbank AB shares. Shares is chosen as the financial instrument as it contributes to the alignment between the rewards and risk exposure of shareholders and employees. B) For employees included in the individual program, IP 2024, the variable remuneration is either based on Swedbank AB shares and cash or solely on cash. For Material Risk Takers half of the variable remuneration is based on Swedbank AB shares and half is cash based. At least 40 per cent of the variable remuneration will be deferred for three years, followed by an additional one-year retention period for the share-based part. For Material Risk Takers with higher levels of remuneration, the deferral period amounts to four years, followed by an additional one-year retention period for the share-based part. For other IP participants the variable remuneration is fully cash based and deferral is applied in certain cases.

Any variable remuneration, to employees in control functions will be determined based on objectives set in the respective control function, independently of the earnings in the business areas they oversee. Employees in control functions are not eligible for individual program (IP) 2024.

Eken is primarily based on the capital cost and risk-adjusted result for the Group. Eken for 2024 is based on the target level of 15 per cent Return on Equity (ROE) for Swedbank Group and if achieved, 0.5 monthly salaries to Swedish employees were committed to be allocated. Further the maximum salary allocation committed in Eken 2024 is 0.8 monthly salaries in Sweden, based on 18 per cent ROE or more is reached. The outcome for Eken 2024, the target fulfilment for ROE is 17.1 per cent, which gave an average allocation of 0.7 monthly salaries in Sweden. The Board can withhold variable remuneration if the Group's financial position has been greatly weakened or there is a significant risk of this occurring, or if improper actions by individuals have adversely affected Swedbank's or a business area's results.

Variable remuneration will only be delivered provided that delivery is justified considering: i) The financial health of the Group and, if relevant, the subsidiary in which the employee is employed and the relevant business unit where the employee works; and ii) The relevant employee's performance against the individual performance criteria. Furthermore, deferred variable remuneration may be cancelled during the deferral period for the aforementioned reasons. The bank or the employer has the right to reclaim any variable remuneration paid or delivered on the basis of information which has later turned out to be clearly erroneous or the result of fraudulent activities.

The maximum ratio between variable and fixed remuneration is set in accordance with legislation in force and may never exceed the variable remuneration cap as decided by the Annual General Meeting and/or applicable regulations. The variable remuneration shall not exceed 100 per cent of the yearly fixed remuneration for each individual.

Material Risk Takers are defined in accordance with the Swedish Financial Supervisory Authority's regulation FFFS 2011:1, which implements Directive 2013/36/EU Art. 92.3 in Sweden, and the Commission Delegated Regulation (EU) No 2021/923 based on Art. 94.2 in Directive 2013/36/EU with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of employees whose professional activities have a material impact on an institution's risk profile. Material Risk Takers in Swedbank have been identified based on evaluated positions as of 31 December 2024. Identified staff based on other sectorial regulations covering employees within asset management, is not included in the definition of Material Risk Takers.

In addition to the limitations outlined above, some categories of employees are not eligible to participate in the Group's variable remuneration programs, including members of the GEC, employees in the PayEx group and employees in EnterCard.

Guaranteed variable remuneration and severance pay
Guaranteed variable remuneration is only permitted in connection with new employment, and if exceptional reasons apply, in the form of sign-on remuneration and shall be paid during the first year of employment.

Severance pay should not be awarded if a Material Risk Taker voluntarily and unilaterally resigns from his/her position and leaves his/her employment within the Group, unless severance pay is required by national labour law. Severance pay can be awarded to Material Risk Takers in order to comply with national labour laws and employment contracts and/or in order to avoid a potential or actual labour dispute and to therefore avoid a decision by the courts. Severance pay to Material Risk Takers should be determined based on objective criteria such as job level and length of employment. Severance pay shall also be in line with national labour laws and market practice and determined in accordance with the bank's internal severance pay practices.

Table 9.1: EU REM1 - Remuneration awarded for the financial year, CRR Article 450(1)(h)(i-ii)

SEKm		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff	11	2	14	299
	Total fixed remuneration	16	27	95	601
	Of which: cash-based	16	27	95	601
	(Not applicable in the EU)				
	Of which: shares or equivalent ownership interests				
	Of which: share-linked instruments or equivalent non-cash instruments				
	Of which: other instruments				
	(Not applicable in the EU)				
	Of which: other forms				
	(Not applicable in the EU)				
Variable remuneration	Number of identified staff				254
	Total variable remuneration				39
	Of which: cash-based				9
	Of which: deferred				4
	Of which: shares or equivalent ownership interests				30
	Of which: deferred				25
	Of which: share-linked instruments or equivalent non-cash instruments				
	Of which: deferred				
	Of which: other instruments				
	Of which: deferred				
	Of which: other forms				
	Of which: deferred				
Total remuneration		16	27	95	639

Table 9.2: EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff), CRR Article 450(1)(h)(v-vii)

SEKm	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
Guaranteed variable remuneration awards - Number of identified staff				
Guaranteed variable remuneration awards -Total amount				
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
Severance payments awarded in previous periods, that have been paid out during the financial year				
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified				3
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount				3
Severance payments awarded during the financial year				
Severance payments awarded during the financial year - Number of identified staff				10
Severance payments awarded during the financial year - Total amount				11
Of which paid during the financial year				8
Of which deferred				2
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				8
Of which highest payment that has been awarded to a single person				2

Table 9.3: EU REM3 - Deferred remuneration, CRR Article 450(1)(h)(iii-iv)

Deferred and retained remuneration SEKm	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
MB Supervisory function								
Cash-based								
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments								
Other forms								
MB Management function	0	0	0			0	0	
Cash-based								
Shares or equivalent ownership interests	0	0	0			0	0	
Share-linked instruments or equivalent non-cash instruments								
Other instruments								
Other forms								
Other senior management	2	1	1			0	1	
Cash-based								
Shares or equivalent ownership interests	2	1	1			0	1	
Share-linked instruments or equivalent non-cash instruments								
Other instruments								
Other forms								
Other identified staff	95	24	70			3	11	5
Cash-based	30	12	17				4	
Shares or equivalent ownership interests	65	12	53			3	7	5
Share-linked instruments or equivalent non-cash instruments								
Other instruments								
Other forms								
Total amount	96	25	71			3	12	5

Table 9.4: EU REM4 - Remuneration of 1 million EUR or more per year, CRR Article 450(1)(i)

EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1 000 000 to below 1 500 000	
1 500 000 to below 2 000 000	1
2 000 000 to below 2 500 000	
2 500 000 to below 3 000 000	
3 000 000 to below 3 500 000	
3 500 000 to below 4 000 000	
4 000 000 to below 4 500 000	
4 500 000 to below 5 000 000	
5 000 000 to below 6 000 000	
6 000 000 to below 7 000 000	
7 000 000 to below 8 000 000	
To be extended as appropriate if further payment bands are needed.	

Table 9.5: EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff), CRR Article 450(1)(g)

	Management body remuneration			Business areas						
SEKm	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff										326
Of which: members of the MB	11	2	13							
Of which: other senior management				1	3		5	3	2	
Of which: other identified staff				55	65	17	45	46	70	
Total remuneration of identified staff	16	27	43	176	155	26	127	96	155	
Of which: variable remuneration				17	7	2	5	4	4	
Of which: fixed remuneration	16	27	43	159	148	24	122	92	151	

Terminology and abbreviations

AMA	Advanced Measurement Approach
AML	Anti-Money Laundering
AT1	Additional Tier 1 capital
AVA	Additional Valuation Adjustment
BARCC	Business Area Risk and Compliance Committee
Board	Board of Directors of Swedbank AB (publ)
BRRD	Bank Recovery and Resolution Directive 2014/59/EU
CCF	Credit Conversion Factor
CCO	Chief Compliance Officer
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CEO	Chief Executive Officer of Swedbank AB (publ)
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation (EU) No 575/2013
CS	Consolidated Situation
CSA	Credit Support Annex
CTF	Counter Terrorist Financing
CVA	Credit Valuation Adjustment
DVA	Debit Valuation Adjustment
DVP	Delivery-vs-Payments
EAD	Exposure at Default
EBA	European Banking Authority
EC	Economic Capital
ECB	European Central Bank
ERM Policy	Policy on Enterprise Risk Management
ESG	Environmental, Social and Governance
F-IRB	Foundation Internal Ratings Based Approach
FSA	Financial Supervisory Authority
GAAC	Group Asset Allocation Committee

GEC	Group Executive Committee
GRCC	Group Risk and Compliance Committee
Group	Swedbank Group
G-SII	Global Systemically Important Institution
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
IRB	Internal Ratings Based Approach
IRRBB	Interest Rate Risk in the Banking Book
ISDA	International Swaps and Derivatives Association
KRI	Key Risk Indicator
LCR	Liquidity Coverage Ratio
LGD	Loss Given Default
LRE	Leverage Ratio Exposure
LTV	Loan-to-Value
MDB	Multilateral Development Bank
NII	Net Interest Income
NPAP	New Product Approval Process
NSFR	Net Stable Funding Ratio
O-SII buffer	Important Institution buffer
OTC	Over-the-Counter
ORSA	Own Risk and Solvency Assessment
Own funds	The sum of Tier 1 and Tier 2capital
P2G	Pillar 2 Guidance
P2R	Pillar 2 Requirement
Parent Company	Swedbank AB (publ)
PD	Probability of Default
PFE	Potential Future

	Exposure
PSE	Public Sector Entity
PVP	Payment-vs-Payment
RC	Remuneration Committee
RCC	Risk and Capital Committee
REA	Risk Exposure Amount (Same as RWA)
RWA	Risk Weighted Exposure Amount (Same as REA)
RWEA	Risk Weighted Exposure Amount (Same as REA)
SA	Standardised Approach
SA-CCR	Standardised Approach for Measuring Counterparty Credit Risk Exposures
SFSA or Swedish FSA	Swedish Financial Supervisory Authority
SFT	Securities Financing Transaction
SME	Small and Medium-sized Enterprise
SNDO	Swedish National Debt Office (Swedish: Riksgälden)
SREP	Supervisory Review and Evaluation Process
SSE	Small-sized Enterprise
SVaR	Stressed Value-at-Risk
Swedbank	Swedbank Consolidated Situation
Swedbank Group	Swedbank AB (publ) and allits underlying legal entities (regardless of percentagesof holding)
TCFD	Task Force on Climate-Related Financial Disclosures
T2	Tier 2 capital
TtC	Through-the-Cycle
VaR	Value-at-Risk
WWR	Wrong Way Risk

Swedbank's legal entity structure and business activities

Swedbank Consolidated Situation

The consolidated situation for Swedbank as of 31 December 2024 comprises the Swedbank Group except for the wholly owned insurance companies, Swedbank Försäkring AB, Sparia Group Insurance Company Ltd, Swedbank Life Insurance SE and Swedbank P&C Insurance AS, that are included through equity method. EnterCard Group AB, P27 Nordic Payments Platform AB, Invidem AB, Tibern AB and Svenska e-fakturabolaget AB, all joint ventures, are included through the proportionate consolidation method. The difference between Swedbank Group and Swedbank Consolidated Situation (CS) is shown more in detail below, where "•" means 100 per cent consolidation. Where percentages are shown, the company is included using the equity method or proportionate consolidation method unless otherwise stated. Any changes in legal entity structure are reflected on www.swedbank.com.

Legal entity name	Business activity	Country	Swedbank Group	Swedbank CS	Swedbank Estonia Group	Swedbank Estonia CS	Swedbank Latvia Group	Swedbank Latvia CS	Swedbank Lithuania Group	Swedbank Lithuania CS
Swedbank AB	Banking operations	SE	·	·						
Swedbank Mortgage AB	Mortgage	SE	·	·						
Swedbank Robur AB	Holding company	SE	·	·						
Swedbank Robur Fonder AB	Fund management	SE	·	·						
Swedbank Investeerimisfondid AS	Investment management	EE	·	·						
Swedbank Ieguldijumu Parvaldes Sabierdiba AS	Investment management	LV	·	·						
Swedbank investiciju valdymas UAB	Investment management	LT	·	·						
SwedLux S.A.	Banking operations	LU	·	·						
Sparfrämjandet AB	Inactive	SE	·	·						
Sparia Group Insurance Company Ltd	Insurance company	SE	·	100%						
Swedbank Fastighetsbyrå AB	Estate agent	SE	·	·						
Thylling Insight AB	Estate agent	SE	·	·						
Fastighetsbyran The Real Estate Agency S.L.	Estate agent	ES	·	·						
Swedbank PayEx Holding AB	Holding Company	SE	·	·						
PayEx Norge AS	Invoicing, ledger, debt collection, e-com, point-of-sale, value-added-service	NO	·	·						
PayEx Danmark AS	Invoicing, ledger, debt collection, e-com, point-of-sale, value-added-service	DK	·	·						
Swedbank PayEx Collection AB	Inactive	SE	·	·						
PayEx Sverige AB	Invoicing, ledger, debt collection, e-com, point-of-sale, value-added-service	SE	·	·						
PayEx Solutions OY	Inactive	FI	·	·						
PayEx Suomi OY	Invoicing, ledger, debt collection, e-com, point-of-sale, value-added-service	FI	·	·						
PayEx Invest AB	Real estate	SE	·	·						
Faktab B1 AB	Real estate	SE	·	·						
Faktab V1 AB	Real estate	SE	·	·						
Faktab S1 AB	Real estate	SE	·	·						
Ektornet AB	Real estate	SE	·	·						
Swedbank Försäkring AB	Insurance company	SE	·	100%						
ATM Holding AB	Holding company	SE	70%	70%						
Bankomat AB	ATM operations	SE	20%	20%						
Swedbank Pay AB	Inactive	SE	·	·						
Svenska E-fakturabolaget AB	Electronic invoicing	SE	50%	50%						
Swedbank Paywerk AS	Other financial service	EE	·	·						

Legal entity name	Business activity	Country	Swedbank Group	Swedbank CS	Swedbank Estonia Group	Swedbank Estonia CS	Swedbank Baltic Group	Swedbank Baltic CS	Swedbank Lithuania Group	Swedbank Lithuania CS
FR&R Invest AB	Financial reconstruction &	SE	·	·						
First Securities AS	Inactive	NO	·	·						
Swedbank Support OÜ	IT, property management	EE	·	·						
Swedbank Baltics AS	Holding company	LV	·	·						
Swedbank AS (Estonia)	Banking operations	EE	·	·	·	·	·	·		
Swedbank Liising AS	Leasing, factoring	EE	·	·	·	·	·	·		
Swedbank Life Insurance SE	Life insurance	EE	·	100%	·	100%	·	100%		
Swedbank P&C Insurance AS	Insurance	EE	·	100%	·	100%	·	100%		
SK ID Solutions AS	Certification services	EE	25%	25%	25%	25%	25%	25%		
Ektornet Project Estonia I OU	Real estate	EE	·	·	·	·	·	·		
Swedbank AS (Latvia)	Banking operations	LV	·	·			·	·		
Swedbank Lizings SIA	Leasing, factoring	LV	·	·			·	·		
Swedbank Atklatais Pensiju Fonds AS	Investment management	LV	·	·			·	·		
Swedbank AB (Lithuania)	Banking operations	LT	·	·			·	·	·	·
Swedbank Lizingas UAB	Leasing, factoring	LT	·	·			·	·	·	·
EnterCard Group AB	Credit card transactions	SE	50%	50%						
Sparbanken Sjuhärad AB	Banking operations	SE	48%	48%						
Sparbanken Rekarne AB	Banking operations	SE	50%	50%						
Sparbanken Skåne AB	Banking operations	SE	22%	22%						
Vimmerby Sparbank AB	Banking operations	SE	40%	40%						
Ölands Bank AB	Banking operations	SE	49%	49%						
Finansiell ID-Teknik BID AB	Computer services	SE	28%	28%						
BGC Holding AB	Giro transactions	SE	29%	29%						
Getswish AB	Mobile transactions	SE	20%	20%						
USE Intressenter AB	investment	SE	20%	20%						
P27 Nordic Payments Platform AB	Payment solutions	SE	17%	17%						
Invidem AB	KYC (Know Your Customer) service	SE	17%	17%						
Tibern AB	Real estate	SE	14%	14%						

Signatures of the Board of Directors, the President and the CRO

The Chair of Risk and Capital Committee of the Board of Directors, the President and CEO and the CRO hereby attest that the disclosures in Swedbank's Risk Management and Capital Adequacy Report (Pillar 3), provided according to Part Eight of Regulation (EU) No 575/2013, have been prepared in accordance with the internal controls and procedures set out in Swedbank's Policy on Pillar 3 disclosure requirements, approved by the Board of Directors. The Policy on Pillar 3 disclosure requirements stipulates the general principles that apply for the control processes and structures regarding the disclosure of risk and capital adequacy information in Swedbank. The policy ensures that the disclosed information is subject to effective, timely and adequate internal controls and monitoring structures. Furthermore, the policy outlines the distinguished responsibilities in the process and the frequency of the reporting.

Stockholm, 19 February 2025

Per Olof Nyman
Chair of Risk and Capital Committee of the Board of Directors

Jens Henriksson
President and CEO

Rolf Marquardt
Chief Risk Officer