Interim report 2022

Second quarter, April – June

19 July 2022

Second quarter 2022 compared with first quarter 2022

- Balanced growth in private and corporate lending
- Second-highest net interest income to date – positively impacted by interest rate hikes
- Stable net commission income due to higher income from cards
- Good credit quality and low credit impairments
- Rating upgrade from Fitch to AA- on 1 July

"Improved profit with rising net interest income"

Jens Henriksson,
President and CEO

Financial information SEKm	Q2 2022	Q1 2022	%	Jan-Jun 2022	Jan-Jun[1] 2021	%
Total income	**11 612**	**11 455**	**1**	**23 067**	**23 673**	**-3**
Net interest income	7 113	6 762	5	13 875	13 514	3
Net commission income	3 551	3 581	-1	7 132	7 034	1
Net gains and losses on financial items	57	122	-53	179	1 230	-85
Other income[2]	891	990	-10	1 881	1 895	-1
Total expenses	**5 248**	**5 087**	**3**	**10 335**	**9 963**	**4**
Profit before impairments, Swedish bank tax and resolution fees	**6 364**	**6 368**	**0**	**12 732**	**13 710**	**-7**
Impairment of intangible and tangible assets					56	
Credit impairments	40	158	-75	198	219	-10
Swedish bank tax and resolution fees[3]	470	456	3	926	401	
Profit before tax	**5 854**	**5 754**	**2**	**11 608**	**13 034**	**-11**
Tax expense	1 144	1 137	1	2 281	2 496	-9
Profit for the period	**4 710**	**4 617**	2	**9 327**	**10 538**	**-11**
Profit for the period attributable to:						
Shareholders of Swedbank AB	**4 710**	**4 617**	**2**	**9 327**	**10 538**	**-11**
Earnings per share, SEK, after dilution	4.18	4.10		8.29	9.38	
Return on equity, %	12.0	11.4		11.6	13.5	
C/I ratio	0.45	0.44		0.45	0.42	
Common Equity Tier 1 capital ratio, %	18.3	18.3		18.3	18.5	
Credit impairment ratio, %	0.01	0.04		0.02	0.03	

1) Presentation of the Income statement has been changed, see note 28.
2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.
3) The Swedish bank tax (risk tax on credit institutions) came into force on 1 January 2022.

CEO Comment

Swedbank stands strong in a turbulent time. The war in Ukraine, the pandemic and high inflation are all impacting the global economy. Interest rates have risen and stock markets have fallen. Central banks are tightening policies by raising interest rates and reducing asset purchases in order to anchor inflation expectations at the right level. Economic growth is expected to slow this autumn before stabilising at a lower level.

In this environment, our home markets stand on a stable foundation with strong government finances, financially stable households and companies, and limited ties to the Russian economy.

From a position of strength, we at Swedbank can help our customers to manage the high energy prices, commodity shortages and supply chain bottlenecks. We offer advice and financing, and customers are again earning interest on their savings accounts. We empower the many people and businesses to create a better future.

Swedbank is a sustainably profitable bank. The result for the second quarter was strong with the second-highest net interest income to date and profit of SEK 4.7bn. Net interest income was positively affected by rising interest rates, consistently high deposits as well as good and stable lending growth. Net commission income was stable due to higher card income. Expenses rose according to plan. The cost cap for 2022 of SEK 20.5bn with a further SEK 500m for investigations related to our historical shortcomings, are unchanged.

On 1 July, Fitch upgraded Swedbank's rating from A+ to AA-. The upgrade reflected the broad-based transformation of Swedbank's corporate culture, regulatory compliance, organisation and risk control.

Credit quality is good and credit impairments are low. Our liquidity position is strong, and we have a sizeable buffer of 4.6 percentage points relative to the Swedish FSA's capital requirement. The return on equity rose to 12.0 per cent. By the end of the year, we will present our plan on how we can reach our 15 per cent target.

The mortgage business is showing strength. We remain a leader in all four home markets. With thorough and conservative origination standards, mortgages grew by SEK 15bn in the quarter. But with higher interest rates and increased uncertainty, we now see that it is taking longer for buyers and sellers to close transactions in Sweden. House prices in the Swedish market fell somewhat from high levels, but in the Baltic countries they continued to rise.

In our corporate business, we provide the advice and funding that corporate clients want in a time of rapid economic change. We have an exposure to Swedish property companies in line with our strategy and risk appetite. We are confident in our lending, which has been consistently focused on sound and sustainable business models and good collateral.

Our green portfolio amounts to SEK 53bn and grew by 14 per cent in the quarter, driven by new lending and reclassifications of existing loans. We realise that Estonia, Latvia and Lithuania stand at a crossroads when it comes to energy. There Swedbank is financing among other things liquefied gas to replace imports from Russia as well as renovations for energy-efficient housing in Lithuania. Moreover, people are now investing in solar energy to a growing extent. In May, lending in the Baltic countries for such investments was three times higher than the same month in 2021, and it is rising in Sweden.

Ahead of the new sustainability regulations that take effect in August, we have trained 3 900 personal advisors to help customers understand how their investment choices affect and contribute to a sustainable society.

We have entered a strategic partnership with Norway's largest savings bank, SpareBank 1 SR-Bank. This is a step towards increasing the focus on sustainable growth, customer value and a higher return on equity – in line with Swedbank's strategic direction. At the same time, efforts are underway to improve customer satisfaction in the corporate business with a new organisation and delivery model where we maximise our expertise and resources to grow the entire Group.

Government payments are an important business. Swedbank is pleased to continue the collaboration with the Swedish National Debt Office, which signed a new framework agreement on payment services comprising around 180 million transactions and SEK 8 000bn in transaction volumes per year.

Cybersecurity is a priority given that the war continues to impact us, our customers and society. We are well prepared, and it is positive that a number of initiatives are underway to help the private and public sectors more closely cooperate on financial stability.

Our vision of a financially sound and sustainable society lives on in our social engagement. We focus in all our home markets on informing private customers about the importance of a buffer and how rising inflation affects their personal finances.

During the quarter, we helped more than 23 000 Ukrainian refugees mostly in Estonia, Latvia and Lithuania, but also in Sweden, to adjust to society by becoming customers of Swedbank.

Together with the savings banks, we are a proud sponsor of Junior Achievement in Sweden, and it was gratifying to see the strong engagement and focus on sustainability in this in this year's nationwide competition.

In these tumultuous times, Swedbank is well equipped to support customers through advice and financing to meet challenges and seize on opportunities.

Our customers' future is Swedbank's focus.

Jens Henriksson
President and CEO

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

Financial overview

Income statement SEKm	Q2 2022	Q1 2022	% 	Q2[1] 2021	% 	Jan-Jun 2022	Jan-Jun[1] 2021	%
Net interest income	7 113	6 762	5	6 744	5	13 875	13 514	3
Net commission income	3 551	3 581	-1	3 674	-3	7 132	7 034	1
Net gains and losses on financial items	57	122	-53	645	-91	179	1 230	-85
Other income[2]	891	990	-10	979	-9	1 881	1 895	-1
Total income	**11 612**	**11 455**	**1**	**12 042**	**-4**	**23 067**	**23 673**	**-3**
Staff costs	3 263	3 218	1	3 136	4	6 481	6 251	4
Other expenses	1 985	1 869	6	1 853	7	3 854	3 712	4
Total expenses	**5 248**	**5 087**	**3**	**4 989**	**5**	**10 335**	**9 963**	**4**
Profit before impairments, Swedish bank tax and resolution fees	**6 364**	**6 368**	**0**	**7 053**	**-10**	**12 732**	**13 710**	**-7**
Impairment of intangible assets				56			56	
Credit impairments	40	158	-75	-27		198	219	-10
Swedish bank tax and resolution fees	470	456	3	172		926	401	
Profit before tax	**5 854**	**5 754**	**2**	**6 852**	**-15**	**11 608**	**13 034**	**-11**
Tax expense	1 144	1 137	1	1 288	-11	2 281	2 496	-9
Profit for the period	**4 710**	**4 617**	**2**	**5 564**	**-15**	**9 327**	**10 538**	**-11**
Profit for the period attributable to:								
Shareholders of Swedbank AB	**4 710**	**4 617**	**2**	**5 563**	**-15**	**9 327**	**10 538**	**-11**

1) Presentation of the Income statement has been changed, see note 28.
2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.

Key ratios and data per share	Q2 2022	Q1 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021
Return on equity, %	12.0	11.4	14.2	11.6	13.5
Earnings per share before dilution, SEK[1]	4.19	4.11	4.96	8.31	9.40
Earnings per share after dilution, SEK[1]	4.18	4.10	4.95	8.29	9.38
C/I ratio[2]	0.45	0.44	0.41	0.45	0.42
Equity per share, SEK[1]	143.8	137.7	142.1	143.8	142.1
Loan/deposit ratio, %	137	134	128	137	128
Common Equity Tier 1 capital ratio, %	18.3	18.3	18.5	18.3	18.5
Tier 1 capital ratio, %	19.5	19.5	19.8	19.5	19.8
Total capital ratio, %	21.8	21.7	22.1	21.8	22.1
Credit impairment ratio, %	0.01	0.04	-0.01	0.02	0.03
Share of Stage 3 loans, gross, %	0.32	0.34	0.42	0.32	0.42
Total credit impairment provision ratio, %	0.27	0.27	0.34	0.27	0.34
Liquidity coverage ratio (LCR), %	140	166	143	140	143
Net stable funding ratio (NSFR), %	119	122	123	119	123

1) The number of shares and calculation of earnings per share are specified on page 49.
2) Presentation of the Income statement has been changed, see note 28.

Balance sheet data SEKbn	30 Jun 2022	31 Dec 2021	% 	30 Jun 2021	%
Loans to the public, excl. the Swedish National Debt Office and repurchase agreements	1 768	1 679	5	1 637	8
Deposits from the public, excl. the Swedish National Debt Office and repurchase agreements	1 293	1 261	3	1 282	1
Equity attributable to shareholders of the parent company	162	162	0	159	2
Total assets	2 912	2 751	6	2 939	-1
Risk exposure amount	744	708	5	689	8

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

Market

The global outlook grew more uncertain in the second quarter. Rising inflation and central bank tightening policies, together with the effects of the war in Ukraine and sweeping Covid-related shutdowns in China, are impeding global growth. Higher energy, commodity and food prices are adding to the already high inflation, which is biting into consumer purchasing power and reducing consumption. Rising interest rates are also affecting the willingness of companies to invest. Inflation in many countries is higher than it has been in decades.

Several central banks, including the Riksbank, the Federal Reserve and the ECB, have signalled that monetary policy has to be tightened rapidly to check the high inflation, which has reduced the risk appetite in the financial markets. The war in Ukraine and concerns about an economic slowdown also impact market sentiment. Equity prices continued to fall in the quarter and interest rates to rise, while the dollar remained strong. Oil prices were at historically high levels.

The Riksbank has launched a monetary policy shift. After announcing as recently as February that its policy rate would not be raised before the second half of 2024, the Riksbank raised it to 0.25 per cent in April, followed by a 0.50 percentage points increase in June. Furthermore, asset purchases will be reduced beginning in the second half of 2022. Swedbank's macroeconomists are forecasting that the Riksbank will continue to raise rates until it reaches 1.75 per cent in February 2023.

Sweden's GDP fell in the first quarter and the GDP forecast for 2022 has been revised downwards. Data indicate a slight recovery in the second quarter, but growth is expected to fall in the coming months. Inflation rose to more than 8 per cent, which is affecting consumer purchasing power and consumption. High household savings of nearly 17 percent of disposable income provide a shock absorber, however. The labour market remains stable and unemployment is expected to continue to drop, although labour mismatch problems could have an offsetting effect.

The latest data from Valueguard show that the Swedish housing market has slowed and prices have dropped somewhat. Higher mortgage rates and lower purchasing power will probably continue to have a negative impact on house prices. The number of property sales decreased in the quarter compared with 2021 and Swedbank's macroeconomists expect further weakness this year.

In the Baltic countries, growth was strong in the first quarter, mainly driven by consumption and exports. It is expected to slow for the rest of the year due to lower domestic demand and a less favourable export outlook. Despite rapid wage growth, consumer purchasing power is being eroded by the high inflation, which is largely imported (energy and food) but has broadened lately. There is a growing risk that it could persist. Data indicate that house prices continued to rise in the quarter at a rapid rate due to limited supply and strong demand. On the other hand, higher mortgage rates and declining real wages will probably slow this trend going forward.

Important to note

The interim report contains alternative performance measures that Swedbank considers valuable information for the reader, since they are used by the executive management for internal governance and performance measurement as well as for comparisons between reporting periods. Further information on the alternative performance measures used in the interim report can be found on page 57.

Group development

Result second quarter 2022 compared with first quarter 2022

Swedbank's profit increased to SEK 4 710m (4 617) due to higher income and lower credit impairments, partly offset by higher expenses. Foreign exchange effects marginally affected profit before impairment, the Swedish bank tax and resolution fund fees.

The return on equity was 12.0 per cent (11.4) and the cost/income ratio was 0.45 (0.44).

Income increased to SEK 11 612m (11 455). Net interest income increased, while other income and net gains and losses on financial items decreased. Foreign exchange effects marginally affected income.

Net interest income increased by 5 per cent to SEK 7 113m (6 762). Underlying net interest income was positively affected by higher lending volumes. Higher deposit margins caused by higher market interest rates also contributed but were partly offset by lower lending margins. The last payment from the European Central Bank's liquidity loans was unchanged from the previous quarter. An extra day in the quarter contributed positively.

Net commission income decreased by 1 per cent to SEK 3 551m (3 581). Income from asset management decreased due to the downturn in the capital markets. Income from payment services decreased and price adjustments of endowment insurance policies had a negative effect of approximately SEK 30m. Card income increased after the pandemic restrictions were lifted in the first quarter and due to positive seasonal effects. Income from corporate finance increased after a slower first quarter.

Net gains and losses on financial items decreased to SEK 57m (122). In Large Corporates & Institutions, profit decreased mainly due to the challenging capital market, which led to a drop in the market valuations of the trading portfolio of bonds where Swedbank is a market maker. The SEK 1bn divestment of the Danish mortgage portfolio negatively affected Swedish Banking by SEK 54m. Group Treasury's net gains and losses on financial items increased mainly due to bond repurchases.

Other income decreased by 10 per cent to SEK 891m (990). Insurance provisions dissolved in the previous quarter had a positive effect of SEK 115m. Entercard's profit decreased by SEK 32m due to higher provisions for expected credit losses.

Expenses increased by 3 per cent to SEK 5 248m (5 087). Staff costs increased due to salary increases

mainly in the Baltic countries and more employees. Other expenses were seasonally higher. AML-related investigation expenses increased to SEK 92m (55). Foreign exchange effects had a marginal effect.

Credit impairments amounted to SEK 40m (158) in the quarter. Within Swedish Banking, deteriorating macroeconomic scenarios as well as ratings and stage migrations had a negative effect. Within Baltic Banking, negative ratings changes for recoveries of previous expert credit adjustments had an offsetting effect. Within Large Corporates & Institutions, individually assessed provisions decreased due to revalued collateral from counterparties in the oil and offshore sector. Due to the prevailing macroeconomic uncertainty, the majority of previous expert credit adjustments were unchanged.

Credit impairments by business area SEKm	Q2 2022	Q1 2022	Q2 2021
Swedish Banking	147	85	-34
Baltic Banking	-2	-11	-23
Estonia	5	-13	3
Latvia	-2	0	-16
Lithuania	-5	2	-10
Large Corporates & Institutions	-115	77	32
Group Functions & Other	10	7	-2
Total	**40**	**158**	**-27**

The tax expense amounted to SEK 1 144m (1 137), corresponding to an effective tax rate of 19.5 per cent (19.8). The lower effective tax rate in the quarter is largely due to a refund of previously paid tax after audits by the Swedish and Danish tax authorities.

Result January – June 2022 compared with January – June 2021

Swedbank's profit decreased to SEK 9 327m (10 538) due to lower income and higher expenses. The introduction of the bank tax and higher resolution fund fees also had a negative effect. Foreign exchange effects positively affected profit before impairment, the Swedish bank tax and resolution fees by approximately SEK 79m.

The return on equity was 11.6 per cent (13.5) and the cost/income ratio was 0.45 (0.42).

Income decreased to SEK 23 067m (23 673) and was negatively affected by net gains and losses on financial items. Net interest income and net commission income increased while other income fell slightly. Foreign exchange effects increased income by approximately SEK 192m.

Net interest income increased by 3 per cent to SEK 13 875m (13 514). The underlying result was bolstered by volume growth and a higher aggregate margin on deposits and lending. This was offset by a positive retroactive change in the deposit guarantee.

Net commission income increased by 1 per cent to SEK 7 132m (7 034). Income increased primarily from cards but was offset by lower income from asset management following this year's downturn in the capital markets.

Net gains and losses on financial items decreased to SEK 179m (1 230) due to negative effects from the revaluation of the trading portfolio within Large Corporates & Institutions. Within Group Treasury, negative valuation changes in derivatives and the liquidity portfolio had an effect but will be largely reversed over time. A positive valuation effect in 2021 in connection with Hemnet's IPO also contributed to the decrease.

Other income decreased by 1 per cent to SEK 1 881m (1 895).

Expenses increased to SEK 10 335m (9 963) mainly as a result of higher staff costs and IT expenses. AML-related investigation expenses were lower than in 2021 at SEK 147m. Foreign exchange effects raised expenses by approximately SEK 113m.

Credit impairments amounted to SEK 198m (219) and are mainly explained by updated macroeconomic scenarios and negative ratings and stage changes. The increase in credit impairments in the first half of 2021 was mainly due to pandemic-related expert credit adjustments within Baltic Banking.

The bank tax came into force on 1 January 2022 and is estimated at just under SEK 1bn for the full year.

The tax expense amounted to SEK 2 281m (2 496), corresponding to an effective tax rate of 19.7 per cent (19.1). The higher effective tax rate this year is largely due to a lower share of tax-exempt income in associated companies and joint ventures. The Group's effective tax rate is still estimated at 19-21 per cent in the medium term.

Volume trend by product area

Swedbank's main business is organised in product areas for lending, deposits, fund savings and life insurance, and payments.

Lending

Total lending to the public, excluding repos and lending to the Swedish National Debt Office, increased by SEK 43bn to SEK 1 768bn (1 725) compared with the first quarter 2022. Compared with the second quarter 2021 lending increased by SEK 131bn or 8 per cent. Foreign exchange effects positively affected lending volumes by approximately SEK 10bn compared with the first quarter 2022 and by SEK 19bn compared with the second quarter 2021.

Loans to the public excl. the Swedish National Debt Office and repurchase agreements, SEKbn	30 Jun 2022	31 Mar 2022	30 Jun 2021
Loans, private mortgage	1 017	1 002	960
of which Swedish Banking	911	901	867
of which Baltic Banking	106	101	93
Loans, private other incl tenant-owner associations	147	144	142
of which Swedish Banking	124	124	123
of which Baltic Banking	20	18	17
of which Large Corporates & Inst.	3	2	2
Loans, corporate	604	579	535
of which Swedish Banking	239	237	238
of which Baltic Banking	88	84	77
of which Large Corporates & Inst.	277	258	220
Total	**1 768**	**1 725**	**1 637**

Lending to mortgage customers within Swedish Banking increased by SEK 10bn to SEK 911bn (901) compared with the end of the first quarter 2022. The market share in mortgages in Sweden was 23 per cent (23). In the quarter, the Danish mortgage portfolio was divested for SEK 1bn. Other private lending, including lending to tenant-owner associations, was unchanged in the quarter.

Baltic Banking's mortgage volumes increased by 1 per cent in local currency to the equivalent of SEK 106bn at the end of the quarter.

Corporate lending increased by SEK 25bn in the quarter to SEK 604bn (579). In Sweden, the market share was 16 per cent (16).

Swedbank's green asset portfolio continued to grow, largely through the reclassification of existing assets. Loans for low-emission cars and new energy-efficient properties have been included in the portfolio. Lending volumes in Swedbank's green asset portfolio increased by 14 per cent to approximately SEK 53bn (47) in the quarter.

The green asset portfolio consists of qualified green loans according to Swedbank's green bond framework. For more information, see page 70 of the Fact book and Note S3 Sustainable finance in the annual and sustainability report. For more information on lending, see page 36 of the Fact book.

Deposits

Total deposits in the business areas increased by SEK 8bn to SEK 1 290bn (1 282) compared with the previous quarter. Compared with the second quarter 2021 deposits in the business areas increased by SEK 87bn or 7 per cent. Swedish Banking and Baltic Banking contributed to the increase.

Exchange rates positively affected deposit volumes by approximately SEK 15bn compared with the first quarter 2022 and positively by approximately SEK 24bn compared with the second quarter 2021. Total deposits from the public, including volumes attributable to Group Treasury, amounted to SEK 1 293bn (1 284).

Deposits from the public excl. the Swedish National Debt Office and repurchase agreements, SEKbn	30 Jun 2022	31 Mar 2022	30 Jun 2021
Deposits, private	694	666	624
of which Swedish Banking	490	472	445
of which Baltic Banking	204	194	179
Deposits, corporate	599	618	658
of which Swedish Banking	250	244	237
of which Baltic Banking[1]	130	131	120
of which Large Corporates & Inst.[1]	216	241	222
of which Group Functions & Other	3	2	79
Total	**1 293**	**1 284**	**1 282**

1) Some corporate deposits were moved from Large Corporates & Institutions to Baltic Banking in the first quarter 2022 reorganisation. Restatements of comparative figures for 30 June 2021.

Swedbank's deposits from private customers increased by SEK 28bn in the quarter to SEK 694bn (666).

Corporate deposits in the business areas decreased by SEK 19bn in the quarter to SEK 599bn (618).

Swedbank's market share for household deposits in Sweden was 19 per cent (19). The market share for corporate deposits was 15 per cent (16). For more information on deposits, see pages 37 and 72 of the Fact book.

Fund savings and life insurance

Assets under management in Swedbank Robur fell by 11 per cent in the quarter to SEK 1 248bn (1 398), of which SEK 1 178bn (1 324) related to Sweden, SEK 68bn (72) to the Baltic countries and SEK 2bn (3) to other markets. The decrease is mainly due to the market downturn.

Swedbank Robur's Russia fund has been closed for trading since the previous quarter. During the quarter, the Swedish Pensions Agency deregistered all Russia funds from its marketplace, including the Swedbank Robur Russia fund.

Asset management, SEKbn	30 Jun 2022	31 Mar 2022	30 Jun 2021
Sweden	1 178	1 324	1 303
Estonia	18	20	26
Latvia	27	28	26
Lithuania	23	23	20
Other countries	2	3	11
Funds under Management, Swedbank Robur	**1 248**	**1 398**	**1 386**
Funds under Management, Estonia and Lithuania	8	2	2
Total Funds under Management	**1 256**	**1 400**	**1 388**
Discretionary asset management[1]	382	418	430
Total Assets under Management	**1 638**	**1 818**	**1 818**

1) During the first quarter of 2022, a reclassification of Discretionary asset management was made in accordance with a renewed agreement from 1 January 2022. Comparative figures have been recalculated.

The net flow in the Swedish fund market amounted to SEK -4bn (-35). The largest outflow was from fixed income funds at SEK-11bn, while active equity funds had outflows of SEK -7bn. Other fund categories had inflows: SEK 9bn to hedge funds, SEK 3bn to index funds and SEK 2bn to other funds. Mixed funds were unchanged.

During the quarter, Swedbank Robur had a net flow of SEK 0bn (-7) in Sweden. The savings banks and third party distributors had inflows, while Swedish Banking, the Swedish Pensions Agency and institutional clients had outflows.

Swedbank Robur published its annual Climate Report in the quarter. The report is produced in accordance with Task Force on Climate Related Financial Disclosures (TFCD) and Net Zero Asset Manager. A majority of the fund company's actively managed equity funds again outperformed their respective indices in terms of carbon emissions in 2021. New targets were set for climate work and a new dark green fund focusing on the climate transition (Climate Impact) was launched.

During the quarter, Swedbank Robur helped to put together a guide as part of the Finance for Biodiversity Pledge. The guide is designed for investors to use in influencing companies on biodiversity issues.

Net flows in the Baltic countries were unchanged at SEK 1bn (1) in the quarter.

By assets under management, Swedbank Robur is the leader in the Swedish and Baltic fund markets. As of 30 June, the market share in Sweden was 20 per cent. The market shares in Estonia and Lithuania were 38 per cent, respectively, and in Latvia 41 per cent.

In life insurance, assets under management in the Swedish operations decreased by 10 per cent in the quarter to SEK 272bn as of 30 June. Premium income, consisting of premium payments and capital transfers, amounted to SEK 6bn (10) in the quarter.

Assets under management, life insurance SEKbn	30 Jun 2022	31 Mar 2022	30 Jun 2021
Sweden	272	302	289
of which collective occupational pensions	145	160	148
of which endowment insurance	83	94	94
of which occupational pensions	34	37	36
of which other	10	11	11
Baltic countries	8	8	8

For premium income excluding capital transfers, Swedbank's market share in Sweden in the first quarter was 6 per cent (7). In the transfer market, Swedbank's market share in the first quarter was 9 per cent (9).

In Estonia, Latvia and Lithuania, Swedbank is the largest life insurance company. The market shares for premium payments in the first five months of the year were 49 per cent in Estonia, 25 per cent in Latvia and 24 per cent in Lithuania.

Payments

The total number of Swedbank cards in issue at the end of the quarter was 8.2 million, in line with the end of the previous quarter. In Sweden, 4.4 million cards were in issue and in the Baltic countries 3.8 million. Compared with the same quarter in 2021 corporate card issuance in Sweden grew by 2 per cent and private card issuance by 1 per cent. Compared with the same quarter in 2021 corporate card issuance in the Baltic countries grew by 1 per cent and private card issuance by 1 per cent.

Number of cards	30 Jun 2022	31 Mar 2022	30 Jun 2021
Issued cards, million	8.2	8.2	8.1
of which Sweden	4.4	4.4	4.4
of which Baltic countries	3.8	3.8	3.7

The number of purchases with Swedbank cards increased in Sweden by 17 per cent compared with the same quarter in 2021. A total of 373 million card purchases were made, positively affected by the lifting of restrictions. In the Baltic countries, the number of card purchases grew by 21 per cent in the same period to 216 million, also due to the easing of restrictions.

The number of card transactions acquired by Swedbank increased by 9 per cent compared with the same quarter in 2021. In Sweden, Norway, Finland and Denmark, 767 million card transactions were acquired, up 7 per cent from the same quarter in 2021. In the Baltic countries, the corresponding figure was 149 million, up 22 per cent.

Card transactions acquired in Sweden, Norway, Finland and Denmark amounted to SEK 223bn, an increase of 11 per cent compared with the equivalent period in 2021. Transaction volumes in the Baltic countries amounted to SEK 29bn, an increase of 32 per cent.

The lifting of restrictions in the Nordic and Baltic countries contributed to a strong recovery compared with the equivalent period in 2021. Higher prices of consumer staples and petrol raised transaction volumes in these sectors by 6 per cent and 36 per cent respectively. Other sectors that also contributed to the recovery are restaurants, hotels, travel and transport.

In Sweden, there were 225 million domestic payments in the second quarter, an increase of 3 per cent compared with the equivalent period in 2021. In the Baltic countries, 108 million domestic payments were processed, up 14 per cent compared with the same period in 2021. Swedbank's market share of payments through the Bankgiro system was 34 per cent. The number of international payments in Sweden increased by 9 per cent compared with the same quarter in 2021 to 1.7 million. In the Baltic countries, international payments increased by 32 per cent to 6 million.

Credit and asset quality

Swedbank's credit quality is good and the development in the quarter was stable. The macroeconomic outlook weakened, however. Swedbank's lending to property management companies, which accounts for approximately 16 per cent of the total loan portfolio, is well positioned with stable cash flows and long-term repayment capacity as key lending factors. Swedbank's lending to this sector is highly collateralised and the average loan-to-value ratio for the bank's exposures in Sweden was 54 per cent, unchanged from the previous quarter.

The quality of Swedbank's mortgage portfolio, which accounts for just over half of total lending, is high and historically credit impairments have been very low. The development during the quarter was stable and the number of customers with late payments remained low. Customers' long-term repayment capacity is a critical lending factor, which leads to low risks for both the customer and the bank. The average loan-to-value ratios in the mortgage portfolio were 51 per cent in Sweden, 42 per cent in Estonia, 68 per cent in Latvia and 50 per cent in Lithuania.

The sectors considered most vulnerable to increases in energy and commodity costs and lower demand are manufacturing, transport, construction, retail, and hotels and restaurants. These sectors were also affected by the pandemic, and some companies that have not yet recovered could be especially hard hit. Swedbank's lending to these sectors accounts for approximately 6 per cent of the total loan portfolio.

Swedbank's oil and offshore lending is limited and the restructuring of the portfolio is continuing. While high oil and gas prices and the need to reduce the dependency on Russian energy have improved the investment climate in the oil and offshore industry, the global energy transition creates transition risks and uncertainty in the short and long terms.

Provisions for potential future declines in credit quality in the form of expert credit adjustments amounted to SEK 1 671m as of 30 June 2022 (1 715). The decrease in expert credit adjustments in Baltic Banking is because customers affected by the war in Ukraine have been assigned lower risk classes and thereby higher model-based provisions.

The total share of loans in stage 2, gross, decreased to 5.1 per cent (5.5), of which 3.7 per cent (3.7) was for personal loans and 8.0 per cent (9.4) for corporate loans, mainly because a few customers in real estate management were transferred from stage 2 to stage 1. In Baltic Banking, the share of corporate loans in stage 2 increased mainly because a few customers in manufacturing were negatively affected by the war in Ukraine.

The share of loans in stage 3, gross, decreased to 0.32 per cent (0.34) due to decreases in corporate

loans. The provision ratio for loans in stage 3 was 35 per cent (36).

For more information on credit exposures and credit quality, see notes 9 and 11-13 and pages 39-50 of the Fact book.

Funding and liquidity

The funding markets were marred in the quarter by geopolitical concerns, rising interest rates and inflation, in addition to expectations of further central bank rate hikes. Bond yields rose significantly and market volatility was high. The short-term USD funding market was affected by uncertainty about what the Federal Reserve might do. As a result, investors chose to retain liquidity or invest in shorter maturities than normal.

Swedbank's very strong liquidity position enables it to choose the right time to issue bonds when the market is favourable. In the quarter, long-term debt issuance amounted to SEK 31bn.

As of 30 June, Swedbank's short-term funding (commercial paper) in issue amounted to SEK 303bn (231). Available cash and balances with central banks and reserves with the Swedish National Debt Office amounted to SEK 437bn (424) and the liquidity reserve amounted to SEK 619bn (605). The Group's liquidity coverage ratio (LCR) was 140 per cent (166) and for USD, EUR and SEK was 167, 191 and 101 per cent respectively. The net stable funding ratio (NSFR) was 119 per cent (122).

The total issuance need for the full-year 2022 is expected to be in line with issuance volumes in 2021, with a continued focus on senior unsecured bonds and senior non-preferred liabilities to meet MREL requirements. Demand for the bank's financing is affected by the current liquidity situation, future maturities and changes in deposit and lending volumes, and is therefore adjusted over the course of the year. Maturities in 2022 amount to SEK 173bn calculated from the beginning of the year, of which SEK 43bn matures in the second half of 2022.

For more information on funding and liquidity, see notes 15-17 and pages 55–66 of the Fact book.

Ratings

There were no changes to Swedbank's ratings in the second quarter. On 1 July, Fitch upgraded Swedbank's long-term rating from A+ to AA- with a stable outlook. On 15 July, S&P upgraded Swedbank's ESG rating from 75 to 76. For more information, see the section Events after 30 June 2022.

For more information on Swedbank's ratings, see page 67 of the Fact book.

Operational risks

IT and information security risks have remained a priority due to the war in Ukraine. Swedbank's capacity to manage these risks is good and we were not affected during the quarter despite the increasing number of IT attacks against the financial industry.

In April, Swedbank experienced a serious IT incident in connection with a system update. The incident caused incorrect balances in customers' accounts and subsequent payment problems while also affecting the availability of the bank's services. Swedbank takes what occurred seriously and has taken extensive action to prevent similar events from occurring. The Swedish FSA after the end of the quarter launched an investigation related to the incident. For more information, see the section Events after 30 June 2022.

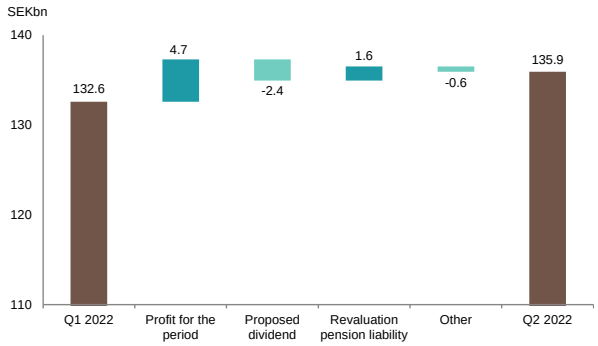
In manly the Baltic countries, many refugees from Ukraine have become customers of the bank, which has meant increased activity in the bank's Know-Your-Customer process.

Pandemic-related risks decreased compared with the previous quarter, although the number of Covid cases rose slightly at the end of the quarter. New working models were established during the pandemic in line with the Public Health Agency of Sweden's recommendations. The number of employees who work remotely remained stable in the quarter.

Capital and capital adequacy

Capital ratio and capital requirement
The Common Equity Tier 1 capital ratio was 18.3 per cent (18.3) at the end of the quarter. The total Common Equity Tier 1 capital requirement, including Pillar 2 guidance, was 13.7 per cent (13.7) of the Risk Exposure Amount (REA), which resulted in a Common Equity Tier 1 capital buffer of 4.6 per cent (4.6). Common Equity Tier 1 capital increased to SEK 135.9bn (132.6) and was mainly affected by the quarterly profit and proposed dividend.

Change in Common Equity Tier 1 capital[1]



[1] Refers to Swedbank consolidated situation

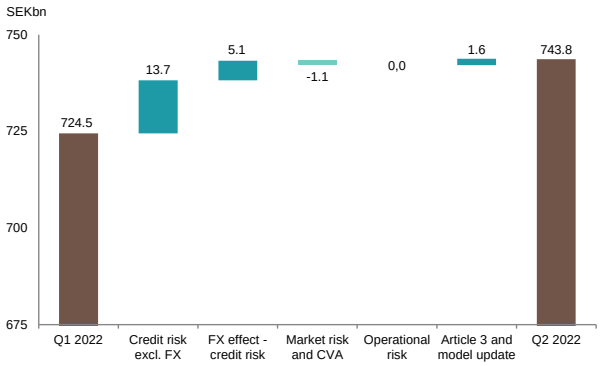
Risk Exposure Amount (REA)
Total REA increased to SEK 743.8bn (724.5) in the second quarter.

REA for credit risk increased due to higher lending and FX effects. The increase was offset mainly by improved collateral, higher ratings and shorter maturities on corporate exposures.

REA for market risk decreased through a lower REA for the specific interest rate risk, which was partly offset by an increase in REA for internal models. REA for CVA decreased mainly due to lower average EAD-weighted maturities and less EAD variance in the counterparty portfolio.

REA for article 3 of the EU's Capital Requirements Regulation (CRR) resulted in an increase of SEK 1.6bn largely due to a change in the exposure volume for large corporates.

Change in REA[1]



[1] Refers to Swedbank consolidated situation

The leverage ratio was 5.2 per cent (5.1) and exceeded the leverage ratio requirement including Pillar 2 guidance of 3.45 per cent, largely due to higher total assets and higher Tier 1 capital.

Capital and resolution regulations
In the second quarter 2022, the Swedish FSA decided to raise the countercyclical buffer in Sweden to 2 per cent of risk-weighted assets as of the second quarter 2023. In the third quarter 2022, the countercyclical buffer will be raised to 1 per cent. In connection with the pandemic, the countercyclical buffer was reduced from 2.5 per cent to 0 per cent. The Swedish FSA assesses the buffer rate's neutral level at 2 per cent.

Swedbank had earlier submitted updated internal risk classification models to the Swedish FSA for evaluation and approval. This aligns with the updated guidelines from the European Banking Authority (EBA) on banks' internal risk classification systems. The approval process has been delayed and is now expected to be completed later this year and early next year. Swedbank's risk-weighted assets will probably increase as a result.

The new Resolution Act, which entered into force in 2021, gradually phases in the minimum requirement for own funds and eligible liabilities (MREL) until 1 January 2024. The new law is based on the EU's Bank Recovery and Resolution Directive (BRRD II). For Swedbank, application of MREL will increase the aggregate need for senior unsecured bonds and senior non-preferred liabilities.

As proposed, the EU Commission's proposal to finalise Basel III, also called Basel IV, would be introduced in stages in 2025–2030. The actions include revisions of the standardised approaches and internal models used to calculate the capital requirements for credit, market and operational risk. A capital requirement floor was introduced for internal models where the risk-weighted assets may not fall below 72.5 per cent of the amount calculated using the standardised approach. Temporary exemptions would apply through 2032. In the next stage, the proposal will be negotiated by the European Council and the EU Parliament. The ultimate impact on Swedbank's capital situation is currently hard to assess.

Investigations

In the previous quarter, Swedbank AS was informed by the Estonian Prosecutor's Office of suspected money laundering in 2014–2016. The criminal investigation originates from the Estonian FSA's previous investigation of Swedbank AS in 2019. The maximum fine for the suspected crime is EUR 16m.

The U.S. authorities continue to investigate Swedbank's historical anti-money laundering and counter-terrorist financing work and historical information disclosures. The investigations, which are being conducted by the Department of Justice (DoJ), Securities and Exchange Commission (SEC), Office of Foreign Assets Control (OFAC) and Department of Financial Services in New York (DFS), are continuing and the bank is holding individual discussions with the authorities through its U.S. legal advisors. The investigations are at different stages and the bank cannot at this time determine any financial consequences or when the investigations will be completed.

Other events

On 7 April, Swedbank joined the Haga Initiative, a business network that strives to reduce the business sector's climate impact.

Events after the end of the period

On 1 July, Fitch upgraded Swedbank's Long-Term Issuer Default Rating (IDR) to AA- from A+ with a stable outlook. Fitch pointed out that Swedbank has addressed the historical shortcomings identified at its Estonian subsidiary and largely concluded a broad transformation of its corporate culture, compliance, organisational structure and risk control.

On 1 July, Swedbank received a claim of SEK 4bn from the Swedish Pensions Agency related to Swedbank's historical role as custodian bank for the fund Optimus High Yield in 2012-2015. The claim was not preceded by any correspondence or information to the bank from the Swedish Pensions Agency. Swedbank has not made any accounting provisions related to the claim.

On 6 July, the Swedish FSA launched an investigation as to whether Swedbank had followed the appropriate laws, regulations, internal routines and processes in connection with the IT incident that occurred on 28-29 April.

On 15 July, S&P upgraded Swedbank's ESG rating from 75 to 76 due to improved corporate governance.

Swedish Banking

- Higher interest rates and good volume growth increased net interest income
- Danish mortgage portfolio divested
- Continued focus on developing the necessary skills for better sustainability advice

Income statement

SEKm	Q2 2022	Q1 2022	%	Q2[1] 2021	%	Jan-Jun 2022	Jan-Jun[1] 2021	%
Net interest income	4 224	3 924	8	3 871	9	8 148	7 936	3
Net commission income	2 163	2 247	-4	2 302	-6	4 410	4 405	0
Net gains and losses on financial items	46	88	-48	218	-79	134	337	-60
Other income[2]	346	491	-30	497	-30	837	981	-15
Total income	**6 779**	**6 750**	**0**	**6 888**	**-2**	**13 529**	**13 659**	**-1**
Staff costs	824	834	-1	791	4	1 658	1 604	3
Variable staff costs	7	6	17	14	-50	13	33	-61
Other expenses	1 862	1 818	2	1 829	2	3 680	3 620	2
Depreciation/amortisation	6	8	-25	11	-45	14	21	-33
Total expenses	**2 699**	**2 666**	**1**	**2 645**	**2**	**5 365**	**5 278**	**2**
Profit before impairments, Swedish bank tax and resolution fees	**4 080**	**4 084**	**0**	**4 243**	**-4**	**8 164**	**8 381**	**-3**
Credit impairments	147	85	73	-34		232	-27	
Swedish bank tax and resolution fees	322	311	4	107		633	251	
Profit before tax	**3 611**	**3 688**	**-2**	**4 170**	**-13**	**7 299**	**8 157**	**-11**
Tax expense	688	697	-1	773	-11	1 385	1 522	-9
Profit for the period	**2 923**	**2 991**	**-2**	**3 397**	**-14**	**5 914**	**6 635**	**-11**
Profit for the period attributable to: Shareholders of Swedbank AB	**2 923**	**2 991**	**-2**	**3 396**	**-14**	**5 914**	**6 635**	**-11**
Non-controlling interests	0	0		1		0	0	
Return on allocated equity, %	16.7	17.6		21.1		17.2	20.4	
Loan/deposit ratio, %	172	176		180		172	180	
Credit impairment ratio, %	0.05	0.03		-0.01		0.04	0.00	
Cost/income ratio[1]	0.40	0.39		0.38		0.40	0.39	
Loans, SEKbn[3]	1 274	1 262	1	1 228	4	1 274	1 228	4
Deposits, SEKbn[3]	740	716	3	682	9	740	682	9
Full-time employees	4 063	4 041	1	3 929	3	4 063	3 929	3

1) Presentation of the Income statement has been changed, see note 28.
2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.
3) Excluding the Swedish National Debt Office and repurchase agreements.

Result

Second quarter 2022 compared with first quarter 2022

Profit decreased by 2 per cent to SEK 2 923m (2 991). Stable income and expenses were offset by increased credit impairments.

Net interest income increased by 8 per cent to SEK 4 224m (3 924). Higher deposit margins due to increased market interest rates had a positive effect but were partly offset by lower lending margins.

Household mortgage volumes increased by SEK 10bn to SEK 911bn (901). Underlying growth was SEK 11bn, but the sale of the Danish mortgage portfolio negatively affected volumes by SEK 1bn. Lending to tenant-owner associations was unchanged at SEK 92bn (92). Customer transfers to Large Corporates & Institutions negatively affected lending to tenant-owner associations by SEK 1bn.

Corporate lending increased by SEK 2bn to SEK 239bn (237). Customer transfers to Large Corporates & Institutions negatively affected corporate volumes by SEK 2bn, mainly within property management.

Deposit volumes increased by SEK 24bn to SEK 740bn (716), of which household deposits increased by SEK 18bn and corporate deposits by SEK 7bn.

Net commission income decreased by 4 per cent to SEK 2 163m (2 247) mainly due to lower income from asset management and a price adjustment of endowment insurance policies, which had a negative effect of approximately SEK 30m. This was partly offset by higher card income.

Net gains and losses on financial items decreased to SEK 46m (88) due to the sale of the Danish mortgage portfolio.

Other income decreased to SEK 346m (491) mainly due to lower net insurance. The previous quarter was positively affected by a revised calculation method for provisions.

Expenses increased to SEK 2 699m (2 666) largely due to higher compliance-related expenses.

Credit impairments amounted to SEK 147m (85) mainly due to worsening macroeconomic scenarios and negative ratings and stage changes.

January – June 2022 compared with January – June 2021
Profit decreased by 11 per cent to SEK 5 914m (6 635). Stable income was offset by slightly higher expenses, increased credit impairments and the introduction of the bank tax.

Net interest income increased by 3 per cent to SEK 8 148m (7 936) mainly due to higher deposit margins caused by higher market interest rates. This was partly offset by lower lending margins and a higher deposit guarantee fee.

Net commission income was stable at SEK 4 410m (4 405). Lower asset management income was offset mainly by higher card income.

Net gains and losses on financial items decreased to SEK 134bn (337) due to a positive valuation effect in 2021 in connection with Hemnet's IPO and a negative valuation effect this year from the sale of the Danish mortgage portfolio.

Other income decreased to SEK 837m (981) mainly driven by lower income from Entercard and partly owned savings banks.

Expenses increased by 2 per cent to SEK 5 365m (5 278) mainly due to increased compliance-related expenses.

Credit impairments amounted to SEK 232m (-27).

Business development

Mortgage growth remained strong in the quarter thanks to a highly active housing market at the beginning of the year. The market itself slowed in the quarter against the backdrop of higher interest rates and increased economic uncertainty. House prices began falling somewhat in May. Swedbank was the market leader in new mortgage sales. Like many other mortgage lenders, Swedbank raised its rates in the quarter, mainly for longer loans, as a result of the big rise in market interest rates. Consequently, customers have increasingly chosen variable rates rather than tie up their loans for long periods. The interest rates on savings accounts were also raised somewhat.

The rapidly rising inflation and turbulent equity and fixed income markets have led to continued high demand for financial advice, which we provided. While we are seeing an increase in monthly contributions to funds, some customers chose in the quarter to reallocate from funds to savings accounts due to the weak stock market.

In connection with an update of the IT system, many customers received incorrect account balances. Besides the inconvenience, the error resulted in a high call volume for the telephone bank with longer waiting times. We are working continuously to ensure that the bank's systems always work optimally. Availability and personalised offerings remain priority areas. During the quarter, we also continued to give advice to refugees from Ukraine who want to or have become customers of the bank.

The corporate market continued to perform well with rising lending volumes, at the same time that customer demand for advice increased due to the rapid changes in the marketplace. We have maintained a close dialogue with agricultural customers, and to support them we launched a specialised liquidity loan in the quarter.

Our corporate customers gained access to Open Banking in the quarter, allowing them to choose to share information between their bank and other firms. This is part of the work we are doing to help customers more easily do their banking digitally.

During the spring, our work on sustainability further intensified. Among other things, training was provided to advisors on sustainability aspects in connection with investment advice ahead of the new regulations that enter into force in August. Around half of the advisors – 1 500 employees – have completed the training to date. We have also introduced improvements to the sustainability analysis for corporate customers – to provide better advice and to improve the lending process.

As part of our social engagement, we met 16 000 children and young adults through our lecture series Young Economy to create a sound, long-term understanding of their personal finances. Swedbank also sponsors Junior Achievement in Sweden, and it was gratifying to see the strong commitment to sustainability in this year's nationwide competition. We have also met with 1 300 customers as part of Digital Economy, an initiative designed to fight digital exclusion.

Mikael Björknert
Head of Swedish Banking

***Sweden is Swedbank's largest market**, with around 4 million private customers and over 300 000 corporate customers. This makes Swedbank the largest Swedish bank by number of customers. Swedish Banking offers private customers and small to medium-sized companies financial services and advice adapted to their specific situation and needs. The bank is there for them throughout their journey – from small to big. Swedbank is a digital bank with physical meeting points and satisfies customers' needs with the help of partners. We are available through digital devices, by telephone or in person, depending on what customers need help with. The bank is strongly committed to the community and invests in an inclusive future where we promote economically sustainable thinking.*

Baltic Banking

- Substantial increase in net interest income contributed to strong results
- Good credit quality
- Active partner in the energy transition and around 22 000 bank accounts were opened for Ukrainian refugees

Income statement

SEKm	Q2 2022	Q1 2022	%	Q2[1] 2021	%	Jan-Jun 2022	Jan-Jun[1] 2021	%
Net interest income	1 497	1 385	8	1 399	7	2 882	2 659	8
Net commission income	746	713	5	683	9	1 459	1 316	11
Net gains and losses on financial items	71	92	-23	101	-30	163	205	-20
Other income[2]	221	202	9	202	9	423	408	4
Total income	**2 535**	**2 392**	**6**	**2 385**	**6**	**4 927**	**4 588**	**7**
Staff costs	446	403	11	393	13	849	761	12
Variable staff costs	11	17	-35	15	-27	28	34	-18
Other expenses	567	587	-3	528	7	1 154	1 010	14
Depreciation/amortisation	45	44	2	43	5	89	86	3
Total expenses	**1 069**	**1 051**	**2**	**979**	**9**	**2 120**	**1 891**	**12**
Profit before impairments, Swedish bank tax and resolution fees	**1 466**	**1 341**	**9**	**1 406**	**4**	**2 807**	**2 697**	**4**
Credit impairments	-2	-11	-82	-23	-91	-13	197	
Swedish bank tax and resolution fees	25	24	4	16	56	49	38	29
Profit before tax	**1 443**	**1 328**	**9**	**1 413**	**2**	**2 771**	**2 462**	**13**
Tax expense	247	224	10	236	5	471	412	14
Profit for the period	**1 196**	**1 104**	**8**	**1 177**	**2**	**2 300**	**2 050**	**12**
Profit for the period attributable to:								
Shareholders of Swedbank AB	**1 196**	**1 104**	**8**	**1 177**	**2**	**2 300**	**2 050**	**12**
Return on allocated equity, %	18.2	17.5		19.5		17.6	17.0	
Loan/deposit ratio, %	64	62		62		64	62	
Credit impairment ratio, %	0.00	-0.02		-0.05		-0.01	0.21	
Cost/income ratio[1]	0.42	0.44		0.41		0.43	0.41	
Loans, SEKbn[3]	214	203	5	187	14	214	187	14
Deposits, SEKbn[3]	334	325	3	299	12	334	299	12
Full-time employees	4 678	4 629	1	4 649	1	4 678	4 649	1

1) Presentation of the Income statement has been changed, see note 28.
2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.
3) Excluding the Swedish National Debt Office and repurchase agreements.

Result

Second quarter 2022 compared with first quarter 2022

Profit increased to SEK 1 196m (1 104) due to higher income. Foreign exchange effects increased profit by SEK 3m.

Net interest income increased by 8 per cent in local currency mainly due to higher lending volumes, rising deposit margins and an additional day during the quarter. Foreign exchange effects increased net interest income by SEK 2m.

Lending increased by 2 per cent in local currency. Household lending increased by 3 per cent while corporate lending was stable. Foreign exchange effects positively contributed SEK 7bn.

In local currency, deposit volumes decreased by 1 per cent in the quarter. Corporate and institutional deposits decreased but were partly offset by the increase from households. Foreign exchange effects positively contributed SEK 11bn.

Net commission income increased by 4 per cent in local currency due to higher card usage. Income from asset management fell in the second quarter due to lower volumes.

Net gains and losses on financial items decreased by 22 per cent in local currency mainly due to lower income from FX transactions in the quarter.

Other income increased by 10 per cent in local currency due to a higher income within insurance, with fees rising and claims falling.

Expenses increased by 1 per cent in local currency largely due to the annual salary review and seasonally higher expenses.

Credit impairments amounted to SEK -2m (-11). Negative ratings changes were offset by recoveries of previous expert credit adjustments for customers affected by the war in Ukraine, mainly in retail and wholesale, transport and manufacturing.

January – June 2022 compared with January – June 2021
Profit increased to SEK 2 300m (2 050) in the period. Profit rose in local currency mainly due to higher income and lower credit impairments, which were partly offset by higher expenses. Foreign exchange effects positively affected profit by SEK 70m.

Net interest income increased by 5 per cent in local currency. Higher lending volumes and corporate deposit fees were offset by income from the European Central Bank's liquidity loan. Foreign exchange effects positively affected net interest income by SEK 86m.

Lending increased by 8 per cent in local currency. Household and corporate lending increased by 8 per cent. Foreign exchange effects positively contributed SEK 12bn.

Deposits increased by 6 per cent in local currency. Deposits increased in all three markets. Foreign exchange effects positively contributed SEK 19bn.

Net commission income increased by 8 per cent in local currency mainly due to higher income from cards.

Net gains and losses on financial items decreased by 22 per cent in local currency due to revaluations of fund and bond holdings in the insurance operations.

Other income increased by 1 per cent in local currency.

Expenses increased by 9 per cent in local currency mainly due to higher staff costs. Expenses for IT and compliance also increased. This was partly offset by cost savings in the retail network.

Credit impairments amounted to SEK -13m (197). Credit impairments in 2021 were mainly due to pandemic-related expert credit adjustments.

Business development

Business activity in the Baltic markets remained strong in the quarter despite geopolitical and macroeconomic uncertainty as well as rising inflation. Consumption remained high partly due to the limited spread of Covid-19 and the fact that the summer holiday period had begun. By using suppliers in other countries, many companies were able to overcome the supply chain disruptions from Russia and Belarus, mainly in the construction and energy sectors.

Swedbank maintained stable market positions and actively met customers' needs. Mortgage volumes rose against the backdrop of continuing activity in the housing sector. We continued to support our corporate clients with working capital.

The net flow to Swedbank Robur's funds remained positive despite the concerns weighing on the financial market. Swedbank in Lithuania launched a new pension fund product where customers can choose between three different equity allocation plans with risk levels based on age. These new products have been well received by customers.

In the second quarter, a record number of refugees from Ukraine arrived in the Baltic countries. Around 22 000 of them became customers of the bank in the quarter.

The tightening of sanction controls has continued. To reduce the risk of sanction violations, Swedbank stopped accepting payments to and from Russia and Belarus with the exception of certain social, humanitarian and other state-approved transactions.

Swedbank is participating in a Lithuanian housing modernisation programme with lending to the Jessica II fund, whose purpose is to modernise and increase the energy efficiency of the existing housing stock. Swedbank has also expanded its sustainable solar loan offering to include heat pumps, wind power and battery packs for energy storage.

Swedbank was the first company to reach the highest level, Diamond, in Latvia's national ESG index. Only companies with a proven, long-term commitment to improve occupational health and safety, the environment, social issues and other sustainability-related areas can reach this level.

The leading employment portal in the Baltic countries, CV Online, named Swedbank Best Employer 2021 in Latvia. Swedbank also received high ratings in Estonia and Lithuania.

Jon Lidefelt
Head of Baltic Banking

***Swedbank is the largest bank** by number of customers in Estonia, Latvia and Lithuania, with around 3.3 million private customers and nearly 300 000 corporate customers. According to surveys, Swedbank is also the most popular brand in the Baltic countries. Through digital channels, customer centres and branches, the bank is always available. Swedbank is part of the local community. Local social engagement is expressed in many ways, with initiatives to promote education, entrepreneurship and social welfare. Swedbank has 15 branches in Estonia, 18 in Latvia and 42 in Lithuania.*

Large Corporates & Institutions

- High demand for corporate lending and stronger net interest income
- Net gains and losses on financial items negatively affected by a challenging capital market
- New framework agreement with the Swedish National Debt Office and new strategic partnership with Norway's largest savings bank

Income statement

SEKm	Q2 2022	Q1 2022	%	Q2[1] 2021	%	Jan-Jun 2022	Jan-Jun[1] 2021	%
Net interest income	1 123	1 026	9	954	18	2 149	1 919	12
Net commission income	725	659	10	745	-3	1 384	1 430	-3
Net gains and losses on financial items	133	245	-46	283	-53	378	619	-39
Other income[2]	71	47	51	66	8	118	134	-12
Total income	**2 052**	**1 977**	**4**	**2 048**	**0**	**4 029**	**4 102**	**-2**
Staff costs	396	386	3	377	5	782	766	2
Variable staff costs	11	39	-72	28	-61	50	88	-43
Other expenses	611	568	8	571	7	1 179	1 102	7
Depreciation/amortisation	29	30	-3	42	-31	59	76	-22
Total expenses	**1 047**	**1 023**	**2**	**1 018**	**3**	**2 070**	**2 032**	**2**
Profit before impairments, Swedish bank tax and resolution fees	**1 005**	**954**	**5**	**1 030**	**-2**	**1 959**	**2 070**	**-5**
Credit impairments	-115	77		32		-38	51	
Swedish bank tax and resolution fees	119	117	2	43		236	101	
Profit before tax	**1 001**	**760**	**32**	**955**	**5**	**1 761**	**1 918**	**-8**
Tax expense	229	177	29	202	13	406	400	2
Profit for the period	**772**	**583**	**32**	**753**	**3**	**1 355**	**1 518**	**-11**
Profit for the period attributable to:								
Shareholders of Swedbank AB	**772**	**583**	**32**	**753**	**3**	**1 355**	**1 518**	**-11**
Return on allocated equity, %	9.0	7.3		9.1		8.2	9.2	
Loan/deposit ratio, %	130	108		100		130	100	
Credit impairment ratio, %	-0.14	0.11		0.04		-0.03	0.03	
Cost/income ratio[1]	0.51	0.52		0.50		0.51	0.50	
Loans, SEKbn[3]	280	260	8	222	26	280	222	26
Deposits, SEKbn[3]	216	241	-10	222	-3	216	222	-3
Full-time employees	1 187	1 196	-1	1 223	-3	1 187	1 223	-3

1) Presentation of the Income statement has been changed, see note 28.
2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.
3) Excluding the Swedish National Debt Office and repurchase agreements.

Result

Second quarter 2022 compared with first quarter 2022

Profit increased by 32 per cent to SEK 772m (583) due to higher net interest income and net commission income as well as recoveries of credit impairments.

Net interest income increased by 9 per cent to SEK 1 123m (1 026) mainly due to higher lending volumes and customer transfers from Swedish Banking. Deposit margins also increased in the quarter.

Net commission income increased by 10 per cent to SEK 725m (659) mainly due to higher advisory commissions related to M&A and equity issuance as well as increased income from bond issuance. Income from cards also contributed positively.

Net gains and losses on financial items decreased to SEK 133m (245). A challenging capital market reduced the market valuations of the trading portfolio of bonds where Swedbank is a liquidity guarantor. Income from fixed income and equity trading also decreased, while FX trading and derivative valuation adjustments (CVA/DVA) contributed positively.

Expenses increased to SEK 1 047m (1 023) after expenses for IT and consultants were seasonally low in the first quarter. Expenses tied to customer activities increased as well.

Credit impairments amounted to SEK -115m (77). Individually assessed provisions due to revalued collateral for counterparties in the oil and offshore sector decreased.

January – June 2022 compared with January – June 2021
Profit decreased by 11 per cent to SEK 1 355m (1 518) mainly due to lower net gains and losses on financial items and the introduction of the bank tax.

Net interest income increased by 12 per cent to SEK 2 149m (1 919) due to higher lending volumes and higher deposit margins. A higher deposit guarantee fee negatively affected net interest income.

Net commission income decreased by 3 per cent to SEK 1 384m (1 430) mainly due to lower advisory commissions related to IPOs and equity issues.

Net gains and losses on financial items decreased to SEK 378m (619) mainly due to negative effects from corporate bond revaluations. High customer activity in fixed income and FX trading as well as positive effects from derivative value adjustments (DVA) contributed positively.

Expenses increased by 2 per cent to SEK 2 070m (2 032) mainly due to annual salary increases and expenses tied to additional customer activities.

Credit impairments amounted to SEK -38m (51).

Business development

The capital market was distinguished in the quarter by rapidly rising interest rates and higher credit spreads. Demand for corporate lending remained high for both new lending and credit lines as the bond market was less attractive than previously. Swedbank mainly provided loans to core customers in real estate, retail and manufacturing. Lending mainly consisted of refinancing and bridge loans. Sustainability-linked loans remained a priority, and Swedbank led the syndication of a such a loan to SSAB.

Despite the market turbulence, Swedbank assisted its corporate and institutional clients with bond issuance in several sectors and countries. The bank helped among others the property companies Hemsö, Heimstaden and Vasakronan in their bond issuance. Swedbank also served as advisor to Stockholm Exergi, Latvenergo and EPSO-G in the energy sector, and the forest products company UPM Kymmene and logistics company Wallenius Wilhelmsen. Swedbank also assisted several Swedish municipalities and savings banks with their bond issuance. Generally, investors continued to focus on issuers with low risk, while interest in high-yield bonds was subdued.

Activity in the stock market was low due to volatility. Swedbank advised among others the property company Emilshus on its IPO and, together with Kepler Cheuvreux, advised Media and Games Invest in connection with its share issue.

As part of an effort to refocus the corporate business and improve efficiencies, Swedbank entered a strategic partnership with Norway's largest savings bank, SpareBank 1 SR-Bank, in the quarter. The partnership covers among other things products and loan syndications in Norway and Sweden with a focus on sustainability, renewable energy and Norwegian-Swedish industrial collaboration.

In connection with this, a loan portfolio of approximately NOK 5.6bn will be divested to SpareBank 1 SR-Bank. The Norwegian High Yield and ECM operations will also be sold to SpareBank 1 Markets, where SpareBank 1 SR-Bank is part-owner. The collaboration with Sparebank 1 SR-Bank and new distribution agreement with Sparebank 1 Markets benefit Swedish corporate clients through improved services. Additionally, Swedbank's operations in Norway will be more efficient and better focused. The changes are subject to regulatory approval.

Swedbank renewed framework agreements with the Swedish National Debt Office as the only bank to provide payment services and card acquisitions for government authorities. The agreements comprise around 180 million transactions and SEK 8 000bn in volumes per year and applies from August 2022 to July 2026 with the right to an extension for one plus one year.

Pål Bergström
Head of Large Corporates & Institutions

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

Group Functions & Other

Income statement

SEKm	Q2 2022	Q1 2022	%	Q2[1] 2021	%	Jan-Jun 2022	Jan-Jun[1] 2021	%
Net interest income	269	429	-37	522	-48	698	1 005	-31
Net commission income	-90	-40		-48	88	-130	-120	8
Net gains and losses on financial items	-193	-303	-36	43		-496	69	
Other income[2]	614	523	17	419	47	1 137	789	44
Total income	**600**	**609**	**-1**	**936**	**-36**	**1 209**	**1 743**	**-31**
Staff costs	1 552	1 507	3	1 481	5	3 059	2 913	5
Variable staff costs	21	29	-28	40	-48	50	58	-14
Other expenses	-1 130	-1 246	-9	-1 279	-12	-2 376	-2 425	-2
Depreciation/amortisation	344	330	4	320	8	674	635	6
Total expenses	**787**	**620**	**27**	**562**	**40**	**1 407**	**1 181**	**19**
Profit before impairments, Swedish bank tax and resolution fees	**-187**	**-11**		**374**		**-198**	**562**	
Impairment of intangible assets				56			56	
Credit impairments	10	7	43	-2		17	-2	
Swedish bank tax and resolution fees	4	4	0	6	-33	8	11	-27
Profit before tax	**-201**	**-22**		**314**		**-223**	**497**	
Tax expense	-20	39		77		19	162	-88
Profit for the period	**-181**	**-61**		**237**		**-242**	**335**	
Profit for the period attributable to:								
Shareholders of Swedbank AB	**-181**	**-61**		**237**		**-242**	**335**	
Full-time employees	6 760	6 734	0	6 555	3	6 760	6 555	3

1) Presentation of the Income statement has been changed, see note 28.
2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.

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

Result

Second quarter 2022 compared with first quarter 2022
Profit decreased to SEK -181m (-61) and was mainly affected by higher expenses.

Net interest income decreased to SEK 269m (429). Net interest income within Group Treasury decreased to SEK 315m (479) due to increased expenses for market funding in the wake of higher market interest rates.

Net gains and losses on financial items increased to SEK -193m (-303). Net gains and losses on financial items within Group Treasury increased to SEK -193m (-296) mainly due to bond repurchases.

Expenses increased to SEK 787m (620) mainly due to higher staff costs and consulting and IT expenses.

January – June 2022 compared with January – June 2021
Profit decreased to SEK -242m (335) mainly due to lower income but also higher expenses.

Net interest income decreased to SEK 698m (1 005). Group Treasury's net interest income decreased to SEK 793m (1 092) due to increased expenses for market funding in the wake of higher market interest rates.

Net gains and losses on financial items decreased to SEK -496m (69). Net gains and losses on financial items within Group Treasury decreased to SEK -490m (76) mainly due to negative valuation changes in funding-related derivatives and in the liquidity portfolio. The valuation changes were affected by higher interest rates and credit spreads.

Expenses increased to SEK 1 407m (1 181) mainly due to higher IT expenses and staff costs.

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

Eliminations

Income statement

SEKm	Q2 2022	Q1 2022	%	Q2[1] 2021	%	Jan-Jun 2022	Jan-Jun[1] 2021	%
Net interest income		-2		-2		-2	-5	-60
Net commission income	7	2		-8		9	3	
Other income[2]	-361	-273	32	-205	76	-634	-417	52
Total income	**-354**	**-273**	**30**	**-215**	**65**	**-627**	**-419**	**50**
Staff costs	-5	-3	67	-3	67	-8	-6	33
Other expenses	-349	-270	29	-212	65	-619	-413	50
Total expenses	**-354**	**-273**	**30**	**-215**	**65**	**-627**	**-419**	**50**

1) Presentation of the Income statement has been changed, see note 28.
2) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.

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

Group

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

Income statement, condensed

Group SEKm	Q2 2022	Q1 2022	Q2[1] 2021	Jan-Jun 2022	Jan-Jun[1] 2021
Interest income on financial assets at amortised cost	8 424	7 500	7 373	15 924	14 836
Other interest income	65	116	90	181	255
Interest income	**8 489**	**7 616**	**7 463**	**16 105**	**15 091**
Interest expense	-1 376	-854	-719	-2 230	-1 577
Net interest income (note 5)	**7 113**	**6 762**	**6 744**	**13 875**	**13 514**
Commission income	5 603	5 494	5 535	11 097	10 643
Commission expense	-2 052	-1 913	-1 861	-3 965	-3 609
Net commission income (note 6)	**3 551**	**3 581**	**3 674**	**7 132**	**7 034**
Net gains and losses on financial items (note 7)	57	122	645	179	1 230
Net insurance	391	459	396	850	770
Share of profit or loss of associates and joint ventures	118	165	247	283	484
Other income	382	366	336	748	641
Total income	**11 612**	**11 455**	**12 042**	**23 067**	**23 673**
Staff costs	3 263	3 218	3 136	6 481	6 251
Other general administrative expenses (note 8)	1 561	1 457	1 437	3 018	2 894
Depreciation/amortisation of tangible and intangible assets	424	412	416	836	818
Total expenses	**5 248**	**5 087**	**4 989**	**10 335**	**9 963**
Profit before impairments, Swedish bank tax and resolution fees	**6 364**	**6 368**	**7 053**	**12 732**	**13 710**
Impairment of intangible assets			56		56
Credit impairments (note 9)	40	158	-27	198	219
Swedish bank tax and resolution fees (note 10)	470	456	172	926	401
Profit before tax	**5 854**	**5 754**	**6 852**	**11 608**	**13 034**
Tax expense	1 144	1 137	1 288	2 281	2 496
Profit for the period	**4 710**	**4 617**	**5 564**	**9 327**	**10 538**
Profit for the period attributable to:					
Shareholders of Swedbank AB	**4 710**	**4 617**	**5 563**	**9 327**	**10 538**
Non-controlling interests	0	0	1	0	0
Earnings per share, SEK	4.19	4.11	4.96	8.31	9.40
Earnings per share after dilution, SEK	4.18	4.10	4.95	8.29	9.38

1) Presentation of the Income statement has been changed, see note 28.

Statement of comprehensive income, condensed

Group SEKm	Q2 2022	Q1 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021
Profit for the period reported via income statement	**4 710**	**4 617**	**5 564**	**9 327**	**10 538**
Items that will not be reclassified to the income statement					
Remeasurements of defined benefit pension plans	1 888	702	296	2 590	1 880
Share related to associates and joint ventures:					
Remeasurements of defined benefit pension plans	56	59	16	115	42
Income tax	-388	-145	-61	-533	-387
Total	**1 556**	**616**	**251**	**2 172**	**1 535**
Items that may be reclassified to the income statement					
Exchange rate differences, foreign operations:					
Gains/losses arising during the period	1 760	556	-583	2 316	263
Hedging of net investments in foreign operations:					
Gains/losses arising during the period	-1 366	-469	490	-1 835	-239
Cash flow hedges:					
Gains/losses arising during the period	248	93	-101	341	48
Reclassification adjustments to the income statement,Net gains and losses on financial items	-239	-92	98	-331	-47
Foreign currency basis risk:					
Gains/losses arising during the period	15	53	-2	68	-5
Share of other comprehensive income of associates and joint ventures	-10	26	-34	16	69
Income tax	276	86	-103	362	50
Total	**684**	**253**	**-235**	**937**	**139**
Other comprehensive income for the period, net of tax	**2 240**	**869**	**16**	**3 109**	**1 674**
Total comprehensive income for the period	**6 950**	**5 486**	**5 580**	**12 436**	**12 212**
Total comprehensive income attributable to:					
Shareholders of Swedbank AB	**6 950**	**5 486**	**5 579**	**12 436**	**12 212**
Non-controlling interests	0	0	1	0	0

For January – June 2022 a gain of SEK 2 590m (1 880) was recognised in other comprehensive income, relating to remeasurements of defined benefit pension plans. As per 30 June 2022 the discount rate used to calculate the closing pension obligation was 4.09 per cent, compared with 2.10 per cent per 31 December 2021. The inflation assumption was 2.69 per cent compared with 2.30 per cent per 31 December 2021. The changed assumptions together with gains and losses based on experience represented SEK 6 282m of the positive result in other comprehensive income. The fair value of plan assets decreased during January – June 2022 by SEK 3 692m. In total at end of June 2022, the fair value of plan assets exceeded the obligation for defined benefit pension plans by SEK 880m. At last year end, the obligation for defined benefit plans exceeded the fair value of plan assets by SEK 1 801m.

For January – June 2022 an exchange rate difference of SEK 2 316m (263) was recognised for the Group's foreign net investments in subsidiaries. The gain related to subsidiaries mainly arose because the Swedish krona weakened against the euro during the period. In addition, an exchange rate difference of SEK 16m (69) for the Group's foreign net investments in associates and joint ventures is included in Share of other comprehensive income of associates and joint ventures. The total gain of SEK 2 332m is not taxable. The large part of the Group's foreign net investments is hedged against currency risk resulting in a loss of SEK 1 835m (239) for the hedging instruments.

Balance sheet, condensed

Group SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021
Assets			
Cash and balances with central banks	424 459	360 153	598 926
Treasury bills and other bills eligible for refinancing with central banks, etc.	121 871	163 590	152 265
Loans to credit institutions (note 11)	60 163	39 504	39 070
Loans to the public (note 11)	1 839 944	1 703 206	1 667 988
Value change of interest hedged items in portfolio hedges of interest rate risk	-18 610	-1 753	401
Bonds and other interest-bearing securities	78 811	58 093	70 966
Financial assets for which customers bear the investment risk	278 457	328 512	294 920
Shares and participating interests	5 799	13 416	19 307
Investments in associates and joint ventures	7 204	7 705	7 303
Derivatives (note 18)	69 561	40 531	36 413
Intangible assets (note 14)	20 202	19 488	18 836
Tangible assets	5 230	5 523	5 376
Current tax assets	1 784	1 372	1 619
Deferred tax assets	138	113	156
Pension assets	880		
Other assets	13 660	9 194	22 529
Prepaid expenses and accrued income	2 452	1 970	3 301
Total assets	**2 912 005**	**2 750 617**	**2 939 376**
Liabilities and equity			
Amounts owed to credit institutions (note 15)	153 351	92 812	146 119
Deposits and borrowings from the public (note 16)	1 303 122	1 265 783	1 307 980
Financial liabilities for which customers bear the investment risk	279 753	329 667	295 842
Debt securities in issue (note 16)	800 904	735 917	881 433
Short positions, securities	37 090	28 613	14 330
Derivatives (note 18)	58 807	28 106	26 886
Current tax liabilities	654	672	699
Deferred tax liabilities	4 258	3 398	3 219
Pension provisions		1 801	1 688
Insurance provisions	2 001	1 970	1 891
Other liabilities and provisions	32 837	28 933	36 835
Accrued expenses and prepaid income	5 085	4 813	4 748
Senior non-preferred liabilities (note 17)	47 104	37 832	34 614
Subordinated liabilities (note 17)	25 461	28 604	23 699
Total liabilities	**2 750 427**	**2 588 921**	**2 779 983**
Equity			
Non-controlling interests	26	26	25
Equity attributable to shareholders of the parent company	161 552	161 670	159 368
Total equity	**161 578**	**161 696**	**159 393**
Total liabilities and equity	**2 912 005**	**2 750 617**	**2 939 376**

Statement of changes in equity, condensed

Group SEKm	Equity attributable to shareholders of Swedbank AB									
	Share capital	Other contri-buted equity[1]	Exchange differences, subsidiaries and associates	Hedging of net investments in foreign operations	Cash flow hedge reserves	Foreign currency basis reserves	Retained earnings	Total	Non-controlling interests	Total equity
January-June 2022										
Opening balance 1 January 2022	**24 904**	**17 275**	**5 294**	**-3 248**	**2**	**-58**	**117 501**	**161 670**	**26**	**161 696**
Dividends							-12 632	**-12 632**		**-12 632**
Share based payments to employees							87	**87**		**87**
Deferred tax related to share based payments to employees							-8	**-8**		**-8**
Current tax related to share based payments to employees							-1	**-1**		**-1**
Total comprehensive income for the period			2 332	-1 457	8	54	11 499	**12 436**	0	**12 436**
of which reported through profit or loss							9 327	**9 327**	0	**9 327**
of which reported through other comprehensive income			2 332	-1 457	8	54	2 172	**3 109**		**3 109**
Closing balance 30 June 2022	**24 904**	**17 275**	**7 626**	**-4 705**	**10**	**-4**	**116 446**	**161 552**	**26**	**161 578**
January-December 2021										
Opening balance 1 January 2021	**24 904**	**17 275**	**4 355**	**-2 669**	**1**	**-62**	**111 364**	**155 168**	**25**	**155 193**
Dividends							-16 310	**-16 310**		**-16 310**
Share based payments to employees							195	**195**		**195**
Deferred tax related to share based payments to employees							20	**20**		**20**
Current tax related to share based payments to employees							1	**1**		**1**
Total comprehensive income for the period			939	-579	1	4	22 231	**22 596**	1	**22 597**
of which reported through profit or loss							20 871	**20 871**	1	**20 872**
of which reported through other comprehensive income			939	-579	1	4	1 360	**1 725**		**1 725**
Closing balance 31 December 2021	**24 904**	**17 275**	**5 294**	**-3 248**	**2**	**-58**	**117 501**	**161 670**	**26**	**161 696**
January-June 2021										
Opening balance 1 January 2021	**24 904**	**17 275**	**4 355**	**-2 669**	**1**	**-62**	**111 364**	**155 168**	**25**	**155 193**
Dividends							-8 124	**-8 124**		**-8 124**
Share based payments to employees							105	**105**		**105**
Deferred tax related to share based payments to employees							8	**8**		**8**
Current tax related to share based payments to employees							-1	**-1**		**-1**
Total comprehensive income for the period			332	-190	1	-4	12 073	**12 212**	0	**12 212**
of which reported through profit or loss							10 538	**10 538**	0	**10 538**
of which reported through other comprehensive income			332	-190	1	-4	1 535	**1 674**		**1 674**
Closing balance 30 June 2021	**24 904**	**17 275**	**4 687**	**-2 859**	**2**	**-66**	**115 425**	**159 368**	**25**	**159 393**

1) Other contributed equity consists mainly of share premiums.

Cash flow statement, condensed

Group SEKm	Jan-Jun 2022	Full-year 2021	Jan-Jun 2021
Operating activities			
Profit before tax	11 608	25 817	13 034
Adjustments for non-cash items in operating activities	-376	-2 863	-2 840
Income taxes paid	-2 544	-4 478	-2 294
Increase (-) / decrease (+) in loans to credit institution	-20 503	8 733	8 974
Increase (-) / decrease (+) in loans to the public	-127 283	-18 746	13 883
Increase (-) / decrease (+) in holdings of securities for trading	29 255	-20 742	-29 105
Increase (-) / decrease (+) in other assets	-26 571	19 618	10 412
Increase (+) / decrease (-) in amounts owed to credit institutions	57 806	-58 471	-4 533
Increase (+) / decrease (-) in deposits and borrowings from the public	21 726	112 568	158 120
Increase (+) / decrease (-) in debt securities in issue	43 595	-6 447	140 503
Increase (+) / decrease (-) in other liabilities	75 742	-5 580	-21 123
Cash flow from operating activities	**62 455**	**49 409**	**285 031**
Investing activities			
Acquisitions of and contributions to associates and joint ventures	-105	-51	-32
Dividend from associates and joint ventures	1 020	587	587
Acquisitions of other fixed assets and strategic financial assets	-134	-253	-134
Disposals of/maturity of other fixed assets and strategic financial assets	58	345	43
Cash flow from investing activities	**839**	**628**	**464**
Financing activities			
Amortisation of lease liabilities	-378	-751	-370
Issuance of senior non-preferred liablities	11 355	27 501	24 407
Redemption of senior non-preferred liablities	-149		-5
Issuance of subordinated liabilities	515	4 328	
Redemption of subordinated liabilities	-5 176	-617	-246
Dividends paid	-12 632	-16 310	-4 871
Cash flow from financing activities	**-6 465**	**14 151**	**18 915**
Cash flow for the period	**56 829**	**64 188**	**304 410**
Cash and cash equivalents at the beginning of the period	**360 153**	**293 811**	**293 811**
Cash flow for the period	56 829	64 188	304 410
Exchange rate differences on cash and cash equivalents	7 477	2 154	705
Cash and cash equivalents at end of the period	**424 459**	**360 153**	**598 926**

2022
During the second quarter shares were acquired in associate Thylling Insight AB of SEK 11m and contributions were provided to joint venture P27 Nordic Payments Platform AB of SEK 72m. During the first quarter contributions were provided to joint venture Invidem AB of SEK 22m.

2021
During the year contributions were provided to joint ventures P27 Nordic Payments Platform AB of SEK 25m and Invidem AB of SEK 25m. During the third quarter additional shares were acquired in associate BGC Holding AB of SEK 1m.

During third and fourth quarter, shares in Hemnet Group AB were sold and Swedbank received a cash payment of SEK 110m which are reported in Disposals of/maturity of other fixed assets and strategic financial assets in the cash flow statement.

Note 1 Accounting policies

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

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

The accounting policies applied in the interim report conform to those applied in the Annual and Sustainability Report for 2021, which was prepared in accordance with International Financial Reporting Standards as adopted by the European Union and interpretations thereof. There have been no significant changes to the Group's accounting policies.

New Swedish bank tax and changed presentation of resolution fees
A new Swedish bank tax (Risk tax on credit institutions) was introduced from 1 January 2022 and is presented on a new row in the income statement. From 2022 the Group also presents resolution fees on this row, which is named Swedish bank tax and resolution fees. Previously the resolution fees have been included in Interest expense within Net interest income. Comparative figures have been restated, see note 28.

Other changes in accounting regulations
Other amended regulations that have been adopted from 1 January 2022 did not have a significant impact on the Group's financial position, results, cash flows or disclosures.

Note 2 Critical accounting estimates

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

Post-model expert credit adjustments to the credit impairment provisions continue to be necessary, given uncertainties surrounding the implications from the war in Ukraine combined with higher inflation and rising interest rates. Details of these are found in Note 9. Beyond that, there have been no significant changes to the basis upon which the critical accounting judgments and estimates have been determined compared with 31 December 2021.

Note 3 Changes in the Group structure

No significant changes to the Group structure occurred during the first half year of 2022.

Note 4 Operating segments (business areas)

January-June 2022 SEKm	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Eliminations	Group
Income statement						
Net interest income	8 148	2 882	2 149	698	-2	13 875
Net commission income	4 410	1 459	1 384	-130	9	7 132
Net gains and losses on financial items	134	163	378	-496		179
Other income[1]	837	423	118	1 137	-634	1 881
Total income	**13 529**	**4 927**	**4 029**	**1 209**	**-627**	**23 067**
Staff costs	1 658	849	782	3 059	-8	6 340
Variable staff costs	13	28	50	50		141
Other expenses	3 680	1 154	1 179	-2 376	-619	3 018
Depreciation/amortisation	14	89	59	674		836
Total expenses	**5 365**	**2 120**	**2 070**	**1 407**	**-627**	**10 335**
Profit before impairments, Swedish bank tax and resolution fees	**8 164**	**2 807**	**1 959**	**-198**		**12 732**
Credit impairments	232	-13	-38	17		198
Swedish bank tax and resolution fees	633	49	236	8		926
Profit before tax	**7 299**	**2 771**	**1 761**	**-223**		**11 608**
Tax expense	1 385	471	406	19		2 281
Profit for the period	**5 914**	**2 300**	**1 355**	**-242**		**9 327**
Profit for the period attributable to:						
Shareholders of Swedbank AB	**5 914**	**2 300**	**1 355**	**-242**		**9 327**
Non-controlling interests	0					0
Net commission income						
Commission income						
Payment processing	388	329	253	114	-8	1 076
Cards	1 178	916	1 240	-230		3 104
Asset management and custody	3 517	267	813	-7	-151	4 439
Lending	99	93	439	6	-2	635
Other commission income[2]	1 091	280	475	2	-5	1 843
Total Commission income	**6 273**	**1 885**	**3 220**	**-115**	**-166**	**11 097**
Commission expense	**1 863**	**426**	**1 836**	**15**	**-175**	**3 965**
Net commission income	**4 410**	**1 459**	**1 384**	**-130**	**9**	**7 132**
Balance sheet, SEKbn						
Cash and balances with central banks	3	4		418	-1	424
Loans to credit institutions	4		139	243	-326	60
Loans to the public	1 274	214	333	20	-1	1 840
Interest-bearing securities		2	62	138	-1	201
Financial assets for which customers bear the investment risk	271	7				278
Investments in associates and joint ventures	5			2		7
Derivatives			171	142	-243	70
Tangible and intangible assets	2	12	1	10		25
Other assets	5	130	11	357	-496	7
Total assets	**1 564**	**369**	**717**	**1 330**	**-1 068**	**2 912**
Amounts owed to credit institutions	32		285	155	-319	153
Deposits and borrowings from the public	740	335	233	2	-7	1 303
Debt securities in issue		1	3	798	-1	801
Financial liabilities for which customers bear the investment risk	273	7				280
Derivatives			180	121	-242	59
Other liabilities	449		-19	151	-499	82
Senior non-preferred liabilities				47		47
Subordinated liabilities				25		25
Total liabilities	**1 494**	**343**	**682**	**1 299**	**-1 068**	**2 750**
Allocated equity	70	26	35	31		162
Total liabilities and equity	**1 564**	**369**	**717**	**1 330**	**-1 068**	**2 912**
Key figures						
Return on allocated equity, %	17.2	17.6	8.2	-1.5		11.6
Cost/income ratio	0.40	0.43	0.51	1.16		0.45
Credit impairment ratio, %	0.04	-0.01	-0.03	0.18		0.02
Loan/deposit ratio, %	172	64	130	11		137
Loans to the public, stage 3, SEKbn[3](gross)	2	1	3			6
Loans to the public, total, SEKbn[3]	1 274	214	280			1 768
Provisions for loans to the public, total, SEKbn[3]	2	1	2			5
Deposits from the public, SEKbn[3]	740	334	216	3		1 293
Risk exposure amount, SEKbn	408	115	189	32		744
Full-time employees	4 063	4 678	1 187	6 760		16 688
Allocated equity, average, SEKbn	69	26	33	32		160

1) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.
2) Other commission income includes Service concepts, Insurance, Securities and corporate finance and Other, see note 6.
3) Excluding the Swedish National Debt Office and repurchase agreements.

January-June 2021 SEKm	Swedish Banking	Baltic Banking	Large Corporates & Institutions	Group Functions & Other	Eliminations	Group
Income statement						
Net interest income	7 936	2 659	1 919	1 005	-5	13 514
Net commission income	4 405	1 316	1 430	-120	3	7 034
Net gains and losses on financial items	337	205	619	69		1 230
Other income[1]	981	408	134	789	-417	1 895
Total income	**13 659**	**4 588**	**4 102**	**1 743**	**-419**	**23 673**
Staff costs	1 604	761	766	2 913	-6	6 038
Variable staff costs	33	34	88	58		213
Other expenses	3 620	1 010	1 102	-2 425	-413	2 894
Depreciation/amortisation	21	86	76	635		818
Total expenses	**5 278**	**1 891**	**2 032**	**1 181**	**-419**	**9 963**
Profit before impairments, Swedish bank tax and resolution fees	**8 381**	**2 697**	**2 070**	**562**		**13 710**
Impairment of intangible assets				56		56
Credit impairments	-27	197	51	-2		219
Swedish bank tax and resolution fees	251	38	101	11		401
Profit before tax	**8 157**	**2 462**	**1 918**	**497**		**13 034**
Tax expense	1 522	412	400	162		2 496
Profit for the period	**6 635**	**2 050**	**1 518**	**335**		**10 538**
Profit for the period attributable to:						
Shareholders of Swedbank AB	**6 635**	**2 050**	**1 518**	**335**		**10 538**
Non-controlling interests	0					0
Net commission income						
Commission income						
Payment processing	360	339	212	132	-13	1 030
Cards	942	732	1 099	-203		2 570
Asset management and custody	3 607	247	821	-8	-137	4 530
Lending	104	75	416	1	-4	592
Other commission income[2]	1 100	268	549	9	-5	1 921
Total Commission income	**6 113**	**1 661**	**3 097**	**-69**	**-159**	**10 643**
Commission expense	**1 708**	**345**	**1 667**	**51**	**-162**	**3 609**
Net commission income	**4 405**	**1 316**	**1 430**	**-120**	**3**	**7 034**
Balance sheet, SEKbn						
Cash and balances with central banks	2	3		595	-1	599
Loans to credit institutions	7		110	188	-266	39
Loans to the public	1 228	187	254		-1	1 668
Interest-bearing securities		2	81	143	-3	223
Financial assets for which customers bear the investment risk	288	7				295
Investments in associates	5			2		7
Derivatives			50	27	-41	36
Tangible and intangible assets	2	12	1	9		24
Other assets	3	121	33	400	-509	48
Total assets	**1 535**	**332**	**529**	**1 364**	**-821**	**2 939**
Amounts owed to credit institutions	28		223	151	-256	146
Deposits and borrowings from the public	683	299	255	79	-8	1 308
Debt securities in issue		1	6	879	-5	881
Financial liabilities for which customers bear the investment risk	289	7				296
Derivatives			48	19	-40	27
Other liabilities	471		-35	139	-512	63
Senior non-preferred liabilities				35		35
Subordinated liabilities				24		24
Total liabilities	**1 471**	**307**	**497**	**1 326**	**-821**	**2 780**
Allocated equity	64	25	32	38		159
Total liabilities and equity	**1 535**	**332**	**529**	**1 364**	**-821**	**2 939**
Key figures						
Return on allocated equity, %	20.4	17.0	9.2	2.0		13.5
Cost/income ratio	0.39	0.41	0.50	0.68		0.42
Credit impairment ratio, %	0.00	0.21	0.03	-0.01		0.03
Loan/deposit ratio, %	180	62	100	0		128
Loans to the public, stage 3, SEKbn[3](gross)	2	2	3			7
Loans to the public, total, SEKbn[3]	1 228	187	222			1 637
Provisions for loans to the public, total, SEKbn[3]	2	1	3			6
Deposits, SEKbn[3]	682	299	222	79		1 282
Risk exposure amount, SEKbn	399	100	161	29		689
Full-time employees	3 929	4 649	1 223	6 555		16 356
Allocated equity, average, SEKbn	65	24	33	34		156

1) Other income includes the items Net insurance, Share of profit or loss of associates and joint ventures and Other income from the Group income statement.
2) Other commission income includes Service concepts, Insurance, Securities and corporate finance and Other, see note 6.
3) Excluding the Swedish National Debt Office and repurchase agreements.

Operating segments accounting policies

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

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

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

During the first quarter of 2022, minor changes between Swedbank's operating segments were made to coincide with organisational changes. Comparative figures have been restated.

Note 5 Net interest income

SEKm	Q2 2022	Q1 2022	Q2[1] 2021	Jan-Jun 2022	Jan-Jun[1] 2021
Interest income					
Cash and balances with central banks	-82	-284	-290	-366	-522
Treasury bills and other bills eligible for refinancing with central banks, etc.	176	34	17	210	31
Loans to credit institutions	68	41	47	109	84
Loans to the public	8 442	7 737	7 634	16 179	15 293
Bonds and other interest-bearing securities	173	77	47	250	94
Derivatives[2]	177	134	35	311	79
Other assets	-9	10	41	1	83
Total	**8 945**	**7 749**	**7 531**	**16 694**	**15 142**
Deduction of trading-related interests reported in Net gains and losses on financial items (note 7)	456	133	68	589	51
Total interest income	**8 489**	**7 616**	**7 463**	**16 105**	**15 091**
Interest expense					
Amounts owed to credit institutions	-26	27	92	1	97
Deposits and borrowings from the public	-366	-115	-126	-481	-163
of which deposit guarantee fees	-155	-157	-136	-312	-171
Debt securities in issue	-1 668	-1 134	-1 158	-2 802	-2 416
Senior non-preferred liabilities	-123	-91	-48	-214	-76
Subordinated liabilities	-172	-227	-170	-399	-340
Derivatives[2]	933	742	797	1 675	1 500
Other liabilities	-12	-14	-25	-26	-43
Total	**-1 434**	**-812**	**-638**	**-2 246**	**-1 441**
Deduction of trading-related interests reported in Net gains and losses on financial items (note 7)	-58	42	81	-16	136
Total interest expense	**-1 376**	**-854**	**-719**	**-2 230**	**-1 577**
Net interest income	**7 113**	**6 762**	**6 744**	**13 875**	**13 514**
Net investment margin before trading-related interests are deducted	1.00	0.94	0.97	0.96	0.98
Average total assets	3 008 913	2 966 372	2 854 333	3 002 244	2 798 259
Interest expense on financial liabilities at amortised cost	2 382	1 574	1 464	3 956	2 966
Negative yield on financial assets	373	369	348	742	630
Negative yield on financial liabilities	308	290	300	598	447

1) Presentation of the Income statement has been changed, see note 28.
2) Derivatives include net interest income related to hedged assets and liabilities. These may have both a positive and negative impact on interest income and interest expense.

Note 6 Net commission income

SEKm	Q2 2022	Q1 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021
Commission income					
Payment processing	537	539	526	1 076	1 030
Cards	1 702	1 402	1 393	3 104	2 570
Service concepts	360	352	318	712	631
Asset management and custody	2 130	2 309	2 323	4 439	4 530
Insurance	144	176	174	320	345
Securities and corporate finance	200	169	248	369	441
Lending	323	312	299	635	592
Other	207	235	254	442	504
Total commission income	**5 603**	**5 494**	**5 535**	**11 097**	**10 643**
Commission expense					
Payment processing	-373	-333	-331	-706	-641
Cards	-825	-706	-645	-1 531	-1 254
Service concepts	-47	-41	-40	-88	-82
Asset management and custody	-532	-558	-585	-1 090	-1 103
Insurance	-85	-93	-83	-178	-162
Securities and corporate finance	-83	-101	-84	-184	-165
Lending	-41	-38	-39	-79	-71
Other	-66	-43	-54	-109	-131
Total commission expense	**-2 052**	**-1 913**	**-1 861**	**-3 965**	**-3 609**
Net commission income					
Payment processing	164	206	195	370	389
Cards	877	696	748	1 573	1 316
Service concepts	313	311	278	624	549
Asset management and custody	1 598	1 751	1 738	3 349	3 427
Insurance	59	83	91	142	183
Securities and corporate finance	117	68	164	185	276
Lending	282	274	260	556	521
Other	141	192	200	333	373
Total net commission income	**3 551**	**3 581**	**3 674**	**7 132**	**7 034**

Note 7 Net gains and losses on financial items

SEKm	Q2 2022	Q1 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021
Fair value through profit or loss					
Shares and share related derivatives	198	342	258	540	300
of which dividend	53	61	71	114	129
Interest-bearing securities andinterest related derivatives	-1 021	-719	-91	-1 740	86
Financial liabilities	8	9	1	17	7
Other financial instruments	-2	-1	1	-3	-1
Total fair value through profit or loss	**-817**	**-369**	**169**	**-1 186**	**392**
Hedge accounting					
Ineffectiveness, one-to-one fair value hedges	-72	-20	-10	-92	-26
of which hedging instruments	-10 599	-13 172	-1 271	-23 771	-4 297
of which hedged items	10 527	13 152	1 261	23 679	4 271
Ineffectiveness, portfolio fair value hedges	-65	-6	0	-71	21
of which hedging instruments	7 457	9 328	478	16 785	1 394
of which hedged items	-7 522	-9 334	-478	-16 856	-1 373
Ineffectiveness, cash flow hedges	1	0	0	1	0
Total hedge accounting	**-136**	**-26**	**-10**	**-162**	**-5**
Amortised cost					
Derecognition gain or loss for financial assets	-37	35	67	-2	110
Derecognition gain or loss for financial liabilities	237	-22	-1	215	-12
Total amortised cost	**200**	**13**	**66**	**213**	**98**
Trading related interest					
Interest income (note 5)	456	133	68	589	51
Interest expense (note 5)	-58	42	81	-16	136
Total trading related interest	**398**	**175**	**149**	**573**	**187**
Change in exchange rates	**412**	**329**	**271**	**741**	**558**
Total	**57**	**122**	**645**	**179**	**1 230**

Note 8 Other general administrative expenses

SEKm	Q2 2022	Q1 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021
Premises	102	112	95	214	200
IT expenses	612	611	581	1 223	1 149
Telecommunications and postage	24	30	27	54	58
Consultants	210	150	217	360	431
Compensation to savings banks	57	56	58	113	115
Other purchased services	262	264	212	526	425
Travel	25	6	2	31	3
Entertainment	6	4	3	10	7
Supplies	16	15	9	31	30
Advertising, PR and marketing	52	30	56	82	95
Security transport and alarm systems	17	19	16	36	34
Repair/maintenance of inventories	32	27	30	59	54
Other administrative expenses	121	117	102	238	216
Other operating expenses	25	16	29	41	77
Total	**1 561**	**1 457**	**1 437**	**3 018**	**2 894**

Note 9 Credit impairments

SEKm	Q2 2022	Q1 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021
Loans at amortised cost					
Credit impairment provisions - stage 1	27	380	-14	407	-147
Credit impairment provisions - stage 2	90	-325	-295	-235	-49
Credit impairment provisions - stage 3	-202	-334	147	-536	-2 391
Credit impairment provisions - purchased or originated credit impaired	-1	0	0	-1	-2
Total	**-86**	**-279**	**-162**	**-365**	**-2 589**
Write-offs	173	442	244	615	3 104
Recoveries	-47	-35	-71	-82	-135
Total	**126**	**407**	**173**	**533**	**2 969**
Total - loans at amortised cost	**40**	**128**	**11**	**168**	**380**
Other assets at amortised cost			**-3**		**-7**
Loan commitments and guarantees					
Credit impairment provisions - stage 1	14	90	23	104	-31
Credit impairment provisions - stage 2	-9	-55	-70	-64	-131
Credit impairment provisions - stage 3	-5	-5	12	-10	8
Total	**0**	**30**	**-35**	**30**	**-154**
Write-offs					
Total - loan commitments and guarantees	**0**	**30**	**-35**	**30**	**-154**
Total	**40**	**158**	**-27**	**198**	**219**
Credit impairment ratio, %	0.01	0.04	-0.01	0.02	0.03

During 2021, the Group reduced its gross exposure in the Shipping and offshore sector through sales and restructuring, resulting in write offs of the gross exposures. The majority of the Stage 3 exposures that were written off were previously provisioned.

Calculation of credit impairment provisions

The measurement of expected credit losses is described in Note G3.1 Credit risks on pages 80-85 of the 2021 Annual and Sustainability Report. There have been no significant changes during the year to the methodology.

Measurement of 12-month and lifetime expected credit losses

The war in Ukraine has exacerbated many of the weaknesses and imbalances in the economy that arose during the Covid-19 pandemic, particularly in relation to supply chain disruptions, shortages of input goods and significantly higher energy prices. Other implications include higher inflation and earlier than anticipated interest rate hikes. As the quantitative risk models do not yet reflect all potential deteriorations in credit quality, post-model adjustments to increase the credit impairment provisions continue to be deemed necessary.

The post-model expert credit adjustments decreased to SEK 1 671m (SEK 1 796m as of 31 December 2021) and are allocated as SEK 977m in stage 1, SEK 693m in stage 2 and SEK 1m in stage 3. Customers and industries have been reviewed and analysed considering the current situation, particularly in more vulnerable sectors. The most significant post-model adjustments are in the Shipping and offshore, Manufacturing, Retail and wholesale, Property management and Construction sectors.

Determination of a significant increase in credit risk

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

- Changes in the 12-month PD and internal risk rating grades, which have been applied for the portfolio of loans originated before 1 January 2018. For instance, for exposures originated with a risk grade between 0 and 5, a downgrade by 1 grade from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with a risk grade between 18 and 21, a downgrade by 5 to 8 grades from initial recognition is considered significant. Internal risk ratings are assigned according to the risk management framework outlined in Note G3 Risks in the 2021 Annual and Sustainability Report.

- Changes in the lifetime PD, which have been applied for the portfolio of loans originated on or after 1 January 2018. For instance, for exposures originated with a risk grade between 0 and 5, a 50 per cent increase in the lifetime PD from initial recognition is assessed as a significant change in credit risk. Alternatively, for exposures originated with a risk grade between 18 and 21, an increase of 200-300 per cent from initial recognition is considered significant.

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

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

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

			Impairment provision impact of				Impairment provision impact of			
Internal risk grade at initial recognition	12-month PD band at initial recognition, %	Threshold, rating downgrade[1, 2, 3]	Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %	Recognised credit impairment provisions 30 Jun 2022	Share of total portfolio in terms of gross carrying amount, % 30 Jun 2022	Increase in threshold by 1 grade,%	Decrease in threshold by 1 grade, %	Recognised credit impairment provisions 31 Dec 2021	Share of total portfolio in terms of gross carrying amount, % 31 Dec 2021
18-21	<0.1	5 - 8 grades	-5.6	7.5	41	12	-6.4	14.9	43	15
13-17	0.1 - 0.5	3 - 7 grades	-5.2	6.7	224	13	-5.5	6.8	214	15
9-12	>0.5 - 2.0	1 - 5 grades	-13.0	17.8	161	5	-21.8	16.0	159	5
6-8	2.0 - 5.7	1 - 3 grades	-7.3	5.2	70	2	-7.9	4.9	60	2
0-5	>5.7 - 99,9	1 grade	-1.8	0.0	46	1	-2.2	0.0	38	1
			-7.8	9.5	542	33	-11.2	9.5	514	38
		Sovereigns and financial institutions with low credit risk			5	10			1	9
		Stage 3 financial instruments			719	0			961	0
		Post-model expert credit adjustment[4]			432				595	
		Total[5]			**1 698**	**43**			**2 071**	**47**

1) Downgrade by 2 grades corresponds to approximately 100 per cent increase in 12-month PD.
2) Thresholds vary within given ranges depending on the borrower's geography, segment and internal risk grade.
3) The threshold used in the sensitivity analyses is floored to 1 grade.
4) Represents post-model expert credit adjustments for stage 1 and stage 2.
5) Of which provisions for off-balance exposures are SEK 245m (284).

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

		Impairment provision impact of				Impairment provision impact of			
Internal risk grade at initial recognition	Threshold, increase in lifetime PD[1], %	Increase in threshold by 100%, %	Decrease in threshold by 50%, %	Recognised credit impairment provisions 30 Jun 2022	Share of total portfolio in terms of gross carrying amount, % 30 Jun 2022	Increase in threshold by 100%, %	Decrease in threshold by 50%, %	Recognised credit impairment provisions 31 Dec 2021	Share of total portfolio in terms of gross carrying amount, % 31 Dec 2021
18-21	200-300	-6.0	14.6	42	19	-15.7	22.8	24	18
13-17	100-250	-1.2	8.5	487	21	-1.1	5.8	287	20
9-12	100-200	-0.4	6.3	404	10	-5.8	1.0	293	9
6-8	50-150	-0.6	1.8	202	3	-0.6	2.4	140	3
0-5	50	-0.2	3.3	113	1	0.1	0.7	94	1
		-0.9	6.5	1 248	54	-3.0	3.5	838	51
	Sovereigns and financial institutions with low credit risk			25	3			7	2
	Stage 3 financial instruments			1 412	0			1 551	0
	Post-model expert credit adjustment[2]			1 237				1 199	
	Total[3]			**3 922**	**57**			**3 595**	**53**

1) Thresholds vary within given ranges depending on the borrower's geography, segment and internal risk grade.
2) Represents post-model expert credit adjustments for stage 1 and stage 2.
3) Of which provisions for off-balance exposures are SEK 455m (360).

Incorporation of forward-looking macroeconomic scenarios

The Swedbank Economic Outlook was published on 6 April and would typically serve as the baseline scenario. Given the war in Ukraine, an updated baseline scenario was necessary and was updated to 7 June by Swedbank Macro Research, with an assigned probability weight of 66.6 per cent. Aligned with the updated baseline scenario, new alternative scenarios were developed, with assigned probability weights of 16.7 per cent on both the upside and downside scenario. These new macroeconomic scenarios were included in the expected credit losses calculations according to the Group's monthly process.

IFRS 9 scenarios

30 June 2022	Positive scenario			Baseline scenario			Negative scenario		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Sweden									
GDP (annual % change)	2.2	3.4	2.0	1.9	2.3	1.9	-2.8	-3.7	2.9
Unemployment (annual %)[1]	7.3	6.6	6.3	7.4	6.9	6.6	8.3	10.5	10.3
House prices (annual % change)	5.7	-5.0	-3.4	5.6	-6.0	-3.3	2.2	-11.9	-8.4
Stibor 3m (%)	0.72	1.78	1.99	0.70	1.67	1.83	0.57	1.00	1.00
Estonia									
GDP (annual % change)	2.0	3.3	2.8	1.5	2.0	3.0	-1.5	-10.3	2.2
Unemployment (annual %)	5.8	5.4	4.9	5.8	5.6	5.0	6.8	11.0	12.6
House prices (annual % change)	14.1	7.4	5.8	13.7	6.1	4.9	8.6	-11.1	3.1
Latvia									
GDP (annual % change)	3.8	2.8	2.9	3.5	1.9	3.1	-0.4	-9.4	2.6
Unemployment (annual %)	7.2	6.4	6.0	7.2	6.7	6.1	8.2	12.2	12.8
House prices (annual % change)	12.7	7.9	5.1	11.8	6.2	5.5	3.6	-12.6	2.7
Lithuania									
GDP (annual % change)	2.1	3.2	2.9	1.8	2.4	3.0	-1.6	-8.8	2.4
Unemployment (annual %)	6.6	6.2	5.8	6.7	6.3	6.0	7.7	11.9	13.1
House prices (annual % change)	11.2	6.4	5.7	11.0	5.5	4.9	1.1	-18.5	7.5
Global indicators									
US GDP (annual %)	2.6	3.2	1.5	2.4	2.1	1.8	1.1	-3.5	0.3
EU GDP (annual %)	3.0	3.5	1.7	2.7	2.6	1.9	1.2	-4.5	0.9
Brent Crude Oil (USD/Barrel)	112.2	103.7	89.7	110.9	99.7	89.4	135.0	156.8	112.7
Euribor 6m (%)	0.06	0.98	1.13	0.04	0.81	0.93	-0.16	-0.24	-0.44

1) Unemployment rate, 16-64 years.

Global GDP is slowing down in 2022 and 2023 due to the economic consequences of the war in Ukraine. High and volatile energy and commodity prices are expected to dampen household consumption and firms' investments. Mitigating factors, such as expansionary fiscal policy and pent-up demand following the pandemic, will allow global economies to avoid stagnation. However, risks are tilted downwards.

The forecast is based on the assumption that the Western sanctions and boycotts on Russia will remain in place throughout the forecast horizon, i.e., it is not foreseen that many more sanctions will be added, nor is it expected that the ones in place will be lifted. This assumption implies that oil and gas prices are likely to remain high, but not increase further during the forecast horizon.

Although inflation is about to peak soon or has just peaked in many countries, consumer price inflation will be higher than normal for a while yet. The forecasts for central banks are being revised and the removal of stimulus is now expected to happen faster compared to the previous forecast.

The negative effect on GDP growth will be less extensive in Sweden than in most of Europe. However, growth is slowing, and inflation is rising even higher. Monetary policy will tighten sharply in the near term while fiscal support has been introduced to compensate households for high energy prices.

Baltic trade exposure to Russia is not extensive; nevertheless, the economic effects will be noticeable. Even higher inflation, a loss of confidence, a decline in some investments and some exports are likely to cause GDP growth to decline. Governments are implementing sizeable measures to cushion negative economic consequences and help households deal with inflation.

Sensitivity

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

	30 June 2022				31 Dec 2021			
			Credit impairment provisions				Credit impairment provisions	
Operating segments	Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Negative scenario	Positive scenario	Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Negative scenario	Positive scenario
Swedish Banking	1 736	414	1 897	1 689	1 558	447	1 632	1 530
Baltic Banking	940	292	1 114	851	895	389	982	819
LC&I	2 922	965	3 488	2 561	3 206	960	3 615	2 858
Group[1]	5 620	1 671	6 522	5 123	5 666	1 796	6 235	5 212

1) Including operating segment Group Functions & Other.

Note 10 Swedish bank tax and resolution fees

SEKm	Q2 2022	Q1 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021
Swedish bank tax	240	239		479	
Resolution fees	230	217	172	447	401
Total	**470**	**456**	**172**	**926**	**401**

Note 11 Loans

30 June 2022	Stage 1			Stage 2			Stage 3[1]			
SEKm	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Total
Loans to the public at amortised cost										
Private customers	**1 119 376**	**121**	**1 119 255**	**43 545**	**329**	**43 216**	**2 113**	**533**	**1 580**	**1 164 051**
Private mortgage	980 263	38	980 225	36 336	150	36 186	1 287	200	1 087	1 017 498
Tenant owner associations	91 393	5	91 388	1 439	4	1 435	82	7	75	92 898
Private other	47 720	78	47 642	5 770	175	5 595	744	326	418	53 655
Corporate customers	**553 870**	**1 108**	**552 762**	**49 966**	**1 285**	**48 681**	**3 771**	**1 516**	**2 255**	**603 698**
Agriculture, forestry, fishing	56 903	64	56 839	6 746	91	6 655	224	29	195	63 689
Manufacturing	38 934	205	38 729	4 557	160	4 397	232	88	144	43 270
Public sector and utilities	31 868	34	31 834	1 330	25	1 305	24	3	21	33 160
Construction	16 727	71	16 656	2 874	91	2 783	94	20	74	19 513
Retail and wholesale	34 611	147	34 464	2 529	73	2 456	118	53	65	36 985
Transportation	11 904	65	11 839	1 973	93	1 880	27	6	21	13 740
Shipping and offshore	9 033	230	8 803	1 962	247	1 715	2 390	1 081	1 309	11 827
Hotels and restaurants	3 537	24	3 513	3 685	121	3 564	222	56	166	7 243
Information and communication	22 929	42	22 887	781	15	766	6	1	5	23 658
Finance and insurance	23 693	15	23 678	467	4	463	15	3	12	24 153
Property management, including	265 839	172	265 667	19 206	300	18 906	264	130	134	284 707
Residential properties	78 636	32	78 604	6 311	79	6 232	77	7	70	84 906
Commercial	119 443	90	119 353	7 198	179	7 019	155	118	37	126 409
Industrial and Warehouse	40 830	21	40 809	3 175	15	3 160	17	2	15	43 984
Other	26 930	29	26 901	2 522	27	2 495	15	3	12	29 408
Professional services	19 891	19	19 872	2 357	38	2 319	81	23	58	22 249
Other corporate lending	18 001	20	17 981	1 499	27	1 472	74	23	51	19 504
Loans to the public at fair value through profit or loss										218
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	**1 673 246**	**1 229**	**1 672 017**	**93 511**	**1 614**	**91 897**	**5 884**	**2 049**	**3 835**	**1 767 967**
of which cash collaterals posted	2 318		2 318							2 318
of which customer lending	1 670 928	1 229	1 669 699	93 511	1 614	91 897	5 884	2 049	3 835	1 765 649
Swedish National Debt Office	20 005		20 005							20 005
Repurchase agreements[2]										51 972
Loans to the public	**1 693 251**	**1 229**	**1 692 022**	**93 511**	**1 614**	**91 897**	**5 884**	**2 049**	**3 835**	**1 839 944**
Banks and other credit institutions	56 197	28	56 169	25		25				56 194
Repurchase agreements[2]										3 969
Loans to credit institutions	**56 197**	**28**	**56 169**	**25**		**25**				**60 163**
Loans to the public and credit institutions	**1 749 448**	**1 257**	**1 748 191**	**93 536**	**1 614**	**91 922**	**5 884**	**2 049**	**3 835**	**1 900 107**
Share of loans, %	94.62			5.06			0.32			100
Credit impairment provision ratio, %	0.07			1.73			34.82			0.27

1) Including purchased or originated credit impaired.
2) At fair value through profit or loss.

31 December 2021	Stage 1			Stage 2			Stage 3[1]			
SEKm	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Total
Loans to the public at amortised cost										
Private customers	**1 090 376**	**98**	**1 090 278**	**42 148**	**259**	**41 889**	**1 844**	**480**	**1 364**	**1 133 531**
Private mortgage	954 265	31	954 234	35 629	140	35 489	1 254	220	1 034	990 757
Tenant owner associations	90 670	2	90 668	1 015	3	1 012				91 680
Private other	45 441	65	45 376	5 504	116	5 388	590	260	330	51 094
Corporate customers	**488 113**	**700**	**487 413**	**56 458**	**1 530**	**54 928**	**4 518**	**1 947**	**2 571**	**544 912**
Agriculture, forestry, fishing	56 741	7	56 734	6 646	50	6 596	195	27	168	63 498
Manufacturing	33 379	108	33 271	3 715	181	3 534	161	82	79	36 884
Public sector and utilities	28 922	10	28 912	2 398	29	2 369	15	2	13	31 294
Construction	17 143	14	17 129	2 753	51	2 702	180	35	145	19 976
Retail and wholesale	26 470	76	26 394	3 527	178	3 349	134	40	94	29 837
Transportation	11 187	8	11 179	2 079	36	2 043	29	7	22	13 244
Shipping and offshore	7 983	264	7 719	2 353	364	1 989	2 966	1 526	1 440	11 148
Hotels and restaurants	3 480	66	3 414	3 801	309	3 492	390	53	337	7 243
Information and communication	14 576	14	14 562	1 199	11	1 188	2	0	2	15 752
Finance and insurance	18 021	8	18 013	569	3	566	14	3	11	18 590
Property management, including	239 228	105	239 123	21 827	213	21 614	267	125	142	260 879
Residential properties	76 842	27	76 815	6 884	65	6 819	64	12	52	83 686
Commercial	98 300	49	98 251	9 355	80	9 275	166	108	58	107 584
Industrial and Warehouse	40 619	13	40 606	2 950	14	2 936	23	2	21	43 563
Other	23 467	16	23 451	2 638	54	2 584	14	3	11	26 046
Professional services	17 053	8	17 045	2 514	42	2 472	86	25	61	19 578
Other corporate lending	13 930	12	13 918	3 077	63	3 014	79	22	57	16 989
Loans to the public at fair value through profit or loss										199
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	**1 578 489**	**798**	**1 577 691**	**98 606**	**1 789**	**96 817**	**6 362**	**2 427**	**3 935**	**1 678 642**
of which cash collaterals posted	1 832		1 832							1 832
of which customer lending	1 576 657	798	1 575 859	98 606	1 789	96 817	6 362	2 427	3 935	1 676 810
Swedish National Debt Office	3		3							3
Repurchase agreements[2]										24 561
Loans to the public	**1 578 492**	**798**	**1 577 694**	**98 606**	**1 789**	**96 817**	**6 362**	**2 427**	**3 935**	**1 703 206**
Banks and other credit institutions	38 102	8	38 094	27		27				38 121
Repurchase agreements[2]										1 383
Loans to credit institutions	**38 102**	**8**	**38 094**	**27**		**27**				**39 504**
Loans to the public and credit institutions	**1 616 594**	**806**	**1 615 788**	**98 633**	**1 789**	**96 844**	**6 362**	**2 427**	**3 935**	**1 742 710**
Share of loans, %	93.90			5.73			0.37			100
Credit impairment provision ratio, %	0.05			1.81			38.15			0.29

1) Including purchased or originated credit impaired.
2) At fair value through profit or loss.

30 June 2021	Stage 1			Stage 2			Stage 3[1]			
SEKm	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Total
Loans to the public at amortised cost										
Private customers	**1 059 862**	**112**	**1 059 750**	**40 601**	**262**	**40 339**	**1 912**	**492**	**1 420**	**1 101 509**
Private mortgage	925 405	45	925 360	33 840	148	33 692	1 368	260	1 108	960 160
Tenant owner associations	89 586	3	89 583	1 531	4	1 527	13	1	12	91 122
Private other	44 871	64	44 807	5 230	110	5 120	531	231	300	50 227
Corporate customers	**473 931**	**594**	**473 337**	**60 714**	**2 028**	**58 686**	**5 124**	**2 280**	**2 844**	**534 867**
Agriculture, forestry, fishing	57 120	9	57 111	6 848	57	6 791	138	26	112	64 014
Manufacturing	30 846	127	30 719	4 272	148	4 124	192	83	109	34 952
Public sector and utilities	24 579	12	24 567	853	15	838	38	8	30	25 435
Construction	17 381	28	17 353	4 114	98	4 016	140	34	106	21 475
Retail and wholesale	25 039	66	24 973	5 410	244	5 166	118	44	74	30 213
Transportation	11 142	21	11 121	2 310	48	2 262	22	4	18	13 401
Shipping and offshore	6 341	29	6 312	4 223	666	3 557	3 481	1 844	1 637	11 506
Hotels and restaurants	3 596	70	3 526	4 599	315	4 284	471	74	397	8 207
Information and communication	12 985	12	12 973	1 333	18	1 315	6	1	5	14 293
Finance and insurance	20 618	12	20 606	779	4	775	14	3	11	21 392
Property management, including	231 369	180	231 189	19 844	315	19 529	269	92	177	250 895
Residential properties	70 640	47	70 593	6 908	64	6 844	16	8	8	77 445
Commercial	103 602	96	103 506	7 391	152	7 239	170	70	100	110 845
Industrial and Warehouse	38 027	22	38 005	2 708	12	2 696	41	8	33	40 734
Other	19 100	15	19 085	2 837	87	2 750	42	6	36	21 871
Professional services	17 753	12	17 741	2 908	34	2 874	158	44	114	20 729
Other corporate lending	15 162	16	15 146	3 221	66	3 155	77	23	54	18 355
Loans to the public at fair value through profit or loss										142
Loans to the public excluding the Swedish National Debt Office and repurchase agreements	**1 533 793**	**706**	**1 533 087**	**101 315**	**2 290**	**99 025**	**7 036**	**2 772**	**4 264**	**1 636 518**
of which cash collaterals posted	1 971		1 971							1 971
of which customer lending	1 531 822	706	1 531 116	101 315	2 290	99 025	7 036	2 772	4 264	1 634 547
Swedish National Debt Office	3		3							3
Repurchase agreements[2]										31 467
Loans to the public	**1 533 796**	**706**	**1 533 090**	**101 315**	**2 290**	**99 025**	**7 036**	**2 772**	**4 264**	**1 667 988**
Banks and other credit institutions	37 511	13	37 498	41		41				37 539
Repurchase agreements[2]										1 531
Loans to credit institutions	**37 511**	**13**	**37 498**	**41**		**41**				**39 070**
Loans to the public and credit institutions	**1 571 307**	**719**	**1 570 588**	**101 356**	**2 290**	**99 066**	**7 036**	**2 772**	**4 264**	**1 707 058**
Share of loans, %	93.55			6.03			0.42			100
Credit impairment provision ratio, %	0.05			2.26			39.40			0.34

1) Including purchased or originated credit impaired.
2) At fair value through profit or loss.

Note 12 Credit impairment provisions

Reconciliation of credit impairment provisions for loans

The tables below provide a reconciliation of credit impairment provisions for loans to the public and credit institutions at amortised cost. Stage transfers are reflected as taking place at the end of the reporting period.

Loans to the public and credit institutions	2022				2021			
SEKm	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Carrying amount before provisions								
Opening balance 1 January	**1 616 594**	**98 633**	**6 362**	**1 721 589**	**1 576 657**	**108 293**	**10 530**	**1 695 480**
Closing balance 30 June	**1 749 448**	**93 536**	**5 884**	**1 848 868**	**1 571 307**	**101 356**	**7 036**	**1 679 699**
Credit impairment provisions								
Opening balance 1 January	**806**	**1 789**	**2 427**	**5 022**	**855**	**2 316**	**4 998**	**8 169**
Movements affecting credit impairments								
New and derecognised financial assets, net	114	-60	-708	-654	28	-40	-3 033	-3 045
Changes in risk factors (EAD, PD, LGD)	-18	-161	7	-172	5	-254	32	-217
Changes in macroeconomic scenarios	201	211	6	418	-137	-232	0	-369
Post-model expert credit adjustments	163	-334	-1	-172	42	374	3	419
Individual assessments			57	57			445	445
Stage transfers	-53	109	137	193	-85	103	204	222
from 1 to 2	-84	316		232	-94	212		118
from 1 to 3	0		31	31	-1		32	31
from 2 to 1	31	-166		-135	10	-47		-37
from 2 to 3		-46	146	100		-67	203	136
from 3 to 2		5	-30	-25		5	-24	-19
from 3 to 1	0		-10	-10	0		-7	-7
Other			-35	-35			-43	-43
Total movements affecting credit impairments	**407**	**-235**	**-537**	**-365**	**-147**	**-49**	**-2 392**	**-2 588**
Movements recognised outside credit impairments								
Interest			35	35			43	43
Change in exchange rates	44	60	124	228	11	23	123	157
Closing balance 30 June	**1 257**	**1 614**	**2 049**	**4 920**	**719**	**2 290**	**2 772**	**5 781**
Carrying amount								
Opening balance 1 January	**1 615 788**	**96 844**	**3 935**	**1 716 567**	**1 575 802**	**105 977**	**5 532**	**1 687 311**
Closing balance 30 June	**1 748 191**	**91 922**	**3 835**	**1 843 948**	**1 570 588**	**99 066**	**4 264**	**1 673 918**

1) Including purchased or originated credit impaired.

Loan commitments and financial guarantees

The tables below provide a reconciliation of credit impairment provisions for loan commitments and financial guarantees. Stage transfers are reflected as taking place at the end of the reporting period.

	2022				2021			
SEKm	Stage 1	Stage 2	Stage 3[1]	Total	Stage 1	Stage 2	Stage 3[1]	Total
Nominal amount								
Opening balance 1 January	**306 298**	**16 134**	**221**	**322 653**	**358 988**	**17 341**	**542**	**376 871**
Closing balance 30 June	**309 365**	**18 669**	**213**	**328 247**	**384 154**	**14 513**	**415**	**399 082**
Credit impairment provisions								
Opening balance 1 January	**286**	**273**	**85**	**644**	**249**	**396**	**161**	**806**
Movements affecting credit impairments								
New and derecognised financial assets, net	30	4	-23	11	15	-7	-21	-13
Changes in risk factors (EAD, PD, LGD)	-17	-35	9	-43	-18	-62	31	-49
Changes in macroeconomic scenarios	59	25	0	84	-47	-44		-91
Post-model expert credit adjustments	39	-75	0	-36	19	-12	0	7
Individual assessments								
Stage transfers	-7	17	4	14	0	-6	-1	-7
from 1 to 2	-13	36		23	-4	11		7
from 1 to 3	0		1	1	0		1	1
from 2 to 1	6	-19		-13	4	-17		-13
from 2 to 3		-1	5	4		0	1	1
from 3 to 2		1	-2	-1		0	-2	-2
from 3 to 1	0		0	0	0		-1	-1
Other							-1	-1
Total movements affecting credit impairments	**104**	**-64**	**-10**	**30**	**-31**	**-131**	**8**	**-154**
Movements recognised outside credit impairments								
Change in exchange rates	14	5	7	26	4	9	4	17
Closing balance 30 June	**404**	**214**	**82**	**700**	**222**	**274**	**173**	**669**

1) Including purchased or originated credit impaired.

Note 13 Credit risk exposures

SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021
Assets			
Cash and balances with central banks	424 459	360 153	598 926
Interest-bearing securities	200 682	221 683	223 231
Loans to credit institutions	60 163	39 504	39 070
Loans to the public	1 839 944	1 703 206	1 667 988
Derivatives	69 561	40 531	36 413
Other financial assets	13 632	9 164	22 497
Total assets	**2 608 441**	**2 374 241**	**2 588 125**
Contingent liabilities and commitments			
Guarantees	56 448	53 669	55 039
Loan commitments	271 799	268 984	262 720
Total contingent liabilities and commitments	**328 247**	**322 653**	**317 759**
Total	**2 936 688**	**2 696 894**	**2 905 884**

30 June 2021 the amount for Loan commitments has been restated due to a change in the scope of agreements included.

Note 14 Intangible assets

SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021
With indefinite useful life			
Goodwill	13 988	13 501	13 383
Brand name	93	93	93
Total with indefinite useful life	**14 081**	**13 594**	**13 476**
With finite useful life			
Customer base	232	251	272
Internally developed software	5 589	5 320	4 744
Other	300	323	344
Total with finite useful life	**6 121**	**5 894**	**5 360**
Total	**20 202**	**19 488**	**18 836**

At 30 June 2022 there was no indication of an impairment of intangible assets.

Note 15 Amounts owed to credit institutions

SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021
Amounts owed to credit institutions			
Central banks	44 444	28 171	50 782
Banks	99 609	58 354	80 650
Other credit institutions	6 176	5 473	4 877
Repurchase agreements	3 122	814	9 810
Total	**153 351**	**92 812**	**146 119**

Note 16 Deposits and borrowings from the public

SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021
Deposits from the public			
Private customers	693 508	655 636	624 400
Corporate customers	599 327	604 991	657 860
Deposits from the public excluding the Swedish National Debt Office and repurchase agreements	**1 292 835**	**1 260 627**	**1 282 260**
Swedish National Debt Office	116	68	37
Repurchase agreements - Swedish National Debt Office	0	0	0
Repurchase agreements	10 171	5 088	25 683
Deposits and borrowings from the public	**1 303 122**	**1 265 783**	**1 307 980**

Note 17 Debt securities in issue, senior non-preferred liabilities and subordinated liabilities

SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021
Commercial papers	302 957	165 067	317 880
Covered bonds	367 350	436 989	445 690
Senior unsecured bonds	127 980	129 809	113 186
Structured retail bonds	2 617	4 052	4 677
Total debt securities in issue	**800 904**	**735 917**	**881 433**
Senior non-preferred liabilities	47 104	37 832	34 614
Subordinated liabilities	25 461	28 604	23 699
Total	**873 469**	**802 353**	**939 746**

Turnover	Jan-Jun 2022	Full-year 2021	Jan-Jun 2021
Opening balance	**802 353**	**766 607**	**766 607**
Issued	540 453	791 262	392 716
Repurchased	-18 266	-25 873	-25 526
Repaid	-472 047	-740 624	-202 531
Interest and change in fair values or hedged items in fair value hedges	-7 127	-1 726	-808
Changes in exchange rates	28 103	12 707	9 288
Closing balance	**873 469**	**802 353**	**939 746**

Note 18 Derivatives

	Nominal amount			Positive fair value			Negative fair value		
SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021	30 Jun 2022	31 Dec 2021	30 Jun 2021	30 Jun 2022	31 Dec 2021	30 Jun 2021
Derivatives in hedge accounting									
One-to-one fair value hedges, interest rate swaps	500 617	517 336	499 816	1 954	8 156	10 898	19 660	1 675	410
Portfolio fair value hedges, interest rate swaps	490 078	495 274	491 274	17 952	1 969	672	97	853	1 544
Cash flow hedges, cross currency basis swaps	7 911	8 127	8 102	330	41	25	11	130	220
Total	**998 606**	**1 020 737**	**999 192**	**20 236**	**10 166**	**11 595**	**19 768**	**2 658**	**2 174**
Non-hedge accounting derivatives	**28 418 568**	**24 945 752**	**22 761 308**	**913 741**	**174 838**	**130 321**	**899 282**	**170 723**	**131 298**
Gross amount	**29 417 174**	**25 966 489**	**23 760 500**	**933 977**	**185 004**	**141 916**	**919 050**	**173 381**	**133 472**
Offset amount				-864 416	-144 473	-105 503	-860 243	-145 275	-106 586
Total				**69 561**	**40 531**	**36 413**	**58 807**	**28 106**	**26 886**

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

Note 19 Valuation categories of financial instruments

The tables below present the carrying amount and fair value of financial assets and financial liabilities, according to valuation categories

	30 June 2022						
		Fair value through profit or loss					
		Mandatorily					
SEKm	Amortised cost	Trading	Other	Total	Hedging Instruments	Total carrying amount	Fair value
Financial assets							
Cash and balances with central banks	424 459					424 459	424 459
Treasury bills and other bills eligible for refinancing with central banks, etc	103 342	9 236	9 293	18 530		121 871	121 876
Loans to credit institutions	56 194	3 969		3 969		60 163	60 163
Loans to the public[1]	1 787 754	51 972	218	52 190		1 839 944	1 835 029
Value change of the hedged items in portfolio hedges of interest rate risk	-18 610					-18 610	-18 610
Bonds and other interest-bearing securities		53 253	25 558	78 811		78 811	78 811
Financial assets for which customers bear the investment risk			278 457	278 457		278 457	278 457
Shares and participating interests		4 415	1 384	5 799		5 799	5 799
Derivatives		67 269		67 269	2 292	69 561	69 561
Other financial assets	13 608					13 608	13 608
Total	**2 366 747**	**190 115**	**314 910**	**505 025**	**2 292**	**2 874 064**	**2 869 154**

		Fair value through profit or loss					
	Amortised cost	Trading	Designated	Total	Hedging instruments	Total carrying amount	Fair value
Financial liabilities							
Amounts owed to credit institutions	150 229	3 122		3 122		153 351	153 351
Deposits and borrowings from the public	1 292 951	10 172		10 172		1 303 122	1 303 117
Financial liabilities for which customers bear the investment risk			279 753	279 753		279 753	279 753
Debt securites in issue[2]	798 162	2 618	124	2 742		800 904	799 253
Short position securities		37 090		37 090		37 090	37 090
Derivatives		57 985		57 985	822	58 807	58 807
Senior non preferred liabililties	47 104					47 104	46 919
Subordinated liabilities	25 461					25 461	24 867
Other financial liabilities	32 767					32 767	32 767
Total	**2 346 673**	**110 986**	**279 877**	**390 864**	**822**	**2 738 359**	**2 735 924**

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

2) Nominal amount of debt securities in issue designated at fair value through profit or loss was SEK 107m.

The methodologies to determine the fair value is described in the Annual and Sustainability Report 2021, note G46 Fair value of financial instruments.

	31 Dec 2021						
		Fair value through profit or loss					
		Mandatorily					
SEKm	Amortised cost	Trading	Other	Total	Hedging Instruments	Total carrying amount	Fair value
Financial assets							
Cash and balances with central banks	360 153					360 153	360 153
Treasury bills and other bills eligible for refinancing with central banks, etc	128 523	25 314	9 753	35 067		163 590	163 600
Loans to credit institutions	38 121	1 383		1 383		39 504	39 504
Loans to the public[1]	1 678 446	24 561	199	24 760		1 703 206	1 703 553
Value change of interest hedged items in portfolio hedges	-1 753					-1 753	-1 753
Bonds and other interest-bearing securities		29 584	28 509	58 093		58 093	58 093
Financial assets for which customers bear the investment risk			328 512	328 512		328 512	328 512
Shares and participating interests		12 067	1 349	13 416		13 416	13 416
Derivatives		30 970		30 970	9 561	40 531	40 531
Other financial assets	9 166					9 166	9 166
Total	**2 212 656**	**123 879**	**368 322**	**492 201**	**9 561**	**2 714 418**	**2 714 775**

		Fair value through profit or loss					
	Amortised cost	Trading	Designated	Total	Hedging instruments	Total carrying amount	Fair value
Financial liabilities							
Amounts owed to credit institutions	91 998	814		814		92 812	92 812
Deposits and borrowings from the public	1 260 695	5 088		5 088		1 265 783	1 265 779
Financial liabilities for which customers bear the investment risk			329 667	329 667		329 667	329 667
Debt securites in issue[2]	731 727	4 053	137	4 190		735 917	740 327
Short position securities		28 613		28 613		28 613	28 613
Derivatives		26 401		26 401	1 705	28 106	28 106
Senior non preferred liabililties	37 832					37 832	38 492
Subordinated liabilities	28 604					28 604	29 026
Other financial liabilities	28 860					28 860	28 860
Total	**2 179 716**	**64 969**	**329 804**	**394 773**	**1 705**	**2 576 194**	**2 581 682**

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

2) Nominal amount of debt securities in issue designated at fair value through profit or loss was SEK 102m.

Note 20 Financial instruments recognised at fair value

The determination of fair value, the valuation hierarchy and the valuation process for fair value measurements in Level 3 are described in the Annual and Sustainability Report 2021, note G46 Fair value of financial instruments

The financial instruments are distributed in three levels depending on inputs to the measurement.
• Level 1: Unadjusted quoted price on an active market
• Level 2: Adjusted quoted price or valuation model with valuation parameters derived from an active market
• Level 3: Valuation model where significant valuation parameters are non-observable and based on internal assumptions

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

SEKm	30 Jun 2022				31 Dec 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Treasury bills etc.	13 899	4 631		18 530	27 580	7 487		35 067
Loans to credit institutions		3 969		3 969		1 383		1 383
Loans to the public		52 160	30	52 190		24 746	14	24 760
Bonds and other interest-bearing securities	45 977	32 834		78 811	29 272	28 821		58 093
Financial assets for which the customers bear the investment risk	278 342		115	278 457	328 512			328 512
Shares and participating interests	4 449		1 350	5 799	12 139		1 277	13 416
Derivatives	284	69 277		69 561	162	40 369		40 531
Total	**342 951**	**162 871**	**1 495**	**507 317**	**397 665**	**102 806**	**1 291**	**501 762**
Liabilities								
Amounts owed to credit institutions		3 122		3 122		814		814
Deposits and borrowings from the public		10 172		10 172		5 088		5 088
Debt securities in issue		2 742		2 742		4 190		4 190
Financial liabilities for which the customers bear the investment risk		279 638	115	279 753		329 667		329 667
Derivatives	191	58 616		58 807	123	27 983		28 106
Short positions, securities	35 451	1 639		37 090	25 738	2 875		28 613
Total	**35 642**	**355 929**	**115**	**391 686**	**25 861**	**370 617**		**396 478**

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

Changes in level 3

SEKm	2022					2021		
	Assets				Liabilities	Assets		
	Equity instruments	Loans	Fund units of which customers bear the investment risk	Total	Liabilities for which the customers bear the investment risk	Equity instruments	Loans	Total
Opening balance 1 January	**1 277**	**14**		**1 291**		**1 127**		**1 127**
Purchases	25	15		**40**		8		**8**
Sale of assets/ dividends received	-52		-5	**-57**		-10		**-10**
Maturities						-1		**-1**
Issues							8	**8**
Sale of liabilities					-5			
Transferred from Level 1 to Level 3			139	**139**				
Transferred from Level 2 to Level 3					139			
Gains or losses, Net gains and losses on financial items	100	1	-19	**82**	-19	89		**89**
of which changes in unrealised gains or losses for items held at closing day	79	1	-18	**62**	-18	92		**92**
Closing balance 30 June	**1 350**	**30**	**115**	**1 495**	**115**	**1 213**	**8**	**1 221**

Financial instruments are transferred to or from level 3 depending on whether the impact of unobservable inputs has changed in significance to the valuation.

Level 3 comprises mainly strategic unlisted shares. These include holdings in VISA Inc. C shares that are subject to selling restrictions until June 2028 and under certain conditions may have to be returned. Liquid quotes are not available for these shares, therefore the fair value is established with significant elements of Swedbank's own internal assumptions. As of 30 June 2022, the carrying amount for the holdings in Visa Inc. C amounts to SEK 727m (676).

In the Group's insurance operations, fund units are held in which the customers have chosen to invest their insurance savings. The holdings are reported in the balance sheet as financial assets where the customers bear the investment risk and are normally measured at fair value according to level 1, because the units are traded in an active market. The Group's obligations to insurance savers are reported as financial liabilities where the customers bear the investment risk because it is the customers who bear the entire market value change of the assets. The liabilities are normally measured at fair value according to level 2.

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

Note 21 Assets pledged, contingent liabilities and commitments

SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021
Loans secured for covered bonds[1]	448 013	473 539	502 293
Financial assets pledged for insurance policy holders	278 457	328 512	289 467
Other assets pledged for own liabilities	53 000	55 756	57 194
Other assets pledged	9 216	8 529	10 293
Assets pledged	**788 686**	**866 336**	**859 247**
Nominal amounts			
Guarantees	56 448	53 669	55 039
Other	114	156	158
Contingent liabilities	**56 562**	**53 825**	**55 197**
Nominal amounts			
Loans granted not paid	207 757	204 812	198 402
Overdraft facilities granted but not utilised	64 042	64 172	64 318
Commitments	**271 799**	**268 984**	**262 720**

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

30 June 2021 the amount for Loans granted but not paid has been restated due to a change in the scope of agreements included.

Swedbank is cooperating with authorities in the United States who are conducting investigations into Swedbank's historic AML compliance and the Group's response thereto, as well as related issues involving the Group's anti-money laundering controls and certain individuals and entities who may at some time have been customers of the Group**.**

Swedbank AS in Estonia has in March 2022 been informed by the Estonian Prosecutor that Swedbank AS is suspected of money laundering during the period 2014-2016.

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

Note 22 Offsetting financial assets and liabilities

The tables below present recognised financial instruments that have been offset in the balance sheet under IAS 32 and those that are subject to legally enforceable master netting or similar agreements but do not qualify for offset. Such financial instruments relate to derivatives, repurchase and reverse repurchase agreements, securities settlements, securities borrowing and lending transactions. Collateral amounts represent financial instruments or cash collateral received or pledged for transactions that are subject to a legally enforceable master netting or similar agreements and which allow for the netting of obligations against the counterparty in the event of a default. Collateral amounts are limited to the amount of the related instruments presented in the balance sheet; therefore any over-collateralisation is not included. Amounts that are not offset in the balance sheet are presented as a reduction to the financial assets or liabilities in order to derive net asset and net liability exposure.

	Financial assets			Financial liabilities		
SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021	30 Jun 2022	31 Dec 2021	30 Jun 2021
Financial assets and liabilities, which have been offset or are subject to netting						
Gross amount	1 074 440	272 413	212 115	1 018 926	238 400	204 388
Offset amount	-948 177	-207 036	-141 495	-944 005	-204 845	-142 919
Net amounts presented in the balance sheet	**126 263**	**65 377**	**70 620**	**74 921**	**33 555**	**61 469**
Related amounts not offset in the balance sheet						
Financial instruments, netting arrangements	30 687	19 292	18 214	30 687	19 264	20 357
Financial Instruments, collateral	51 551	23 519	28 760	17 085	9 469	33 570
Cash collateral	24 006	13 850	11 434	15 428	4 801	7 539
Total amount not offset in the balance sheet	**106 244**	**56 661**	**58 408**	**63 200**	**33 534**	**61 466**
Net amount	**20 019**	**8 716**	**12 212**	**11 721**	**21**	**3**

The amount offset for derivative assets includes offset cash collateral of SEK 18 281m (1 447) derived from the balance sheet item Amounts owed to credit institutions. The amount offset for derivative liabilities includes offset cash collateral of SEK 14 108m (2 249), derived from the balance sheet item Loans to credit institutions.

As of 31 March 2022, offset amounts for security settlement claims and liabilities are included in the table above. The significant increase in gross amounts between 31 December 2021 and 30 June 2022 is mainly due to valuation changes on derivatives.

Note 23 Capital adequacy, consolidated situation

The note contains the information made public according to the Swedish Financial Supervisory Authority Regulation FFFS 2014:12, chap. 8. Additional periodic information according to Regulation (EU) No 575/2013 of the European Parliament and of the Council on supervisory requirements for credit institutions and Implementing Regulation (EU) No 1423/2013 of the European Commission can be found on Swedbank's website: www.swedbank.com/investor-relations/reports-and-presentations/risk-reports

In the consolidated situation the Group's insurance companies are consolidated according to the equity method instead of full consolidation. The EnterCard Group is consolidated by proportional method instead of the equity method. Otherwise, same principles for consolidations are applied as for the Group.

Consolidated situation, SEKm	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021
Available own funds					
Common Equity Tier 1 (CET1) capital	135 943	132 601	129 644	129 867	127 551
Tier 1 capital	145 312	141 306	143 022	142 960	136 146
Total capital	161 879	156 954	158 552	158 682	151 840
Risk-weighted exposure amounts					
Total risk exposure amount	743 767	724 472	707 753	703 220	688 517
Capital ratios as a percentage of risk-weighted exposure amount					
Common Equity Tier 1 ratio	18.3	18.3	18.3	18.5	18.5
Tier 1 ratio	19.5	19.5	20.2	20.3	19.8
Total capital ratio	21.8	21.7	22.4	22.6	22.1
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	1.7	1.7	1.7	1.7	2.0
of which: to be made up of CET1 capital	1.2	1.2	1.2	1.2	1.4
of which: to be made up of Tier 1 capital	1.3	1.3	1.3	1.3	1.7
Total SREP own funds requirements	9.7	9.7	9.7	9.7	10.0
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount					
Capital conservation buffer	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State					
Institution specific countercyclical capital buffer	0.1	0.0	0.0	0.0	0.0
Systemic risk buffer	3.0	3.0	3.0	3.0	3.0
Global Systemically Important Institution buffer					
Other Systemically Important Institution buffer	1.0	1.0	1.0	1.0	1.0
Combined buffer requirement	6.6	6.5	6.5	6.5	6.5
Overall capital requirements	16.3	16.2	16.2	16.2	16.5
CET1 available after meeting the total SREP own funds requirements	6.1	6.1	6.1	6.3	6.1
Leverage ratio					
Total exposure measure	2 796 534	2 774 716	2 626 642	2 927 123	2 838 534
Leverage ratio, %	5.2	5.1	5.4	4.9	4.8
Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure					
Additional own funds requirements to address the risk of excessive leverage					
of which: to be made up of CET1 capital					
Total SREP leverage ratio requirements	3.0	3.0	3.0	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure					
Leverage ratio buffer requirement					
Overall leverage ratio requirement	3.0	3.0	3.0	3.0	3.0
Liquidity Coverage Ratio					
Total high-quality liquid assets, average weighted value	753 524	743 708	717 469	671 691	609 652
Cash outflows, total weighted value	574 020	553 356	528 742	489 426	453 480
Cash inflows, total weighted value	62 141	55 603	53 820	53 679	58 464
Total net cash outflows, adjusted value	511 879	497 752	474 922	435 747	395 016
Liquidity coverage ratio, %	148.4	151.0	151.8	155.2	155.3
Net stable funding ratio					
Total available stable funding	1 668 633	1 657 266	1 644 050	1 642 641	1 605 176
Total required stable funding	1 405 061	1 359 706	1 331 522	1 328 311	1 308 168
Net stable funding ratio, %	119.0	122.0	123.0	124.0	123.0

Common Equity Tier 1 capital Consolidated situation, SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021
Shareholders' equity according to the Group's balance sheet	161 552	161 670	159 368
Anticipated dividend	-4 664	-12 632	-13 466
Value changes in own financial liabilities	-328	-91	-73
Cash flow hedges	-11	-2	2
Additional value adjustments	-1 340	-1 037	-785
Goodwill	-14 077	-13 590	-13 471
Deferred tax assets	-80	-68	-121
Intangible assets	-4 274	-4 427	-3 755
Insufficient coverage for non-performing exposures	-3	-1	
Deductions of CET1 capital due to Article 3 CRR	-116	-137	-112
Shares deducted from CET1 capital	-29	-41	-36
Pension fund assets	-687		
Total	**135 943**	**129 644**	**127 551**

Risk exposure amount Consolidated situation, SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021
Risk exposure amount credit risks, standardised approach	52 290	51 273	49 017
Risk exposure amount credit risks, IRB	311 378	287 328	286 913
Risk exposure amount default fund contribution	294	281	664
Risk exposure amount settlement risks	0	2	
Risk exposure amount market risks	23 596	20 306	19 546
Risk exposure amount credit value adjustment	4 011	2 338	3 258
Risk exposure amount operational risks	75 618	75 618	73 521
Additional risk exposure amount, Article 3 CRR	32 479	29 302	21 692
Additional risk exposure amount, Article 458 CRR	244 101	241 305	233 906
Total	**743 767**	**707 753**	**688 517**

	SEKm			%		
Capital requirements[1] **Consolidated situation, SEKm / %**	**30 Jun 2022**	**31 Dec 2021**	**30 Jun 2021**	**30 Jun 2022**	**31 Dec 2021**	**30 Jun 2021**
Capital requirement Pillar 1	108 279	102 624	99 835	14.6	14.5	14.5
of which Buffer requirements[2]	48 778	46 004	44 754	6.6	6.5	6.5
Capital requirement Pillar 2[3]	12 644	12 032	13 712	1.7	1.7	2.0
Pillar 2 guidance[4]	11 157	10 616		1.5	1.5	
Total capital requirement including Pillar 2 guidance	**132 080**	**125 272**	**113 547**	**17.8**	**17.7**	**16.5**
Own funds	**161 879**	**158 552**	**151 840**			

1) Swedbank's calculation based on the SFSA's announced capital requirements, including Pillar 2 requirements and Pillar 2 guidance.
2) Buffer requirements includes systemic risk buffer, capital conservation buffer, countercyclical capital buffer and buffer for other systemically important institutions.
3) Individual Pillar 2 requirement according to decision from SFSA SREP 2021.
4) From Q3 2021 Swedbank consolidated situation is subject to Pillar 2 guidance.

	SEKm			%		
Leverage ratio requirements[1] **Consolidated situation, SEKm / %**	**30 Jun 2022**	**31 Dec 2021**	**30 Jun 2021**	**30 Jun 2022**	**31 Dec 2021**	**30 Jun 2021**
Leverage ratio requirement Pillar 1	8 389 601	7 879 926		3.00	3.00	
Leverage ratio Pillar 2 guidance	1 258 440	1 181 989		0.45	0.45	
Total leverage ratio requirement including Pillar 2 guidance	**9 648 041**	**9 061 915**		**3.45**	**3.45**	

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

Note 24 Internal capital requirement

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

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

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

As of 30 June 2022, the internal capital assessment for Swedbank's consolidated situation amounted to SEK 38.4bn (SEK 36.6bn as of 31 December 2021). The capital to meet the internal capital assessment, i.e. the Total capital, amounted to SEK 161.9bn (SEK 158.6bn as of 31 December 2021) (see Note 23). Swedbank's internal capital assessment using its own models is not comparable with the estimated capital requirement that the SFSA releases quarterly and does not consider the SFSA risk-weight floor for Swedish mortgages.

The internally estimated capital requirement for the parent company amounted to SEK 31bn (SEK 25.3bn as of 31 December 2021) and the total capital amounted to SEK 126.8bn (SEK 126.1bn as of 31 December 2021) (see the parent company's note on capital adequacy).

In addition to what is stated in this interim report, risk management and capital adequacy according to the Basel 3 framework are described in more detail in Swedbank's annual report for 2021 as well as in Swedbank's yearly Risk and Capital Adequacy Report, available on www.swedbank.se.

Note 25 Risks and uncertainties

Swedbank's earnings are affected by changes in the global marketplace over which it has no control, including macroeconomic factors such as GDP, asset prices and unemployment as well as changes in interest rates, equity prices and exchange rates. The war in Ukraine has led to previous economic forecasts being revised downwards.

Geopolitical situation
The geopolitical tension built up during 2021 culminated in February in conjunction with the beginning of the war in Ukraine. In the end of May, the EU agreed on a sixth sanction package that includes e.g., a stage-by-stage embargo on Russian oil. Although Swedbank's direct as well as indirect exposures to Russia, Ukraine and Belarus are limited, there is an overall European dependence on Russian energy such that also Swedbank's home markets are affected by the sanction's implications. So far, the war in Ukraine has led to an increase in inflation and a more unstable macroeconomic environment. The current high inflation with increased prices on goods and services has already started having an effect on peoples' purchasing power and the general interest rates environment. The fact that the conflict countries are large producers of several food related groceries and input goods, in combination with rising energy prices and extended sanctions against Russia, adds to the risk of sustained high inflation. Swedbank closely monitors the geopolitical and macroeconomic developments.

During the quarter the Bank has continued to prioritise the work with IT- and information security risks due to the war in Ukraine. Swedbank's capacity to manage these risks is good and we were not affected despite the increasing number of IT attacks against the financial industry.

Anti-money laundering and Counter terrorist financing and other compliance risks
For risks related to the ongoing investigations of authorities in US and Estonia related to historic anti-money laundering compliance and response related to anti-money laundering controls, please refer to Note 21 Assets pledged, contingent liabilities and commitments.

Due to the Geopolitical situation in Russia and Ukraine the sanction risk has been elevated. Many new sanctions regimes have entered or are to enter in to force in very close future, however these are managed by a specific sanctions task force including closely follow ups of the latest development. Sanctions regimes are continuously implemented in Swedbank's screening systems and investigational resources have been allocated. Numbers of frozen assets and rejected transactions are still rather limited. Risk of anti-money laundering and terrorist financing elevations is yet to be assessed.
In addition to the observations reported on money laundering and terrorist financing, Swedbank has previously identified elevated compliance risks

within the bank related to internal governance as noted by supervisory authorities in their investigations of money laundering. In this regard, Swedbank assesses that the deficiencies identified by the supervisory authorities have been addressed by the bank, and to a large extent remediated. Swedbank has also identified elevated compliance risks in the market surveillance area. Work is ongoing within the bank to address the deficiencies identified. Swedbank's Compliance function monitors this work.

Tax

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

In addition to what is stated in this interim report, detailed descriptions are provided in Swedbank's 2021 Annual and sustainability report and in the disclosure in the Risk Management and Capital Adequacy reports available at www.swedbank.com.

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

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

30 June 2022	< 5 yrs	5-10 yrs	> 10 yrs	Total
SEK	-1 376	-478	-44	-1 898
Foreign currencies	-626	458	94	-74
Total	**-2 002**	**-20**	**50**	**-1 972**
31 December 2021				
SEK	-491	-1 020	221	-1 290
Foreign currencies	757	191	85	1 033
Total	**266**	**-829**	**306**	**-257**

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

30 June 2022	< 5 yrs	5-10 yrs	> 10 yrs	Total
SEK	938	-417	-53	468
Foreign currencies	-336	-278	34	-580
Total	**602**	**-695**	**-19**	**-112**
31 December 2021				
SEK	361	-220	84	225
Foreign currencies	-405	246	8	-151
Total	**-44**	**26**	**92**	**74**

Note 26 Related-party transactions

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

Note 27 Swedbank's share

Number of outstanding ordinary shares	30 Jun 2022	31 Dec 2021	30 Jun 2021
Issued shares			
SWED A	1 132 005 722	1 132 005 722	1 132 005 722
Repurchased shares			
SWED A	-8 934 918	-10 570 929	-10 575 660
Number of outstanding ordinary shares on the closing day	**1 123 070 804**	**1 121 434 793**	**1 121 430 062**
SWED A			
Last price, SEK	129.30	182.10	159.24
Market capitalisation, SEKm	**145 213**	**204 213**	**178 577**

Within Swedbank's share-based compensation programme, Swedbank AB has during 2022 transferred 1 636 011 shares at no cost to employees.

Earnings per share	Q2 2022	Q1 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021
Average number of shares					
Average number of shares before dilution	1 123 000 342	1 122 181 797	1 121 383 230	1 122 593 331	1 120 796 751
Weighted average number of shares for potential ordinary shares that incur a dilutive effect due to share-based compensation programme	2 523 126	2 924 129	2 075 334	2 890 598	2 500 646
Average number of shares after dilution	1 125 523 468	1 125 105 926	1 123 458 564	1 125 483 929	1 123 297 397
Profit, SEKm					
Profit for the period attributable to shareholders of Swedbank	4 710	4 617	5 563	9 327	10 538
Earnings for the purpose of calculating earnings per share	4 710	4 617	5 563	9 327	10 538
Earnings per share, SEK					
Earnings per share before dilution	4.19	4.11	4.96	8.31	9.40
Earnings per share after dilution	4.18	4.10	4.95	8.29	9.38

Note 28 Changed presentation regarding resolution fees

A new Swedish bank tax was introduced from 1 January 2022 and is presented on a new row in the income statement. From 2022 the Group also presents resolution fees on this row, which is named Swedish bank tax and resolution fees. Previously the resolution fees have been included in Interest expense within Net interest income. During 2021, certain derivatives have also been transferred between interest income and interest expenses.

Income statement, condensed	Q2 2021			Jan-Jun 2021		
SEKm	Previous reporting	Change	New reporting	Previous reporting	Change	New reporting
Interest income on financial assets at amortised cost	7 373		7 373	14 836		14 836
Other interest income	317	-227	90	682	-427	255
Interest income	**7 690**	**-227**	**7 463**	**15 518**	**-427**	**15 091**
Interest expense	-1 118	399	-719	-2 405	828	-1 577
Net interest income (note 5)	**6 572**	**172**	**6 744**	**13 113**	**401**	**13 514**
Commission income	5 535		5 535	10 643		10 643
Commission expense	-1 861		-1 861	-3 609		-3 609
Net commission income (note 6)	**3 674**		**3 674**	**7 034**		**7 034**
Net gains and losses on financial items (note 7)	645		645	1 230		1 230
Net insurance	396		396	770		770
Share of profit or loss of associates and joint ventures	247		247	484		484
Other income	336		336	641		641
Total income	**11 870**	**172**	**12 042**	**23 272**	**401**	**23 673**
Staff costs	3 136		3 136	6 251		6 251
Other general administrative expenses (note 8)	1 437		1 437	2 894		2 894
Depreciation/amortisation of tangible and intangible assets	416		416	818		818
Total expenses	**4 989**		**4 989**	**9 963**		**9 963**
Profit before impairments, Swedish bank tax and resolution fees	**6 881**	**172**	**7 053**	**13 309**	**401**	**13 710**
Impairment of intangible assets	56		56	56		56
Credit impairments (note 9)	-27		-27	219		219
Swedish bank tax and resolution fees (note 10)		172	172		401	401
Profit before tax	**6 852**		**6 852**	**13 034**		**13 034**
Tax expense	1 288		1 288	2 496		2 496
Profit for the period	**5 564**		**5 564**	**10 538**		**10 538**
Profit for the period attributable to:						
Shareholders of Swedbank AB	**5 563**		**5 563**	**10 538**		**10 538**
Non-controlling interests	1		1	0		0
C/I ratio	0.42		0.41	0.43		0.42

Net interest income

SEKm	Q2 2021 Previous reporting	Change	New reporting	Jan-Jun 2021 Previous reporting	Change	New reporting
Interest income						
Cash and balances with central banks	-290		-290	-522		-522
Treasury bills and other bills eligible for refinancing with central banks, etc.	17		17	31		31
Loans to credit institutions	47		47	84		84
Loans to the public	7 634		7 634	15 293		15 293
Bonds and other interest-bearing securities	47		47	94		94
Derivatives	262	-227	35	506	-427	79
Other assets	41		41	83		83
Total	**7 758**	**-227**	**7 531**	**15 569**	**-427**	**15 142**
Deduction of trading-related interests reported in Net gains and losses on financial items	68		68	51		51
Total interest income	**7 690**	**-227**	**7 463**	**15 518**	**-427**	**15 091**
Interest expense						
Amounts owed to credit institutions	92		92	97		97
Deposits and borrowings from the public	-126		-126	-163		-163
of which deposit guarantee fees	-136		-136	-171		-171
Debt securities in issue	-1 158		-1 158	-2 416		-2 416
Senior non-preferred liabilities	-48		-48	-76		-76
Subordinated liabilities	-170		-170	-340		-340
Derivatives	570	227	797	1 073	427	1 500
Other liabilities	-197	172	-25	-444	401	-43
of which resolution fund fee	-172	172		-401	401	
Total	**-1 037**	**399**	**-638**	**-2 269**	**828**	**-1 441**
Deduction of trading-related interests reported in Net gains and losses on financial items	81		81	136		136
Total interest expense	**-1 118**	**399**	**-719**	**-2 405**	**828**	**-1 577**
Net interest income	**6 572**	**172**	**6 744**	**13 113**	**401**	**13 514**
Net investment margin before trading-related interests are deducted	0.94	0.03	0.97	0.95	0.03	0.98
Average total assets	2 854 333		2 854 333	2 798 259		2 798 259
Interest expense on financial liabilities at amortised cost	1 464		1 464	2 966		2 966
Negative yield on financial assets	348		348	630		630
Negative yield on financial liabilities	300		300	447		447

Swedbank AB

Income statement, condensed

Parent company SEKm	Q2 2022	Q1 2021	Q2[1] 2021	Jan-Jun 2022	Jan-Jun[1] 2021
Interest income on financial assets at amortised cost	3 680	2 649	2 466	6 329	5 007
Other interest income	1 738	1 459	1 324	3 197	2 657
Interest income	**5 418**	**4 108**	**3 790**	**9 526**	**7 664**
Interest expense	-856	-251	-133	-1 107	-338
Net interest income	**4 562**	**3 857**	**3 657**	**8 419**	**7 326**
Dividends received	3 888	5 769	3 809	9 657	7 805
Commission income	2 168	2 125	2 164	4 293	4 179
Commission expense	-595	-555	-527	-1 150	-1 093
Net commission income	**1 573**	**1 570**	**1 637**	**3 143**	**3 086**
Net gains and losses on financial items	-635	-926	299	-1 561	567
Other income	764	688	506	1 452	959
Total income	**10 152**	**10 958**	**9 908**	**21 110**	**19 743**
Staff costs	2 585	2 546	2 402	5 131	4 765
Other expenses	1 469	1 314	1 384	2 783	2 774
Depreciation/amortisation and impairment of tangible and intangible fixed assets	1 257	1 248	1 242	2 505	2 484
Total expenses	**5 311**	**5 108**	**5 028**	**10 419**	**10 023**
Profit before impairments, Swedish bank tax and resolution fees	**4 841**	**5 850**	**4 880**	**10 691**	**9 720**
Credit impairments, net	12	107	33	119	81
Swedish bank tax and resolution fees	280	279	61	559	152
Operating profit	**4 549**	**5 464**	**4 786**	**10 013**	**9 487**
Tax expense	779	594	888	1 373	1 740
Profit for the period	**3 770**	**4 870**	**3 898**	**8 640**	**7 747**

1) From 2022 a Swedish bank tax has been enacted. The new tax is presented on an own row in the Income statement before operating profit. At the same time the presentation of the parent's resolution fee is amended. The resolution fee is moved from Interest rate expense to the same row as the Swedish bank tax in the Income statement. The row is named Swedish bank tax and resolution fees. Comparatives related to the resolution fee has been restated. The parent's interest expense has decreased with SEK 61m for the second quarter 2021 and with SEK 152m for the period January to June 2021. During 2021, certain derivative were also transferred between interest income and interest expenses.

Statement of comprehensive income, condensed

Parent company SEKm	Q2 2022	Q1 2022	Q2 2021	Jan-Jun 2022	Jan-Jun 2021
Profit for the period reported via income statement	**3 770**	**4 870**	**3 898**	**8 640**	**7 747**
Total comprehensive income for the period	**3 770**	**4 870**	**3 898**	**8 640**	**7 747**

Balance sheet, condensed

Parent company SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021
Assets			
Cash and balance with central banks	284 095	194 353	453 948
Loans to credit institutions	790 281	650 948	686 305
Loans to the public	496 137	391 675	396 180
Interest-bearing securities	193 094	214 197	217 023
Shares and participating interests	69 495	78 924	84 360
Derivatives	81 946	44 323	41 928
Other assets	37 962	43 076	45 969
Total assets	**1 953 010**	**1 617 496**	**1 925 713**
Liabilities and equity			
Amounts owed to credit institutions	211 837	100 610	215 526
Deposits and borrowings from the public	976 383	942 932	1 016 501
Debt securities in issue	429 975	296 918	434 135
Derivatives	87 044	42 542	41 863
Other liabilities and provisions	65 066	54 007	45 526
Senior non-preferred liabilities	47 104	37 832	34 614
Subordinated liabilities	25 461	28 604	23 699
Untaxed reserves	10 630	10 630	10 682
Equity	99 510	103 421	103 167
Total liabilities and equity	**1 953 010**	**1 617 496**	**1 925 713**
Pledged collateral	52 756	55 407	58 266
Other assets pledged	9 216	8 529	10 272
Contingent liabilities	146 588	232 276	301 456
Commitments[1]	257 529	263 331	255 301

1) 30 June 2021 the amount for Loans granted but not paid has been restated due to a change in the scope of agreements included.

Statement of changes in equity, condensed

Parent company
SEKm

	Restricted equity		Non-restricted equity		
January-June 2022	**Share capital**	**Statutory reserve**	**Share premium reserve**	**Retained earnings**	**Total**
Opening balance 1 January 2022	**24 904**	**5 968**	**13 206**	**59 343**	**103 421**
Dividend				-12 632	**-12 632**
Share based payments to employees				87	**87**
Deferred tax related to share based payments to employees				-9	**-9**
Current tax related to share based payments to employees				3	**3**
Total comprehensive income for the period				8 640	**8 640**
Closing balance 30 June 2022	**24 904**	**5 968**	**13 206**	**55 432**	**99 510**
January-December 2021					
Opening balance 1 January 2021	**24 904**	**5 968**	**13 206**	**59 355**	**103 433**
Dividend				-16 310	**-16 310**
Share based payments to employees				195	**195**
Deferred tax related to share based payments to employees				18	**18**
Current tax related to share based payments to employees				-2	**-2**
Total comprehensive income for the period				16 087	**16 087**
Closing balance 31 December 2021	**24 904**	**5 968**	**13 206**	**59 343**	**103 421**
January-June 2021					
Opening balance 1 January 2021	**24 904**	**5 968**	**13 206**	**59 355**	**103 433**
Dividend				-8 124	**-8 124**
Share based payments to employees				105	**105**
Deferred tax related to share based payments to employees				8	**8**
Current tax related to share based payments to employees				-2	**-2**
Total comprehensive income for the period				7 747	**7 747**
Closing balance 30 June 2021	**24 904**	**5 968**	**13 206**	**59 089**	**103 167**

Cash flow statement, condensed

Parent company **SEKm**	**Jan-Jun 2022**	**Full-year 2021**	**Jan-Jun 2021**
Cash flow from operating activities	79 821	2 849	258 863
Cash flow from investing activities	16 009	9 480	11 932
Cash flow from financing activities	-6 088	14 903	16 032
Cash flow for the period	**89 742**	**27 232**	**286 827**
Cash and cash equivalents at beginning of period	194 353	167 121	167 121
Cash flow for the period	89 742	27 232	286 827
Cash and cash equivalents at end of period	**284 095**	**194 353**	**453 948**

Capital adequacy

Parent company, SEKm	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021
Available own funds					
Common equity tier 1 (CET1) capital	100 550	99 242	96 715	96 708	96 366
Tier 1 capital	109 919	107 947	110 093	109 802	104 962
Total capital	126 835	123 967	126 056	125 742	120 808
Risk-weighted exposure amounts					
Total risk exposure amount	397 501	372 112	353 415	355 318	349 604
Capital ratios as a percentage of risk-weighted exposure amount					
Common equity tier 1 ratio	25.3	26.7	27.4	27.2	27.6
Tier 1 ratio	27.7	29.0	31.2	30.9	30.0
Total capital ratio	31.9	33.3	35.7	35.4	34.6
Additional own funds requirements to address risks other than the risk of excessive leverage as a percentage of risk-weighted exposure amount					
Additional own funds requirements to address risks other than the risk of excessive leverage	1.5	1.5	1.5	1.5	2.2
of which: to be made up of CET1 capital	1.1	1.1	1.1	1.1	1.4
of which: to be made up of Tier 1 capital	1.2	1.2	1.2	1.2	1.8
Total SREP own funds requirements	9.5	9.5	9.5	9.5	10.2
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount					
Capital conservation buffer	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State					
Institution specific countercyclical capital buffer	0.1	0.1	0.1	0.1	0.1
Systemic risk buffer	0.0	0.0	0.0	0.0	0.0
Global Systemically Important Institution buffer					
Other Systemically Important Institution buffer					
Combined buffer requirement	2.6	2.6	2.6	2.6	2.6
Overall capital requirements	12.1	12.1	12.1	12.1	12.8
CET1 available after meeting the total SREP own funds requirements	17.1	18.5	19.3	19.2	19.0
Leverage ratio					
Total exposure measure	1 440 224	1 376 279	1 209 752	1 555 142	1 486 600
Leverage ratio, %	7.6	7.8	9.1	7.1	7.1
Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure					
Additional own funds requirements to address the risk of excessive leverage					
of which: to be made up of CET1 capital					
Total SREP leverage ratio requirements	3.0	3.0	3.0	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure					
Leverage ratio buffer requirement					
Overall leverage ratio requirement	3.0	3.0	3.0	3.0	3.0
Liquidity coverage ratio					
Total high-quality liquid assets, average weighted value	593 255	594 925	569 053	528 923	474 877
Cash outflows, total weighted value	609 305	585 494	555 326	534 009	507 401
Cash inflows, total weighted value	63 174	53 941	62 097	75 333	93 156
Total net cash outflows, adjusted value	546 131	531 552	493 228	458 676	414 245
Liquidity coverage ratio, %	108.6	112.1	115.7	115.6	115.1
Net stable funding ratio					
Total available stable funding	996 739	992 003	962 973	960 113	935 457
Total required stable funding	590 330	565 611	534 747	545 985	549 105
Net stable funding ratio, %	168.4	175.1	180.1	175.5	170.4

Risk exposure amount Parent company, SEKm	30 Jun 2022	31 Dec 2021	30 Jun 2021
Risk exposure amount credit risks, standardised approach	102 474	86 177	86 271
Risk exposure amount credit risks, IRB	183 884	167 375	174 313
Risk exposure amount default fund contribution	294	281	664
Risk exposure amount settlement risks	0	2	
Risk exposure amount market risks	23 912	20 987	19 602
Risk exposure amount credit value adjustment	4 002	2 333	3 219
Risk exposure amount operational risks	40 218	40 218	39 068
Additional risk exposure amount, Article 3 CRR	31 858	26 458	19 558
Additional risk exposure amount, Article 458 CRR	10 859	9 584	6 909
Total	**397 501**	**353 415**	**349 604**

	SEKm			%		
Capital requirements[1] **Parent company, SEKm / %**	**30 Jun 2022**	**31 Dec 2021**	**30 Jun 2021**	**30 Jun 2022**	**31 Dec 2021**	**30 Jun 2021**
Capital requirement Pillar 1	42 189	37 462	37 058	10.6	10.6	10.6
of which Buffer requirements[2]	10 389	9 189	9 090	2.6	2.6	2.6
Capital requirement Pillar 2[3]	5 963	5 301	8 035	1.5	1.5	2.2
Total capital requirement including Pillar 2 guidance	**48 152**	**42 763**	**45 093**	**12.1**	**12.1**	**12.8**
Own funds	**126 835**	**126 056**	**120 808**			

1) Swedbank's calculation based on the SFSA's announced capital requirements, including Pillar 2 requirements and Pillar 2 guidance.
2) Buffer requirements includes capital conservation buffer and countercyclical capital buffer.
3) Individual Pillar 2 requirement according to decision from SFSA SREP 2021.

	SEKm			%		
Leverage ratio requirements[1] **Parent company, SEKm / %**	**30 Jun 2022**	**31 Dec 2021**	**30 Jun 2021**	**30 Jun 2022**	**31 Dec 2021**	**30 Jun 2021**
Leverage ratio requirement Pillar 1	4 320 672	3 629 256		3.0	3.0	
Total leverage ratio requirement including Pillar 2 guidance	**4 320 672**	**3 629 256**		**3.0**	**3.0**	

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

Alternative performance measures

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

Measure and definition	Purpose
Net investment margin before trading interest is deducted	
Calculated as Net interest income before trading-related interest is deducted, in relation to average total assets. The average is calculated using month-end figures [1)], including the prior year end. The nearest IFRS measure is Net interest income and can be reconciled in Note 5.	Considers all interest income and interest expense, independent of how it has been presented in the income statement.
Allocated equity	
Allocated equity is the operating segment's equity measure and is not directly required by IFRS. The Group's equity attributable to shareholders is allocated to each operating segment based on capital adequacy rules and estimated capital requirements based on the bank's internal Capital Adequacy Assessment Process (ICAAP). The allocated equity amounts per operating segment are reconciled to the Group Total equity, the nearest IFRS measure, in Note 4.	Used by Group management for internal governance and operating segment performance management purposes.
Return on allocated equity	
Calculated based on profit for the period (annualised) attributable to the shareholders for the operating segment, in relation to average allocated equity for the operating segment. The average is calculated using month-end figures [1)], including the prior year end. The allocated equity amounts per operating segment are reconciled to the Group Total equity, the nearest IFRS measure, in Note 4.	Used by Group management for internal governance and operating segment performance management purposes.
Other alternative performance measures	
These measures are defined in Fact book on page 78 and are calculated from the financial statements without adjustment. • Share of Stage 1 loans, gross • Share of Stage 2 loans, gross • Share of Stage 3 loans, gross • Cost/Income ratio • Equity per share • Credit Impairment ratio • Credit impairment provision ratio Stage 1 loans • Credit impairment provision ratio Stage 2 loans • Credit impairment provision ratio Stage 3 loans • Return on equity[1)] • Total credit impairment provision ratio • Loan/Deposit ratio	Used by Group management for internal governance and operating segment performance management purposes.

[1)] The month-end figures used in the calculation of the average can be found on page 71 of the Fact book.

Signatures of the Board of Directors and the President

The Board of Directors and the President hereby certify that the Interim report for January-June 2022 provides a fair and accurate overview of the operations, position and results of the parent company and the Group and describes the significant risks and uncertainties faced by the parent company and the companies in the Group.

Stockholm, 18 July 2022

Göran Persson
Chair

Bo Bengtsson
Board Member

Göran Bengtsson
Board Member

Annika Creutzer
Board Member

Hans Eckerström
Board Member

Kerstin Hermansson
Board Member

Helena Liljedahl
Board Member

Bengt Erik Lindgren
Board Member

Anna Mossberg
Board Member

Per Olof Nyman
Board Member

Biljana Pehrsson
Board Member

Biörn Riese
Board member

Roger Ljung
Board Member
Employee Representative

Åke Skoglund
Board Member
Employee Representative

Jens Henriksson
President and CEO

Review report

Introduction

We have reviewed the condensed interim financial information (interim report) of Swedbank AB (publ) as of 30 June 2022 and the six-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Annual accounts act for credit institutions and securities companies. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Stockholm, 19 July 2022

PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant
Auditor in charge

Martin By
Authorised Public Accountant

Publication of financial information

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

Financial calendar 2022

Interim report for the third quarter 2022	27 October 2022

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

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