

Year-end report

Fourth quarter | January – December 2023

24 January 2024

Swedbank 

- Increased income during the year
- Good cost control – C/I ratio 0.33
- Solid credit quality in a weaker economy
- Strong capitalisation and liquidity
- Swedbank 15/25 – we are delivering on the strategic plan of a sustainable return on equity of at least 15 per cent by 2025
- Proposed dividend of SEK 15.15 per share

”Swedbank stands strong in turbulent times”

Jens Henriksson,
President and CEO

Financial information	Q4	Q3		Full-year	Full-year ¹	
SEKm	2023	2023	%	2023	2022	%
Total income	19 029	18 468	3	73 057	52 028	40
Net interest income	13 329	12 901	3	50 933	33 146	54
Net commission income	3 754	3 862	-3	15 088	14 114	7
Net gains and losses on financial items	845	652	29	2 938	1 940	51
Other income ²	1 101	1 053	5	4 098	2 828	45
Total expenses	6 411	5 562	15	24 100	20 817	16
of which administrative fines				887		
Profit before impairments, bank taxes and resolution fees	12 618	12 906	-2	48 957	31 211	57
Impairment of intangible and tangible assets	74	2		87	1 137	-92
Credit impairment	363	347	5	1 674	1 479	13
Bank taxes and resolution fees	1 102	1 110	-1	3 574	1 831	95
Profit before tax	11 080	11 447	-3	43 622	26 763	63
Tax expense	2 758	2 321	19	9 492	5 396	76
Profit for the period	8 321	9 125	-9	34 130	21 368	60
Earnings per share, SEK, after dilution	7.38	8.09		30.27	18.98	
Return on equity, %	16.9	19.3		18.3	13.0	
C/I ratio	0.34	0.30		0.33	0.40	
Common Equity Tier 1 capital ratio, %	19.0	18.7		19.0	17.8	
Credit impairment ratio, %	0.08	0.07		0.09	0.08	

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

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

CEO Comment

Swedbank stands strong in a challenging time characterized by external and internal security threats, ongoing climate change and a weak economic development. In these turbulent times, we have been there for our customers. We are the bank for the many people and businesses in Sweden, Estonia, Latvia and Lithuania.

During the year, central banks tightened monetary policy globally. This is now producing results. During the quarter, price pressures eased and inflation fell in all of our home markets. Economic activity remained subdued in Sweden and Estonia while it picked up slightly in Latvia and Lithuania.

In these circumstances, Swedbank delivered a very strong result of SEK 8.3bn. For the full-year 2023 the bank's profit was SEK 34bn, an increase of 60 per cent compared to the previous year.

Net interest income increased during the quarter and rose by 54 per cent for the full-year. Commission income decreased slightly during the quarter but increased for the full-year by 7 per cent.

The strong income trend in 2023 has facilitated investments to increase customer satisfaction and in efficiency-improvement measures, among other things. Our good profitability enables us, this year and in 2025, to temporarily further increase investments by SEK 1bn per year. During the quarter, expenses rose on a seasonal basis. In spite of this, the cost/income ratio for the full-year was a low 0.33.

Swedbank has a conservative and rigorous lending process. This was reflected in good credit quality and low credit impairments in both the quarter and the year as a whole. Swedbank's capital and liquidity positions are strong.

The return on equity for the full-year was 18.3 per cent.

A sustainable bank is a profitable bank. Half of the profit is used to increase customer value and strengthen the bank. According to the bank's dividend policy, the other half will be distributed to the shareholders. The Board of Directors is therefore proposing to the Annual General Meeting a dividend of SEK 15.15 per share.

Swedbank is the leading mortgage bank in all four of our home markets. In Estonia, Latvia and Lithuania, mortgage volumes continued to grow. In a weak market, our share of new lending has been stable in Sweden. During the quarter, we launched a new valuation tool for tenant-owner apartments which is improving the efficiency in our lending process.

We have taken key steps to increase profitability and improve advice by consolidating the corporate business within the Corporates and Institutions business area. This fully aligns with our Swedbank 15/25 plan.

In our Baltic home markets corporate lending continued to grow during the quarter while it fell in Sweden due to reduced demand and an effort to bring down loan-to-value ratios.

Our digital availability was stable at high levels in 2023 and we are now improving it further. The introduction of

our cloud-based communication platform is complete in all of our home markets. Increasing availability and efficiency while reducing complexity is a priority.

We continue to streamline our operations and focus on the core business. During the year, we therefore entered into strategic partnerships in areas such as property maintenance, mainframe environments and workplace services.

Swedbank wants to have a leading position in the sustainability transition and to create change and have a long-term impact together with our customers. Our sustainable finance offering of green loans with a 0 per cent interest margin in Estonia and Latvia was a success and grew to EUR 370m during the year.

Today we are announcing our climate transition plan, which summarises how the 2030 targets for our loan portfolio will be reached. We are continuing to develop our sustainability work and have therefore formulated two new targets: by 2027 the aim is to at least triple the volume of sustainable lending compared to 2022, and ESG bonds will account for at least a 40 per cent share of the issues where we act as an advisor.

Energy savings in our customers' properties are a priority issue for Swedbank. We help customers to future-proof their properties and create a sustainable home through the Hemma platform in Sweden. Interest in joining the platform steadily increased during the quarter. This is good for both customers' personal finances and for the environment.

We want to play a part in ensuring fair competition and combating exploitation in the construction industry. Through the Swedish Bankers' Association we have therefore launched the Sustainable Construction Industry initiative together with other banks. This means that all of the banks are collectively introducing special lending terms for construction financing.

We are well prepared to counter cyber threats and are working hard to prevent financial crime and fraud. During the year, we participated in the "Hard to Scam" campaign together with the Swedish Bankers' Association with the aim of reducing fraud. We are investing in both fighting fraud and in payment solutions to make Sweden more secure.

Financial health is built on knowledge, and together with the savings banks we have educated more than 128 000 children and young adults in Sweden through the Young Economy initiative. In Estonia, Latvia and Lithuania, our programmes focused on children, young adults, parents and teachers have reached more than 280 000 people who have learned about personal finance. We are proud of our strong societal engagement.

Our customers' future is our focus.



Jens Henriksson
President and CEO

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

Financial overview

Income statement	Q4	Q3		Q4 ¹		Full-year	Full-year ¹	
SEKm	2023	2023	%	2022	%	2023	2022	%
Net interest income	13 329	12 901	3	10 918	22	50 933	33 146	54
Net commission income	3 754	3 862	-3	3 422	10	15 088	14 114	7
Net gains and losses on financial items	845	652	29	763	11	2 938	1 940	51
Other income ²	1 101	1 053	5	843	31	4 098	2 828	45
Total income	19 029	18 468	3	15 947	19	73 057	52 028	40
Staff costs	3 632	3 429	6	3 366	8	13 944	12 831	9
Other expenses	2 778	2 133	30	2 235	24	9 269	7 986	16
Administrative fines						887		
Total expenses	6 411	5 562	15	5 602	14	24 100	20 817	16
Profit before impairments, bank taxes and resolution fees	12 618	12 906	-2	10 346	22	48 957	31 211	57
Impairment of intangible assets	70			681	-90	81	1 125	-93
Impairment of tangible assets	4	2	59	3	53	7	13	-46
Credit impairment	363	347	5	679	-47	1 674	1 479	13
Bank taxes and resolution fees	1 102	1 110	-1	439		3 574	1 831	95
Profit before tax	11 080	11 447	-3	8 543	30	43 622	26 763	63
Tax expense	2 758	2 321	19	1 755	57	9 492	5 396	76
Profit for the period	8 321	9 125	-9	6 788	23	34 130	21 368	60

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

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

Key ratios and data per share	Q4	Q3	Q4 ¹	Full-year	Full-year ¹
	2023	2023	2022	2023	2022
Return on equity, %	16.9	19.3	15.7	18.3	13.0
Earnings per share before dilution, SEK ²	7.40	8.11	6.05	30.35	19.03
Earnings per share after dilution, SEK ²	7.38	8.09	6.03	30.27	18.98
C/I ratio	0.34	0.30	0.35	0.33	0.40
Equity per share, SEK ²	176.7	171.5	156.8	176.7	156.8
Loans to customers/deposit from customers ratio, %	145	142	139	145	139
Common Equity Tier 1 capital ratio, %	19.0	18.7	17.8	19.0	17.8
Tier 1 capital ratio, %	20.6	20.5	18.9	20.6	18.9
Total capital ratio, %	23.1	23.0	21.8	23.1	21.8
Credit impairment ratio, %	0.08	0.07	0.14	0.09	0.08
Share of Stage 3 loans, gross, %	0.43	0.37	0.31	0.43	0.31
Total credit impairment provision ratio, %	0.39	0.39	0.32	0.39	0.32
Liquidity coverage ratio (LCR), %	190	159	160	190	160
Net stable funding ratio (NSFR), %	124	121	118	124	118

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

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

Balance sheet data	31 Dec	31 Dec ¹	
SEKbn	2023	2022	%
Loans to customers	1 782	1 799	-1
Deposits from customers	1 230	1 298	-5
Equity attributable to shareholders of the parent company	199	176	13
Total assets	2 856	2 855	0
Risk exposure amount	847	809	5

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

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

Economy and market

During the quarter, both the Federal Reserve and the ECB left their policy rates unchanged. The Riksbank also kept its policy rate on hold for the first time since the rate hike cycle began in April 2022. Central banks have signalled that they are prepared to restart rate hikes if inflation rises again.

The financial markets saw a significant drop in long-term interest rates during the fourth quarter. In mid-October, the yield on 10-year U.S. treasury bills topped out at five per cent but then fell and traded at just under four per cent at the end of December. This was largely a result of market expectations, which indicated that policy rates have peaked and that rate cuts are imminent. Inflation pressures are easing and the global economy is slowing, which in combination with greater confidence about a soft landing for the economy, was positive for the stock market. The krona appreciated against both the euro and the U.S. dollar.

The geopolitical situation remains uncertain due to the outbreak of war in the Gaza Strip following Hamas' terrorist attack on Israel as well as Russia's war of aggression against Ukraine.

Economic development in Sweden remained weak during the quarter. Although GDP rose in October and November, according to preliminary data, domestic demand was weak due to lower household consumption, among other factors. This was offset by export growth. The National Institute of Economic Research's Economic Tendency Indicator remained subdued during the quarter and pointed to much weaker economic sentiment than normal. The Purchasing Managers' Index for both manufacturing and the service sector showed that activity continued to contract, but at a slower rate. Labour market conditions continued to weaken as both employment and the workforce decreased slightly. Inflation fell faster than expected.

In the housing market, buyers remained cautious. Prices were weak and the number of property sales remained low. In November, total mortgage lending volume was 0.7 per cent higher than the same month in 2022, while it was largely unchanged compared to the end of the previous quarter.

In the Baltic countries, falling inflation and further rapid wage increases led to a major recovery in purchasing power. Signs of cautiousness in the labour market began to emerge, however, in the form of a slight rise in unemployment and fewer job openings, although employment remained high. At the end of the year, consumer confidence in the economy remained low in Estonia and Latvia but stayed at a high level in Lithuania. In November, retail sales recovered somewhat in Latvia and Lithuania but remained weak in Estonia. Manufacturing output stabilised at the end of the year even though it was lower than a year earlier (especially in Estonia). Investments were bolstered by public investment. We estimate that Estonia's GDP continued to shrink in the fourth quarter of 2023 while GDP recovered slightly in Latvia and Lithuania. The housing market was muted with stable house prices and few property sales.

Important to note

This interim report contains alternative performance measures that Swedbank considers valuable

information for the reader, since they are used by the executive management for internal governance and performance measurement as well as for comparisons between reporting periods. Further information on the alternative performance measures used in the interim report can be found on page 61.

Group development

Result fourth quarter 2023 compared with third quarter 2023

Swedbank's profit decreased to SEK 8 321m (9 125). Expenses increased, including tax expenses. Income also increased, although not to the same extent. Foreign exchange effects negatively impacted profit by SEK -73m before impairment, bank taxes and resolution fund fees.

The return on equity was 16.9 per cent (19.3) and the cost income ratio was 0.34 (0.30).

Income increased to SEK 19 029m (18 468) mainly due to higher net interest income and net gains and losses on financial items. Net commission income decreased, while other income increased. Foreign exchange effects negatively impacted income by SEK -99m.

Net interest income increased by 3 per cent to SEK 13 329m (12 901), which was partly due to the fact that lending rates increased more than funding costs at Group level. Net interest income was also positively affected by the deposit guarantee fee, which was SEK 106m lower than expected, and by a methodological change of classification of origination fees within Corporate and Institutions. Foreign exchange effects negatively impacted net interest income.

Net commission income decreased by 3 per cent to SEK 3 754m (3 862), partly due to seasonally lower card commissions, but also due to slightly lower income from asset management.

Net gains and losses on financial items increased to SEK 845m (652). This increase was mainly related to positive valuation effects within Group Treasury. Corporates and Institutions' net gains and losses on financial items decreased due to valuation effects on derivatives.

Other income increased by 5 per cent to SEK 1 101m (1 053). The increase is largely explained by valuation effects in net insurance, which were offset by a negative result in Entercard. Income from the savings banks was stable.

Expenses increased by 15 per cent to SEK 6 411m (5 562), in line with the normal seasonal pattern in the fourth quarter. AML-related investigation expenses amounted to SEK 106m (90). Foreign exchange effects increased expenses by SEK 25m.

Credit impairments amounted to SEK 363m (347). Rating and stage migrations accounted for SEK 584m (831), while post model adjustments decreased by SEK -140m (-158). Updated macroeconomic scenarios increased credit impairments by SEK 174m (201). For individually assessed loans, credit impairments increased by SEK 414m (-265).

Bank taxes and resolution fees amounted to SEK 1 102m (1 110).

The tax expense amounted to SEK 2 758m (2 321), corresponding to an effective tax rate of 24.9 per cent (20.3). The higher effective tax rate in the fourth quarter was largely due to additional deferred tax of SEK 556m related to an anticipated extra dividend from the Estonian subsidiary Swedbank AS.

Result January-December 2023 compared with January-December 2022

Swedbank's profit increased to SEK 34 130m (21 368) due to higher income. Higher expenses and bank taxes had the biggest negative effect on profit. Expenses increased partly due to higher staff costs as well as the Swedish FSA's administrative fine and a settlement with the Office of Foreign Assets Control (OFAC). Foreign exchange effects positively impacted profit before impairments, bank taxes and resolution fees by SEK 1 154m.

The return on equity was 18.3 per cent (13.0) and the cost/income ratio was 0.33 (0.40). Adjusted for the Swedish FSA's administrative fine and the settlement with OFAC, the return on equity was 18.7 per cent and the cost/income ratio was 0.32.

	Full-year 2023	Full-year 2023 excl ¹	Full-year 2022
Income statement, SEKm			
Total income	73 057	73 057	52 028
Total expenses of which administrative fines	24 100 887	23 213	20 817
Profit before tax	43 622	44 508	26 763
Profit for the period	34 130	35 016	21 368
Return on equity, %	18.3	18.7	13.0
C/I ratio	0.33	0.32	0.40

1) Income statement excluding expenses for the administrative fines

Income increased to SEK 73 057m (52 028) mainly due to higher net interest income. Net commission income, net gains and losses on financial items and other income also increased. Foreign exchange effects positively impacted income by SEK 1 623m.

Net interest income increased by 54 per cent to SEK 50 933m (33 146). Underlying net interest income was positively impacted mainly by higher deposit margins resulting from higher market rates. Higher average lending volumes also contributed together with a slightly weaker krona.

Net commission income increased by 7 per cent to SEK 15 088 (14 114). Income from card operations and payments increased due to residual Covid effects in the previous year and Mastercard discounts. Income from asset management also contributed.

Net gains and losses on financial items increased to SEK 2 938m (1 940). Group Treasury's net gains and losses on financial items benefitted from positive changes in the value of derivatives and the liquidity portfolio. Within Corporates and Institutions a recovery in market valuations related to the trading portfolio of corporate bonds and higher income from fixed income trading contributed. Derivative valuation adjustments (DVA) had a negative effect.

Other income increased by 45 per cent to SEK 4 098m (2 828), mainly due to positive valuation effects in net insurance compared to the previous year. Income from savings banks contributed positively, which was offset by a lower result in Entercard.

Expenses increased by 16 per cent to SEK 24 100m (20 817). Adjusted for the Swedish FSA's administrative fine and the settlement with OFAC, expenses increased by 12 per cent. Staff costs increased primarily due to higher salaries and the extra compensation paid in the Baltic countries. AML-related investigation expenses amounted to SEK 389m (443). High inflation also contributed to expenses. Foreign exchange effects increased expenses by SEK 469m.

Credit impairments amounted to SEK 1 674m (1 479) and were mainly explained by negative rating and stage migrations, and updated macroeconomic scenarios, partly offset by lower post model adjustments and repayment of loans.

Bank taxes and resolution fees amounted to SEK 3 574m (1 831). The increase was due to the fact that the Swedish bank tax rate was raised from 0.05 per cent to 0.06 per cent in 2023 and because Lithuania introduced a bank tax in the middle of the second quarter 2023.

The tax expense amounted to SEK 9 492m (5 396), corresponding to an effective tax rate of 21.8 per cent (20.2). The higher effective tax rate in 2023 was largely due to additional deferred tax of SEK 556 related to an anticipated extra dividend from the Estonian subsidiary Swedbank AS.

Volume trend by product area

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

Lending

Loans to customers decreased by SEK -26bn to SEK 1 782bn (1 808) in the quarter. Compared to the fourth quarter 2022 lending decreased by SEK -17bn or 1 per cent. Foreign exchange effects negatively impacted lending volumes by SEK -13bn compared to the third quarter 2023 and negatively by SEK -1bn compared to the fourth quarter 2022.

	31 Dec 2023	30 Sep 2023	31 Dec ¹ 2022
Loans to customers, SEKbn			
Loans, private mortgage	1 033	1 035	1 031
of which Swedish Banking	913	911	916
of which Baltic Banking	120	124	115
Loans, private other incl tenant-owner associations	142	145	146
of which Swedish Banking	27	28	45
of which Baltic Banking	24	24	21
of which Corporates and Inst.	92	92	80
Loans, corporate	606	628	621
of which Swedish Banking	130	133	140
of which Baltic Banking	110	112	100
of which Corporates and Inst.	366	382	380
of which Group Functions and Other	1	1	1
Total	1 782	1 808	1 799

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

Lending to mortgage customers within Swedish Banking increased to SEK 913bn (911) during the quarter. The market share in mortgages in Sweden was 22 per cent as of 30 November. Other private lending in Sweden, including to tenant-owner associations, fell to SEK 119bn (120) in the quarter.

Baltic Banking's mortgage volumes increased by 2 per cent in local currency and amounted to the equivalent of SEK 255bn (260) at the end of the quarter.

Corporate lending decreased by SEK -22bn during the quarter to SEK 606bn (628). The decrease was mainly related to the real estate and retail sectors. Loans to the real estate sector fell, due to repayments of loans with higher risk, among other things. In Sweden, the market share was 15 per cent as of 30 November.

The sustainable asset registry increased by SEK 4bn to SEK 74bn (70) during the quarter. The increase was primarily related to financing of green buildings, but also of renewable energy and sustainable transports. At the end of the quarter, the registry contained SEK 68bn in green assets and SEK 6bn in social assets. For more information on lending and the sustainable assets registry, see pages 34 and 67 of the Fact book.

Deposits

Total deposits from customers decreased by SEK -48bn to SEK 1 230bn (1 278). The decrease was mainly due to a downturn in market-related short-term deposits within Corporates and Institutions. Compared to the fourth quarter 2022 total deposits in the business areas decreased by SEK -68bn. Foreign exchange effects negatively impacted total deposit volume by SEK -16bn compared to the previous quarter but were neutral compared to the fourth quarter 2022.

Deposits from customers SEKbn	31 Dec 2023	30 Sep 2023	31 Dec ¹ 2022
Deposits, private	702	708	704
of which Swedish Banking	471	479	483
of which Baltic Banking	231	229	221
Deposits, corporate	529	570	594
of which Swedish Banking	134	132	163
of which Baltic Banking	152	147	154
of which Corporates and Institutions	239	285	274
of which Group Functions and Other	3	6	3
Total	1 230	1 278	1 298

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

Swedbank's deposits from private customers decreased by SEK -6bn in the quarter to SEK 702bn (708). The decrease relates to current accounts in the Swedish operations, while deposits increased in the Baltic countries.

Corporate deposits fell by SEK -41bn in the quarter to SEK 529bn (570), mainly due to lower deposits within Corporates and Institutions. Corporate deposits in Swedish Banking and Baltic Banking rose during the quarter.

As of 30 November, Swedbank's market share for deposits from private customers in Sweden was 18 per cent. The market share for corporate deposits as of 30 November was 14 per cent. For more information on deposits, see page 35 of the Fact book.

Fund savings and life insurance

Swedbank's fund assets under management via subsidiaries rose by 6 per cent in the fourth quarter to SEK 1 614bn (1 529) as of 31 December. The increase was predominantly due to the market upturn, but net inflows also contributed.

Asset management SEKbn	31 Dec 2023	30 Sep 2023	31 Dec 2022
Sweden	1 510	1 430	1 276
Estonia	27	26	22
Latvia	38	36	31
Lithuania	37	35	29
Other countries	2	2	2
Total Mutual funds under Management	1 614	1 529	1 360
Closed End Funds	1	1	0
Discretionary asset management	427	400	378
Total assets under Management	2 042	1 930	1 738

The net flow in the Swedish fund market amounted to SEK 42bn (5) in the quarter. Inflows through the Swedish Pensions Agency amounted to SEK43bn, where the annual contribution occurs in December. The largest inflow was to bond funds at SEK 28bn, followed by index funds at SEK 18bn. Actively managed equity funds also had net inflows, while mixed funds, short-term fixed income funds and hedge funds reported net outflows.

The net flow to Swedbank Robur's funds in Sweden amounted to SEK 4bn (-2) during the quarter. The annual contribution through the Swedish Pensions Agency in December represented the largest inflow, but third-party distributions and distributions through the savings banks also generated net inflows. However, both Swedish Banking and Corporates and Institutions reported net outflows. In Estonia, Latvia and Lithuania, the net flow amounted to SEK 2bn (2). By assets under management, Swedbank Robur is the leader in the Swedish and Baltic fund markets. As of 31 December, the market share in Sweden was 22 per cent. In Estonia, the market share was 39 per cent, while Latvia and Lithuania had market shares of 41 per cent and 38 per cent, respectively.

Life insurance assets under management in the Swedish operations increased by 6 per cent in the quarter to SEK 337bn (319) as of 31 December. Premium income, consisting of premium payments and capital transfers, amounted to SEK 7bn (6).

Assets under management, life insurance SEKbn	31 Dec 2023	30 Sep 2023	31 Dec 2022
Sweden	337	319	284
of which collective occupational pensions	190	179	154
of which endowment insurance	94	90	84
of which occupational pensions	43	40	36
of which other	11	11	10
Baltic countries	9	9	8
Total assets under management	345	328	292

For premium income, excluding capital transfers, Swedbank's market share in the third quarter (latest available data) was 6 per cent (7 per cent in the second quarter). In the transfer market, Swedbank's market share for the same period was 9 per cent (10 per cent in the second quarter).

In Estonia, Latvia and Lithuania, Swedbank is the largest life insurance company. The market shares measured in terms of premium payments in the first eleven months of 2023 were 50 per cent in Estonia, 27 per cent in Latvia and 22 per cent in Lithuania.

Payments

The total number of card transactions acquired in the quarter was 924 million, 5 per cent higher than the same period in 2022. The total number of transactions acquired in Sweden, Norway, Finland and Denmark increased by 34 million, or 5 per cent, while the number of transactions acquired in the Baltic countries increased by 8 per cent.

Acquired transaction volumes increased in Sweden, Norway, Finland and Denmark by 8 per cent to SEK 232bn and in the Baltic countries by 15 per cent to SEK 36bn compared to the same quarter in 2022. Inflation as well as foreign exchange effects in Finland and Denmark meant that acquired transaction volumes increased more than the number of acquired transactions. Also higher prices of consumer staples as well as in retail and services, contributed to higher transaction volumes.

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

	31 Dec 2023	30 Sep 2023	31 Dec 2022
Number of cards			
Issued cards, million	8.4	8.4	8.3
of which Sweden	4.5	4.5	4.5
of which Baltic countries	3.9	3.9	3.8

The number of purchases in Sweden with Swedbank cards increased by 2 per cent compared to the same quarter in 2022. A total of 361 million card purchases were made. In the Baltic countries, the number of card purchases increased by 9 per cent in the same period to 240 million during the quarter.

In Sweden, there were 220 million domestic payments in the quarter, in line with the same period in 2022. In the Baltic countries, 130 million domestic payments were processed, an increase of 11 per cent compared to the same period in 2022. Swedbank's market share of payments via Bankgirot was 34 per cent. The number of international payments in Sweden increased by 3 per cent compared to the same quarter in 2022 to 1.8 million. In the Baltic countries, international payments increased by 20 per cent to 8 million. This was due to among other things the growing number of customers working abroad.

Credit and asset quality

Economic conditions remained weak during the quarter with continued challenges for both individuals and businesses, particularly in sectors such as housing construction and retail.

The credit quality of Swedbank's lending was good with low write-offs and little impact from bankruptcies. Credit quality indicators, such as the share of loans with late payments, rose slightly. Total credit impairment provisions amounted to SEK 8 225m (8 105), of which SEK 1 324m (1 493) was post model adjustments.

Mortgages in Sweden, which account for just over half of Swedbank's total lending, are of a high quality and

historical mortgage-related credit impairments have been very low. During the quarter, there was an increase in loans with late payments and forborne loans. Weaker household finances and the simplified application process for amortisation deferrals explained the increase in forborne loans, which are considered repayable in the long term. They are classified as stage 1 or 2. A smaller share of mortgages where interest is still being paid could go into default in a forward-looking assessment. These loans are classified as stage 3. The loan-to-value ratio in the mortgage portfolio in Sweden was 58 per cent. The loan-to-value ratios in the Baltic countries were 42 per cent in Estonia, 67 per cent in Latvia and 45 per cent in Lithuania.

Swedbank's lending to the property management sector amounted to SEK 295bn and accounted for 17 per cent of the total loan portfolio. Of this, 48 per cent was commercial properties, mainly offices, 29 per cent was residential properties, and the rest was manufacturing facilities, warehouses and other property management. In the lending approval process, Swedbank analyses the long-term repayment capacity of property companies and attaches great importance to stable cash flows and good collateral. The loan-to-value ratio for lending to the property management sector was 52 per cent in total, 54 per cent for residential properties and 52 per cent for other properties.

The total share of loans in stage 2, gross, was 10.4 per cent (9.6). For personal loans the corresponding share was 7.8 per cent (7.3) and for corporate loans it was 16.3 per cent (15.6).

The share of loans in stage 3, gross, was 0.43 per cent (0.35), where the increase was mainly in Swedish mortgages that have been granted amortisation deferrals and therefore did not pass a new "left to live on" calculation. The provision ratio for loans in stage 3 was 25 per cent (29).

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

Funding and liquidity

Swedbank's funding activity increased slightly in 2023 mainly because the resolution regulation fully enters into force in 2024. The volume of covered bonds in issue was also higher than in 2022, due to expected changes in the balance sheet related to deposits and lending. We expect the Riksbank's active phase-out of quantitative easing to lead to lower deposit volumes in the banking system. In 2023, Swedbank issued SEK 175bn in long-term debt instruments, including capital instruments in the form of Additional Tier 1 and Tier 2 capital of SEK 9bn.

The market interpreted the falling inflation data and unchanged central bank rates as positive, and yields on securities with longer maturities fell significantly while credit spreads shrank. Throughout the quarter, the funding market functioned well and Swedbank issued a senior preferred bond in euro to prefinance upcoming maturities. Swedbank maintains sufficient buffers to manage periods of market stress.

Swedbank issued SEK 31bn in long-term debt instruments during the quarter. As of 31 December, Swedbank's outstanding short-term funding (commercial paper) in issue amounted to SEK 263bn (384). Available

cash and balances with central banks and reserves with the Swedish National Debt Office amounted to SEK 278bn (282) and the liquidity reserve to SEK 513bn (653). The Group's Liquidity Coverage Ratio (LCR) was 190 per cent (159) and for USD, EUR and SEK it was 317, 465 and 100 per cent, respectively. The net stable funding ratio (NSFR) was 124 per cent (121).

The total issuance need for the full-year 2024 is expected to be in line with the issuance volume in 2023, with slightly more emphasis on covered bonds. The need for financing is affected by the current liquidity situation, future maturities and changes in deposit and lending volumes, and is adjusted over the course of the year. Maturities in 2024 amount to SEK 109bn.

For more information on funding and liquidity, see notes 16-18 and pages 54–64 of the Fact book.

Ratings

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

Operational risks

The bank continuously monitors operational risks with a focus on areas where they are considered the highest. The threat scenario stemming from geopolitical developments drives IT and information security, including cybersecurity risks. The bank has strong capability to manage these risks. Swedbank works continuously to maintain a high level of availability and security for its customers.

The risk of customer fraud from organised crime remains high. Swedbank invests in and continuously improves its resilience and capacity to detect, prevent and investigate these crimes. Among other things, the bank has strengthened transaction monitoring and the process to create a new Bank ID, which has produced positive results. In 2023, Swedbank, together with other banks, introduced an anti-fraud campaign called "Hard to Scam". Swedbank has also conducted a number of information campaigns in its own channels.

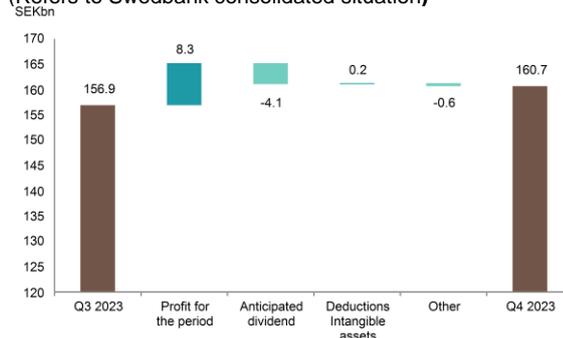
Capital and capital adequacy

Capital ratio and capital requirement

The Common Equity Tier 1 (CET1) capital ratio was 19.0 per cent (18.7) at the end of the quarter. The total CET1 capital requirement, including Pillar 2 guidance, was 15.1 per cent (15.0) of the Risk Exposure Amount (REA), which resulted in a CET1 capital buffer of 3.9 per cent (3.7). CET1 capital increased to SEK 161bn (157) and was mainly affected by the quarterly profit and anticipated dividend.

Change in Common Equity Tier 1 capital

(Refers to Swedbank consolidated situation)



Risk Exposure Amount (REA)

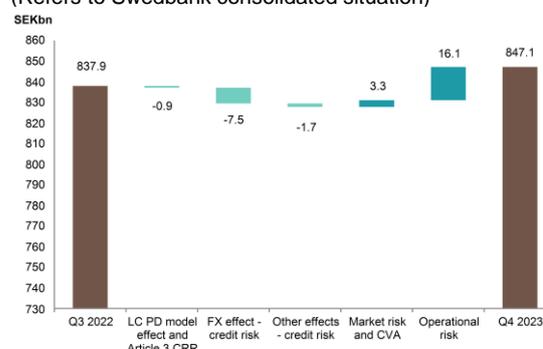
REA increased to SEK 847bn (838) in the fourth quarter. REA for credit risk increased primarily due to the implementation of the new probability of default (PD) model for exposures to large corporates within Corporates and Institutions. This was offset by a decrease in REA for Article 3 according to the EU's regulation on prudential requirements for credit institutions (CRR) to compensate for ratings changes due to the new PD model. Other effects within REA for credit risks decreased due to foreign exchange effects, increased collateral and shorter maturities for corporate exposures.

REA for market risk rose by SEK 2bn, mainly through an increase in positions vis-à-vis Swedish institutions. REA for credit value adjustments increased by SEK 1bn due to increased positions.

The annual update of REA for operational risk led to an increase of SEK 16bn due to the fact that the rolling three-year average of total income rose compared to 2022.

Change in REA

(Refers to Swedbank consolidated situation)



The leverage ratio was 6.5 per cent (6.0) and therefore exceeds the leverage ratio requirement including Pillar 2 guidance of 3.5 per cent.

Capital and resolution regulations

Due to the guidelines from the European Banking Authority (EBA), Swedbank is applying for approval of new internal models for risk classification, and the review process is underway.

In the fourth quarter 2022, Swedbank decided on an Article 3 add-on corresponding to the bank's estimate of the remaining effect on REA. In the third quarter 2023, the Swedish FSA decided on a temporary add-on of 1 per cent in the Pillar 2 requirement (P2R) related to the ongoing review of IRB models. The models are likely to result in lower capital requirements than the add-on in P2R. Going forward, a slight increase in the REA over and above the bank's voluntary Article 3 add-on is expected as part of the approval process, which is expected to continue in 2024 and 2025.

The Resolution Act, which entered into force in 2021, means that the MREL requirement applies from 1 January 2024. Swedbank meets the requirements by a wide margin.

The revised Basel III regulation, also called Basel IV, is scheduled to enter into force in 2025 with a phase-in period through 2032. The revisions include changes to the standardised approaches and internal models used to calculate the capital requirements for credit and

market risk, operational risk and a capital requirement floor for internal models. The regulation is expected to result in a minor increase in the risk exposure amount for Swedbank and it must be approved by the European Council and the EU Parliament before it enters into force.

Investigations

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

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

Other events

On 15 December, Swedbank Robur was awarded 5 out of 5 stars for its sustainability management and strategy from Principles for Responsible Investments (PRI). The rating is based on various criteria, including integration of ESG factors, engagement and impacts, and reporting and transparency.

On 24 November, it was announced that Swedbank Robur had launched two additional funds focused on the climate: Climate Bond and Climate Bond High Yield. The funds, which are classified as Article 9 under EU SFDR (EU Sustainable Finance Disclosure Regulation),

will finance projects and businesses that contribute to the UN's climate goals.

On 17 November, Raymond Klavestad was appointed the new CEO of PayEx. He has previously held senior positions at PayEx, most recently as Head of PayEx Ledger & Factoring and Deputy CEO of PayEx Sverige AB.

On 16 November, it was announced that Swedbank, within the framework of the Swedish Bankers' Association and together with other banks, was launching the Sustainable Construction Industry initiative to contribute to fair competition and combat exploitation in the construction industry. The banks introduced special lending conditions for construction financing, which apply as of 27 November to new loans offered.

On 6 November, Sandra Almström, Head of Operational Risk for Swedish Banking, was appointed Acting Head of Anti-Financial Crime (AFC), and became a member of Swedbank's Group Executive Committee.

On 17 October, Liza Jonson, the CEO of Swedbank Robur, won the Sustainable Leadership Award 2023. The award was presented by Nätverket för Hållbart Näringsliv (The Network for Sustainable Business) in collaboration with Ledarna, Sweden's organisation for managers. The jury's motivation emphasised her dedication in leading the way towards a more positive and sustainable future for her own organisation as well as for competitors and society at large.

Events after the end of the period

The Latvian authorities have decided to introduce a bank tax on outstanding mortgage volumes. Fixed-rate loans are excluded. The tax took effect on 1 January 2024 and applies for one year, based on outstanding mortgage volumes as of 31 October 2023. The tax is charged on a quarterly basis, corresponding to 0.5 per cent of the volume, and is tax-deductible.

Swedish Banking

- A stable quarter with high net interest income
- Increased mortgage volume in a weak market – good underlying credit quality
- Cloud-based communication platform and new customer centre in Umeå increase availability for customers of remote services and advice

Income statement

SEKm	Q4	Q3	%	Q4 ¹	%	Full-year	Full-year ¹	%
	2023	2023		2022		2023	2022	
Net interest income	6 266	6 333	-1	6 241	0	25 759	18 374	40
Net commission income	2 181	2 286	-5	2 012	8	8 939	8 389	7
Net gains and losses on financial items	137	92	48	95	44	419	249	68
Other income ²	260	484	-46	359	-28	1 526	1 570	-3
Total income	8 844	9 195	-4	8 708	2	36 643	28 582	28
Staff costs	737	699	5	668	10	2 823	2 721	
Variable staff costs	16	19	-15	15	5	59	35	67
Other expenses	2 092	1 897	10	1 820	15	7 784	6 857	14
Depreciation/amortisation	4	4	-13	6	-40	18	27	-33
Total expenses	2 849	2 620	9	2 510	14	10 683	9 640	11
Profit before impairments, bank taxes and resolution fees	5 994	6 575	-9	6 198	-3	25 960	18 943	37
Impairment of intangible assets	3					3		
Credit impairment	270	207	31	403	-33	1 092	769	42
Bank taxes and resolution fees	277	276	0	279	-1	1 109	1 174	-6
Profit before tax	5 445	6 093	-11	5 516	-1	23 757	16 999	40
Tax expense	1 059	1 143	-7	1 040	2	4 582	3 184	44
Profit for the period	4 387	4 949	-11	4 475	-2	19 174	13 815	39
Non-controlling interests	-1	3		-1	-44	2	3	-34
Return on allocated equity, %	27.3	30.9		28.1		29.9	21.9	
Loan/deposit ratio, %	177	176		170		177	170	
Credit impairment ratio, %	0.10	0.08		0.14		0.10	0.06	
Cost/income ratio ¹	0.32	0.28		0.29		0.29	0.34	
Loans to customers, SEKbn	1 069	1 072	0	1 101	-3	1 069	1 101	-3
Deposits from customers, SEKbn	606	610	-1	647	-6	606	647	-6
Full-time employees	3 640	3 444	6	3 437	6	3 640	3 437	6

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

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

Result

Fourth quarter 2023 compared with third quarter 2023

Profit decreased by 11 per cent to SEK 4 387m (4 949) due to lower income and increased expenses.

Net interest income decreased by 1 per cent to SEK 6 266m (6 333) mainly due to deposits, where lower margins and average volumes negatively impacted net interest income.

Household mortgage volumes increased by SEK 2bn to SEK 913bn (911). Lending to tenant-owner associations was stable at SEK 3bn (3). Corporate lending decreased by SEK 3bn to SEK 130bn (133).

Deposit volumes decreased by SEK 4bn to SEK 606bn (610). Household deposits decreased by SEK 8bn, while corporate deposits increased by SEK 3bn.

Net commission income decreased by 5 per cent to SEK 2 181m (2 286) mainly driven by lower income from cards and asset management.

Net gains and losses on financial items increased to SEK 137m (92) mainly due to valuation effects in the liquidity portfolio within the insurance business.

Other income decreased to SEK 260m (484) mainly due to lower net insurance and a negative result in Entercard.

Expenses increased by 9 per cent to SEK 2 849m (2 620). Staff costs rose, driven by an increase in customer service staff. During the quarter, consulting expenses and internally purchased services increased as well, driven by business development.

Credit impairments amounted to SEK 270m (207). Rating and stage migrations as well as updated macroeconomic scenarios were offset by decreased post model adjustments.

January-December 2023 compared with January-December 2022

Profit increased to SEK 19 174m (13 815). Rising

income was partly offset by increased expenses and higher credit impairments.

Net interest income increased by 40 per cent to SEK 25 759m (18 374) mainly due to higher deposit margins resulting from higher market interest rates. Lending margins decreased, however not to the same extent.

Net commission income increased by 7 per cent to SEK 8 939m (8 389) mainly due to higher income from cards and asset management.

Net gains and losses on financial items increased to SEK 419m (249) mainly due to valuation effects within the insurance business.

Other income decreased to SEK 1 526m (1 570), which was mainly due to lower net insurance, where the previous year's result was positively impacted by revised assumptions and calculations for provisions. This was offset by increased income from savings banks at the same time that a lower result in Entercard had an adverse effect.

Expenses increased by 11 per cent to SEK 10 683m (9 640) mainly driven by increased staff costs to improve service and increase activity from customers. In addition, expenses increased for internally purchased services for the AML work that was transferred to Group Functions and Other in 2023.

Credit impairments amounted to SEK 1 092m (769) mainly affected by updated macroeconomic scenarios as well as rating and stage migrations.

Business development

Activity in the housing market remained muted during the quarter with slightly lower house prices. Our strategy of proactively contacting customers and increased marketing efforts to attract more mortgage customers has proven successful and has contributed to a better customer experience, a stable market share and an increase in the number of customers who chose to transfer their mortgages to Swedbank. Our customers continued to pay down their loans in connection with rising interest expenses. In December, Swedbank lowered the interest rate by between 0.30 and 0.35 percentage points on all fixed-rate mortgages.

Inflation and higher living costs, as well as increased extra loan payments, led to a decrease in household deposits and savings within asset management. As a result of the volatile stock market, customers have been more cautious about investing in stocks and funds and instead are saving in interest-bearing accounts. During the quarter, the interest rate on savings accounts was raised, which resulted in customers partially reallocating their savings.

In the fourth quarter, demand remained high for service and advice from both private and corporate customers.

Sweden is Swedbank's largest market, with around 4 million 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 the client 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.

Rising prices and interest rates, an uncertain housing market and a volatile stock market led to a growing number of customer queries. Advisors were available to provide customers with sustainable advice on a number of financial issues. Swedish Banking has increased the number of proactive contacts with our customers, which also led to more advisory sessions being booked.

In mortgages, availability and proactivity in customers' digital channels and in face-to-face meetings have increased. To support existing customers with their property transactions, a zero-interest bridge loan is being offered during the period 1 November 2023 through 31 March 2024 for those who choose Swedbank for their mortgage. Swedbank is also offering a free premium for the first three months for certain insurance policies that are taken out in connection with a new mortgage.

To simplify and improve the customer experience in the lending area, several digital mortgage services have been upgraded. Now both customers and non-customers without internet bank agreements can identify themselves using their mobile Bank ID app when submitting a digital mortgage application or transferring loans from another company. In addition, customers now can also apply for an amortisation deferral digitally. To help customers in their green transition, an application form to finance solar panels has been launched in the internet bank, making the application process more efficient and simpler.

In October, the new customer centre in Umeå was opened, making more advisers available to provide customers with remote service and advice. Additionally, a new Group-wide communication platform has entered into service. The platform is an important part of the continued effort to improve the bank's availability and the customer experience.

In November, an improvement was made to the internet bank and the Swedbank app to allow customers with a pension plan with Swedbank Insurance through their employer to see which types of risk insurance are available as part of their occupational pension. They can also find information on where to contact to easily register a claim. The improvement thereby allows customers to manage risk insurance and claims digitally, which they have been asking for and which has improved the customer experience.

An update was also launched during the quarter to simplify navigation on Swedbank's website. This is a part of the modernisation process and will facilitate searches for information. The navigation works in a similar way on computers as it does on mobile devices, which makes the customer experience more consistent regardless of the digital device being used.

Mikael Björknert
Head of Swedish Banking

Baltic Banking

- Increased income was offset by higher inflation-related expenses and tax
- Higher deposit and lending volumes, lower credit impairments
- Launched a new flexible card terminals solution for corporate customers

Income statement

SEKm	Q4 2023	Q3 2023	%	Q4 ¹ 2022	%	Full-year 2023	Full-year ¹ 2022	%
Net interest income	4 854	4 937	-2	3 253	49	18 360	8 351	
Net commission income	847	871	-3	823	3	3 390	3 006	13
Net gains and losses on financial items	159	134	19	135	18	566	438	29
Other income ²	448	151		139		1 037	-76	
Total income	6 308	6 093	4	4 350	45	23 352	11 719	99
Staff costs	514	505	2	467	10	1 973	1 612	22
Variable staff costs	32	25	29	22	50	106	62	71
Other expenses	908	803	13	746	22	3 224	2 444	32
Depreciation/amortisation	35	47	-26	45	-22	174	179	-3
Administrative fines						37		
Total expenses	1 489	1 380	8	1 280	16	5 513	4 297	28
Profit before impairments, bank taxes and resolution fees	4 819	4 712	2	3 070	57	17 839	7 422	
Impairment of tangible assets	4	2	59	3	53	7	13	-46
Credit impairment	-28	166		283		83	402	-79
Bank taxes and resolution fees	608	620	-2	26		1 602	100	
Profit before tax	4 235	3 923	8	2 758	54	16 147	6 908	
Tax expense	1 425	685		491		3 573	1 219	
Profit for the period	2 810	3 238	-13	2 267	24	12 574	5 689	
Return on allocated equity, %	35.6	40.2		32.1		41.1	20.7	
Loan/deposit ratio, %	67	69		63		67	63	
Credit impairment ratio, %	-0.04	0.26		0.49		0.03	0.19	
Cost/income ratio ¹	0.24	0.23		0.29		0.24	0.37	
Loans to customers, SEKbn	255	260	-2	236	8	255	236	8
Deposits from customers, SEKbn	383	376	2	375	2	383	375	2
Full-time employees	4 762	4 738	1	4 701	1	4 762	4 701	1

1) Comparative figures have been restated due to the adoption of IFRS 17. For more information see Note 1, Note 4 and Note 29.

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

Result

Fourth quarter 2023 compared with third quarter 2023

Profit fell to SEK 2 810m (3 238). Profit in local currency decreased mainly due to an increased tax expense, which was partly offset by lower credit impairments and higher income. Foreign exchange effects reduced profit by SEK 19m.

Net interest income was stable in local currency. Foreign exchange effects negatively impacted net interest income by SEK 65m.

Lending increased by 2 per cent in local currency. Lending to households increased by 1 per cent while corporate lending rose by 2 per cent. Foreign exchange effects had a negative impact of SEK 10bn.

Deposits increased by 6 per cent in local currency during the quarter. Household deposits rose by 4 per cent while corporate deposits increased by 8 per cent. Foreign exchange effects had a negative impact of SEK 15bn.

Net commission income decreased by 1 per cent in local currency.

Net gains and losses on financial items increased by 21 per cent in local currency due to increased income from FX trading as well as changes in valuations in asset management and the insurance operations.

Other income increased by 202 per cent in local currency due to improved net insurance affected by changes in market interest rates.

Expenses rose by 9 per cent in local currency due to increased staff costs and marketing and consulting expenses, including expenses for digital solutions and a stronger risk function. Foreign exchange effects reduced expenses by SEK 22m.

The tax expense doubled in local currency mainly due to tax related to the anticipated extra dividend from the Estonian subsidiary Swedbank AS.

Credit impairments amounted to SEK -28m (166). Increased provisions in the items macroeconomic scenarios, post model adjustments and individually assessed loans were offset by repayments of large exposures with higher risk.

January-December 2023 compared with January-December 2022

Profit increased to SEK 12 574m (5 689). Profit in local currency rose due to higher income and lower credit impairments, which were partly offset by higher expenses, bank tax and tax expenses. Foreign exchange effects positively impacted profit by SEK 889m.

Net interest income increased by 104 per cent in local currency mainly due to higher deposit margins and larger lending volumes. Foreign exchange effects impacted net interest income positively by SEK 1 290m.

Lending increased by 8 per cent in local currency. Household lending rose by 6 per cent while corporate lending rose by 10 per cent.

Deposits increased by 2 per cent in local currency. Household deposits rose by 4 per cent while corporate deposits decreased by 1 per cent.

Net commission income increased by 4 per cent in local currency largely owing to higher card income.

Net gains and losses on financial items increased by 20 per cent in local currency due to positive valuation effects in asset management and the insurance portfolio during the year.

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

Expenses increased by 19 per cent in local currency mainly due to higher staff costs, cost increases linked to inflation, the settlement fee to OFAC and consulting expenses. Investments in digital solutions continued to rise. Foreign exchange effects increased expenses by SEK 405m.

The increased tax expense in local currency was mainly due to the tax expense related to the anticipated extra dividend from the Estonian subsidiary Swedbank AS.

Credit impairments amounted to SEK 83m (402). Credit impairment provisions for individually assessed loans and increased post model adjustments were offset by repayments of large exposures with higher risk.

Business development

Economic development in the Baltic economies remained muted in the fourth quarter. Manufacturing industry stabilised while public investment provided support for economic activity. Inflation fell to levels below five per cent. Real wages continued to grow, which contributed positively to consumer purchasing

power. At same time, household consumption dampened on account of lower consumer confidence.

Activity in the housing market remained stable during the quarter and the mortgage portfolio grew despite weaker purchasing power regarding housing purchases. Consumer lending rose and was mainly sustained by continued demand for smaller loans for home renovations and car purchases, and student loans.

Corporate lending grew in the Baltic countries. Demand for corporate loans was steady as sentiment remained cautiously optimistic.

Swedbank P&C Insurance became the market leader in the Estonian market for non-life insurance. Several non-life products have been launched, which contributed to the increase. Meanwhile, the bullying protection offered by Swedbank Life Insurance has gained attention in Estonia. It provides fast and direct access to professional psychological consultation in the event that a customer's child has been bullied.

Swedbank continued to promote long-term savings to customers. Our savings products are competitive and deposits grew in the fourth quarter. In line with the previous quarter, more customers also chose to transfer their savings to accounts with higher interest rates, i.e. from transaction accounts to term accounts. Swedbank continued to expand its product offering. During the quarter, a flexible card terminal solution was launched for corporate customers in all three Baltic countries, and it is one of the most cost-effective solutions in the market.

An important milestone was reached in October when Swedbank issued its first sustainability-linked loan in Latvia, where the borrower's sustainability metrics affect the interest rate on the loan. Previously, two sustainability-linked loans were issued in Estonia. Swedbank also launched a new ESG analysis tool, which strengthens Swedbank's role as an advisor and improves the dialogue with corporate customers.

Swedbank's sustainable finance offering of green loans with a 0 per cent interest margin in Estonia and Latvia was a success and grew to EUR 370m during the year, the majority of which, approximately EUR 280m, was mortgage loans.

Swedbank's commitment to diversity and inclusion remains strong and in 2023 Swedbank Latvia received an award in the highest category from the Society Integration Foundation, a public foundation that promotes innovative ways to create a diversified and inclusive work environment.

Swedbank Estonia was the company with the highest market valuation in this year's TOP101 list of Estonia's most valuable companies compiled by Prudentia and Nasdaq Tallinn for the second year in a row.

Jon Lidelfelt
Head of Baltic Banking

Swedbank is the largest bank by number of customers in Estonia, Latvia and Lithuania, with around 3.4 million private customers and nearly 300 000 corporate customers. According to surveys, Swedbank is also the most loved brand in the Baltic countries. Through digital channels, customer centres and branches, the bank is always available. Swedbank is part of the local community. Local engagement is expressed in many ways, with initiatives to promote education, entrepreneurship and social welfare. Swedbank has 17 branches in Estonia, 21 in Latvia and 43 in Lithuania.

Corporates and Institutions

- Increased net interest income
- Seasonally higher expenses and stable credit quality
- We remain an important player in the FX market

Income statement

SEKm	Q4	Q3	Q4 ¹		Full-year		Full-year ¹	
	2023	2023	%	2022	%	2023	2022	%
Net interest income	2 797	2 685	4	2 435	15	10 409	7 379	41
Net commission income	835	776	8	640	30	3 119	2 909	7
Net gains and losses on financial items	98	299	-67	230	-58	1 157	970	19
Other income ²	99	54	84	126	-21	268	269	0
Total income	3 829	3 813	0	3 431	12	14 953	11 527	30
Staff costs	420	398	6	401	5	1 644	1 580	4
Variable staff costs	20	26	-24	26	-24	100	107	-7
Other expenses	836	728	15	834	0	3 037	3 066	-1
Depreciation/amortisation	5	5	-2	5	-1	23	21	7
Total expenses	1 281	1 158	11	1 266	1	4 805	4 774	1
Profit before impairments, bank taxes and resolution fees	2 548	2 655	-4	2 165	18	10 148	6 753	50
Impairment of intangible assets	24					24	181	-87
Credit impairment	120	-35		-7		482	290	66
Bank taxes and resolution fees	209	208	0	127	65	838	536	56
Profit before tax	2 194	2 482	-12	2 045	7	8 804	5 746	53
Tax expense	456	544	-16	428	6	1 809	1 276	42
Profit for the period	1 739	1 937	-10	1 617	8	6 995	4 470	56
Return on allocated equity, %	14.8	16.0		14.9		15.2	11.0	
Loan/deposit ratio, %	191	166		168		191	168	
Credit impairment ratio, %	0.08	-0.02		-0.01		0.09	0.11	
Cost/income ratio ¹	0.33	0.30		0.37		0.32	0.41	
Loans to customers, SEKbn	458	475	-4	460	0	458	460	0
Deposits from customers, SEKbn	239	285	-16	274	-13	239	274	-13
Full-time employees	1 197	1 177	2	1 174	2	1 197	1 174	2

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

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

Result

Fourth quarter 2023 compared with third quarter 2023

Profit decreased to SEK 1 739m (1 937) mainly due to lower net gains and losses on financial items as well as higher credit impairments.

Net interest income increased by 4 per cent to SEK 2 797m (2 685). Despite lower deposit and lending volumes, net interest income increased, driven by increased margins and by a methodological change of classification of origination fees.

Net commission income increased by 8 per cent to SEK 835m (776). Fees related to Swedbank's role as a market maker in the covered bond market contributed positively.

Net gains and losses on financial items decreased to SEK 98m (299). Derivative valuation adjustments (DVA) and lower earnings from corporate bond trading had a negative effect, while FX trading contributed positively.

Expenses increased by 11 per cent to SEK 1 281m (1 158). Seasonally higher staff costs as well as restructuring expenses contributed to the increase.

Credit impairments amounted to SEK 120m (-35). Increased provisions for individually assessed loans, rating and stage migrations, and updated macroeconomic scenarios were offset by lower post model adjustments and loan repayments.

January-December 2023 compared with January-December 2022

Profit increased to SEK 6 995m (4 470) largely due to higher income while expenses were stable.

Net interest income increased by 41 per cent to SEK 10 409m (7 612) mainly due to higher deposit margins and higher average lending volumes.

Net commission income increased by 7 per cent to SEK 3 119m (2 909) mainly due to increased income

from electricity price support payments as well as asset management commissions.

Net gains and losses on financial items increased to SEK 1 157m (970). Fixed income trading and the recovery of the market valuation of the trading portfolio of corporate bonds contributed positively. Derivative valuation adjustments (DVA) had a negative effect.

Expenses increased by 1 per cent to SEK 4 805m (4 774). Annual wage increases and restructuring-related costs contributed to higher staff costs. This was offset by lower IT-related expenses.

Credit impairments amounted to SEK 482m (290) and were mainly explained by negative ratings and stage migrations as well as updated macroeconomic scenarios, partly offset by lower post model adjustments and repayment of loans.

Business development

Investments in the corporate sector remained subdued in the fourth quarter. This was driven by the economic uncertainty, which led to weak demand and customer activity. However, customer activity was higher in northern Sweden and in renewable energy. Loan demand from mid-sized corporate clients was stable while demand from larger companies declined.

Lending volume decreased during the quarter. The decrease was related to several sectors, however, primarily real estate and retail. Loans to the real estate sector fell, driven by repayments of volumes with higher risk. Deposit volumes also fell during the quarter. Short-term deposits in foreign currency from funds and corporates decreased sharply due to changes in market

conditions. Deposits from the public sector and corporates also fell while deposits from institutional clients increased slightly.

The bond market performed positively during the quarter due to falling interest rates. Swedbank participated in a series of successful primary market deals by companies and banks, and served as an advisor in a number of high-yield bond issues. Some highly leveraged issuers chose to renegotiate terms or adjust capital structures to a lower leverage ratio. Investors sought out lower-risk credit to a greater extent than before and remained restrictive with regard to the real estate sector.

In the equity market, real estate companies as well as companies in other sectors had a continued need for new share capital to strengthen their balance sheets. Swedbank acted as Joint Global Coordinator in connection with a major equity capital certificates offering by Sparebanken Sør.

Demand for interest rate hedges from corporate clients remained high. The supply of government bonds continues to rise and we are seeing improved liquidity and increased customer activity in this asset class.

Activity in the FX market has been high with strong demand for currency hedges. Many customers chose to enter into forward hedges given the major market volatility.

Bo Bengtsson
Head of Corporates and Institutions

Corporates and Institutions is responsible for Swedbank's offering to mid-sized and large corporate customers as well as to financial institutions. *The business area is also responsible for corporate and capital market products in other parts of the bank and for the Swedish savings banks. Corporates and Institutions works closely with customers, who receive advice to create long-term profitability and sustainable growth. The business area is represented in Sweden, Estonia, Latvia, Lithuania, Norway, Finland, China and the U.S.*

Group Functions and Other

Income statement

	Q4	Q3		Q4 ¹		Full-year	Full-year ¹	
SEKm	2023	2023	%	2022	%	2023	2022	%
Net interest income	-610	-1 078		-1 024	-40	-3 674	-975	
Net commission income	-107	-65		-48		-342	-201	
Net gains and losses on financial items	451	128		304		796	282	
Other income ²	876	840	4	658	33	3 238	2 422	34
Total income	610	-175		-110		19	1 529	-99
Staff costs	1 825	1 713	7	1 716	6	7 012	6 585	6
Variable staff costs	72	48	51	54	33	244	143	71
Other expenses	-967	-1 326		-1 178		-4 802	-4 761	
Depreciation/amortisation	424	427	-1	385	10	1 705	1 468	16
Administrative fines						850		
Total expenses	1 353	862	57	977	38	5 009	3 435	46
Profit before impairments, bank taxes and resolution fees	-743	-1 037		-1 087	-32	-4 991	-1 906	
Impairment of intangible assets	43			681		53	944	
Credit impairment	1	8	-87	0		17	18	-7
Bank taxes and resolution fees	8	6		8	9	25	21	22
Profit before tax	-795	-1 051		-1 776	-55	-5 086	-2 890	76
Tax expense	-182	-51		-205	-11	-473	-284	67
Profit for the period	-614	-999		-1 572	-61	-4 613	-2 606	77
Full-time employees	7 676	7 652	0	7 491	2	7 676	7 491	2

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

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

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

Result

Fourth 2023 compared with third quarter 2023

Profit increased to SEK -614m (-999) mainly due to higher income. Expenses rose.

Net interest income increased to SEK -610m (-1 078). Net interest income within Group Treasury increased to SEK -432m (-965) due to increased income from the bank's internal pricing model, partly offset by higher financing expenses.

Net gains and losses on financial items increased to SEK 451m (128). Net gains and losses on financial items within Group Treasury increased to SEK 426m (140) primarily related to positive valuation adjustments of derivatives and holdings in the liquidity portfolio.

Expenses increased to SEK 1 353m (862) mainly due to seasonally lower IT development expenses in the previous quarter as well as higher consulting expenses in Other expenses.

January-December 2023 compared with January-December 2022

Profit decreased to SEK -4 613m (-2 606) due to lower income and higher expenses.

Net interest income decreased to SEK -3 674m (-975). Group Treasury's net interest income decreased to SEK -3 254m (-653) due to increased financing expenses as well as the effects of the bank's internal pricing model related to higher market interest rates.

Net gains and losses on financial items increased to SEK 796m (282). Net gains and losses on financial items within Group Treasury increased to SEK 782m (300) mainly as a result of positive valuation adjustments of derivatives and in the liquidity portfolio.

Expenses increased to SEK 5 009m (3 435) mainly due to the administrative fine from the Swedish FSA. Higher staff costs also contributed.

Group Functions & Other consists of central business support units and the customer advisory unit Group Products & Advice. The central units serve as strategic and administrative support and comprise Accounting & Finance, Brand, 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	Q4	Q3		Q4 ¹		Full-year	Full-year ¹	
	2023	2023	%	2022	%	2023	2022	%
Net interest income	22	24		13		80	17	
Net commission income	-2	-5		-5		-19	11	
Other income ²	-582	-476		-439		-1 972	-1 357	
Total income	-562	-458		-432		-1 911	-1 329	
Staff costs	-4	-4		-3		-16	-14	
Other expenses	-559	-454		-429		-1 895	-1 315	
Total expenses	-562	-458		-432		-1 911	-1 329	

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

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

Financial statements - Group

Income statement, condensed

Group SEKm	Q4 2023	Q3 2023	Q4 ¹ 2022	Full-year 2023	Full-year ¹ 2022
Interest income on financial assets at amortised cost	28 327	27 430	17 327	101 758	45 003
Other interest income	118	197	110	613	284
Interest income	28 445	27 627	17 437	102 372	45 287
Interest expense	-15 116	-14 726	-6 519	-51 438	-12 141
Net interest income (note 5)	13 329	12 901	10 918	50 933	33 146
Commission income	6 043	6 130	5 550	23 820	22 203
Commission expense	-2 289	-2 268	-2 128	-8 732	-8 089
Net commission income (note 6)	3 754	3 862	3 422	15 088	14 114
Net gains and losses on financial items (note 7)	845	652	763	2 938	1 940
Insurance result	-776	945	-526	-850	2 897
Return on assets backing insurance liabilities	1 311	-619	760	2 377	-2 368
Net insurance income (note 8)	535	325	235	1 527	529
Share of profit or loss of associates and joint ventures	117	265	194	803	738
Other income	448	463	415	1 769	1 560
Total income	19 029	18 468	15 947	73 057	52 028
Staff costs	3 632	3 429	3 366	13 944	12 831
Other general administrative expenses (note 9)	2 310	1 648	1 794	7 349	6 291
Depreciation/amortisation of tangible and intangible assets	468	484	441	1 920	1 695
Administrative fines				887	
Total expenses	6 411	5 562	5 602	24 100	20 817
Profit before impairments, bank taxes and resolution fees	12 618	12 906	10 346	48 957	31 211
Impairment of intangible assets (note 15)	70		681	81	1 125
Impairment of tangible assets	4	2	3	7	13
Credit impairment (note 10)	363	347	679	1 674	1 479
Bank taxes and resolution fees (note 11)	1 102	1 110	439	3 574	1 831
Profit before tax	11 080	11 447	8 543	43 622	26 763
Tax expense	2 758	2 321	1 755	9 492	5 396
Profit for the period	8 321	9 125	6 788	34 130	21 368
Profit for the period attributable to:					
Shareholders of Swedbank AB	8 321	9 123	6 789	34 128	21 365
Non-controlling interests	0	2	-1	2	3
Earnings per share, SEK	7.40	8.11	6.05	30.35	19.03
Earnings per share after dilution, SEK	7.38	8.09	6.03	30.27	18.98

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

Statement of comprehensive income, condensed

Group SEKm	Q4 2023	Q3 2023	Q4 2022	Full-year 2023	Full-year 2022
Profit for the period reported via income statement¹	8 322	9 125	6 788	34 130	21 368
Items that will not be reclassified to the income statement					
Remeasurements of defined benefit pension plans	-2 060	-429	-609	-839	3 938
Share related to associates and joint ventures:					
Remeasurements of defined benefit pension plans	-43	-35	-14	-14	152
Income tax	424	88	125	172	-811
Total	-1 680	-375	-497	-681	3 279
Items that may be reclassified to the income statement					
Exchange rate differences, foreign operations:					
Gains/losses arising during the period ¹	-2 505	-1 355	1 285	-290	4 335
Hedging of net investments in foreign operations:					
Gains/losses arising during the period	2 037	1 099	-1 019	336	-3 421
Cash flow hedges:					
Gains/losses arising during the period	-316	-185	188	5	626
Reclassification adjustments to the income statement, Net gains and losses on financial items	312	180	-180	-9	-615
Foreign currency basis risk:					
Gains/losses arising during the period	0	-21	-49	-18	63
Share of other comprehensive income of associates and joint ventures	-22	1	21	-41	31
Income tax	-419	-221	219	-65	690
Total¹	-913	-502	464	-81	1 709
Other comprehensive income for the period, net of tax¹	-2 593	-877	-33	-762	4 988
Total comprehensive income for the period¹	5 729	8 248	6 755	33 368	26 356
Total comprehensive income attributable to:					
Shareholders of Swedbank AB¹	5 729	8 246	6 756	33 367	26 353
Non-controlling interests	0	2	-1	2	3

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

For the full year 2023 a loss of SEK -839m (3 938) was recognised in other comprehensive income, relating to remeasurements of defined benefit pension plans. As per 30 September 2023 the discount rate used to calculate the closing pension obligation was 3.69 per cent, compared with 4.56 per cent per 31 December 2022. The inflation assumption was 1.57 per cent compared with 2.11 per cent per 31 December 2022. The fair value of plan assets decreased during 2023 by SEK 19m. In total, at 31 December 2023 the fair value of plan assets exceeded the obligation for funded defined benefit pension plans by SEK 2 100m, therefore the funded plans are presented as an asset.

For the full year 2023 an exchange rate difference of SEK -290m (4 335) was recognised for the Group's foreign net investments in subsidiaries. The loss related to subsidiaries mainly arose because the Swedish krona strengthened against the euro during the period. In addition, an exchange rate difference of SEK --41m (31) 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 loss of SEK -331m is not taxable. Most of the Group's foreign net investments are hedged against currency risk resulting in a loss of SEK 336m (-3 421) for the hedging instruments.

Balance sheet, condensed

Group SEKm	31 Dec 2023	31 Dec ¹ 2022
Assets		
Cash and balances with central banks	252 994	365 992
Treasury bills and other bills eligible for refinancing with central banks, etc.	178 619	151 483
Loans to credit institutions	67 534	56 589
Loans to the public	1 863 375	1 842 811
Value change of the hedged assets in portfolio hedges of interest rate risk	-8 489	-20 369
Bonds and other interest-bearing securities	58 841	61 298
Financial assets for which customers bear the investment risk	319 795	268 594
Shares and participating interests	34 316	30 268
Investments in associates and joint ventures	8 275	7 830
Derivatives (note 19)	39 563	50 504
Intangible assets (note 15)	20 440	19 886
Tangible assets	5 544	5 449
Current tax assets	1 951	1 449
Deferred tax assets	82	159
Pension assets	2 100	2 431
Other assets	8 001	8 244
Prepaid expenses and accrued income	2 579	2 028
Total assets	2 855 519	2 854 646
Liabilities and equity		
Amounts owed to credit institutions (note 16)	72 054	72 826
Deposits and borrowings from the public (note 17)	1 234 262	1 305 948
Value change of the hedged liabilities in portfolio hedges of interest rate risk	209	
Financial liabilities for which customers bear the investment risk	320 609	268 892
Debt securities in issue (note 18)	728 548	784 206
Short positions, securities	17 297	27 134
Derivatives (note 19)	73 453	68 679
Current tax liabilities	3 872	1 811
Deferred tax liabilities	5 740	3 615
Pension provisions	176	168
Insurance provisions	26 315	24 875
Other liabilities and provisions	31 162	26 984
Accrued expenses and prepaid income	5 364	4 657
Senior non-preferred liabilities (note 18)	104 828	57 439
Subordinated liabilities (note 18)	32 841	31 331
Total liabilities	2 656 730	2 678 566
Equity		
Non-controlling interests	30	29
Equity attributable to shareholders of the parent company	198 760	176 052
Total equity	198 790	176 080
Total liabilities and equity	2 855 519	2 854 646

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

Statement of changes in equity, condensed

Group SEKm	Equity attributable to shareholders of Swedbank AB									
January-December 2023	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
Opening balance 1 January 2023	24 904	17 275	9 660	-5 964	11	-8	130 174	176 052	29	176 080
Dividends							-10 964	-10 964	0	-10 964
Share based payments to employees							284	284	0	284
Deferred tax related to share based payments to employees							1	1	0	1
Current tax related to share based payments to employees							20	20	0	20
Total comprehensive income for the period			-331	267	-3	-14	33 447	33 367	2	33 368
of which reported through profit or loss							34 128	34 128	2	34 130
of which reported through other comprehensive income			-331	267	-3	-14	-681	-762	0	-762
Closing balance 31 December 2023	24 904	17 275	9 330	-5 697	7	-22	152 962	198 760	30	198 790
January-December 2022										
Closing balance 31 December 2021	24 904	17 275	5 294	-3 248	2	-58	117 501	161 670	26	161 696
Changes in accounting policies IFRS 17							484	484		484
Opening balance 1 January 2022	24 904	17 275	5 294	-3 248	2	-58	117 985	162 154	26	162 180
Dividends							-12 632	-12 632		-12 632
Share based payments to employees							174	174		174
Deferred tax related to share based payments to employees							4	4		4
Current tax related to share based payments to employees							-1	-1		-1
Total comprehensive income for the period			4 366	-2 716	9	50	24 644	26 352		26 354
of which reported through profit or loss							21 365	21 365		21 368
of which reported through other comprehensive income			4 366	-2 716	9	50	3 279	4 987		4 987
Closing balance 31 December 2022	24 904	17 275	9 660	-5 964	11	-8	130 174	176 052	29	176 080

1) Other contributed equity consists mainly of share premiums.

Cash flow statement, condensed

Group SEKm	Full-year 2023	Full-year 2022
Operating activities		
Profit before tax ¹	43 622	26 763
Adjustments for non-cash items in operating activities ¹	-1 952	3 395
Income taxes paid	-5 443	-4 537
Increase (-) / decrease (+) in loans to credit institution	-11 201	-16 637
Increase (-) / decrease (+) in loans to the public	-21 223	-123 486
Increase (-) / decrease (+) in holdings of securities	-27 015	16 856
Increase (-) / decrease (+) in other assets	335	-6 593
Increase (+) / decrease (-) in amounts owed to credit institutions	-957	-25 043
Increase (+) / decrease (-) in deposits and borrowings from the public	-71 996	11 707
Increase (+) / decrease (-) in debt securities in issue	-70 585	22 722
Increase (+) / decrease (-) in other liabilities	21 267	76 233
Cash flow from operating activities	-145 148	-18 620
Investing activities		
Acquisitions of and contributions to associates and joint ventures	-53	-135
Dividend from associates and joint ventures	306	1 020
Acquisitions of other fixed assets and strategic financial assets	-852	-363
Disposals of/maturity of other fixed assets and strategic financial assets	181	169
Cash flow from investing activities	-418	691
Financing activities		
Amortisation of lease liabilities	-799	-802
Issuance of senior non-preferred liabilities	46 580	22 993
Redemption of senior non-preferred liabilities	-1 665	-257
Issuance of subordinated liabilities	9 339	13 374
Redemption of subordinated liabilities	-10 316	-12 661
Dividends paid	-10 964	-12 632
Cash flow from financing activities	32 175	10 015
Cash flow for the period	-113 391	-7 914
Cash and cash equivalents at the beginning of the period	365 992	360 153
Cash flow for the period	-113 391	-7 914
Exchange rate differences on cash and cash equivalents	393	13 753
Cash and cash equivalents at end of the period	252 994	365 992

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

2023

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

2022

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

Note 1 Accounting policies

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

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

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

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

Changes in accounting policies

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

Insurance contracts (IFRS 17)

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

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

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

Fair value hedge accounting – portfolio hedges

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

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

Other changes in accounting regulations

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

Note 2 Critical accounting estimates

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

Post-model adjustments to the credit impairment provisions continue to be necessary, given the geopolitical and economic uncertainties. Additionally, as per 30 September 2023, the significant increase in

credit risk threshold for the Swedish mortgage portfolio was amended. Further information is provided in Note 10.

The Parent Company anticipates an extraordinary dividend of EUR 250m (SEK 2 778m) from the Estonian Group entity, Swedbank AS. This represents an anticipated one-off distribution of accumulated pre-2017 earnings and, accordingly, a deferred tax liability is recognised. Deferred tax is not recognised on the remaining accumulated pre-2017 earnings as no further distribution related to this is anticipated within the foreseeable future.

Beyond this, there have been no significant changes to the basis upon which the critical accounting judgments and estimates have been determined compared with 31 December 2022.

Note 3 Changes in the Group structure

No significant changes to the Group structure occurred during 2023.

Note 4 Operating segments (business areas)

January-December 2023 SEKm	Swedish Banking	Baltic Banking	Corporates and Institutions	Group Functions and Other	Eliminations	Group
Income statement						
Net interest income	25 759	18 360	10 409	-3 674	80	50 933
Net commission income	8 939	3 390	3 119	-342	-19	15 088
Net gains and losses on financial items	419	566	1 157	796	-0	2 938
Other income ¹	1 526	1 037	268	3 238	-1 972	4 098
Total income	36 643	23 352	14 953	19	-1 911	73 057
Staff costs	2 823	1 973	1 644	7 012	-16	13 436
Variable staff costs	59	106	100	244		509
Other expenses	7 784	3 224	3 037	-4 802	-1 895	7 349
Depreciation/amortisation	18	174	23	1 705	0	1 920
Administrative fines		37		850		887
Total expenses	10 683	5 513	4 805	5 009	-1 911	24 100
Profit before impairments, bank taxes and resolution fees	25 960	17 839	10 148	-4 991		48 957
Impairment of intangible assets	3		24	53		81
Impairment of tangible assets		7				7
Credit impairment	1 092	83	482	17		1 674
Bank taxes and resolution fees	1 109	1 602	838	25		3 574
Profit before tax	23 757	16 147	8 804	-5 086		43 622
Tax expense	4 582	3 573	1 809	-473		9 492
Profit for the period	19 174	12 574	6 995	-4 613		34 130
Profit for the period attributable to:						
Shareholders of Swedbank AB	19 173	12 574	6 995	-4 613		34 128
Non-controlling interests	2					2
Net commission income						
Commission income						
Payment processing	608	682	796	420	-17	2 489
Cards	2 384	2 284	2 929	-455		7 142
Asset management and custody	7 277	616	1 903	-3	-329	9 464
Lending	32	238	977	7	-8	1 247
Other commission income ²	1 865	624	994	19	-25	3 478
Total Commission income	12 167	4 444	7 600	-12	-378	23 820
Commission expense	3 227	1 055	4 480	329	-359	8 732
Net commission income	8 939	3 390	3 119	-342	-19	15 088
Balance sheet, SEKbn						
Cash and balances with central banks	0	4	2	247	-0	253
Loans to credit institutions	6	1	123	277	-340	68
Loans to the public	1 069	255	510	31	-1	1 863
Interest-bearing securities		2	59	182	-5	237
Financial assets for which customers bear the investment risk	318	2				320
Investments in associates and joint ventures	6			2		8
Derivatives		0	131	94	-186	40
Tangible and intangible assets	2	12	-0	12		26
Other assets	23	143	9	278	-412	41
Total assets	1 423	419	834	1 123	-945	2 856
Amounts owed to credit institutions	7	0	331	62	-329	72
Deposits and borrowings from the public	606	383	253	3	-10	1 234
Debt securities in issue	-0	2	2	731	-6	729
Financial liabilities for which customers bear the investment risk	319	2				321
Derivatives		0	140	120	-186	73
Other liabilities	427		62	15	-414	90
Senior non-preferred liabilities			-0	105		105
Subordinated liabilities				33		33
Total liabilities	1 359	388	787	1 068	-945	2 657
Allocated equity	65	32	47	56		199
Total liabilities and equity	1 423	419	834	1 123	-945	2 856
Key figures						
Return on allocated equity, %	29.9	41.1	15.2	-10.2		18.3
Cost/income ratio	0.29	0.24	0.32			0.33
Credit impairment ratio, %	0.10	0.03	0.09	0.06		0.09
Loan/deposit ratio, %	177	67	191	26		145
Lending to the public, stage 3, SEKbn (gross)	4	1	2			8
Loans to customers, total, SEKbn	1 069	255	458	1		1 782
Provisions for loans to customers, total, SEKbn	3	1	3			7
Deposits from customers, SEKbn	606	383	239	3		1 230
Risk exposure amount, SEKbn	360	189	270	28		847
Full-time employees	3 640	4 762	1 197	7 676		17 275
Allocated equity, average, SEKbn	64	31	46	45		186

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

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

January-December 2022 ¹ SEKm	Swedish Banking	Baltic Banking	Corporates and Institutions	Group Functions and Other	Eliminations	Group
Income statement						
Net interest income	18 374	8 351	7 379	-975	17	33 146
Net commission income	8 389	3 006	2 909	-201	11	14 114
Net gains and losses on financial items	249	438	970	282	0	1 940
Other income ²	1 570	-76	269	2 422	-1 357	2 828
Total income	28 582	11 719	11 527	1 529	-1 329	52 028
Staff costs	2 721	1 612	1 580	6 585	-14	12 484
Variable staff costs	35	62	107	143	-0	347
Other expenses	6 857	2 444	3 066	-4 761	-1 315	6 291
Depreciation/amortisation	27	179	21	1 468		1 695
Total expenses	9 640	4 297	4 774	3 435	-1 329	20 817
Profit before impairments, bank taxes and resolution fees						
	18 943	7 422	6 753	-1 906		31 211
Impairment of intangible assets			181	944		1 125
Impairment of tangible assets		13				13
Credit impairment	769	402	290	18		1 479
Bank taxes and resolution fees	1 174	100	536	21		1 831
Profit before tax	16 999	6 908	5 746	-2 890		26 763
Tax expense	3 184	1 219	1 276	-284		5 396
Profit for the period	13 815	5 689	4 470	-2 606		21 368
Profit for the period attributable to:						
Shareholders of Swedbank AB	13 812	5 689	4 470	-2 606		21 365
Non-controlling interests	3					3
Net commission income						
Commission income						
Payment processing	557	659	633	348	-18	2 179
Cards	2 276	2 003	2 806	-441	0	6 644
Asset management and custody	6 840	534	1 630	-15	-291	8 698
Lending	112	206	948	4	-7	1 263
Other commission income ³	1 879	515	1 021	11	-8	3 418
Total Commission income	11 663	3 917	7 039	-93	-323	22 203
Commission expense	3 274	912	4 130	108	-334	8 089
Net commission income	8 389	3 006	2 909	-201	11	14 114
Balance sheet, SEKbn						
Cash and balances with central banks	1	4	2	360	-1	366
Loans to credit institutions	6	0	112	314	-375	57
Loans to the public	1 101	236	495	11	-1	1 843
Interest-bearing securities	0	2	47	165	-1	213
Financial assets for which customers bear the investment risk	266	2				269
Investments in associates	6			2		8
Derivatives	0	1	180	138	-268	51
Tangible and intangible assets	2	13	-0	11	0	25
Other assets	22	152	9	287	-446	25
Total assets	1 405	409	844	1 288	-1 091	2 855
Amounts owed to credit institutions	7	0	306	80	-320	73
Deposits and borrowings from the public	647	376	290	2	-9	1 306
Debt securities in issue	-0	2	3	781	-2	784
Financial liabilities for which customers bear the investment risk	267	2				269
Derivatives		1	191	145	-268	69
Other liabilities	421	0	10	152	-493	89
Senior non-preferred liabilities				57		57
Subordinated liabilities			-0	31	-0	31
Total liabilities	1 341	381	801	1 248	-1 091	2 679
Allocated equity	64	28	43	40		176
Total liabilities and equity	1 405	409	844	1 288	-1 091	2 855
Key figures						
Return on allocated equity, %	21.9	20.7	11.0	-7.8		13.0
Cost/income ratio	0.34	0.37	0.41	2.25		0.40
Credit impairment ratio, %	0.06	0.19	0.11	0.10		0.08
Loan/deposit ratio, %	170	63	168	35		139
Lending to the public, stage 3, SEKbn (gross)	2	1	2			6
Loans to customers, total, SEKbn	1 101	236	460	1		1 799
Provisions for loans to customers, total, SEKbn	2	1	2			6
Deposits from customers, SEKbn	647	375	274	3		1 298
Risk exposure amount, SEKbn	361	155	267	27		809
Full-time employees	3 437	4 701	1 174	7 491		16 803
Allocated equity, average, SEKbn	63	28	41	34		165

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

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

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

Operating segments accounting policies

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

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

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

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

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

January-December 2022 SEKmn	Changes between previous and new reporting per operating segment											
	Swedish Banking		Baltic Banking		Corporates and Institutions		Group Functions and Other		Eliminations		Group	
	IFRS 17	Reorg	IFRS 17	Reorg	IFRS 17	Reorg	IFRS 17	Reorg	IFRS 17	Reorg	IFRS 17	Reorg
Income statement												
Net interest income		-2 441		-11		14		2 503		-76		-11
Net commission income	-25	-313		-68				288	-14	26		-109
Net gains and losses on financial items	19	-142		34				148		-6		53
Other income ^a	-248	-9		-933				-42		51		-1 127
Total income	-254	-2 906		-978		14		2 897	-14	-5		52
Staff costs	-82	-474		-234				33	-99	441		-415
Variable staff costs		-7								7		
Other expenses	-216	-472		-104				620	86	-147		52
Depreciation/amortisation								-98		98		
Total expenses	-299	-953		-338				555	-14	398		52
Profit before impairments, bank taxes and resolution fees	45	-1 952		-640		14		2 342		-403		-595
Credit impairment		-268						268				
Bank taxes and resolution fees		-73						73				
Profit before tax	45	-1 612		-640		14		2 001		-403		-595
Tax expense	5	-335		-88		2		421		-88		-83
Profit for the period	40	-1 277		-552		12		1 580		-316		-512
Profit for the period attributable to Shareholders of Swedbank AB	40	-1 277		-552		12		1 580		-316		-512
Net commission income												
Commission income												
Payment processing		-215						128		87		
Cards		-247						247				
Asset management and custody		-24						24				
Lending		-73						73				
Other commission income ^a	-103	-88		-77				88		-1		-180
Total Commission income	-103	-647		-77				560		87		-180
Commission expense	-78	-334		-9				273	14	61		2
Net commission income	-25	-313		-68				288	-14	26		-2
Balance sheet, SEKbn												
Cash and balances with central banks		-1						2		-0		
Loans to credit institutions		1						-1		1		
Loans to the public		-173						173				
Financial assets for which customers bear the investment risk	-17			-5								-22
Tangible and intangible assets								-1		1		
Other assets	17									-1		5
Total assets		-174		-5				173		5		1
Amounts owed to credit institutions		-23						23				
Deposits and borrowings from the public		-79						79				
Financial liabilities for which customers bear the investment risk	-18			-5								-23
Other liabilities	18	-64						64		5		1
Total liabilities		-166		-5				166		5		1
Allocated equity		-8						7		1		
Total liabilities and equity		-174		-5				173		5		1
Key figures												
Return on allocated equity, %	0.0	0.3		-2.0		0.0		2.6		0.0		-0.8
Cost/income ratio	0.0	0.0		0.0		0.0		-0.1		0.0		0.3
Credit impairment ratio, %		-0.02						0.10				
Loan/deposit ratio, %		-5						21				
Loans to customers, total, SEKbn		-173						173				
Deposits from customers, SEKbn		-79						79				
Risk exposure amount, SEKbn		-53						53				
Full-time employees		-559						-5		564		
Allocated equity, average, SEKbn		-7						6		1		

Note 5 Net interest income

SEKm	Q4 2023	Q3 2023	Q4 ¹ 2022	Full-year 2023	Full-year ¹ 2022
Interest income					
Cash and balances with central banks	3 663	4 329	2 618	15 352	3 272
Treasury bills and other bills eligible for refinancing with central banks, etc.	2 686	2 418	711	8 724	1 171
Loans to credit institutions	890	954	476	3 334	770
Loans to the public	22 950	21 490	14 175	80 434	40 886
Bonds and other interest-bearing securities	453	413	402	1 729	931
Derivatives ²	-487	-108	14	-903	463
Other assets	21	25	3	74	6
Total	30 175	29 522	18 398	108 744	47 499
Deduction of trading-related interests reported in Net gains and losses on financial items	1 730	1 895	961	6 372	2 211
Total interest income	28 445	27 627	17 437	102 372	45 287
Interest expense					
Amounts owed to credit institutions	-1 615	-1 743	-895	-6 301	-1 248
Deposits and borrowings from the public	-7 979	-7 470	-3 153	-26 344	-5 081
of which deposit guarantee fees	-82	-188	-29	-610	-496
Debt securities in issue	-7 127	-7 221	-4 765	-26 927	-10 602
Senior non-preferred liabilities	-895	-717	-296	-2 472	-659
Subordinated liabilities	-475	-505	-300	-1 807	-911
Derivatives ²	587	968	2 122	5 044	5 306
Other liabilities	-26	-19	-19	-82	-58
Total	-17 530	-16 708	-7 306	-58 889	-13 253
Deduction of trading-related interests reported in Net gains and losses on financial items	-2 414	-1 982	-788	-7 450	-1 112
Total interest expense	-15 116	-14 726	-6 519	-51 438	-12 141
Net interest income	13 329	12 901	10 918	50 933	33 146
Net investment margin before trading-related interests are deducted	1.68	1.67	1.47	1.62	1.13
Average total assets	3 017 371	3 077 676	3 026 860	3 069 215	3 020 448
Interest expense on financial liabilities at amortised cost	17 075	16 267	9 026	60 352	18 052

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

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

Note 6 Net commission income

SEKm	Q4 2023	Q3 2023	Q4 ¹ 2022	Full-year 2023	Full-year ¹ 2022
Commission income					
Payment processing	625	629	555	2 489	2 179
Cards	1 786	1 909	1 734	7 142	6 644
Service concepts	414	408	376	1 613	1 450
Asset management and custody	2 426	2 453	2 122	9 464	8 698
Insurance	156	70	79	389	403
Securities and corporate finance	189	126	177	682	708
Lending	326	314	303	1 247	1 263
Other	122	221	204	793	858
Total commission income	6 043	6 130	5 550	23 820	22 203
Commission expense					
Payment processing	-412	-402	-328	-1 594	-1 358
Cards	-885	-923	-928	-3 381	-3 332
Service concepts	-46	-44	-48	-180	-178
Asset management and custody	-651	-648	-546	-2 503	-2 167
Insurance	-74	-75	-61	-295	-280
Securities and corporate finance	-100	-85	-86	-379	-352
Lending	-45	-33	-39	-143	-159
Other	-75	-58	-91	-257	-263
Total commission expense	-2 289	-2 268	-2 128	-8 732	-8 089
Net commission income					
Payment processing	212	226	227	895	821
Cards	901	986	805	3 761	3 312
Service concepts	368	364	328	1 434	1 272
Asset management and custody	1 775	1 805	1 577	6 961	6 531
Insurance	82	-5	18	94	123
Securities and corporate finance	89	42	91	303	356
Lending	281	281	264	1 103	1 104
Other	47	163	113	537	595
Total net commission income	3 754	3 862	3 422	15 088	14 114

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

Note 7 Net gains and losses on financial items

SEKm	Q4 2023	Q3 2023	Q4 ¹ 2022	Full-year 2023	Full-year ¹ 2022
Fair value through profit or loss					
Shares and share related derivatives	152	89	82	253	705
of which dividend	18	6	4	173	121
Interest-bearing securities and interest related derivatives	924	255	-148	2 030	-1 829
Financial liabilities	-6	2	-4	-3	20
Financial assets and liabilities where the customers bear the investment risk, net	8	-4	5	6	19
Other financial instruments	0	-1	0	0	-1
Total fair value through profit or loss	1 079	341	-66	2 286	-1 086
Hedge accounting					
Ineffectiveness, one-to-one fair value hedges	33	47	-3	94	24
of which hedging instruments	16 482	1 178	70	17 895	-33 836
of which hedged items	-16 450	-1 130	-72	-17 801	33 859
Ineffectiveness, portfolio fair value hedges	-29	-9	-61	90	-54
of which hedging instruments	-6 620	-2 263	-1 384	-11 581	18 561
of which hedged items	6 591	2 254	1 323	11 671	-18 615
Ineffectiveness, cash flow hedges	3	0	-1	0	-1
Total hedge accounting	6	38	-65	184	-31
Amortised cost					
Derecognition gain or loss for financial assets	14	13	13	55	18
Derecognition gain or loss for financial liabilities	6	-2	214	24	572
Total amortised cost	20	11	227	79	590
Trading related interest					
Interest income	1 730	1 895	961	6 372	2 211
Interest expense	-2 414	-1 982	-788	-7 450	-1 112
Total trading related interest	-684	-87	174	-1 078	1 099
Change in exchange rates	423	350	493	1 467	1 367
Total	845	652	763	2 938	1 940

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

Note 8 Net insurance income

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

	Q4	Q3	Q4	Full-year	Full-year
SEKm	2023	2023	2022	2023	2022
Insurance service revenue	1 124	1 100	981	4 326	3 661
Insurance service expenses	-872	-752	-674	-3 112	-2 355
Insurance service result	252	349	307	1 214	1 306
Result from reinsurance contracts held	-7	11	-11	-16	-25
Insurance finance income and expense	-1 020	585	-822	-2 049	1 616
Insurance result	-776	945	-526	-850	2 897
Return on financial assets backing insurance contracts with participation features	1 311	-619	760	2 377	-2 368
Net insurance income	535	325	235	1 527	529

Note 9 Other general administrative expenses

	Q4	Q3	Q4 ¹	Full-year	Full-year ¹
SEKm	2023	2023	2022	2023	2022
Premises	122	117	130	487	466
IT expenses	926	713	758	3 000	2 590
Telecommunications and postage	28	26	26	116	107
Consultants	492	178	255	1 117	802
Compensation to savings banks	54	54	56	217	225
Other purchased services	316	272	253	1 133	998
Travel	43	26	34	131	85
Entertainment	13	6	10	34	28
Supplies	20	20	20	79	70
Advertising, PR and marketing	142	57	111	323	243
Security transport and alarm systems	19	19	18	72	71
Repair/maintenance of inventories	41	32	32	138	119
Other administrative expenses	82	111	78	415	427
Other operating expenses	12	20	12	86	61
Total	2 310	1 648	1 794	7 349	6 291

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

Note 10 Credit impairment

SEKm	Q4 2023	Q3 2023	Q4 2022	Full-year 2023	Full-year 2022
Credit impairments for loans at amortised cost					
Credit impairments - stage 1	-283	223	141	104	646
Credit impairments - stage 2	314	186	348	1 124	523
Credit impairments - stage 3	11	-311	17	-243	-545
Credit impairments - purchased or originated credit impaired	0	1	1	3	1
Total	42	99	507	989	626
Write-offs	160	121	224	455	982
Recoveries	-33	-40	-38	-173	-157
Total	127	81	186	282	826
Total - credit impairments for loans at amortised cost	168	180	693	1 271	1 451
Credit impairments for loan commitments and guarantees					
Credit impairments - stage 1	-93	8	-31	-51	77
Credit impairments - stage 2	-10	152	75	159	13
Credit impairments - stage 3	297	7	-56	296	-63
Total - credit impairments for loan commitments and guarantees	194	167	-13	403	28
Total credit impairments	363	347	679	1 674	1 479
Credit impairment ratio, %	0.08	0.07	0.14	0.09	0.08

Calculation of credit impairment provisions

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

Measurement of 12-month and lifetime expected credit losses

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

Post-model adjustments to increase the credit impairment provisions continue to be deemed necessary and amounted to SEK 1 324m (SEK 1 493m at 30 September 2023, SEK 1 738m at 31 December 2022) and are allocated as SEK 678m in stage 1, SEK

644m in stage 2 and SEK 1m in stage 3. Customers and industries are reviewed and analysed considering the current situation, particularly in more vulnerable sectors. During the fourth quarter, the main changes were in the Manufacturing and Property management sectors. The most significant post-model adjustments at 31 December 2023 were in the Property management, Retail and wholesale, Manufacturing and Construction sectors.

Determination of a significant increase in credit risk

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

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

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

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

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

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

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

Internal risk grade at initial recognition	12-month PD band at initial recognition, %	Threshold, rating downgrade ^{1,2}	Impairment provision impact of		Recognised credit impairment provisions 31 Dec 2023	Share of total portfolio in terms of gross carrying amount, % 31 Dec 2023	Impairment provision impact of		Recognised credit impairment provisions 31 Dec 2022	Share of total portfolio in terms of gross carrying amount, % 31 Dec 2022
			Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %			Increase in threshold by 1 grade, %	Decrease in threshold by 1 grade, %		
18-21	<0.1	5 - 8 grades	-4.8	3.6	119	11	-5.6	5.4	60	12
13-17	0.1 - 0.5	3 - 7 grades	-3.9	8.3	314	11	-5.7	7.4	277	12
9-12	>0.5 - 2.0	1 - 5 grades	-10.2	11.2	250	4	-12.9	13.4	216	5
6-8	2.0 - 5.7	1 - 3 grades	-8.3	3.7	95	1	-6.1	5.1	100	2
0-5	>5.7 - 99.9	1 grade	-2.5	0.0	44	0	-1.2	0.0	72	1
			-6.4	7.6	822	28	-7.6	8.1	726	31
		Post model expert credit adjustment ⁴			195				401	
		Sovereigns and financial institutions with low credit risk			12	0			3	1
		Stage 3 financial instruments			739	0			653	0
		Total⁵			1 768	29			1 783	33

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

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

3) The threshold used in the sensitivity analysis 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 204m (217).

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

Internal risk grade at initial recognition	Threshold, increase in lifetime PD ¹ , %	Impairment provision impact of		Recognised credit impairment provisions 31 Dec 2023	Share of total portfolio in terms of gross carrying amount, % 31 Dec 2023	Impairment provision impact of		Recognised credit impairment provisions 31 Dec 2022	Share of total portfolio in terms of gross carrying amount, % 31 Dec 2022
		Increase in threshold by 100%, %	Decrease in threshold by 50%, %			Increase in threshold by 100%, %	Decrease in threshold by 50%, %		
18-21	200-300 ²	-11.0	15.4	176	21	-14.3	24.1	86	20
13-17	100-250	-1.9	6.5	1 467	22	-2.3	10.0	706	22
9-12	100-200	-2.0	4.3	1 361	12	-1.5	8.0	873	11
6-8	50-150	-1.3	4.6	403	4	-2.0	6.8	285	3
0-5	50	-0.4	0.4	303	2	-1.2	1.3	166	1
		-2.2	5.4	3 711	61	-2.3	8.6	2 116	58
				1 127				1 335	
				48	10			26	9
				1 571	0			1 503	0
		Total⁴		6 457	71			4 981	67

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

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

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

4) Of which provisions for off-balance exposures are SEK 894m (497).

Incorporation of forward-looking macroeconomic scenarios

The Swedbank Economic Outlook was published on 15 November and the baseline scenario was updated by Swedbank Macro Research as of 8 December. The baseline scenario, with an assigned probability weight of 66.6 per cent, is aligned with the published outlook and incorporates updated observed outcome and data

points. The alternative scenarios are aligned with the updated baseline scenario, with probability weights of 16.7 per cent assigned to both the upside and downside scenario. The table below sets out the key assumptions of the scenarios at 31 December 2023.

31 December 2023	Positive scenario				Baseline scenario				Negative scenario			
	2023 ¹	2024	2025	2026	2023 ¹	2024	2025	2026	2023 ¹	2024	2025	2026
Sweden												
GDP (annual % change)	-0.4	0.5	2.2	2.0	-0.4	-0.5	2.0	2.3	-0.4	-6.3	-1.3	3.4
Unemployment (annual %) ²	7.7	8.5	8.4	7.9	7.7	8.6	8.5	7.9	7.7	9.9	11.3	10.6
House prices (annual % change)	-10.2	-5.3	2.6	3.6	-10.2	-5.6	2.0	3.5	-10.2	-16.0	-11.1	2.9
Stibor 3m (%)	3.70	3.88	2.90	2.50	3.70	3.77	2.86	2.50	3.70	2.78	0.27	0.18
Estonia												
GDP (annual % change)	-3.4	1.5	2.6	2.6	-3.4	-0.2	2.3	2.8	-3.4	-6.3	-2.6	5.1
Unemployment (annual %)	6.8	7.3	5.6	5.3	6.8	7.6	6.3	5.7	6.8	9.4	13.3	13.2
House prices (annual % change)	2.4	-3.5	5.5	4.9	2.4	-5.0	4.3	4.9	2.4	-27.4	-12.7	6.8
Latvia												
GDP (annual % change)	-0.1	2.7	2.7	2.3	-0.1	1.5	2.5	2.5	-0.1	-6.0	-3.1	4.4
Unemployment (annual %)	6.5	6.3	5.6	5.5	6.5	6.6	5.9	5.8	6.5	9.9	13.7	13.3
House prices (annual % change)	3.8	4.3	5.1	3.9	3.8	2.2	5.2	5.3	3.8	-24.1	-13.8	4.5
Lithuania												
GDP (annual % change)	-0.2	2.2	2.2	2.2	-0.2	1.2	2.0	2.3	-0.2	-6.1	-3.7	4.5
Unemployment (annual %)	6.7	6.8	6.5	6.3	6.7	7.1	6.7	6.5	6.7	8.7	12.9	14.3
House prices (annual % change)	7.8	0.9	4.0	3.3	7.8	-1.8	3.7	4.9	7.8	-29.3	-11.6	6.6
Global indicators												
US GDP (annual %)	2.4	1.6	2.1	2.0	2.4	0.8	1.6	1.9	2.4	-2.5	-1.7	2.0
EU GDP (annual %)	0.4	1.0	1.8	1.3	0.4	0.2	1.5	1.4	0.4	-5.0	-3.2	3.0
Brent Crude Oil (USD/Barrel)	82.5	82.7	77.8	74.0	82.5	81.3	77.3	74.0	82.5	54.5	47.0	60.7
Euribor 6m (%)	3.73	3.49	2.40	2.06	3.73	3.40	2.14	2.03	3.72	2.42	0.16	0.06

1) Forecasted 2023 values, as the actual official numbers were not published when the scenarios were set

2) Unemployment rate, 16-64 years

Economic activity will slow down in both the euro area and the US in the near term, as the full impact of higher interest rates is yet to be seen. A modest recovery will start during the second half of 2024. Labour markets will inevitably take a hit and unemployment is expected to rise in the US and the euro area in 2024.

The global easing of supply chains, plummeting input costs and declining energy costs have supported monetary policies in bringing inflation down. Underlying inflation is expected to continue downwards both in the US and the euro area.

The downturn will be deeper in Sweden than in most other European countries. GDP will decline both in 2023 and 2024, before growing by around 2% in 2025. The labour market will weaken, but unemployment is expected to peak 2024. Housing prices are expected to fall further in the coming months before bottoming out.

The Baltic economies are stagnating. A tentative recovery will begin in 2024, when GDP growth is expected to be close to 1%. Inflation, as well as wage growth, will moderate. Labour markets are expected to cool and higher unemployment is likely.

Sensitivity

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

Operating segments	31 Dec 2023				31 Dec 2022 ¹			
	Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Credit impairment provisions		Credit impairment provisions (probability weighted)	Of which: post-model expert credit adjustment	Credit impairment provisions	
			Negative scenario	Positive scenario			Negative scenario	Positive scenario
Swedish Banking	2 713	227	2 957	2 649	1 799	213	1 927	1 659
Baltic Banking	1 475	456	1 716	1 284	1 400	363	1 692	1 254
Corporates and Institutions	3 998	640	4 144	3 471	3 542	1 162	4 110	3 294
Group ²	8 225	1 324	8 856	7 442	6 764	1 738	7 753	6 228

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

2) Including operating segment Group Functions & Other.

Note 11 Bank taxes and resolution fees

SEKm	Q4	Q3	Q4	Full-year	Full-year
	2023	2023	2022	2023	2022
Swedish bank tax	294	292	209	1 170	927
Lithuanian bank tax	584	596		1 505	
Resolution fees	224	222	230	900	904
Total	1 102	1 110	439	3 574	1 831

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

Note 12 Loans

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

31 December 2023

SEKm	Stage 1			Stage 2			Stage 3 ¹			Total
	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	Gross carrying amount	Credit impairment provisions	Net	
Sector/industry										
Private customers	1 081 947	305	1 081 642	91 710	886	90 824	4 090	1 047	3 043	1 175 510
Private mortgage	954 622	137	954 485	76 889	432	76 457	2 924	401	2 522	1 033 465
Tenant owner associations	86 204	8	86 196	6 196	18	6 178	3	0	3	92 378
Private other	41 121	160	40 961	8 625	436	8 188	1 163	645	518	49 667
Corporate customers	507 735	1 252	506 482	99 796	2 629	97 167	3 765	943	2 823	606 471
Agriculture, forestry, fishing	53 318	111	53 207	8 464	158	8 306	349	68	280	61 793
Manufacturing	29 910	173	29 737	12 015	532	11 483	275	117	158	41 377
Public sector and utilities	32 412	56	32 356	3 524	92	3 432	86	17	69	35 858
Construction	15 265	100	15 165	6 373	171	6 202	182	69	113	21 480
Retail and wholesale	37 078	183	36 895	3 873	166	3 707	283	58	225	40 827
Transportation	11 347	37	11 310	2 041	81	1 960	84	26	58	13 328
Shipping and offshore	5 660	8	5 652	1 791	60	1 730	118	87	30	7 412
Hotels and restaurants	4 958	28	4 930	1 212	69	1 143	56	16	41	6 114
Information and communication	13 853	52	13 801	4 864	136	4 728	808	81	726	19 256
Finance and insurance	21 272	33	21 239	4 475	38	4 437	160	41	120	25 795
Property management, including	251 799	410	251 389	43 310	960	42 350	1 041	265	776	294 516
Residential properties	69 251	121	69 129	17 002	400	16 601	144	19	125	85 856
Commercial	123 908	191	123 717	17 613	431	17 182	435	170	265	141 164
Industrial and Warehouse	38 453	53	38 400	5 103	54	5 049	147	15	131	43 581
Other	20 188	45	20 143	3 593	75	3 518	315	61	255	23 916
Professional services	20 520	45	20 475	4 728	74	4 653	211	74	137	25 265
Other corporate lending	10 344	17	10 327	3 127	92	3 035	113	24	89	13 450
Loans to customers	1 589 682	1 557	1 588 125	191 506	3 515	187 991	7 855	1 989	5 866	1 781 981
Loans to the public, Swedish National Debt Office	30 000		30 000							30 000
Loans to credit institutions	24 701	54	24 647	323	11	312				24 959
Loans to the public and credit institutions at amortised cost	1 644 383	1 611	1 642 771	191 829	3 526	188 303	7 855	1 989	5 866	1 836 940
Share of loans, %	89.17			10.40			0.43			100
Credit impairment provision ratio, %	0.10			1.84			25.33			0.39

1) Including purchased or originated credit impaired

31 December 2022

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

1) Including purchased or originated credit impaired

Note 13 Credit impairment provisions

The following table presents a summary of credit impairment provisions for financial instruments that are subject to the credit impairment requirements.

SEKm	Gross carrying amount / Nominal amount		Credit impairment provisions		Net	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	Loans to credit institutions	25 024	56 600	65	26	24 959
Loans to the public	1 819 043	1 817 985	7 062	6 023	1 811 981	1 811 962
Other ¹	168 182	141 628	4	1	168 178	141 627
Total	2 012 249	2 016 214	7 132	6 051	2 005 118	2 010 163
Loan commitments and financial guarantees	293 257	310 708	1 097	714		

1) Other includes Treasury bills and other bills eligible for refinancing with central banks, etc. and Other financial assets.

The following table presents gross carrying amounts and nominal amounts by stage for financial instruments that are subject to the credit impairment requirements.

SEKm	Gross carrying amount / Nominal amount							
	31 Dec 2023				31 Dec 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans to credit institutions	24 701	323	0	25 024	56 453	147	0	56 600
Loans to the public	1 619 682	191 506	7 855	1 819 043	1 673 798	138 449	5 738	1 817 985
Other ¹	168 136	42	5	168 182	141 499	127	3	141 629
Total	1 812 519	191 871	7 860	2 012 249	1 871 751	138 722	5 741	2 016 214
Loan commitments and financial guarantees	256 362	36 104	791	293 257	286 621	23 956	131	310 708

1) Other includes Treasury bills and other bills eligible for refinancing with central banks, etc. and Other financial assets.

Reconciliation of credit impairment provisions for loans

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

Loans to the public and credit institutions	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
SEKm								
Opening balance 1 January	1 524	2 404	2 121	6 049	806	1 789	2 427	5 022
Movements affecting Credit impairments								
New and derecognised financial assets, net	503	-353	-709	-559	274	-128	-1 135	-989
Changes in PD	652	282		935	111	37		148
Changes in other risk factors	-268	-633	135	-765	-107	-225	107	-225
Changes in macroeconomic scenarios	287	336	-8	614	387	488	21	896
Changes to models	1	0	0	0	39	58	0	97
Post-model expert credit adjustments	-122	-122	1	-243	163	-269	3	-103
Individual assessments			-122	-122			191	191
Stage transfers	-949	1 615	583	1 249	-220	562	350	692
from 1 to 2	-1 083	2 505		1 421	-287	981		694
from 1 to 3	-57		80	23	-3		76	74
from 2 to 1	188	-599		-411	68	-323		-254
from 2 to 3		-408	645	237		-140	490	350
from 3 to 2		117	-125	-7		43	-182	-139
from 3 to 1	2		-17	-15	2		-35	-33
Other			-121	-121			-82	-82
Total movements affecting credit impairments	104	1 124	-241	987	647	524	-544	626
Movements recognised outside credit impairments								
Interest			121	121			82	82
Change in exchange rates	-16	-3	-12	-31	72	92	157	320
Closing balance 31 December	1 611	3 526	1 989	7 127	1 524	2 404	2 121	6 049

Loan commitments and financial guarantees

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

SEKm	2023				2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance 1 January	384	295	34	714	286	273	85	644
Movements affecting Credit impairments								
New and derecognised financial assets, net	79	1	-8	72	59	-8	-25	26
Changes in PD	126	80		206	12	-37		-25
Changes in other risk factors	-54	11	-9	-52	-51	-18	14	-55
Changes in macroeconomic scenarios	49	37	0	87	92	55	0	147
Changes to models	0	0	0	0	12	7	-15	4
Post-model expert credit adjustments	-153	-19	0	-172	-19	-54	0	-73
Individual assessments			311	311			0	0
Stage transfers	-99	49	2	-48	-27	66	-37	3
from 1 to 2	-140	301		161	-49	140		91
from 1 to 3	-1		4	3	-1		10	9
from 2 to 1	43	-114		-71	23	-74		-51
from 2 to 3		-141	18	-123		-2	8	6
from 3 to 2		2	-14	-12		2	-54	-52
from 3 to 1	0		-6	-5	0		-1	-1
Total movements affecting credit impairments	-51	158	296	403	78	13	-63	28
Change in exchange rates	-3	-6	-9	-19	21	9	12	42
Closing balance 31 December	330	448	320	1 097	384	295	34	714

Note 14 Credit risk exposures

SEKm	31 Dec 2023	31 Dec 2022
Assets		
Cash and balances with central banks	252 994	365 992
Interest-bearing securities	237 460	212 780
Loans to credit institutions	67 534	56 589
Loans to the public	1 863 375	1 842 811
Derivatives	39 563	50 504
Other financial assets	7 972	8 215
Total assets	2 468 899	2 536 891
Contingent liabilities and commitments		
Guarantees	43 835	45 632
Loan commitments	249 422	265 076
Total contingent liabilities and commitments	293 257	310 708
Total	2 762 156	2 847 599

Note 15 Intangible assets

SEKm	Indefinite useful life		Definite useful life		Total	
	Goodwill & Brand		Other intangible assets		Full-year 2023	Full year 2022
	Full-year 2023	Full year 2022	Full-year 2023	Full year 2022		
Opening balance	13 850	13 594	6 036	5 894	19 886	19 488
Additions			1 265	1 167	1 265	1 167
Amortisation for the period			-641	-525	-641	-525
Impairment for the period		-624	-81	-501	-81	-1 125
Sales and disposals			0	-4	0	-4
Exchange rate differences	11	880	1	5	12	885
Closing balance	13 861	13 850	6 580	6 036	20 440	19 886

During the fourth quarter of 2023, an impairment of SEK 70m was made in relation to internally developed software, which will no longer be used. For the whole year, these impairments amounted to SEK 81m. There were no additional indications of impairment of intangible assets.

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

Note 16 Amounts owed to credit institutions

SEKm	31 Dec 2023	31 Dec 2022
Central banks	10 098	12 092
Banks	46 540	54 857
Other credit institutions	8 161	5 218
Repurchase agreements	7 256	659
Total	72 054	72 826

Note 17 Deposits and borrowings from the public

SEKm	31 Dec 2023	31 Dec 2022
Private customers	701 863	703 935
Corporate customers	528 565	594 343
Total deposits from customers	1 230 428	1 298 278
Cash collaterals received	3 470	4 754
Swedish National Debt Office	94	101
Repurchase agreements - Swedish National Debt Office	3	1
Repurchase agreements	268	2 815
Total borrowings	3 835	7 670
Deposits and borrowings from the public	1 234 262	1 305 948

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

SEKm	31 Dec 2023	31 Dec 2022
Commercial papers	263 334	316 114
Covered bonds	345 615	343 284
Senior unsecured bonds	118 238	122 559
Structured retail bonds	1 361	2 249
Total debt securities in issue	728 548	784 206
Senior non-preferred liabilities	104 828	57 439
Subordinated liabilities	32 841	31 331
Total	866 217	872 976

Turnover	Full-year 2023	Full-year 2022
Opening balance	872 976	802 353
Issued	893 599	1 008 334
Repurchased	-20 295	-35 067
Repaid	-899 951	-927 096
Interest, change in fair values or hedged items in fair value hedges and changes in exchange rates	19 888	24 452
Closing balance	866 217	872 976

Note 19 Derivatives

SEKm	Nominal amount		Positive fair value		Negative fair value	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Derivatives in hedge accounting						
One-to-one fair value hedges ¹	558 527	517 756	6 415	738	15 654	29 094
Portfolio fair value hedges ¹	352 036	436 005	9 665	20 289	503	23
Cash flow hedges ²	8 188	8 179	596	603		
Total	918 751	961 940	16 676	21 630	16 157	29 117
Non-hedge accounting derivatives	33 026 557	29 580 068	887 411	1 223 832	925 558	1 236 903
Gross amount	33 945 308	30 542 008	904 087	1 245 462	941 715	1 266 021
Offset amount			-864 523	-1 194 958	-868 262	-1 197 341
Total			39 563	50 504	73 453	68 679

1) Interest rate swaps

2) Cross currency basis swaps

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

Note 20 Valuation categories for financial instruments

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

SEKm	31 Dec 2023						
	Fair value through profit and loss				Hedging instruments	Total carrying amount	Fair value
	Mandatorily			Total			
	Amortised cost	Trading	Other		Total		
Financial assets							
Cash and balances with central banks	252 994					252 994	252 994
Treasury bills and other bills eligible for refinancing with central banks, etc.	159 974	12 464	6 182	18 645		178 619	178 622
Loans to credit institutions	24 959	42 575		42 575		67 534	67 534
Loans to the public ¹	1 811 981	51 151	244	51 395		1 863 375	1 863 244
Value change of the hedged assets in portfolio hedges of interest rate risk	-8 489					-8 489	-8 489
Bonds and other interest-bearing securities		43 158	15 683	58 841		58 841	58 841
Financial assets for which customers bear the investment risk			319 795	319 795		319 795	319 795
Shares and participating interests		8 540	25 776	34 316		34 316	34 316
Derivatives		37 957		37 957	1 606	39 563	39 563
Other financial assets	8 180					8 180	8 180
Total	2 249 598	195 845	367 679	563 523	1 606	2 814 728	2 814 600
	Fair value through profit and loss				Hedging instruments	Total carrying amount	Fair value
Amortised cost	Trading	Designated	Total				
Financial liabilities							
Amounts owed to credit institutions	57 736	14 318		14 318		72 054	72 054
Deposits and borrowings from the public	1 230 521	3 741		3 741		1 234 262	1 234 336
Value change of the hedged liabilities in portfolio hedges of interest rate risk	209					209	209
Financial liabilities for which customers bear the investment risk			320 609	320 609		320 609	320 609
Debt securities in issue ²	727 064	1 361	123	1 484		728 548	719 546
Short position securities		17 297		17 297		17 297	17 297
Derivatives		72 694		72 694	759	73 453	73 453
Senior non-preferred liabilities	104 828					104 828	108 262
Subordinated liabilities	32 841					32 841	32 995
Other financial liabilities	34 417					34 417	34 417
Total	2 187 617	109 411	320 732	430 142	759	2 618 518	2 613 178

- 1) Financial leasing agreements, when the Group is acting as lessor, are included in the valuation category Amortised cost since they are covered by provisions for expected credit losses.
2) Nominal amount of debts securities in issue designated at fair value through profit or loss was SEK 111m.

31 Dec 2022

SEKm	Fair value through profit and loss						
	Mandatorily				Hedging instruments	Total carrying amount	Fair value
	Amortised cost	Trading	Other	Total			
Financial assets							
Cash and balances with central banks	365 992					365 992	365 992
Treasury bills and other bills eligible for refinancing with central banks, etc.	132 741	9 903	8 839	18 742		151 483	151 485
Loans to credit institutions	56 574	15		15		56 589	56 589
Loans to the public ¹	1 811 962	30 586	264	30 850		1 842 811	1 838 695
Value change of the hedged assets in portfolio hedges of interest rate risk	-20 369					-20 369	-20 369
Bonds and other interest-bearing securities		37 678	23 620	61 298		61 298	61 298
Financial assets for which customers bear the investment risk ²			268 594	268 594		268 594	268 594
Shares and participating interests ²		4 467	25 801	30 268		30 268	30 268
Derivatives		48 980		48 980	1 524	50 504	50 504
Other financial assets ²	8 467					8 467	8 467
Total	2 355 366	131 628	327 118	458 746	1 524	2 815 636	2 811 522

SEKm	Fair value through profit and loss						
	Amortised cost	Trading	Designated	Total	Hedging instruments	Total carrying amount	Fair value
Financial liabilities							
Amounts owed to credit institutions	72 167	659		659		72 826	72 826
Deposits and borrowings from the public	1 303 133	2 815		2 815		1 305 948	1 305 938
Financial liabilities for which customers bear the investment risk ²			268 892	268 892		268 892	268 892
Debt securities in issue ³	781 834	2 249	122	2 371		784 206	785 171
Short position securities		27 134		27 134		27 134	27 134
Derivatives		67 400		67 400	1 280	68 679	68 679
Senior non-preferred liabilities	57 439					57 439	59 361
Subordinated liabilities	31 331					31 331	31 121
Other financial liabilities ²	29 878					29 878	29 879
Total	2 275 784	100 257	269 014	369 271	1 280	2 646 335	2 649 001

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

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

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

Note 21 Financial instruments recognised at fair value

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

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

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

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

SEKm	31 Dec 2023				31 Dec 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Treasury bills etc.	17 217	1 428		18 645	15 630	3 112		18 742
Loans to credit institutions		42 575		42 575		15		15
Loans to the public		51 358	37	51 395		30 817	33	30 850
Bonds and other interest-bearing securities	47 783	11 057		58 841	42 138	19 160		61 298
Financial assets for which the customers bear the investment risk ¹	319 795			319 795	268 450		144	268 594
Shares and participating interests ¹	33 133	9	1 173	34 316	29 183	4	1 081	30 268
Derivatives	174	39 390		39 563	179	50 325		50 504
Total	418 102	145 818	1 210	565 129	355 580	103 433	1 258	460 271
Liabilities								
Amounts owed to credit institutions		14 318		14 318		659		659
Deposits and borrowings from the public		3 741		3 741		2 815		2 815
Debt securities in issue		1 484		1 484		2 371		2 371
Financial liabilities for which the customers bear the investment risk ¹		320 609		320 609		268 748	144	268 892
Derivatives	189	73 264		73 453	197	68 482		68 679
Short positions, securities	16 282	1 015		17 297	27 014	120		27 134
Total	16 470	414 431		430 901	27 211	343 195	144	370 550

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

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

Changes in level 3

SEKm	2023					2022				
	Assets			Liabilities		Assets			Liabilities	
	Equity instruments	Loans	Fund units of which customers bear the investment risk	Total	Liabilities for which the customers bear the investment risk	Equity instruments	Loans	Fund units of which customers bear the investment risk	Total	Liabilities for which the customers bear the investment risk
Opening balance 1 January	1 081	33	144	1 258	144	1 277	14		1 291	
Purchases	41	19		60		28	23		51	
Sale of assets/ dividends received	-11	-10	-152	-173		-52		-11	-63	
Conversion Visa Inc shares						-461			-461	
Sale of liabilities					-152					
Repurchases	-3			-3						
Sale of liabilities										-11
Transferred from Level 1 to Level 3								139	139	
Transferred from Level 2 to Level 3										139
Gains or losses, Net gains and losses on financial items of which changes in unrealised gains or losses for items held at closing day	65	-4	8	69	8	289	-4	16	301	16
	71	-5		66		127	-4	15	138	15
Closing balance 31 December	1 173	37		1 210		1 081	33	144	1 258	144

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

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

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

31 december 2023 to SEK 534m (SEK 421m 31 december 2022).

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

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

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

Note 22 Assets pledged, contingent liabilities and commitments

SEKm	31 Dec 2023	31 Dec 2022
Loans used as collateral for covered bonds ¹	381 369	382 095
Assets recorded in register on behalf of insurance policy holders	335 375	290 678
Other assets pledged for own liabilities	151 763	82 800
Other assets pledged	18 253	14 287
Assets pledged	886 760	769 860
Nominal amounts		
Guarantees	43 835	45 632
Other	77	75
Contingent liabilities	43 911	45 708
Nominal amounts		
Loans granted not paid	192 919	202 987
Overdraft facilities granted but not utilised	56 503	62 089
Commitments	249 422	265 076

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

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

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

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

Note 23 Offsetting financial assets and liabilities

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

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

SEKm	Financial assets		Financial liabilities	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Financial assets and liabilities, which have been offset or are subject to netting				
Gross amount	1 036 690	1 362 130	1 035 778	1 354 318
Offset amount	-951 626	-1 281 853	-955 365	-1 284 235
Net amounts presented in the balance sheet	85 064	80 277	80 414	70 083
Related amounts not offset in the balance sheet				
Financial instruments, netting arrangements	21 929	28 509	21 930	28 509
Financial Instruments, collateral	45 980	29 865	19 294	9 100
Cash collateral	7 460	8 579	38 055	21 497
Total amount not offset in the balance sheet	75 369	66 953	79 279	59 106
Net amount	9 695	13 324	1 135	10 977

The amount offset for derivative assets includes offset cash collateral of SEK 9 542m (20 830) derived from the balance sheet item Amounts owed to credit institutions.

The amount offset for derivative liabilities includes offset cash collateral of SEK 13 281m (23 213), derived from the balance sheet item Loans to credit institutions.

Note 24 Capital adequacy, consolidated situation

This note contains the information made public according to the Swedish Financial Supervisory Authority Regulation (FFFS 2008:25). Additional periodic information according to Regulation (EU) No 575/2013 of the European Parliament and of the Council on Supervisory Requirements for Credit Institutions and Implementing Regulation (EU) No 2021/637 of the European Commission can be found on Swedbank's website: <https://www.swedbank.com/investor-relations/reports-and-presentations/risk-reports>.

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

	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
Consolidated situation, SEKm					
Available own funds					
Common Equity Tier 1 (CET1) capital	160 659	156 880	152 511	147 702	144 107
Tier 1 capital	174 848	171 844	167 442	162 241	153 320
Total capital	195 648	192 499	193 791	185 944	176 331
Risk-weighted exposure amounts					
Total risk exposure amount	847 121	837 943	819 021	806 178	809 438
Capital ratios as a percentage of risk-weighted exposure amount					
Common Equity Tier 1 ratio	19.0	18.7	18.6	18.3	17.8
Tier 1 ratio	20.6	20.5	20.4	20.1	18.9
Total capital ratio	23.1	23.0	23.7	23.1	21.8
Additional own funds requirements to address risks other than the risk of excessive leverage as a percentage of risk-weighted exposure amount					
Additional own funds requirements to address risks other than the risk of excessive leverage	2.7	2.7	2.3	2.3	2.3
of which: to be made up of CET1 capital	1.8	1.8	1.5	1.5	1.5
of which: to be made up of Tier 1 capital	2.1	2.1	1.8	1.8	1.8
Total SREP own funds requirements	10.7	10.7	10.3	10.3	10.3
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount					
Capital conservation buffer	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State					
Institution-specific countercyclical capital buffer	1.7	1.6	1.6	0.9	0.9
Systemic risk buffer	3.1	3.1	3.1	3.0	3.0
Global Systemically Important Institution buffer					
Other Systemically Important Institution buffer	1.0	1.0	1.0	1.0	1.0
Combined buffer requirement	8.3	8.2	8.2	7.4	7.4
Overall capital requirements	19.0	18.9	18.4	17.7	17.7
CET1 available after meeting the total SREP own funds requirements	12.4	12.3	12.6	12.3	11.2
Leverage ratio					
Total exposure measure	2 689 307	2 876 831	2 892 936	2 921 562	2 735 019
Leverage ratio, %	6.5	6.0	5.8	5.6	5.6
Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure					
Additional own funds requirements to address the risk of excessive leverage					
of which: to be made up of CET1 capital					
Total SREP leverage ratio requirements	3.0	3.0	3.0	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure					
Leverage ratio buffer requirement					
Overall leverage ratio requirement	3.0	3.0	3.0	3.0	3.0
Liquidity Coverage Ratio					
Total high-quality liquid assets, average weighted value	709 683	722 060	717 976	715 174	716 743
Cash outflows, total weighted value	579 469	586 986	582 461	579 756	578 133
Cash inflows, total weighted value	128 771	116 647	106 198	91 457	80 684
Total net cash outflows, adjusted value	450 698	470 339	476 264	488 298	497 449
Liquidity coverage ratio, %	159.1	154.4	151.7	147.4	145.4
Net stable funding ratio					
Total available stable funding	1 720 299	1 722 723	1 741 688	1 709 056	1 663 231
Total required stable funding	1 390 353	1 420 508	1 415 740	1 418 583	1 404 092
Net stable funding ratio, %	123.7	121.3	123.0	120.5	118.5

Common Equity Tier 1 capital	31 Dec	31 Dec
Consolidated situation, SEKm	2023	2022
Shareholders' equity according to the Group's balance sheet	198 760	176 064
Anticipated dividend	-17 049	-10 967
Value changes in own financial liabilities	-150	-339
Cash flow hedges	-9	-13
Additional value adjustments	-609	-576
Goodwill	-13 874	-13 863
Deferred tax assets	-25	-106
Intangible assets	-4 470	-4 005
Insufficient coverage for non-performing exposures	-61	-11
Deductions of CET1 capital due to Article 3 CRR	-140	-106
Shares deducted from CET1 capital	-46	-40
Pension fund assets	-1 667	-1 930
Total	160 659	144 107

Risk exposure amount	31 Dec	31 Dec
Consolidated situation, SEKm	2023	2022
Credit risks, standardised approach	59 387	54 992
Credit risks, IRB	374 538	336 516
Default fund contribution	335	149
Settlement risks	0	
Market risks	16 592	21 461
Credit value adjustment	2 986	3 809
Operational risks	96 123	79 995
Additional risk exposure amount, Article 3 CRR	29 234	71 411
Additional risk exposure amount, Article 458 CRR	267 925	241 106
Total	847 121	809 438

	SEKm		%	
Capital requirements¹	31 Dec	31 Dec	31 Dec	31 Dec
Consolidated situation, SEKm / %	2023	2022	2023	2022
Capital requirement Pillar 1	138 023	124 756	16.3	15.4
of which Buffer requirements ²	70 254	60 001	8.3	7.4
Capital requirement Pillar 2 ³	22 618	18 374	2.7	2.3
Pillar 2 guidance	4 236	8 094	0.5	1.0
Total capital requirement including Pillar 2 guidance	164 877	151 225	19.5	18.7
Own funds	195 648	176 331		

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

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

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

	SEKm		%	
Leverage ratio requirements¹	31 Dec	31 Dec	31 Dec	31 Dec
Consolidated situation, SEKm / %	2023	2022	2023	2022
Leverage ratio requirement Pillar 1	80 679	82 051	3.0	3.0
Leverage ratio Pillar 2 guidance	13 447	12 308	0.5	0.5
Total capital requirement including Pillar 2 guidance	94 126	94 358	3.5	3.5
Tier 1 capital	174 848	153 320		

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

Note 25 Internal capital requirement

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

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

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

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

As of 31 December 2023, the internal capital assessment for Swedbank's consolidated situation amounted to SEK 50.5bn (SEK 41.5bn as of 31 December 2022). The capital to meet the internal capital assessment, i.e. the Total capital, amounted to SEK 195.6bn (SEK 176.3bn as of 31 December 2022) (see Note 24). Swedbank's internal capital assessment using its own models is not comparable with the estimated capital requirement that the SFSA releases quarterly and does not consider the SFSA risk-weight floor for Swedish mortgages.

The internally estimated capital requirement for the parent company amounted to SEK 34.4bn (SEK 28.8bn as of 31 December 2022) and the total capital amounted to SEK 142.8bn (SEK 134.6bn as of 31 December 2022) (see the parent company's note on capital adequacy).

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

Note 26 Risks and uncertainties

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

Geopolitical situation

The geopolitical situation is still uncertain since the war started in Gaza, which was followed by the terror attack on Israel. The ongoing Russian offensive war of Ukraine, unpredictable and increasingly protectionist trade policies, and the aftermath of pandemic-related also affects the economic effects in the financial risks. Although these factors have had a significant impact on the economy, Swedbank has low to negligible direct exposures to counterparts in the warring countries and is assessed to have the ability to manage the indirect risks that may arise due to the heightened geopolitical uncertainty.

Inflation

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

The value of the Swedish krona

Since the Riksbank in September began purchases of Swedish kronor for euro and U.S. dollars, the trend of a weakening of the Swedish krona has ended and the Swedish krona has strengthened. Fundamental economic factors, such as the balance of payments and economic growth, indicate that the Swedish krona has been undervalued and thus support the recent strengthening of the krona.

Challenges and risk in digitalisation

Swedbank continuously monitors operational risks and focuses on areas where the risks are considered highest. The threat from geopolitical developments drives IT and information security, including cyber risk. Swedbank works continuously to ensure high service availability and security for its customers. Swedbank's capacity to manage these risks is good.

The risk of fraud related to organised crime remains high and have increased during the fourth quarter. Swedbank invests in and continuously improves the bank's resilience and ability to detect, prevent, and investigate fraud related crimes. To reduce the risk of fraud, Swedbank has also strengthened the ongoing monitoring to identify fraudulent transactions and process to set up a new BankID, which has also yielded positive results. Together with the Swedish Bank Association, Swedbank has carried out a campaign to raise awareness of the risk of fraud and also launched a

range of its own information campaigns in our own channels during the fourth quarter.

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

For risks related to the ongoing investigations of authorities in US and Estonia related to historic anti-money laundering compliance and response related to anti-money laundering controls, please refer to Note 22 Assets pledged, contingent liabilities and commitments. The risk level related to Market Conduct risk (within Conduct risk) is elevated and risk-mitigating activities are ongoing.

Tax

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

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

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

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

31 December 2023	< 5 yrs	5-10 yrs	> 10 yrs	Total
SEK	-1 289	38	331	-920
Foreign currencies	1 110	-242	-69	799
Total	-179	-204	262	-121
31 December 2022				
SEK	-1 423	-251	-7	-1 681
Foreign currencies	747	-69	17	695
Total	-676	-320	10	-986

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

31 December 2023	< 5 yrs	5-10 yrs	> 10 yrs	Total
SEK	788	-805	428	411
Foreign currencies	-583	-293	-18	-894
Total	205	-1 098	410	-483
31 December 2022				
SEK	701	-249	-7	445
Foreign currencies	-554	-34	29	-559
Total	147	-283	22	-114

Note 27 Related-party transactions

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

Note 28 Swedbank's share

	31 Dec 2023	31 Dec 2022
Number of outstanding ordinary shares		
Issued shares		
SWED A	1 132 005 722	1 132 005 722
Repurchased shares		
SWED A	-7 209 322	-8 934 918
Number of outstanding ordinary shares on the closing day	1 124 796 400	1 123 070 804
SWED A		
Last price, SEK	201.70	177.30
Market capitalisation, SEKm	226 871	199 120

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

Earnings per share	Q4 2023	Q3 2023	Q4 ¹ 2022	Full-year 2023	Full-year ¹ 2022
Average number of shares					
Average number of shares before dilution	1 124 509 662	1 124 796 400	1 123 070 804	1 124 509 662	1 122 834 030
Weighted average number of shares for potential ordinary shares that incur a dilutive effect due to share-based compensation programme	2 862 375	2 285 187	3 013 948	2 882 468	3 046 820
Average number of shares after dilution	1 127 372 036	1 127 081 587	1 126 084 752	1 127 392 130	1 125 880 850
Profit, SEKm					
Profit for the period attributable to shareholders of Swedbank	8 321	9 123	6 789	34 128	21 365
Earnings for the purpose of calculating earnings per share	8 321	9 123	6 789	34 128	21 365
Earnings per share, SEK					
Earnings per share before dilution	7.40	8.11	6.05	30.35	19.03
Earnings per share after dilution	7.38	8.09	6.03	30.27	18.98

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

Note 29 Effects of changes in accounting policies regarding IFRS 17

Income statement, condensed	Q4			Full-year		
	2022			2022		
Group SEKm	Previous reporting	Change	New reporting	Previous reporting	Change	New reporting
Interest income on financial assets at amortised cost	17 327		17 327	45 003		45 003
Other interest income	113	-3	110	295	-11	284
Interest income	17 440	-3	17 437	45 298	-11	45 287
Interest expense	-6 519		-6 519	-12 141		-12 141
Net interest income (note 5)	10 921	-3	10 918	33 157	-11	33 146
Commission income	5 593	-43	5 550	22 383	-180	22 203
Commission expense	-2 146	18	-2 128	-8 160	71	-8 089
Net commission income (note 6)	3 448	-26	3 422	14 223	-109	14 114
Net gains and losses on financial items (note 7)	763		763	1 887	53	1 940
Insurance result			-526			2 897
Return on assets backing insurance liabilities			760			-2 368
Net insurance (note 8)	382	-147	235	1 655	-1 126	529
Share of profit or loss of associates and joint ventures	194		194	738		738
Other income	415		415	1 561	-1	1 560
Total income	16 124	-177	15 947	53 221	-1 193	52 028
Staff costs	3 475	-109	3 366	13 246	-415	12 831
Other general administrative expenses (note 9)	1 834	-40	1 794	6 474	-183	6 291
Depreciation/amortisation of tangible and intangible assets	441		441	1 695		1 695
Total expenses	5 750	-148	5 602	21 415	-598	20 817
Profit before impairments, bank taxes and resolution fees	10 373	-27	10 346	31 806	-595	31 211
Impairment of intangible assets (note 15)	681		681	1 125		1 125
Impairment of tangible assets	3		3	13		13
Credit impairment (note 10)	679		679	1 479		1 479
Bank taxes and resolution fees (note 11)	439		439	1 831		1 831
Profit before tax	8 571	-28	8 543	27 358	-595	26 763
Tax expense	1 759	-4	1 755	5 478	-83	5 396
Profit for the period	6 812	-24	6 788	21 880	-512	21 368
Profit for the period attributable to:						
Shareholders of Swedbank AB	6 813	-24	6 789	21 877	-512	21 365
Non-controlling interests	-1		-1	3		3
C/I ratio	0.36		0.35	0.40		0.40
Earnings per share, SEK	6.07	-0.02	6.05	19.48	-0.45	19.03
Earnings per share after dilution, SEK	6.05	-0.02	6.03	19.43	-0.45	18.98

The definition in IFRS 17 of cash flows within insurance contract boundaries includes not only premiums, claims, claim- and policy administration costs but also other overhead costs, both fixed and variable, which relate to the fulfilment of the insurance contract. This new definition means that for the fourth quarter 2022, administrative expenses in the income statement of SEK 148m was reclassified to the Net insurance line. Net insurance, restated for the fourth quarter 2022 and including the remeasurement impact, was SEK 147m lower than previously reported.

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

Balance sheet, condensed

31 Dec
2022

Group SEKm	Previous reporting	Change	New reporting
Assets			
Cash and balances with central banks	365 992		365 992
Treasury bills and other bills eligible for refinancing with central banks, etc.	151 483		151 483
Loans to credit institutions	56 589		56 589
Loans to the public	1 842 811		1 842 811
Value change of interest hedged assets in portfolio hedges of interest rate risk	-20 369		-20 369
Bonds and other interest-bearing securities	61 298		61 298
Financial assets for which customers bear the investment risk	290 678	-22 084	268 594
Shares and participating interests	8 184	22 084	30 268
Investments in associates and joint ventures	7 830		7 830
Derivatives (note 19)	50 504		50 504
Intangible assets (note 15)	19 886		19 886
Tangible assets	5 449		5 449
Current tax assets	1 449		1 449
Deferred tax assets	159		159
Pension assets	2 431		2 431
Other assets	8 474	-230	8 244
Prepaid expenses and accrued income	2 028		2 028
Total assets	2 854 876	-230	2 854 646
Liabilities and equity			
Amounts owed to credit institutions (note 16)	72 826		72 826
Deposits and borrowings from the public (note 17)	1 305 948		1 305 948
Financial liabilities for which customers bear the investment risk	291 993	-23 101	268 892
Debt securities in issue (note 18)	784 206		784 206
Short positions, securities	27 134		27 134
Derivatives (note 19)	68 679		68 679
Current tax liabilities	1 811		1 811
Deferred tax liabilities	3 599	16	3 615
Pension provisions	168		168
Insurance provisions	2 041	22 834	24 875
Other liabilities and provisions	26 944	40	26 984
Accrued expenses and prepaid income	4 664	-7	4 657
Senior non-preferred liabilities (note 18)	57 439		57 439
Subordinated liabilities (note 18)	31 331		31 331
Total liabilities	2 678 784	-218	2 678 566
Equity			
Non-controlling interests	29		29
Equity attributable to shareholders of the parent company	176 064	-12	176 052
Total equity	176 092	-12	176 080
Total liabilities and equity	2 854 876	-230	2 854 646

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

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

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

Balance sheet, condensed

1 January
2022

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

Financial statements - Swedbank AB

Income statement, condensed

Parent company SEKm	Q4 2023	Q3 2023	Q4 2022	Full-year 2023	Full-year 2022
Interest income on financial assets at amortised cost	20 302	19 580	11 885	74 239	25 176
Other interest income	3 318	4 027	2 390	12 620	7 504
Interest income	23 620	23 607	14 275	86 858	32 679
Interest expense	-16 792	-16 323	-7 534	-58 519	-12 008
Net interest income	6 828	7 284	6 741	28 340	20 672
Dividends received	4 869	1 463	4 854	13 964	16 811
Commission income	2 301	2 284	2 090	9 108	8 548
Commission expense	-618	-574	-496	-2 280	-2 193
Net commission income	1 682	1 711	1 595	6 827	6 355
Net gains and losses on financial items	1 152	717	587	2 739	-1 186
Other income	1 057	981	905	3 926	3 106
Total income	15 588	12 156	14 680	55 796	45 758
Staff costs	3 042	2 894	2 744	11 705	10 504
Other expenses	2 147	1 615	1 717	7 028	5 977
Depreciation/amortisation and impairment of tangible and intangible fixed assets	1 261	1 325	1 253	5 230	5 047
Administrative fines				850	
Total expenses	6 450	5 834	5 713	24 812	21 528
Profit before impairments, Swedish bank tax and resolution fees	9 138	6 323	8 967	30 984	24 230
Credit impairments, net	214	-11	279	872	735
Impairment of financial assets ¹	115		1 946	239	1 946
Swedish bank tax and resolution fees	339	338	251	1 354	1 089
Operating profit	8 471	5 996	6 491	28 519	20 460
Appropriations	6 995		-5 263	6 995	-5 263
Tax expense	317	1 344	2 947	4 004	5 187
Profit for the period	1 159	4 652	8 807	17 520	20 536

1) Impairment of financial assets refers to impairment of Invidem AB and P27 Nordic Payments Platform AB.

Statement of comprehensive income, condensed

Parent company SEKm	Q4 2023	Q3 2023	Q4 2022	Full-year 2023	Full-year 2022
Profit for the period reported via income statement	1 159	4 652	8 807	17 520	20 536
Total comprehensive income for the period	1 159	4 652	8 807	17 520	20 536

Balance sheet, condensed

Parent company SEKm	31 Dec 2023	31 Dec 2022
Assets		
Cash and balances with central banks	116 547	215 314
Loans to credit institutions	817 011	830 322
Loans to the public	471 612	470 187
Interest-bearing securities	235 641	204 942
Shares and participating interests	77 642	70 434
Derivatives	49 650	67 764
Other assets	37 196	39 794
Total assets	1 805 299	1 898 757
Liabilities and equity		
Amounts owed to credit institutions	152 479	162 348
Deposits and borrowings from the public	864 906	943 777
Value change of the hedged liabilities in portfolio hedges of interest rate risk	209	
Debt securities in issue	378 554	435 782
Derivatives	96 284	100 346
Other liabilities and provisions	44 476	50 865
Senior non-preferred liabilities	104 828	57 439
Subordinated liabilities	32 841	31 331
Untaxed reserves	12 362	5 367
Equity	118 359	111 502
Total liabilities and equity	1 805 299	1 898 757
Pledged collateral	151 609	82 473
Other assets pledged	18 253	14 287
Contingent liabilities	88 535	132 608
Commitments	235 739	253 613

Statement of changes in equity, condensed

Parent company
SEKm

January-December 2023	Restricted equity		Non-restricted equity		Total
	Share capital	Statutory reserve	Share premium reserve	Retained earnings	
Opening balance 1 January 2023	24 904	5 968	13 206	67 424	111 502
Dividend				-10 964	-10 964
Share based payments to employees				284	284
Deferred tax related to share based payments to employees				-1	-1
Current tax related to share based payments to employees				18	18
Total comprehensive income for the period				17 520	17 520
Closing balance 31 December 2023	24 904	5 968	13 206	74 281	118 359
January-December 2022					
Opening balance 1 January 2022	24 904	5 968	13 206	59 343	103 421
Dividend				-12 632	-12 632
Share based payments to employees				174	174
Deferred tax related to share based payments to employees				4	4
Current tax related to share based payments to employees				-1	-1
Total comprehensive income for the period				20 536	20 536
Closing balance 31 December 2022	24 904	5 968	13 206	67 424	111 502

Cash flow statement, condensed

Parent company SEKm	Full-year 2023	Full-year 2022
Cash flow from operating activities	-137 536	-2 081
Cash flow from investing activities	5 794	12 223
Cash flow from financing activities	32 975	10 819
Cash flow for the period	-98 767	20 961
Cash and cash equivalents at beginning of period	215 314	194 353
Cash flow for the period	-98 767	20 961
Cash and cash equivalents at end of period	116 547	215 314

Capital adequacy

	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
Parent company, SEKm					
Available own funds					
Common equity tier 1 (CET1) capital	109 148	106 441	106 100	106 324	102 528
Tier 1 capital	123 336	121 405	121 031	120 863	111 742
Total capital	142 832	140 837	146 348	143 484	134 563
Risk-weighted exposure amounts					
Total risk exposure amount	427 077	414 671	393 039	381 565	394 817
Capital ratios as a percentage of risk-weighted exposure amount					
Common equity tier 1 ratio	25.6	25.7	27.0	27.9	26.0
Tier 1 ratio	28.9	29.3	30.8	31.7	28.3
Total capital ratio	33.4	34.0	37.2	37.6	34.1
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	1.2	1.2	2.1	2.1	2.1
of which: to be made up of CET1 capital	0.8	0.8	1.4	1.4	1.4
of which: to be made up of Tier 1 capital	0.9	0.9	1.6	1.6	1.6
Total SREP own funds requirements	9.2	9.2	10.1	10.1	10.1
Combined buffer and overall capital requirement as a percentage of risk-weighted exposure amount					
Capital conservation buffer	2.5	2.5	2.5	2.5	2.5
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State					
Institution-specific countercyclical capital buffer	1.7	1.7	1.6	0.9	0.9
Systemic risk buffer	0.0	0.0	0.0	0.0	0.0
Global Systemically Important Institution buffer					
Other Systemically Important Institution buffer					
Combined buffer requirement	4.2	4.2	4.1	3.4	3.4
Overall capital requirements	13.4	13.4	14.2	13.5	13.5
CET1 available after meeting the total SREP own funds requirements	20.3	20.4	21.1	21.9	20.0
Leverage ratio					
Total exposure measure	1 308 778	1 532 147	1 529 710	1 521 947	1 340 798
Leverage ratio, %	9.4	7.9	7.9	7.9	8.3
Additional own funds requirements to address the risk of excessive leverage as a percentage of total exposure measure					
Additional own funds requirements to address the risk of excessive leverage					
of which: to be made up of CET1 capital					
Total SREP leverage ratio requirements	3.0	3.0	3.0	3.0	3.0
Leverage ratio buffer and overall leverage ratio requirement as a percentage of total exposure measure					
Leverage ratio buffer requirement					
Overall leverage ratio requirement	3.0	3.0	3.0	3.0	3.0
Liquidity coverage ratio					
Total high-quality liquid assets, average weighted value	588 366	595 633	581 236	560 888	560 040
Cash outflows, total weighted value	588 192	598 493	591 762	597 651	607 726
Cash inflows, total weighted value	121 769	110 777	101 490	90 039	81 543
Total net cash outflows, adjusted value	466 423	487 717	490 272	507 612	526 182
Liquidity coverage ratio, %	127.3	122.5	119.0	111.1	106.7
Net stable funding ratio					
Total available stable funding	1 033 099	1 044 967	1 039 516	1 032 023	1 014 113
Total required stable funding	596 745	601 829	589 546	601 344	593 123
Net stable funding ratio, %	173.1	173.6	176.3	171.6	171.0

Risk exposure amount	31 Dec	31 Dec
Parent company, SEKm	2023	2022
Credit risks, standardised approach	125 798	103 867
Credit risks, IRB	196 446	180 802
Default fund contribution	335	149
Settlement risks	0	
Market risks	16 690	21 352
Credit value adjustment	2 940	3 801
Operational risks	50 860	42 408
Additional risk exposure amount, Article 3 CRR	500	33 658
Additional risk exposure amount, Article 458 CRR	33 508	8 782
Total	427 077	394 817

	SEKm		%	
Capital requirements¹	31 Dec	31 Dec	31 Dec	31 Dec
Parent company, SEKm / %	2023	2022	2023	2022
Capital requirement Pillar 1	51 942	44 870	12.2	11.4
of which Buffer requirements ²	17 775	13 285	4.2	3.4
Capital requirement Pillar 2 ³	5 253	8 291	1.2	2.1
Total capital requirement including Pillar 2 guidance	57 195	53 161	13.4	13.5
Own funds	142 832	134 563		

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

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

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

	SEKm		%	
Leverage ratio requirements¹	31 Dec	31 Dec	31 Dec	31 Dec
Parent company, SEKm / %	2023	2022	2023	2022
Leverage ratio requirement Pillar 1	39 263	40 224	3.0	3.0
Total leverage ratio requirement including Pillar 2 guidance	39 263	40 224	3.0	3.0
Tier 1 capital	123 336	111 742		

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

Alternative performance measures

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

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

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

Other alternative performance measures

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

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

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

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

Signatures of the Board of Directors and the President

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

Stockholm, 23 January 2024

Göran Persson
Chair

Göran Bengtsson
Board Member

Annika Creutzer
Board Member

Hans Eckerström
Board Member

Kerstin Hermansson
Board Member

Helena Liljedahl
Board Member

Bengt Erik Lindgren
Board Member

Anna Mossberg
Board Member

Per Olof Nyman
Board member

Biljana Pehrsson
Board Member

Biörn Riese
Board Member

Roger Ljung
Board Member
Employee Representative

Åke Skoglund
Board Member
Employee Representative

Jens Henriksson
President and CEO

Review report

Introduction

We have reviewed the Year-end report of Swedbank AB (publ) for 2023. The Board of Directors and the CEO are responsible for the preparation and presentation of this Year-end report 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, 24 January 2024

PricewaterhouseCoopers AB

Anneli Granqvist
Authorised Public Accountant
Auditor in charge

Martin By
Authorised Public Accountant

Publication of financial information

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

Financial calendar 2024

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

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

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